

**Hisense 海信家電**

海信家電集團股份有限公司

**Hisense Home Appliances Group Co., Ltd.**

Stock Code: 000921 (A Shares)

00921 (H Shares)

**Hisense**



**FIFA WORLD CUP  
Qatar 2022**

2022世界杯™官方赞助商



2021 ENVIRONMENTAL  
SOCIAL AND GOVERNANCE REPORT



## CONTENTS

REPORT INSTRUCTION	2
COMPANY PROFILE	3
CORPORATE GOVERNANCE	4
GREEN DEVELOPMENT	9
OPERATION MANAGEMENT	14
PEOPLE-ORIENTED	18
SOCIAL WELFARE	24
REPORT GUIDE AND INDEX	26







# REPORT INSTRUCTION

## I. SCOPE OF REPORT

Organizational scope of report: This report pertains to Hisense Home Appliances Group Co., Ltd. and its controlled subsidiaries.

Reporting period: 1 January 2021 to 31 December 2021. Part of the Report is beyond the reporting period in order to ensure consistency.

Reporting cycle: This is an annual report. The previous report was released in March 2021.

## II. PREPARATORY BASIS OF REPORT

This report was prepared in compliance with the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## III. PUBLICATION OF REPORT

This report is published in electronic format, and is available for inspection at [www.cninfo.com.cn](http://www.cninfo.com.cn), [www.hkexnews.hk](http://www.hkexnews.hk) or [hxjd.hisense.cn](http://hxjd.hisense.cn).

## IV. DESCRIPTION OF REFERENCES

For easy reference and reading, “Hisense Home Appliances Group Co., Ltd.” is referred to as the “Company”, and the “Group” refers to the “Company” and its subsidiaries in this report.

## V. CONTACT

The Securities Department, Hisense Home Appliances Group Co., Ltd.

Tel: +86 757-28362570

Address: No. 8 Ronggang Road, Ronggui, Shunde District, Foshan City, Guangdong Province, the PRC





### COMPANY PROFILE

Hisense Home Appliances Group Co., Ltd. is principally engaged in the research and development, manufacturing and marketing of electrical appliance products such as refrigerators, central air-conditioners, residential air-conditioners, freezers, washing machines, commercial cold chain and kitchen appliances. During the Reporting Period, the Company completed the acquisition of Sanden Holdings Corporation to realize the expansion into automobile air-conditioning compressor and automobile air-conditioning industry. Products of the Company cover eight major brands, namely Hisense, Ronshen, Kelon, HITACHI, YORK, gorenje, ASKO and SANDEN. The Company's shares were listed on the main boards of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange in 1996 and 1999 respectively.

The Group actively responded to the national "dual carbon" strategy and was upgraded towards intelligent and green manufacturing. To date, the Group has established four state-level "green factories", one state-level "green supply chain" and two provincial "green factories". Moreover, the Group has targeted its technological development towards the "healthy and low carbon" direction and continued to strengthen the competitiveness of its products in areas of low carbon and energy saving, air purification and man-machine interactions to promote greening and sustainability of the enterprise through technological innovation and upgrade. During the Reporting Period, the Group was officially praised by the United Nation's Development Programme for its replacement and upgrade of the foaming technology in refrigerator production, paving way for the Chinese refrigeration industry to move in the low carbon environmental-friendly development direction, with the Hisense central air-conditioners winning the Nanshan Award (南山獎), the highest honor in China's air purification sector, reflecting the wide recognition of its air purification ability.

The Company attaches great importance to its corporate social responsibility and is committed to synchronizing economic and social benefits. One of its priorities in this area is "education and culture", which it fulfils its responsibility through means such as providing educational aids and funds to the needy. During the Reporting Period, the Company won the "Red-top Public Welfare Award (紅頂公益獎)".







# CORPORATE GOVERNANCE

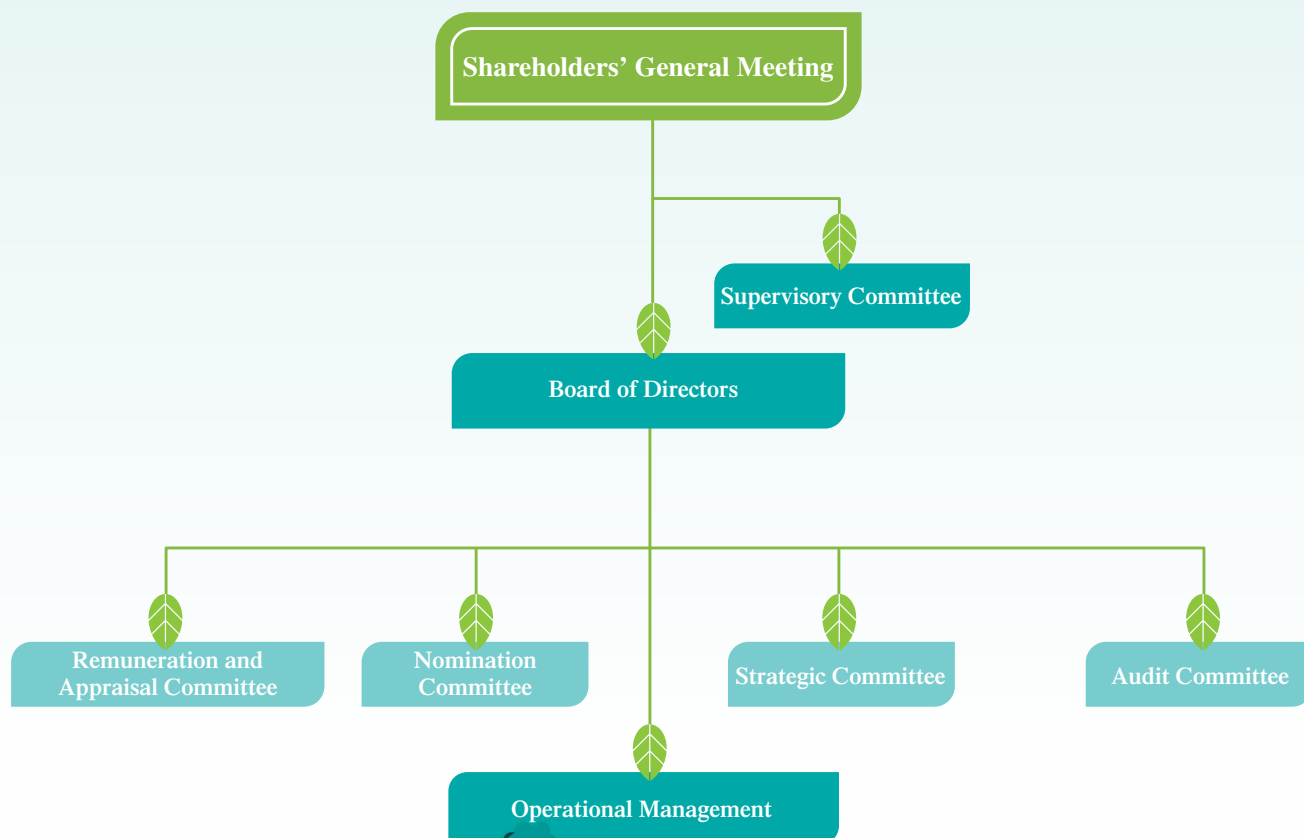


The Company strictly adheres to the requirements of the regulatory documents of the Company Law, the Securities Law, Corporate Governance Standards of Listed Companies, Rules Governing the Listing of Shares on Shenzhen Stock Exchange, main board listed company standard operation guidelines of Shenzhen Stock Exchange, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and relevant laws and regulations of the CSRC, continuously enhances its corporate governance structure and internal control system to raise its corporate governance standard. The current corporate governance practices have fulfilled the requirements of the relevant CSRC documents.

