



 **百宏實業控股有限公司**
BILLION INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2299

2021

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



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Environmental, Social and Governance Report

Board's Statement

Billion Industrial Holdings Limited (the "**Company**") place tremendous importance on ESG management. To achieve good ESG management, the board ("**Board**") of directors ("**Director(s)**") of the Company is ultimately responsible for the overall ESG related management of the Company, and is responsible for monitoring and coordinating the management of ESG related risks. The ESG strategy and reporting of the Company are also the sole responsibility of the Board of Directors. The Company assesses the importance of environmental, social and governance issues on a regular basis. The specific assessment process and results are set out below in this report. The Board of Directors of the Company has assessed the potential impact and opportunities of ESG issues on the Company's overall strategies, and reviewed the results of the materiality assessment of the ESG issues. The Board of Directors has gained a good understanding of the ESG related issues of the Company, and confirmed the current ESG related management policies and ESG management concepts. Details of the Company's key ESG issues including safe operation, green development, quality assurance and responsible operation have been disclosed in detail in this report. In 2021, the Company has set relevant environmental goals, and the establishment and progress of such goals have been reviewed and discussed by the Board of Directors.

1. ABOUT THIS REPORT

This report is the 2021 Environmental, Social and Governance (ESG) Report published by Billion Industrial Holdings Limited, which aims to improve the stakeholders' understanding of the Company's environmental, social performance and sustainable development strategy. The Board of the Company has reviewed this report, warranted there are no false records, misleading statements or material omissions, and confirmed that it is accurate, true and complete in content.

1.1 Reporting Reference

This report is prepared in accordance with the "comply or explain" provision as set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited and all of the recommended discloses under the Guide as well as the actual situation of the Company.

1.2 Scope of Report

This report discloses the environmental and social performance of the Group during the period from 1 January 2021 to 31 December 2021, which covers the Group's two major businesses of polyester filament yarns and polyester thin films. All information contained in this report comes from the official files, statistical reports and communication process of the related departments of the Group and stakeholders.

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1.3 Reporting Principles and Responses

Principle of Materiality: We have identified material issues, and defined the content and scope of this report with reference to our identified results in compliance with the requirements of the Environmental, Social and Governance Reporting Guideline of the Stock Exchange. For specific details, please refer to the “Stakeholder Engagement” of this report.

Principle of Balance: This report includes the disclosures of both positive and negative information, which ensures the impartial report on the ESG performance of the Company during the reporting period in its content.

Principle of Quantitative: The scope of data and the calculation methods employed in this report have been indicated herein.

Principles of Consistency: Unless otherwise specified, the extent of disclosures of this report has not been materially adjusted as compared with that of the ESG reports of the previous year, and consistent disclosure and statistical methods have been used.

1.4 Feedback

We will continually improve and perfect the content and form of the ESG Report in the future. You are welcome to contact the Company at any time if you would like to make further inquiries or have any opinions or suggestions. The contact information is as follows:

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2. SUSTAINABILITY GOVERNANCE

The Group has all along been insisting on forging a flagship enterprise in the polyester new material industry and continues paying attention to the sustainable development trend associated with the industry, striving to enable the Group to constantly move towards sustainable development through effective governance measures and application of high-tech equipment.

We continue to stress on the importance on creating eco-friendly and green low carbon development model while pushing forward development and production. We are committed to achieving a recycling economy model through innovative means so as to play a leading role in the industry. We always pay attention to control upstream resources, track and keep the technologies for upstream raw materials, as well as raising the proportion of recyclable products. At the same time, we achieve the online recycling of wasted filament and wasted film, speed up the resource recycling process and improve recycling efficiency. Meanwhile, the Group actively expands and establishes a new polyester filament yarn factory in Vietnam to boost the capacity further.

While constantly exploring the sustainable operation model, the Group insists on independent research and development and innovation, and forges a first class technology research and development team to reach both the domestic and the world's leading standards in terms of various products and technologies development achievements. The Group will facilitate its industry to achieve high-end upgrading from manufacturing to "intelligent manufacturing" by relying on technology innovation and by virtue of the automatic equipment.

The Group attaches great importance to the experience and satisfaction of customers and other stakeholders on the Group's products. We collect feedback information from parties, combined with market research and analysis results, and timely communicate with the technology research and development and production center of the Group to achieve a sales model that primarily relies on product quality and personalized quality services.

The Group attaches great importance to talent nourishment and provides chance of sustainable development for each staff. A comprehensive training system has been established to implement training programs, such as induction training, on-the-job training and skill training to promote staff's working skills. Meanwhile, the Company continuously improves the standard of food and working environment for staff, and provides competitive benefits in the industry and a platform for diversified development, which makes staff in Billion deeply feel the care and concern from leaders and colleagues of the Company, thereby striving to create a family-like corporate culture.

2.1 Stakeholder Engagement

The Group stresses great importance on internal and external communication and keeps abreast of the internal and external information trends on a timely basis to enable the Group's policies and management models to match with its internal demand, industry and regional industry development. In respect of sustainability governance, we communicate with stakeholders to review our own environmental and social performance and identify those topics that need to be highlighted or improved.