During the Reporting Period, the Company was awarded the 15th China Listed Companies Value Awards Top 100 Value Listed Companies on the Main Board of China. In strict accordance with the regulatory rules for listed companies in Shenzhen and Hong Kong, the Company has been strictly required to improve the quality of information disclosure and has received an “A” rating from the Shenzhen Stock Exchange.

## I. CORPORATE GOVERNANCE

### (I) Governance Structure





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 1. *Shareholders' General Meeting*

The General Meeting of Shareholders is the highest authority of the Company and shall exercise its function and power in accordance with the laws to make decisions on significant matters of the Company.

### 2. *Board of Directors*

The primary duties of the Board include: convening shareholders' general meetings and reporting its work at the shareholders' general meetings, and exercising its decision-making powers as delegated by the shareholders at the general meetings with respect to matters such as the strategic development plans of the Company, investment and financial controls, disposal of material assets and material transactions. The Board is responsible for formulating the Company's overall strategy and annual business plans, and ensuring that its production and operation is properly planned, approved, conducted and monitored, and for appointing the Operational management and supervising and evaluating the work of the Operational management. The Board has established four specialized Committees, namely the Remuneration and Appraisal Committee, the Nomination Committee, the Strategic Committee and the Audit Committee.

Board Diversity Policy: The Board of the Company upholds the principle of professionalism and diversity, and the selection of Director candidates will be based on a number of factors including professional experience, skills, knowledge, educational background and gender. The Board is comprised of nine Directors (including one female Director) who have different backgrounds in various fields and possess extensive experience such as technology, business management, finance and accounting.

### 3. *Supervisory Committee*

The Company has established the Supervisory Committee. It independently performs its supervisory duties to protect the legal interests of shareholders, the Company and its staff from infringements. It also reviews the Company's financial position in accordance with the relevant requirements of the Articles of Association of the Company, and oversees the discharge of duties of the Directors and the senior management of the Company.

### 4. *Operational Management*

The Operational Management of the Company is responsible for implementing the decisions made by the Board and making its own decisions on matters relating to the Company's business operation within the scope of authority delegated by the Board, which include: overseeing the management of the Company's production and operation, organizing and implementing the Company's annual operation and investment plans and preparing proposal for the establishment of the Company's internal control structure, as well as formulating the basic management system and rules and regulations of the Company. Meanwhile, as requested by the Board, the Operational Management reports to the Board the conclusion and performance of the Company's major contracts, the use of capital and the Company's profit and loss conditions and ensures that such information is true and complete.

## (II) *Internal Control*

The objective of the Company's internal control is to reasonably ensure the compliance of the Company's operation with laws and regulations, the safety of assets, the truthfulness and completeness of financial reports and relevant information, optimize the efficiency and efficacy of operation and promote the implementation of development strategies. The Company's internal audit function is responsible for the examination and assessment of the Company's internal control and submission to the Board the internal control assessment report for the previous year. On the basis of daily supervision and specific supervision of internal control, the Company has determined the scope of assessment in internal control that puts emphasis on areas of organizational structure, development strategies, human resources, social responsibility, corporate culture, funding activities, procurement business, asset management, sales business, research and development, engineering project, outsourcing of business, financial reporting, comprehensive budgeting, contract management, internal information transmission and information system. The Company continues to improve the internal control system, standardize the implementation of the internal control system and strengthen the supervision and inspection of internal control to promote the healthy and sustainable development of the Company.





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### II. SHAREHOLDERS' INTERESTS

#### (I) Investor Communication

The Company attaches great importance to interactive communication with investors and promotes the establishment of long-term, stable and positive relationship between the Company and investors. Multiple online and offline channels such as on-site visits for research, investor hotline and email are provided to facilitate communications between investors and the Company.

For details of the interchange activities held by the Company with investors during the Reporting Period, please see the Record of Investor Relationship Activities, which is available for inspection at <http://www.cninfo.com.cn>.

#### (II) Shareholder Returns

The Company has set up a scientific, stable and ongoing profit distribution mechanism which clearly defines the profit distribution method by means of cash dividend payment so that satisfactory returns are generated for investors and the legal interests of our minority shareholders are effectively protected. For each of the past seven years (2015 to 2021), cash dividend payment accounted for over 30% of the net profit attributable to shareholders of the Company as stated in the consolidated income statements for the respective years, and the accumulative cash dividends paid were in excess of RMB2.9billion.

### III. ANTI-CORRUPTION

The Company has a clear zero-tolerance approach for corruption. Employees are prohibited from receiving any advantages offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties, and prohibit any activities involving conflicts of interest, bribery, extortion, fraud, and money laundering. Staff handbook lays out the Company's expectation and guiding provisions on code of conduct. The Company requires employees and we encourage customers, suppliers, or other parties to report incidents relating to any conflicts of interest, extortion, bribery, fraud and money laundering.

#### (I) Ensure anti-corruption and advocate main responsibility

The Company's Disciplinary Committee has been established to ensure the principal officer of each subsidiary has main responsibility for anti-corruption. The Company and all subsidiaries are required to enhance discipline for satisfying the inspection requirement of the Company. Currently, the organizational structure of discipline inspection is complete, its management is standardized, and the execution is effective.

#### (II) Set up internal control system for anti-corruption

The Company has set up internal control system for anti-corruption, such as "Regulations on the Management of Responsibility for Anti-Corruption (Trial)" and "Measures for the Administration of Reporting of Violations and Disciplinary Behaviours". These measures provide institutional guarantee for the Company's anti-corruption act so that there are rules and regulations to follow in implementing anti-corruption work.







## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company regularly organizes employees to study the anti-corruption and internal control system and arranges relevant examinations. The Company also organizes employees to sign the “Commitment on the Management of Anti-Corruption” and “Incorruptible Practice Commitment”, and its external partners to sign the “Anti-Commercial Bribery Commitment” to ensure the implementation of relevant systems. During the Reporting Period, there were no corruption lawsuits brought against the Group. During the Reporting Period, there were two corruption lawsuits filed and concluded against employees of the Group.

In addition, the Company has established a corruption reporting mechanism and opened special channels such as reporting mailbox and hotline to facilitate the supervision of relevant parties. Any misbehaviours will be reported in a timely manner, forming a good atmosphere of group prevention and group governance.



### (III) Strengthen Anti-corruption Publicity and Education

Anti-corruption and integrity promotion needs to be prevented in advance. In order to prevent corruption “moving forward” related work, the Company regularly organizes “typical corruption case warning education and training”, holds anti-corruption conference, continues to create clean enterprise atmosphere, strengthen the awareness of anti-corruption red line.

## IV. ESG MANAGEMENT

Effective ESG management is critical to the Company’s sustainable development. To ensure that proper ESG management is in place, the Board of Directors of the Company is responsible for overseeing its ESG management governance and identification of material risks, reviewing key ESG information. The operational management under the leadership of the President of the Company is responsible for the day-to-day management of specific ESG work, regularly reviewing the Company’s key ESG indicators and directing the annual ESG information summary and report preparation. The heads of each department of the Company and subsidiaries are responsible for collecting and reporting ESG information, implementing specific ESG work, and implementing at all levels to ensure effective management of ESG.







## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### V. COMMUNICATION WITH STAKEHOLDERS

The opinions of different stakeholders form the basis on which the Company devises its short-and long-term sustainable development strategies. The Company is committed to effective communication with stakeholders through a wide range of channels in order to understand and respond to their expectations and concerns.

Stakeholder	Expectations and Concerns	Methods of Communication and Response
Government departments	<ol style="list-style-type: none"> <li>1. Comply with relevant laws and regulations strictly</li> <li>2. Cooperate with government regulation and promote healthy development of enterprises</li> <li>3. Paying taxes in accordance with the law</li> <li>4. Production safety</li> </ol>	<ol style="list-style-type: none"> <li>1. Seminar</li> <li>2. On-site interviews and research</li> <li>3. Work report</li> </ol>
Shareholders	<ol style="list-style-type: none"> <li>1. Focus on shareholder return</li> <li>2. Stable operation</li> <li>3. Maintain effective communication</li> <li>4. Regulate operation</li> </ol>	<ol style="list-style-type: none"> <li>1. General meetings</li> <li>2. Investors exchange meeting</li> <li>3. On-site research</li> <li>4. Conference call</li> <li>5. Email and online interactive platform</li> </ol>
Business partners	<ol style="list-style-type: none"> <li>1. Strictly fulfill the contract</li> <li>2. Maintain long-term good cooperation relationship</li> <li>3. Operate in good faith to achieve a win-win situation</li> </ol>	Working meetings and business dealings
Customers	<ol style="list-style-type: none"> <li>1. Quality products and services</li> <li>2. Protect the rights and interests of customers</li> </ol>	<ol style="list-style-type: none"> <li>1. Product manual and after-sales contact</li> <li>2. User feedback and satisfaction survey</li> </ol>
Industry	Maintain fair competition and promote healthy development of the industry	Industry exchange meetings and field trips for exchange, etc.
Employees	<ol style="list-style-type: none"> <li>1. Occupational, health and safety</li> <li>2. Compensation and benefits</li> <li>3. Career growth</li> </ol>	<ol style="list-style-type: none"> <li>1. Union</li> <li>2. Staff seminar</li> <li>3. Occupational, health and safety training</li> <li>4. Daily interviews</li> <li>5. Employee satisfaction survey</li> </ol>
Community	<ol style="list-style-type: none"> <li>1. Focus on the local impact of daily production</li> <li>2. Help the underprivileged</li> <li>3. Create jobs</li> <li>4. Enhance environmental protection work and reduce environmental pollution</li> </ol>	<ol style="list-style-type: none"> <li>1. Regular return visits</li> <li>2. Participate in public welfare</li> <li>3. School-enterprise employment cooperation</li> </ol>

During the Reporting Period, the Company has assessed the importance of the above-mentioned ESG-related issues, taking into account the actual business and industry characteristics, and on this basis extracted the four major areas of “Green Development”, “Operation Management”, “People-oriented”, and “Social Welfare”, and introduced them in detail in this report as our key businesses.





# GREEN DEVELOPMENT



### I. ESTABLISHING A SOUND ENVIRONMENTAL MANAGEMENT SYSTEM AND BUILDING AN EFFECTIVE LONG-TERM MECHANISM FOR ENVIRONMENTAL MANAGEMENT

The Company developed its “Environmental Factors Control Standards” in accordance with laws and regulations including the “Environmental Protection Law”, “Atmospheric Pollution Prevention Law”, “Water Pollution Prevention and Control Law”, “Prevention and Control of Noise Pollution Law”, “Solid Waste Environmental Pollution Prevention and Control Law”, “Energy Conservation Law” and the “Cleaner Production Promotion Law” of the PRC. Its purpose is to provide clear requirements for environmental management in areas such as “design and development of products”, “manufacturing, packaging and transportation of products”, “waste management” and “obtaining raw materials and natural resources”.

During the Reporting Period, the Group closely integrated its energy conservation and emissions reduction efforts with its corporate operational strategy. This was done in full compliance with the laws, regulations and requirements of relevant systems of the Company for the purposes of further improving the environmental management system, specifying job responsibilities and detailed appraisal rules, strengthening supervision and management over the operation of environmental protection facilities and regulated environmental protection work. The Group’s environmental protection work is always unremitting.

#### (I) Environmental Management System

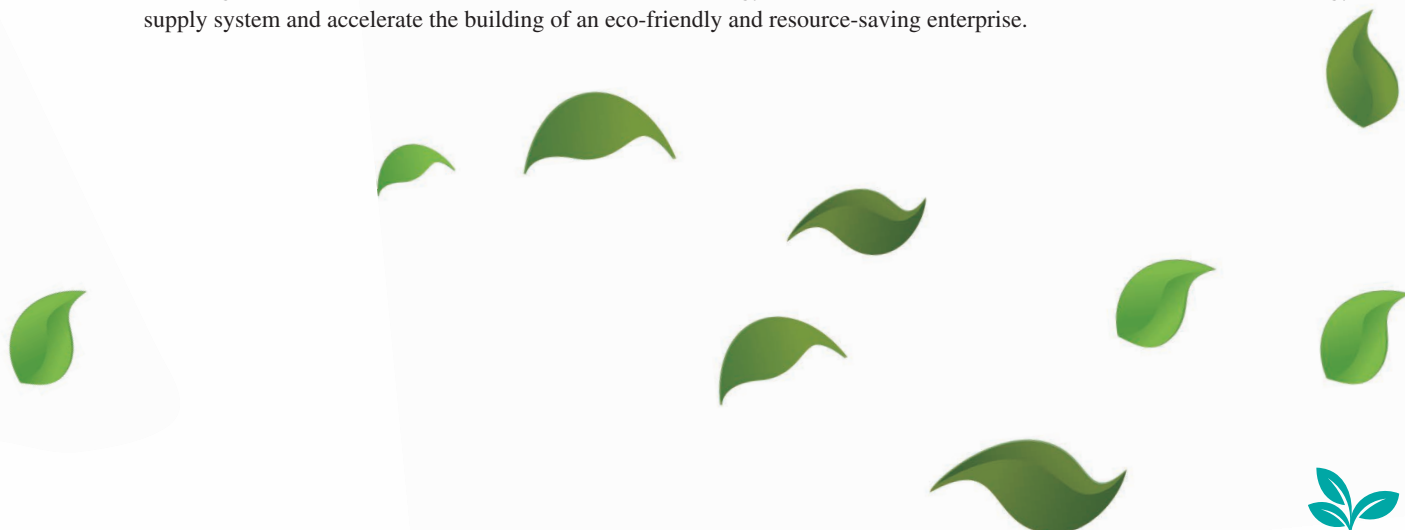
The Group continues to improve its environmental management on the basis of up-to-standard discharge of manufacturing enterprises and the “three simultaneous” of environmental protection for construction projects. It is striving to build an effective long-term mechanism for energy conservation and emissions reduction to achieve sustainable development. In December 2021, the Company passed the recertification audit of ISO14001 environmental management system by the certification authority, and the certification certificate continues to be valid.

#### (II) Assuming Responsibility for Environmental Protection

The Group has implemented a comprehensive enterprise environmental protection system. Each plant is assigned with specialized personnel for environmental protection, and an environmental protection responsibility statement is signed by all levels of management to achieve “fixed personnel, responsibilities, tasks and fixed rewards and punishment” and extend environmental protection management to all operational posts and staff.

#### (III) Strengthening Energy Management

The Group has further strengthened its energy management. By establishing an energy management system, manufacturing subsidiaries have tightened control over energy-consumption indicators of main working procedures to conduct the efficiency monitoring for key energy-consuming equipment and facilities. Each operating unit has established a working system of control indicators to enhance the energy indicator appraisal and energy efficiency benchmarking system. The Company encourages its subsidiaries to increase the use of clean energy to drive the creation of a sufficient, safe and clean energy supply system and accelerate the building of an eco-friendly and resource-saving enterprise.







## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### II. STRENGTHENING MANAGEMENT OF “THREE WASTES” AND PROVIDING ENVIRONMENTAL PROTECTION EDUCATION TO BUILD AN ECO-FRIENDLY ENTERPRISE

The Group insists on investing in energy conservation and emission reduction, implements several technical improvement projects in this regard. It has focused on the management of “wastewater”, “carbon emission” and “waste”, combines strict management with benign guidance to promote the construction of an environmentally friendly enterprise and promotes the work of energy conservation and emission reduction.