During the year, according to the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, we summarized 26 topics relevant to corporate environmental and social performance and conducted the relevant questionnaire research and communication meeting works in the Group with a view to understand our internally focused sustainable development topics.

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According to this research, the Company still believes that all investigation topics are vital for the Company and the stakeholders, among which a total of 4 topics including talent management, environmental protection, patents and product quality have gained more prominent attention. Based on the results of this research, we shall disclose as much management methods and performance in related topics as possible in the report, so that each stakeholder can observe our efforts in sustainable development.



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3. GREEN PRODUCTION MODEL

Billion Group strictly complies with national laws and regulations, such as the Environment Protection Law of People's Republic of China, the Law of the People's Republic of China on Conserving Energy, and the Law of the People's Republic of China on Assessment of Environmental Impact. The Group also insists on the environmental protection policy of "prevention in the first place and integrating prevention with control", continuously strengthening environmental risk management, vigorously promoting clean production and improving resource use efficiency.

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During the year, for the production project of functional environmentally-friendly BOPET with an annual output of 330,000 tons of Billion High-tech Material Industry Co., Ltd.* (百宏新材料實業有限公司), the Group engaged Quanzhou Huada Environmental Impact Assessment Limited (泉州華大環境影響評價有限公司) to assess the environmental impact of this project, which was basically completed. Currently, this company solicits public opinion for this assessment under the Law of the People's Republic of China on Assessment of Environmental Impact and the Interim Measures for Public Participation in Environmental Impact Assessment (《環境影響評價公眾參與暫行辦法》).

The Group insists on taking environmental protection policy and criteria of local government as guidance, connecting its production wastewater emission outlets and boiler waste gas emission outlets with the monitoring system of Jinjiang Ecological Environment Bureau, executing environmental protection regulations and standards to automatically monitor the emission conditions of key pollution sources, reflecting the environmental quality and trend timely and accurately, in order to guarantee environment friendly production. Factories adopt advanced pollution prevention and treatment technology to control the emission of pollutants during the production process, striving to fully achieve the internal emission reduction plans.

3.1 Optimize the Management Model

The Group pays very close attention to environmental performance during the production process. We take strict precautionary measures against all occurrences of environmental breach through a range of management and precautionary control methods, and commit ourselves to improving the manufacturing process and quality of factory environment to lower the environmental impact of the Group's operation. With our unremitting efforts, our factory in China passed the ISO14001 environmental management system certification in 2010, and passed certification reviews conducted regularly. During the year, the ISO14001 system operated normally.

During the year, the Environmental Protection Management Committee of the Group redeployed the relevant members of the Environmental Protection Management Committee in accordance with the internal position responsibility changes, updated and amended part of the rules and regulations of our environmental protection and modified part of the operation specification in light of local relevant environmental standards. At the same time, the Group arranged every district to conduct regular examinations on environmental equipment and set up a laboratory team to take samples and test periodically. The Group established environmental emergency plans, conducted regular training and drills and improved emergency measures to enhance the ability to handle emergency.



* for identification purpose only

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3.2 Pollutant Emission Reduction

The Group controls stringently the emission of “three wastes” in factories by conducting systematic control on the treatment and disposal of waste water, waste gas and solid hazardous wastes, so as to strictly comply with the laws and regulations related to emissions. At the same time, the Group requires its internal departments to conduct real-time monitoring and periodic maintenance on environmental protection treatment equipment, so as to ensure all the environmental protection treatment equipment are under normal operation and meet the discharge standards.

The Group strictly complies with local government requirements regarding new projects and projects to be reconstructed or expanded, prepares the environment impact evaluation report and submits for approval according to procedures to ensure the environmental facilities and main projects are designed, constructed and put into use simultaneously.

3.2.1 Wastewater Treatment

The Group adopts various measures to conduct an all-round treatment on waste water and domestic water in the factories during its production. Wastewater segregation collection systems have been installed at our production sites to adopt segregated treatment measures for various wastewater. Waste water treatment sites are set up inside the factories to ensure the standard drainage of waste water after treatment.

The Group positively responds to energy conservation and emission reduction policy, invests funds in constructing the RO reclaimed water reuse system to achieve the reuse of some wastewater, and reduces discharge of wastewater and wastewater treatment costs, so as to create economic benefits, environmental benefits, and social benefits for the Company. In 2021, our waste water pollutant discharge included 0.03 tons of ammonia nitrogen and 1.09 tons of chemical oxygen demand. Meanwhile, a 3,090-cubic-meter sewage tank was constructed and has been put into use to expand our wastewater treatment capacity. The chemical oxygen demand amounted to 0.36 tons for the discharge in Vietnam factory.

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3.2.2 Waste Gas Treatment

The waste gas emission at the Group's factories mainly comes from boiler. We have taken corresponding treatment measures for coal-fired flue gas, and established a system connected with local environmental protection bureau to monitor the data of waste gas in real time, to ensure the emission of exhaust will eventually comply with the respective requirements of Emission Standards of Boiler Air Pollutants (《鍋爐大氣污染物排放標準》).