The Group facilitates the nearby recycling of process wastewater, continues to optimize the wastewater reuse rate of plants and reduce the consumption of fresh water in keeping with the principles of “source reduction, process control and end treatment”.

In addition, the subsidiaries whose operations involve process wastewater discharge have set up wastewater recycling and treatment stations to ensure their discharges are up to standard.

#### (I) Carbon Emissions Management

The Group has taken action to reduce greenhouse gas emissions. It has continued to reduce total energy consumption and the absolute amount of carbon emissions; constantly adjusted its energy structure to expand its use of clean energy such as natural gas; and implemented clean production to improve energy utilization efficiency. Several subsidiaries have passed clean production audits. The Group also improved its management of carbon emissions through technical measures such as energy audit and carbon calculation.

#### (II) Waste Management

##### 1. Emissions reduction

The Group aimed to reduce the amount and volume of solid waste by various means and decrease solid waste output by continuously improving production processes. The Group implemented a hazard-free disposal of waste and engineering treatment to reduce secondary pollution through engineering treatment.

##### 2. Cyclic utilization

The Group has facilitated the recycling treatments and the recycling of useful constituents and energy from solid waste to cut resource consumption and accelerate utilization of recycled resources. The total volume of waste materials recycled by the Group was 20,991.3 tons in 2021.

##### 3. Hazardous waste management

The Group implemented the classification management and centralized treatment of hazardous waste to achieve reduction, recycling and biosafety. A sound hazardous waste management system was established, and measures were taken to prevent environmental pollution by hazardous waste. The Group separated the collection and storage of hazardous waste and set up relevant warnings. Hazardous waste is collected by a qualified unit for treatment in full compliance with environmental protection regulations.





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### (III) Environmental Protection Education

The Group actively carried out environmental protection topics training, continuously strengthened publicity and education on energy saving and consumption reduction, increased the publicity on environmental protection through organizing expert lectures and setting up environmental protection columns, and made efforts to enhance employees' awareness of environmental protection.

### (IV) Green Office

In order to implement the concept of sustainable development, the Group implements the “green office” concept which includes saving resources and energy, reducing pollutant emissions, increasing use of recyclable and renewable products. The Group advocates a people-oriented and harmonious office, and actively creates a green and comfortable office environment for employees.

#### 1. *Saving paper*

Fully utilize digital network, advocate double-sided printing of documents, consistently sort and recycle usable paper.

#### 2. *Saving electricity*

Stipulate operating guidelines for use of electrical appliances; for example, switch off lights during lunchbreaks, switch off all electrical equipment after working hours, and purchase energy-saving and environmentally friendly products.

#### 3. *Saving water*

Reduce use of disposable bottled drinking water during meetings and group activities; post slogans like “save water” in office corridors and washrooms. Focus on water resource facilities and strengthen drinking water safety.

#### 4. *Comfortable work environment*

Advocate the planting of greenery in the office to purify indoor air and enhance the comfort of the office environment.







## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### III. REPONSES TO CLIMATE CHANGE

In response to extreme weather events such as typhoons and floods, subsidiaries of the Company have created an “Emergency Plan for Natural Disaster Prevention such as Wind and Flood” and regularly organize drills to minimize the impact of natural disasters on the Company.

### IV. USER-CENTERED LONG-TERM DEVELOPMENT STRATEGY FOCUSING ON ENVIRONMENTAL PROTECTION

China began to implement its strategic objective of “capping carbon emission and carbon neutrality” in 2021. The Group finetuned its green manufacturing system on an ongoing basis and comprehensively embedded advanced manufacturing philosophy into its product life cycle, covering green design, green manufacturing, low-carbon use and green recycling, with the aim to complete the acceptance of the “HFC-245fa Reduction Demonstration Project” that enables the reduction of greenhouse gas emissions through renovating the foaming technology of household refrigerator production lines, from which the consumption of HFC-245fa (pentafluoropropane, mainly used for the foaming of refrigerator insulation materials, contains hydrofluorocarbons, a potent greenhouse gas that can cause global warming) can be effectively reduced and reducing carbon dioxide emission.

With ongoing exploration and breakthroughs in new technologies, new materials and new processes, the Group’s vacuum insulation panel technology significantly reduce the use of foaming materials, the outstanding energy-saving technology helps consumers achieve energy saving in the process of using products; and the renewable materials and technologies achieve the recycling of waste materials. Meanwhile, the Group is expanding the introduction and application of green energy such as photovoltaic power generation, wind power and nuclear power in its manufacturing system.

During the Reporting Period, the General Office of the Ministry of Industry and Information Technology published the 2021 Green Manufacturer List, under which Qingdao Hisense Hitachi Air-Conditioning Systems Co., Ltd., a subsidiary of the Company was accredited as the National Green Factory. Hisense (Shandong) Air-Conditioning Co. Ltd. was accredited as the Provincial Green Plant of Shandong. The Group has established four state-level “green factories”, one state-level “green supply chain” and two provincial “green factories”. In 2021, a number of the Group’s products have been awarded the “Energy Efficiency Star” in the “Energy Star” Equipment and Product Catalogue. Several of the Group’s multi-connected central air conditioning products have obtained the low-carbon product certificate from China refrigeration and air-conditioning industry.

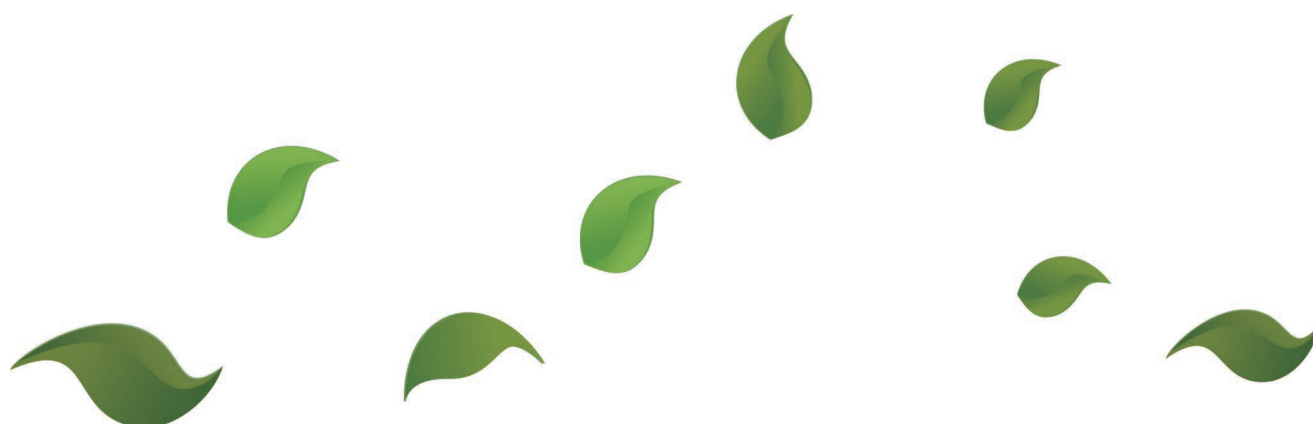




## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### V. PARTICULARS OF EMISSIONS AND USE OF RESOURCES DURING THE REPORTING PERIOD