The Group constructed a flue gas online monitoring system to conduct real-time detection and analysis of different factors to monitor emissions and ensure compliance with discharge standards. In 2021, our Jinjiang factory's pollutant emissions included 120.25 tons of nitrogen oxides (decreased by 37.25% from 191.62 tons in 2020), 65.23 tons of sulfur dioxide (decreased by 51.03% from 133.21 tons in 2020) and 35.26 tons of soot and dust (increased by 177.42% from 12.71 tons in 2020). The Vietnam factory's pollutant emissions included 40.08 tons of nitrogen oxides, 9 tons of sulfur dioxide and 4.83 tons of soot and dust.

3.2.3 Waste Disposal

The waste produced in the factories of the Group mainly includes hazardous waste, general industrial solid waste and domestic waste. We established the aim to minimise emissions annually and set up applicable storage and disposal systems for different kinds of waste, aiming to achieve reduction, recycling and harmless disposal.

For hazardous waste, the Group requires every department to strictly control their production process to minimize its hazardous waste output at the source. We entered into a hazardous waste entrusted treatment agreement with a third party entity who satisfies the environmental requirements and possesses the relevant qualifications.

For general industrial solid waste generated in the factories of the Group, which includes wasted filament, boiler ashes and wasted packing bags and so on, we conduct internal recycling and reuse or sell them to downstream manufacturers as raw materials. As for domestic waste, we collect them at designated locations in accordance with the sanitary requirements and entrust local sanitation department for clearing, transportation and disposal. In 2021, our Jinjiang factory's production generated a total of 9,822 tons of general waste while the Vietnam factory's production generated a total of 2,781 tons of general waste.

3.3 Resources Conservation

The Group formulated the aim of energy saving annually and reviewed the achievement of objectives on a regular basis and strongly promoted clean production as well as attaches great importance in controlling resources utilization, conserves resources from the source as far as possible and achieves resources reuse at the same time. The factories of the Group planned and constructed systems of centralized gas supply, heat supply and water supply and achieved efficient utilization of resources through unified allocation to minimize energy consumption.

The Group, in cooperation with a third-party photovoltaic power generation company and financed by a third party, built a 30 MW rooftop distributed photovoltaic power generation project in Jinjiang factory of Billion Industrial. After connecting the grid, the factory has the priority to use photovoltaic clean energy to reduce carbon dioxide emissions and make a contribution to local energy-saving and emission reduction.

During the year under review, the electricity, coal and diesel oil consumption of the Group's factories in 2021 are as follows:

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Jinjiang factory: 1,707,858 MW of electricity and 251,000 tons of coal, translating into 6,199TJ and 5,824 TJ.

Vietnam factory: 168,100 MW of electricity and 35,000 tons of coal, translating into 605 TJ and 812 TJ.

In addition, we introduced a photovoltaic power generation system that uses clean electricity of 14,194 MW (decreased by 12.4% from 16,195 MW in 2020) in Jinjiang factory in 2021 to effectively reduce traditional energy consumption, as well as the pollutants and greenhouse gas emissions caused by it.

Type of resources	Unit	2020 Jinjiang factory	2020 Vietnam factory	2021 Jinjiang factory	2021 Vietnam factory
Jinjiang power grid electricity consumption (indirect energy)	kWh/MWh	1,243,173	202,485	1,707,858	168,100
Solar photovoltaic electricity consumption	kWh/MWh	16,195	–	14,194	–
Coal (direct energy)	0'000 tons	12.2	3.8	25.1	3.5
Diesel oil (direct energy)	0'000 liters	29.6	–	–	–

Pursuant to GHG Protocol, in translating the greenhouse gas emission resulted from energy consumption, the following is the total greenhouse gas emission of factories of the Group in the year:

Jinjiang factory's emission was approximately 1,505,842 tons of carbon dioxide equivalent (increased by 73.53% from 867,784 tons in 2020), of which direct energy (Scope 1) of 141,851 tons accounted for 9.42% and the indirect energy (Scope2) of 1,363,991 tons accounted for 90.58%.

Vietnam factory's emission was approximately 90,397 tons of carbon dioxide equivalent (decreased by 47.65% from 172,680 tons in 2020) during the year, of which direct energy (Scope 1) of 34,032 tons accounted for 37.65% and the indirect energy (Scope2) of 56,365 tons accounted for 62.35%.

Taking a comprehensive consideration of each factory's situation, we have installed circulating cooling water system and water reuse system in the factories to achieve the cyclical utilization of water resources in the factories. And we utilize local wastewater treatment facility to improve the treatment capacity and measures outside the factories. Pus water from the water reuse system and strong brine from the soft water system of the factories will be reused as waste gas dust removal water, while the effluent from the sewage station will be used for greening irrigation inside the factories. Through cyclical regeneration and secondary recycling, the consumption of municipal water resources by our factories has been significantly reduced.