<b>Emissions</b>	<b>2021</b>
Carbon dioxide emissions (tons)	318,934
Methane emissions (tons)	1.6
Total emissions of greenhouse gases (tons)	318,936
Including: total direct greenhouse gas emissions (tons)	3,451
Including: total indirect greenhouse gas emissions (tons)	315,485
Total volume of discharged wastewater (ten thousand cubic metres)	130
Total emissions of hazardous waste (tons)	766
Total emissions of solid waste (tons)	11,616
 <b>Use of resources</b>	 <b>2021</b>
Electricity (ten thousand kWh)	50,077
Including: amount of electricity utilized per square metre of gross floor area (kWh/square metre)	206
Unleaded petrol (tons)	121
Including: Volume of unleaded petrol utilized per square metre of gross floor area (kilogram/square metre)	0.05
Diesel (tons)	631
Including: Volume of diesel utilized per square metre of gross floor area (kilogram/square metre)	0.3
Natural gas (ten thousand cubic metres)	1,566
Including: Volume of natural gas utilized per square metre of gross floor area (cubic meter/square metre)	6.5
Liquefied petroleum gas (tons)	502
Including: Volume of liquefied petroleum gas utilized per square metre of gross floor area (kilogram/square metre)	0.2
Steam (ten thousand tons)	5.7
Including: Volume of steam utilized per ten thousand square metres of gross floor area (kilogram/square metre)	23.6
Total water consumption (ten thousand tons)	353
Including: Volume of water consumed per square metre of gross floor area (tons/square metre)	1.5
Total volume of product packaging materials (ten thousand tons)	10.6







# OPERATION MANAGEMENT



### I. OPERATING WITH INTEGRITY

The Group has always adhered to the integrity of the business philosophy. With the hope that all staff of the Group can practice the core value of “honesty, integrity, practicability and innovation” and to make sure that the interaction between the Group and its stakeholders can abide by honesty and trustworthiness and in compliance with law and regulation, the Company formulated the Code of Integrity within the Group, and those violators will be brought to severe punishment in accordance with the Code.

The Code of Integrity applies to all staff of the Group and they should strictly comply with the Code if Integrity involving shareholders, staff, customers, partners, government and society.

### II. SUPPLY CHAIN MANAGEMENT

Adhering to the philosophy of integrity, mutual trust and cooperation for mutual success, the Company has established its supplier adoption and evaluation system. The supplier management team of the Company implemented stringent evaluation on the qualifications of new suppliers, ensuring that they complied with relevant certification requirements such as ISO9001 Quality System Management Certification, ISO14001 Environmental Management System Certification and SA8000 Social Responsibility Management System Certification. By reviewing the new suppliers from multiple perspectives, including industry position, quality system, technical competence, social responsibility, critical resources, management capability, financial strength and operational risk, we are able to ensure that their delivery capability, technology development, quality assurance, company operation and financial control are in line with the supply chain management requirement of the Company.

To ensure that the raw materials and spare parts provided by suppliers complied with the laws and regulatory requirements on prohibiting the use of hazardous substances imposed by relevant countries or regions, the Company has formulated corresponding ROHS Regulations, REACH Regulations and other underlying regulatory control requirements and incorporated them into the terms of quality agreements with suppliers. The Company would regularly review and confirm their compliance of such terms. All raw materials and spare parts provided by suppliers to the Company must comply with ROHS Regulations (i.e., the Directive of the European Union on Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment. The core of ROHS Regulations is prohibition of the use of hazardous substances in electrical and electronic equipment to protect environment and eliminate hazards in production and consumption), and REACH Regulations (“Registration, Evaluation, Authorization and Restriction of Chemicals”), and other relevant laws and regulations of corresponding countries or regions.

The Company has more than 1,000 qualified suppliers, of which about 85% are from China. The Company signs procurement contracts and supplier safety and environmental protection agreements with each qualified supplier to promote ESG practices actively.

The Company values its long-term and in-depth cooperation with suppliers and regularly organizes expertise exchange and project cooperation with suppliers to strengthen effective sharing of supply chain information and strategic mutual trust. Supplier conference is held on annual basis to foster excellent rapport with suppliers, explore future cooperation options and convey our philosophy on energy-saving, emission reduction and green operation.





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### III. PRODUCT RESPONSIBILITY

#### (I) Product Quality Management

The company adheres to the quality management concept of “quality cannot make the enterprise a glory, but enough to make the enterprise a loss”, insists on making good products with high quality, explores the market with first-class quality reputation, and constantly improves the comprehensive competitiveness of the enterprise.

To provide users with services that “from satisfaction to moving”, the Company places improving user experience as its strategic long-term development goal and utilizes user experience as the core to launch product planning, research and development, production and manufacturing, quality management, sales and services. User experience and recommendations can be constantly improved by multiple communication channels with users.

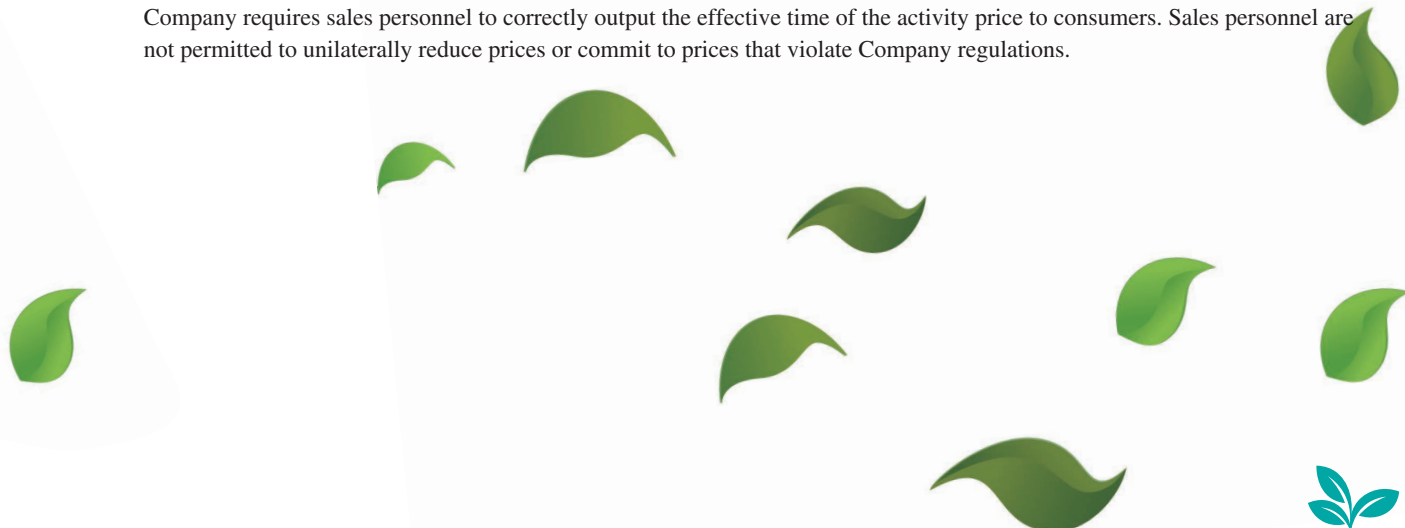
The Company focused on various quality control improvement issues to facilitate quality improvement senses among employees and allow steady improvement in process quality management capability and system operation performance. Subsequent to leading the formulation of the collective standard of “All-in-one Air Conditioner and Fresh Air Device” in 2020, the Company has another subsidiary acted as the leading party to formulate the “Evaluation Specifications of Fresh Air Function of Indoor Air Conditioner”, which represents the first fresh air and air conditioner industry standard for domestic air conditioner sector. During the Reporting Period, Hisense Fresh Air Air-Conditioner (Spring Breeze Series) won the “Excellent Product Award” in the AWE Appliance Award organized by the Appliance & Electronics World Expo. Hisense Fresh Air Air-Conditioner also scooped the accolades of the “Leading Fresh Air Brand in China’s Air-Conditioner Industry” and the “Preferred Fresh Air Air-Conditioner of the Industry” in the China Air Conditioner Industry Summit Forum.

#### (II) Promotion, Advertising and Product Price Management

In accordance with the “Advertising Law of the People’s Republic of China”, the Company rigorously manages product promotion, advertising and pricing, including but not limited to elements such as labels, and prohibits dishonest practices such as false advertising and price gouging. The Company requires that any information communicated externally must be verified as correct and reliable, and forbids any transmission of false information to consumers via deception, exaggeration or fraud. Product features must be advertised in a way conforming to general knowledge. False product and service performance indicators are likewise forbidden.