During the year, Jinjiang factory and Vietnam factory consumed approximately 2,896,000 tons (decreased by 30.5% from 4,169,000 tons in 2020) and 503,000 tons of municipal water resources (increased by 74.65% from 288,000 tons in 2020), respectively.

Energy consumption	Unit	2020 Jinjiang factory	2020 Vietnam factory	2021 Jinjiang factory	2021 Vietnam factory
Municipal water	0'000 tons	416.9	28.8	289.6	50.3

3.4 Packing Materials Consumed

The Group promotes the recycling of packing materials through reducing the use of disposable packing materials and reusing such materials which will be disposed of as general industrial waste only until their functions are damaged, so as to reduce the waste of resources and protect environment effectively. The main packaging materials for the Group's polyester filament yarns products include: plastics, foam boards and carton boxes; the main packaging materials for polyester film products include: PE films, bubble films and pearl pads; moreover, pallets, wooden supports and iron trays used for product storage and auxiliary transportation.

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The Group keeps an eye on regulations of packaging usage in regions and optimizes the design of packaging that shall comply with environmental requirements, so as to strive to minimize the consumption volume of packaging materials. During the year, the consumption volume of packaging materials was as follows:

Packing material types	Unit	2020 Jinjiang factory	2020 Vietnam factory	2021 Jinjiang factory	2021 Vietnam factory
Paper rolls	piece	77,446,200	21,412,300	162,640,690	13,928,648
Paper boxes	piece	16,706,700	2,378,600	18,409,743	1,903,636
Foam boards	piece	5,571,200	—	7,973,438	—
HD bags	kg	620,800	35,400	752,792	—
Pearl pads (Foam boards)	piece	194,500	—	308,874	—
Bubble films	kg	66,700	—	91,297	—
Composite bubble films	kg	131,600	—	363,300	—
Compound bubble film dome	piece	696,800	—	1,467,572	—
Plywood	PC	—	—	487,450.00	106,127.00
Wood	PC	—	—	334,985.00	—
Wooden frames	PC	—	—	681,782.00	—
Slice bag	piece	—	—	138,038.00	157,800.00

3.5 Environment-friendly Industry

The Group actively identifies the possible major impacts of climate change on the Company, including the potential risks to the production and operation of the Company caused by the intensity, frequency and timing of extreme weather. The relevant department of the Company has formulated the Contingency Plans for Production Safety Accidents and set up emergency measures for extreme weather such as typhoons and rainstorms, formulated an emergency special plan for typhoon with greater potential impact in order to ensure the rapid trigger and performance of emergency measures in the event of sudden extreme weather events and to improve the emergency response capability to climate change crisis events, and established an emergency command system, clarified the personnel and responsibilities of the emergency organization structure, and strengthened interaction and management, to minimize the casualties and property losses caused by climate issues in the events of accidents.



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The Group focuses its works on resources recycling. We strive to arrange reasonable recycling for all recyclable industrial resources through conducting internal recycling on production materials and leftover materials of product or selling to downstream manufacturers for recycling, collecting packaging materials of raw materials and assigning manufacturers for recycling, and have significantly reduced the produce of industrial wastes.

At the beginning of the year, the Group's High-tech company has passed the certification of Global Recycle Standard (GRS) 4.0,

Certificate Number: CU1035788GRS-2021-00026053

with a validity period from 2021.01.23 to 2022.01.22. The goals of GRS are to increase the utilization of recycling materials in products, and to reduce/eliminate the hazard caused by production.

During the year under review, the internally recycled wasted filaments, recycled wasted films, wasted film sales and recycled paper rolls of our Jinjiang factory were 12,732 tons (increased by 70.94% from 7,448 tons in 2020), 347.94 tons (decreased by 143.7 times from 50,000 tons in 2020), 7,027.85 tons (increased by 199.2% from 2,349 tons in 2020) and 33,060,000pieces (increased by 81.64% from 18,200,000 pieces in 2020), respectively.

The recycled paper rolls of our Vietnam factory was 2,480,000 pieces (decreased by 11.74% from 2,810,000 pieces in 2020).

Indicator	Unit	2020 Jinjiang factory	2020 Vietnam factory	2021 Jinjiang factory	2021 Vietnam factory
Internally recycled wasted filaments	Ton	7,448	–	12,732	–
Recycled wasted films	Ton	50,000	–	347.94	–
Wasted film sales	Ton	2,349	–	7,027.85	–
Recycled paper rolls	0'000 pieces	1,820	281	3,306.24	248

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4. HUMAN-BASED MANAGEMENT

A harmonious employment relationship is a key element of an enterprise's success and excellent talents are the cornerstone of a company's core competitiveness. We adhere to the principle of "Human oriented Philosophy, Factory-based Family and Co-development", actively advocate a diverse and inclusive working environment, formulate long-term incentive plans to retain outstanding talents, and safeguard staff's lawful rights and health and safety, to provide our employees with an improved employment system.