In keeping with the Company’s core value of “honesty and integrity”, it strives to eliminate harm to consumer interests caused by false or exaggerated publicity. The Company is acutely aware of the negative impact such as dishonesty on operational safety, profits and the Company’s future. As such, its “Administrative Measures for Honest Market Publicity” ensure reasonable and accurate preparation of product publicity materials, and unify brand and product promotion standards. The authority and responsibilities of each department in this area have been clearly determined and the processes involved are standardised.

In addition, under the Company’s “Administrative Measures for User Experience Improvement in the Sales Process”, it has established a system of reasonable price control which ensures the unified management of terminal sales prices. The Company requires sales personnel to correctly output the effective time of the activity price to consumers. Sales personnel are not permitted to unilaterally reduce prices or commit to prices that violate Company regulations.







## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### IV. CUSTOMER RIGHTS PROTECTION

The Company supports the idea that “living up to our commitment is crucial to building customer trust for a century” in its after-sales product services. Under its “Service Quality Control Measures”, it has created a service management system in line with the quality system standards which covers different nationwide markets and provides efficient after-sales services that satisfy user needs.

The Company has implemented a “guaranteed return and replacement for quality issues within 30 days” return promise for all its household electrical appliances. Meanwhile, the Company constantly improves the differentiated service experience in accordance with market demand. Some high-end products are subject to long-term warranty services such as 10-year warranty for presses and 12-year warranty for inverter motors, which boosts the added value of products and user satisfaction.

The Company provides effective and timely resolution to customer service complaints with national after-sales service hotline and real-time detailed monitoring of the service process. The modern information management systems used for this purpose form an information management process cycle which allows the immediate handling of customer complaint information, follow-up and resolution. The Company has a rigorous mechanism under which customer complaint information is handled and then prompt feedback is delivered to improve understanding of customer satisfaction and enhance service quality. At the same time, the Company commissions third-party company to conduct industry research every year, and conducts comprehensive user service experience research and industry benchmarking on service management standards, service experience and user loyalty to ensure that the customer service experience of the Company’s products is at the leading level in the industry.

### V. DATA PRIVACY

The Company is in full compliance with laws and regulations in China such as the “Law on Protection of Consumer Rights” and “Regulations on Safety of Computer Information Systems”. It has also established stringent measures to protect its operational data and to preserve the privacy of customers and to ensure the confidentiality of the Company’s operational data and customer information.

The Company signs confidentiality and competition restriction agreements with key personnel, and has implemented automatic encryption strategies for core and important confidential personnel. These measures ensure the security of operational and technical data, customer privacy and trade secrets of third parties on whom it bears confidentiality obligation. The Company’s corporate information security system also ensures adequate safety of the data of the Company and relevant parties via document encryption, data leakage prevention, intranet access verification, firewalls, and other features.





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### VI. INTELLECTUAL PROPERTY RIGHTS PROTECTIONS

The Company strongly advocates the maintenance and protection of intellectual property rights, has accordingly implemented “Administrative Measures for Confidentiality” and “Detailed Rules for Management of Confidential Documents”. Upon induction, all employees who may be subject to confidentiality obligations receive training and must pass examinations regarding the abovementioned systems prior to signing a confidentiality agreement. The Company further guarantees execution of such measures through means such as computer and document encryption

The Company complies fully with the “Trademark Law of the People’s Republic of China”, “The Copyright Law of the People’s Republic of China”, “The Patent Law of the People’s Republic of China” and other laws and regulations relating to the protection of intellectual property rights.

The Company is strongly committed to the cultivation and maintenance of its own trademarks. It has responded to similar trademarks, trademark infringements and unfair competition through methods such as trademark objection, trademark invalidation, rejection review, trademark administrative litigation, complaints to online e-commerce platforms, offline complaints to the administrative department, trademark infringement and unfair competition litigation. It uses an effective patent management system to escort production and product sales through global patent applications, patent infringement risk management and control, patent operation, patent litigation, and invalidation.





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

# PEOPLE-ORIENTED



### I. DIVERSIFIED EMPLOYMENT AND LABOR SYSTEM

The Company strictly adheres to relevant laws, regulations and policies of the “Labor Law of the People’s Republic of China”, the “Labor Contract Law of the People’s Republic of China” and the “Special Provisions for the Work Protection of Female Employees” and strictly implements the national employment system, labor protection system and social security system. In 2021, the Company amended its “Administrative Measures on Labor Contract” and “Implementation Rules on Managing Labor Contract” in accordance with the requirements of national laws, regulations and policies, through which labor relationship management is further enhanced and the rapport with employees becomes harmonious and stable.

The Company abides by laws, regulations and policy requirements in practicing labor relations and insists on equal treatment in terms of employment, treatment and promotion. The Company has established a fair, democratic, competitive and merit-based selection and employment mechanism. Inequality and discrimination caused by factors such as gender, age and ethnic are strictly prohibited. Wages and relevant benefits are paid on time, and there are no occurrences of default in the payment of employees’ wages. In the process of signing, renewing, terminating and cancelling labor relations with employees, the Company ensures that relevant procedures are open, just and fair and strictly abided by legal procedures to protect employees’ labor rights and legitimate interests. The internal systems of the Company, such as the “Administrative Measures on Labor Contract” and the “Employee Holiday Management System”, have expressly stipulated the requirements and regulations for “working hours” and “employee holiday” and prohibited forced labor, with the aim to establish and maintain a good working environment.

The staff structure of the Company in 2021 is as follows:

Total number of employees in service (persons)	48,263
<b>Gender Composition</b>	
Male	30,687
Female	17,576
<b>Professional Composition</b>	
Production staff	25,955
Sales staff	13,518
Technical staff	7,535
Financial staff	422
Administrative staff	833
<b>Education Level</b>	
Doctor	64
Master	1,850
Bachelor	7,866
Below bachelor’s degree	38,483
<b>Age Composition</b>	
Under 30	18,853
Over 30	29,410
<b>Geographical Composition</b>	
Within China	41,334
Outside China	6,929







## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's quest for talents continues to expand along with the ongoing business development. In order to attract and retain talents, the Group has constantly polished its recruitment policies, remuneration and benefits and talent development mechanism.

### (I) Recruitment

To further solicit, screen and nurture high caliber fresh graduates, the Group optimized its campus recruitment system and strengthened its campus recruitment effort from campus recruitment cycle and targeted talent development perspectives via integrating the internship program and the college-enterprise joint talent training project. In light of the huge labor demand of manufacturing enterprises, the Group encouraged employees to recommend candidates when there are job openings and established a recommendation reward system.

### (II) Remuneration

The Group ensures its remuneration remains competitive by conducting internal remuneration analysis annually based on external remuneration report.

### (III) Employee benefits

The Group enhanced the satisfaction level of employees from multiple perspectives, ranging from welfare, holiday, logistical support to health management, such as providing holiday greetings and gifts to employees on major holidays and holding employee birthday parties. The Group also strictly adhered to the national paid leave policy and especially offered escort leave for children's education to employees whose children are set to take the Gaokao. The Group adopts a humane approach to meet the demands of employees to accompany their children at important moments in their lives. Moreover, the Company has established a staff physical examination centre and arranged staff physical examinations regularly. The Company concerns employees' health and would trace the condition of those employees who are detected with abnormal indicators and health issues.

### (IV) Employee Care

The Group adheres to the people-oriented management principle. In addition to emphasizing on standardized management, the Company also created an employee care management system. Through innovative management approach, the Company organized a variety of employee activities and conducted multi-channel, multi-format and comprehensive communication and feedback to promote the "warm and caring" corporate culture and fulfil the "respect for people and dedication" corporate culture. In the Report Period, the Company cared for key groups such as core talents and key positions this year and formulated and implemented targeted stability improvement initiatives. Employee engagement surveys are conducted regularly to understand the pain points that affect employee engagement. Special actions are taken to improve employee engagement.





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### II. LABOR STANDARDS

The Group strictly adheres to the “Labor Contract Law of the People’s Republic of China” and other personnel laws, regulations and policies. The Group strictly prohibits the employment of minors under the age of 16 and guarantees the rights and benefits of female employees during pregnancy, childbirth and breastfeeding. The Company also strictly implements the statutory holiday system, and insists on legal employment. Set out below are the details:

Given the recruitment and labor demand, the Group would review its recruitment system on annual basis and strictly examine the entire recruitment process to ensure that resumes screening and recruitment approval have met the Company’s standard requirements. The Company formulated the “Employee Recruitment Management System” to specify the recruitment procedures in detail. Candidates are required to fill in the application form and the Company would arrange a specific person to check relevant information, such as age, to prevent the employment of child labor.

The Group strictly ensures the rights and benefits of employees during pregnancy, childbirth and breastfeeding. An infant care room is set up onsite to allow pregnant and breastfeeding employees to take a rest or arrange breastfeeding.

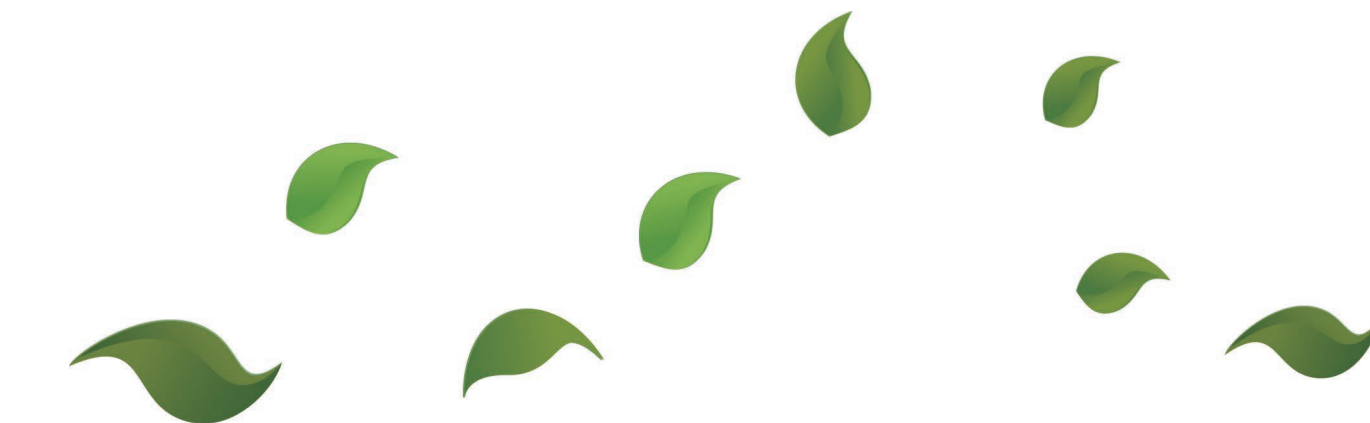
The Group has a working time management system and a stringent monitoring mechanism in place to strictly implement the statutory holiday system and avoid forced labor.

The Group insists on implementing the “Administrative Measures for Personnel Rotation in Special Positions” and arranges personnel rotations for key positions such as purchasing, quality control and finance, ensuring that employees understand the requirements of various job positions. Such arrangement helps enabling work innovation, strengthening the Group’s internal talent team building and training and nurturing multi-skilled comprehensive talents.

### III. OCCUPATIONAL HEALTH AND SAFETY

The Group’s policy is safety first, and it prioritizes prevention and comprehensive governance. The Group enforces safety and environmental protection across its production and operational activities, and employs a double prevention mechanism of hierarchical risk control and potential hazard identification and governance. Its whole-process safe production and occupational health management system was established to achieve “proper function of five aspects”, namely safety responsibility, management, investment, training and emergency rescue. The Group implements the principle of “managing on level bases and taking responsibility on line bases” to optimise and implement the system of production safety accountability.

The Group’s system of production safety accountability applies to all employees. The principal officers of subsidiaries take full responsibility for the production safety of their respective units, while department heads, workshop directors and team leaders are the first responsible persons for the safety of their respective responsibility areas. According to the Production Safety Law, subsidiaries must improve the accountability system for production safety. Subsidiaries insist that CPC committee and administration share the same responsibility, one post undertaking multiple responsibilities, sharing of management responsibilities, and accountability for dereliction of duty, with an aim of keeping business management, production and operation management, and technology management safe.





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group takes a modern scientific approach to management which includes the maintenance of an effective occupational health and safety and environment management system. It continues to develop production safety standardization, and realizes the standardization of safety management, operation behavior, equipment, facilities and operating environment. It provides a safe and healthy working environment for all staff by ensuring that production and operational processes meet high standards of occupational health and safety and environmental protection.

The Group maintains a refined system of occupational health and safety management. Its production safety management systems are developed at headquarters level in accordance with national laws and regulations. Corresponding rules for safe operation are also in place regarding the equipment and facilities of the Group's subordinate factories.

During the Reporting Period, the Group invested tens of millions of RMB in site safety improvements, workplace safety equipment for employees, and workplace safety education and training. The Company's occupational health and safety management system passed its recertification audit by the China Academy of Safety Science and Technology in December 2021, ensuring that the certification remains valid. Except for one work-related fatality in the past three years, the number of lost working days due to work-related injuries was 555, 544, and 415 days, respectively.

In accordance with requirements from the Ministry of Emergency Management, the Company vigorously promotes safety production standardized enterprise construction work. It has worked to intensify basic production safety management and enhance the intrinsic safety of its equipment and facilities to create a safe, healthy and comfortable working environment. During the Reporting Period, two subsidiaries of the Company maintained their national certificates for level 2 enterprises on safe production standardization.



### IV. DEVELOPMENT AND TRAINING

Employees and talents are the cornerstone and guarantee of enterprise development. The Company always carries out the employment method of "selection→recruitment→education→promotion→retention", devotes to the improvement of employees quality and overall team ability, and creates a broad development platform for employees. The company takes training as the driving force to improve the quality and career development of employees, and has built a three-level training system with the main line of "improving job competency" to implement staff training responsibilities at each level and provide employees with opportunities for learning and development.

In 2021, the Company actively carried out various employee training activities. In keeping with the Company's annual business strategy's focus on "value to the user", "product innovation" and "digital marketing", offline training using flipped classrooms and workshops was carried out along with online learning. This has improved the overall capability of cadres and their reserve talents, and accelerated the growth of reserves.