We strictly comply with local labour laws, regulations and industry practices, fully respecting the diversity of each employee and treating them equally, to ensure that the employment, salary, treatment and promotion would not be affected by social conditions such as his ethnicity, religion, belief, political spectrum, life and diet habit.

In addition, apart from providing good promotion prospects and training, the Group also provides a series of facilities and benefits for the staff and their families, which enable them to have a harmonious and happy family in addition to work development and make progress with the Group.

4.1 Employment Compliance

The Group cultivates numerous experts and talents in various fields through internal training and external introduction. We formulate standards for talent introduction and keep abreast of talent reserve condition, actively creating jobs for local residences of the areas where we operate. We also adhere to the employing principle of cultivating talents in accordance with the survival of the fittest.

The Personnel Department of the Group shall strictly check the personal condition of the staff, including his identity card, grading certificate of related operation skills, school, and the participation in social activities, to meet the recruitment requirements of the Company, and ensure the compliance with laws and regulations in the course of employment, to avoid child labour or forced labour. The employment of child labour is prohibited by the Company. Once verified, he will not be employed.

The staff salary of the Group will be set in accordance with relevant local state regulations. We ensure new staff will receive their respective salary in accordance with the minimum salary standard which is not less than those required by the local government during the probation period. We will determine staff salary by reference to the importance, technical requirements and skills level of the position.

All the staff engaged by the Group are full-time staff and there's no part-time staff in the Group. As of 31 December 2021, the Group engaged 5,829 staff in China, of which, 4,060 are male staff and 1,769 are female staff, representing approximately 69.65% and approximately 30.35% respectively. In respect of ages, 2,317 of our employees are below 30 years old, 2,526 of our work-force are between 30 to 50 years old and 986 are over 50 years old, representing approximately 39.75%, 43.34% and 16.91% respectively. As for education background, about 609 staff hold a junior college degree or higher, accounted for 10.45% of the total staff. In terms of positions, we have 227 managerial staff, representing about 3.89% of the total staff.

As of 31 December 2021, the Group engaged 1,470 staff in Vietnam, of which, 973 are male staff and 497 are female staff, representing approximately 66.19% and approximately 33.81% respectively. In respect of ages, 743 of our employees are below 30 years old, 696 of our work-force are between 30 to 50 years old and 40 are over 50 years old, representing approximately 50.54%, 47.35% and 2.72% respectively. As for education background, about 39 staff hold a junior college degree or higher, accounting for 2.65% of the total staff. In terms of positions, we have 283 managerial staff, representing about approximately 19.25% of the total staff.

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4.2 Employee Benefits

The Group strives to create a friendly home-like working environment for staff and attaches great importance to staff's welfare treatment. Apart from providing social insurance, mutual medical care insurance and work-related injury insurance, we also provide group commercial insurance coverage for enterprise's staff, establish charitable fund for staff to solve their pressing needs financially, and provide a series of livelihood care measures for staff, which enable all staff to live and work peacefully and with contentment.

4.2.1 Comfortable Living Environment

The Group provides free accommodations for employees. Such accommodations feature separate balconies and separate washrooms, and are equipped with beds, desks, air conditioners, water heaters, televisions and other facilities. The Company also attaches great importance to staff's privacy, offering separate dormitory for married couple workers. Employees from the same family will be allocated to a separate dormitory or suite where children and elderly can stay together to effectively resolve the problem of staff's left-behind children and empty nesters in hometowns, thus creating a harmonious family atmosphere for reunion. The Group strives to provide a complete family-like environment for our staff.

The Group has a number of canteens and catering windows to provide foods with a wide range of flavors, which are regularly renewed to meet the catering needs of employees from different geographical regions. In such canteens, there are also clean and hygienic dining places provided for staff. During the year, the Group has established its own catering company, and relevant facilities, places and canteens are being decorated, which will provide better meals for frontline technicians without any charges.

The Group is equipped with commuter cars to provide free pick-up services for workers in different factories. The Group has dedicated hundreds of parking spaces for cars and electric vehicles, as well as electric charging piles and sockets, which are also free for employees.

In order to meet the actual needs of employees in work and life, and motivate staff to love and respect his/her position, the Group arranged special bus lines to and from Billion and the Penghu town of Yongchun county at the beginning of the year. These buses will depart from Billion to Yongchun county at 9 o'clock and will return to the Company the next day from the county, which are free for employees and their families, and the checking of baggage and daily necessities are also free for them, which solve the commute difficulty for those employees who are living in areas such as Nanan county, Quanzhou city and Yongchun county.



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4.2.2 Employees' Children Education

The Group runs a kindergarten inside the factories or contacts with local preschool institutions to address pre-school education needs for employees' children. The kindergarten strictly complies with the establishment standards required by national regulations to provide care and education for pre-school children of our staff.



The Group actively seeks policy support, pays attention to local school enrollment requirements and timely communicates with employees. The Group helps handling enrollment or transfer application procedures from schools.

The Group owns school buses that meet national standards and provides free pick-up services for the children of our staff from different factories to our in-house kindergarten and primary schools and secondary schools in town for classes. We also recruited security personnel in school buses to make sure the safety of our staff's children on their way to and from school.

The Group's labour union set up activities such as "four o'clock" schools, summer camps, winter camps and so on, and invited volunteer teachers to organize singing, dancing, painting, handicraft, homework counselling, calligraphy and other activities, to enrich children's extra-curricular knowledge and talent.



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Billion Children's Home "four o'clock" school, with fiery passion in the summer camp, embarked on a study journey with the theme of "Following the Red Footprint and Inheriting Red Genes", experiencing the red cultural connotation in the lush mountains and lucid water, receiving a traditional education of the Red Revolution that is different from the past, which brought great educational significance to the children.

Through the above measures, the Group has effectively accommodated the education needs of employees' children, thus enabling staff to live and work in Billion Industrial peacefully and with contentment.

4.2.3 Cohesion Building

The Group set up the "Home of Staff" activity center. The activity center has library, game rooms, movie theatres, KTV which are recreational venues for employees to use. And it also has gymnasium and swimming pool and engages professional coaches and professional lifeguards, offering various options to employees for fitness and entertainment, which enhance staff's cohesion and sense of belongings and increase their joyfulness in spare time.



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Apart from a series of activities regularly held to celebrate festivals like Chinese New Year and Women's Day, the Group also organizes physical and recreational activities which included yoga class, staff travel, outdoor hiking and team building trainings. Moreover, the Group also introduces other diversified events, such as art performances and outdoor large-screen movies, aiming at providing a balanced living and working environment for our staff.



To celebrate the 111st International Women's Day, the Group held a cheongsam show with the theme of "Strive for Women of the Times to Build a Better Life", and 38 female employees participated in this activity carried out by the labour union. In addition to allowing more beauty-loving women to realize the dream of contemporary cheongsam beauty and show women's self-confidence and self-improvement, this activity focuses on inheriting traditional culture, advocating a healthy and civilized lifestyle, and further inspiring women to devote themselves to enterprise construction, promoting the spiritual and cultural construction of enterprise's employees and the harmonious development of the enterprise.

The Group offers all-expense-covered vacations for honorary staff with over 10-year services and over 15-year services, advances management and outstanding employees regularly, and gives out exquisite gifts and honorary certificates.



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4.3 Broadening Information Communication Channel between Staff

Adhering to the people-oriented concept, the Group is committed to establishing an equal, harmonious, open and transparent communication environment and information feedback channel. The Group establishes a good communication mechanism with employees through integrating online and offline channels, and listens to the opinions and demands of employees from various aspects such as work and life, and makes timely adjustments based on the questions and opinions from staff.

The Group has taken a series of measures for "staff communication":

1. The Group has created working WeChat group to establish a "Daily Caretaker" WeChat platform and registered the official WeChat of the Group to facilitate the reception of information and feedback from staff.
2. The Group has set up eye-catching employee complaint boxes in each living and production region to collect suggestions and opinions from staff on a regular basis.
3. The Group has posted contact information of administrative, logistics and HR personnel in each region to ensure staff could communicate and obtain feedback at all times regarding any question.
4. Staff can also express their wishes and demands through the Group's labour union. The Group will hold relevant meetings and exchanges from time to time every year to regularly understand employees' problems.

The Group has also set up a system for collecting reasonable opinions. Upon adoption of the opinions for work and life improvement and promotion from staff, the staff will be awarded based on the results achieved in such aspects as safety production, environmental protection, quality improvement, cost control, energy saving and consumption reduction, and efficiency improvement.

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5. TALENT DEVELOPMENT

5.1 Comprehensive Training System

The Group strives to become a learning-oriented enterprise. It establishes a comprehensive hierarchical human resources training mechanism, assists employees to tailor their own career plans and encourages them to improve and hone their educational backgrounds and professional skills through various measures to enhance competitiveness.

The Group entered into cooperative agreements with major institutions every year and mutually created a win-win cooperation for both the institutions and the Company in bringing high quality talents to the Group.



For new employees, the Group provides a series of trainings for them within the first month of employment, including induction training, occupational health and safety management training, departmental job responsibilities and operational skills training. Through these trainings, the Group aims to help new employees to integrate into our community in a fast but better manner, strengthen their recognitions on missions, visions and core values of the Company and assist them to solve essential issues in their daily works and lives.

During the year under review, the Group continued to encourage its staff to attend trainings and organized 67,877 staff to attend trainings by batches. Training coverage rates of both male and female staff were above 80%, with per capita training hours of more than 105 hours. By functionalities, the number of general staff who attended trainings was 46,856 with training coverage rate of 85.5% and per capita training hours of 12 hours, and the number of managerial personnel who attended trainings was 10,882 with training coverage rate of 86.6% and per capita training hours of 56 hours.

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In order to encourage employees to sharpen their working skills and improve their working efficiency, the Group holds all kinds of operational skill competitions on a regular basis and formulates generous incentive measures, encouraging employees to participate in various skill trainings and lectures, so as to galvanize employees to keep on working hard, enhance their competence, learn better knowledge and create better contributions to the Company.