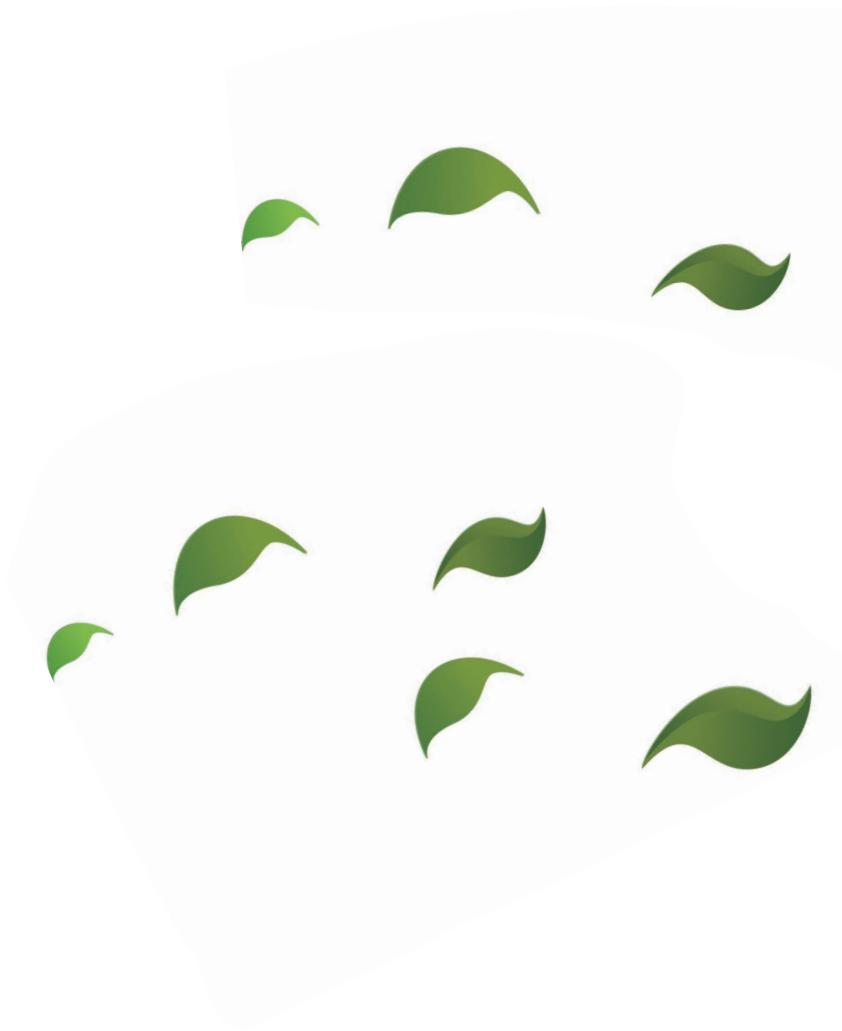


## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For new employees, induction and systematic training – including a mentor system, “rotational internship” and “fixed-position internship” – is offered to assist them in quickly gaining essential job skills adapt to the corporate culture. For existing employees, specific training is provided to address departmental and individual weaknesses. The Company’s training models include “internal and external training”, “project and topical exercises”, “job rotation” and others, under which are programs such as corporate management, production quality, corporate culture, production and manufacturing, and technology R&D.

During the Reporting Period, the Company has provided over 410,000 hours of training in the following categories.

By gender	Percentage of training	Hours of training per capita
male	64%	14 hours
female	36%	12 hours
By the category of personnel	Percentage of training	Hours of training per capita
Managers	16%	42 hours
R&D technicians	28%	11 hours
Front-line employees	56%	19 hours





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

These training covered employees from the elementary level (such as production and marketing) to various management personnel at different levels, promoted the continuous improvement of staff quality and ability.

The Group continues to optimize employee development system and adopts a dual-channel development mechanism which emphasizes on “professional over management in terms of promotion channel”. In 2021, the Group reshuffled its management standards and evaluation system of admission qualifications for all professions while reviewed the job title of all employees on annual basis, through which employees are presented with multiple development platforms to work out their career planning.





# SOCIAL WELFARE

With love, technology is also emotional.

In the process of enterprise development and growth, the Company always keeps in mind the social responsibility that an enterprise should undertake.

The company is enthusiastic about public welfare, and actively participates in social welfare undertakings through the establishment of public welfare scholarships, education funds, donations to hope elementary school, financial support for poor children and families and other ways. The Company has continuously run the “Hisense Refrigerator-Yuchen Scholarship Charity (海信冰箱·雨辰助学公益)” activities and “Studying, Watching the Sea and the World (讀書看海觀世界)” activities. During the Report Period, the charity aid team has successively visited multiple schools in five provinces to participate in love for education through Hisense Academy and other ways.

The company insists on fulfilling the social responsibility of low carbon and environmental protection and keeps moving towards the higher goal of low carbon emission reduction. At the launch of the Ronshen Refrigerator Environmental Protection “Pathfinder”, The Company promised to donate a tree to Alashan for every Will Space refrigerator sold, for supporting the social environmental protection business, and move forward together to zero carbon society.

During the Reporting Period, the Group donated approximately RMB1 million of supplies to tens of thousands of people. The heart for public welfare is deeply rooted in the Company’s corporate culture and has been sown around the world as the pace of globalization accelerates.







## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group actively provided aids and care to all sectors of society in terms of labour, materials and funds amid the raging pandemic in 2021, offering strong support to the front-line medical staff “fighting against the epidemic”. The Group donated masks, tents, sanitizers and air purifiers to areas hit by the pandemic and deployed air conditioners, electric water heaters and other home appliances from afar as emergency immediately, worked day and night to deliver anti-pandemic materials to the front-line quarantine point.

During the Reporting Period, the Company won the “Red-top Public Welfare Award (紅頂公益獎)”.





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

# REPORT GUIDE AND INDEX



The Company has complied with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The following table reports the summary of compliance.

### Areas, aspects and key performance indicators (KPIs)

### “Comply or explain” provision

### Page reference

#### A. Environment

##### Aspect A1

##### Emissions

General disclosures	(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.	9
KPI A1.1	Types of emissions and related emission data.	13
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (eg. per unit of production volume, per facility).	13
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (eg. per unit of production volume, per facility).	13
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (eg. per unit of production volume, per facility).	13
KPI A1.5	Description of emissions targets set and steps taken to achieve them.	9-11
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction targets and steps taken to achieve them.	9-11

##### Aspect A2

##### Use of Resources

General disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	9-11
KPI A2.1	Direct and/or indirect energy consumption by type (eg. electricity, gas or oil) in total (kWh in '000s) and intensity (eg. per unit of production volume, per facility).	13
KPI A2.2	Water consumption in total and intensity (eg. per unit of production volume, per facility).	13
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	9-11
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency target(s) set and steps taken to achieve them.	10
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	13

##### Aspect A3

##### The Environment and Natural Resources

General disclosures	Policies on minimizing the issuer’s significant impact on the environment and natural resources.	11
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	12

##### Aspect A4

##### Climate Change

General disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	11
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	12





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Areas, aspects and key performance indicators (KPIs)

#### B. Social

##### Aspect B1

	“Comply or explain” provision	Page reference
General disclosures	(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.	18
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	18
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	19

##### Aspect B2

##### Health and Safety

General disclosures	(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	20-21
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	21
KPI B2.2	Lost days due to work injury.	21
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	20-21

##### Aspect B3

##### Development and Training

General disclosures	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	21-23
KPI B3.1	Percentage of employees trained, by gender and employee category (eg. senior management, middle management).	22
KPI B3.2	Average training hours completed per employee, by gender and employee category.	22

##### Aspect B4

##### Labor Standards

General disclosures	(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.	20
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	20
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	20







## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Areas, aspects and key performance indicators (KPIs)

	“Comply or explain” provision	Page reference
<b>Aspect B5</b>	<b>Supply Chain Management</b>	
General disclosures	Policies on managing environmental and social risks of the supply chain.	14
KPI B5.1	Number of suppliers by geographical region.	14
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	14
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	14
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	14
<b>Aspect B6</b>	<b>Product Responsibility</b>	
General disclosures	(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.	15
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	15
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	16
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	17
KPI B6.4	Description of quality assurance process and recall procedures.	15-16
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	16





## 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Areas, aspects and key performance indicators (KPIs)

#### Aspect B7

#### “Comply or explain” provision

#### Page reference

#### Anti-corruption

General disclosures	(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.	6-7
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	7
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	6-7
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7

#### Aspect B8

#### Community Investment

General disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and ensure its activities take into consideration community interests.	24
KPI B8.1	Focus areas of contribution (eg. education, environment, labor, health, culture, sport).	24-25
KPI B8.2	Resources contributed (eg. money or time) to the focus area.	24