In 2021, the Company held and participated in various skills training and competitions, including: welder training, Siemens PLC training, skills training within the power department, A and B area Spinning Operation Skills Competition, Polymer Spinning Equipment Department Skills Operation Competition, "Five Small" Innovation Competition for Millions of Workers in the Province, Industrial Yarn Operation Skills Competition, the Second Electrician Skills Competition of Jinjiang City, etc. Lectures and activities attended by the Group include: Quanzhou Normal University Symposium, New Enterprise Apprentice Training Class Symposium, Chemical Fiber Technology Lecture, Jinjiang Enterprise Innovation and Development Conference, National Textile Innovation Conference, World Intelligent Manufacturing Conference, Industry Standard Expert Review Meeting, etc.



2021 Operation Skills Competition



2021 World Intelligent Manufacturing Conference



2021 Apprentice Training Class Symposium

5.2 Equal Development Opportunity

The Group will identify the underlying positions and number of employees to be recruited and specify position responsibilities and job qualifications which will be announced to internal staff. The Group applauds the practice of self-recommendation and gives priority to internal staff in selecting position promotion.

The Group pays high attention to the principle of fair competition and has a series of comprehensive appraisal methods in place, which aim at seeking the most capable and morally matured staff for promotion. In the Group, promotion opportunities for all employees are equal.

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6. IMPLEMENTATION OF SAFETY OPERATION

Meanwhile, the Group attaches great importance to staff's occupational health and safety as well as the working environment security. While complying with the relevant national laws and regulations, the Group further channeled its resources on the occupational health and safety management systems and obtained internationally-recognized occupational health and safety management system certification.

The coverage of the Group's occupational health and safety management systems is comprehensive, which includes employees' occupational health and safety education, production safety management and emergencies prevention and handling. We will keep on improving the relevant systems to satisfy all parties.



6.1 Stringent Safety Management

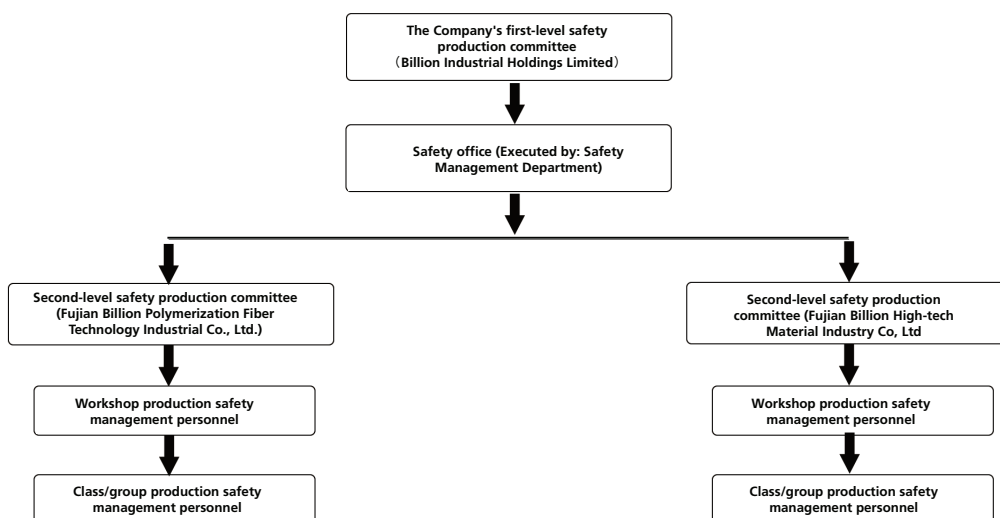
The Group puts a high value on production safety in factories' workshops and staff's workplace safety, and strictly complies with the relevant national laws and regulations related to safety production during our operation process. The Group establishes and updates relevant standards and operation criteria on a regular basis, requiring employees of all units and departments to strictly implement the same, and the Safety Management Department leads the revision and implementation of rules and operation criteria to ensure the safety during the production process.

6.1.1 Efficient Safety Management Structure

In order to implement the policy of "safety first, prevention first, comprehensive treatment", establish the safety management philosophy of "no risks are uncontrollable, no breaches are unpreventable and no accidents are unavoidable", and implement the main responsibility of enterprise safety production in accordance with the relevant provisions of the new "Safety Production Law" and various instructions, spirit and work requirements on safety production issued by governments at all levels and emergency management agencies, the Group has decided, upon research, that:

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On 1 November 1 2021, the Group established the Safety Management Department, an organization in charge of the Group's production safety, and adjusted the organizational structure of the safety production committee. The Group established a first-level safety production committee which has an office under the supervision of the Safety Management Department. The Group's polymerization fiber company and high-tech company respectively set up a second-level safety production committee with offices, and the administrative offices are located in the offices of subsidiaries. A paper was signed and announced by the president of the Group, which stipulated the responsibilities of safety committees, safety management personnel and safety officers at all levels.



6.1.2 Implementation of the “Three Simultaneities” (三同時) System

The Group earnestly implemented the provisions of the “Three Simultaneities” as required by the government administrators, i.e. simultaneous design, construction, and checking and acceptance, for production and utilization of the safety facilities of the engineering projects that are newly created, reconstructed or expanded, preventive measures for occupational diseases and the principal part of a construction project, so as to ensure that the projects of the Group meet the relevant safety standards during the construction and operation period. In accordance with the new “Safety Production Law” and related policies and regulations, when the Group signs contracts with outsourcing construction units, all safety agreements and construction site safety disclosures must be signed to ensure the safety of the construction site.

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6.1.3 Emergency Response

The Group prepares contingency plans for safety production emergency, conducts regular drills and evaluates its results and makes constant improvement.

At the end of 2021, the Safety Management Department adjusted the handling procedures and working standards for emergencies accordingly. When a safety accident occurs in a production unit, the person in charge of the site should report to the head in charge, the Administration Department and the Safety Department as practicable as possible. The Safety Management Department will visit the site to understand the status based on guidelines in the emergency plan and the seriousness of the accident, and assign relevant personnel to repair, evacuate, provide logistics, aftermath and investigation, report to the office of the Safety Production Committee and the Company's first-level Safety Production Committee. Various departments coordinated to minimize the environmental and social impact caused by emergencies. The post-event review is also necessary to avoid occurrence of similar incidents.

The Group has designated personnel to conduct regular inspection and maintenance on emergency equipment, emergency devices and fire-fighting equipment at each department, workshop and public area and will take follow-up improvement measures immediately when any exceptional situation is found, so as to ensure the safe operation of production devices and safety facilities.

The Group also set up a micro-fire station and formed a voluntary fire fighter team. It has fire-fighting equipment, such as professional suits, water pistols and water bands fully reserved, and regularly invites local professional firemen to deliver on-site trainings and perform emergency drills.

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Relevant departments of the Group will conduct safety inspections and training on the use of emergency facilities in the workshops of each department every month and in ordinary course, so as to improve employees' safety awareness and self-protection in dealing with emergencies.



In 2021, with the care and support of the leaders of the Group and the joint efforts of all employees, the Company has substantially completed all safety production tasks, and achieved the safety production management goals that there were no major casualties, no fire accidents, no environment pollution incidents nor occupational diseases throughout the year. There was also no work related fatalities incurred during the past three years including the reporting year.

6.1.4 Allocation of Safety and Health Equipment

To safeguard the health of our staff, the Group offers staff various personal preventive equipment, including masks, face shields, eye shields, gloves and earplugs, etc. In addition, to provide a basic and comprehensive protection for staff working in every production segment, the Group establishes a comprehensive fire-fighting alarm system, sprinkler, intelligent safety supervision system, air conditioning system and others.

The Group also reserves different emergency materials, such as rescue ambulances, air-breathing apparatus, fire-fighting equipment, gas masks, masks, oxygen detector, combustible gas detector, etc. to cope with emergent cases, striving to provide a safe production environment for staff.

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6.2 Comprehensive Safety Education

Under the relevant national laws and regulations and the new Safety Production Law, the Group holds a special meeting on production safety every quarter, and each department of the Company conducts special education and training on safety from time to time every week. To enhance the effect of safe production, the Group offers a series of safety and health trainings to our staff. During the year, the total training hours of occupational health and safety education were 56,857 hours in Jinjiang factory as well as 1,237 hours in Vietnam factory. The cumulative percentage of our new staff who attended the safety training was 100%.

The Group held the Fourth Quarterly Safety Production Meeting at the end of the year. The president, vice president of production of various regions, heads of various departments and managers of the Group attended the meeting. At the meeting, the Safety Management Department reported the safety production in 2021 and arranged key safety production issues in 2022. The president of the Group summarized that: 1. Emphasizing on production safety from an ideological point of view. 2. safety production efforts must be participated by all staff. 3. strengthening safety performance appraisal. 4. paying attention to the inspection of on-site facilities and equipment and the investigation of hidden dangers.

It is believed that under the supervision and management of the Group's leaders and management personnel and the participation of all employees, and through continuous strengthening of education and training, improving safety awareness, cooperating and supervising each other in work, a safe production environment will be created for Billion Group.



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6.2.2 Unfolding Assessment of Hidden Risks

Relevant departments of the Group organize safety inspections from time to time every month. After any problems are discovered, a "Hazardous Rectification Notice" will be issued directly for signing by the relevant persons in charge, and each department will be arranged to formulate rectification plans, implement preventive measures, and rectify within a time limit. The workshops of each department will also carry out internal hidden danger investigation every week, fill in the "Team Safety Self-Management Ledger" as required, rectify accordingly, and report the same to the Safety Management Department on a regular basis.

Under the requirements of relevant regulations and local government, the Group has completed the construction of "Safety Production Standardization", regularly submits hidden danger investigation and rectification measures to the local government, accepts the supervision and guidance of the local government, and continuously improves the level of safety management.

7. PRODUCT RESPONSIBILITY

The Group strives to provide quality and safe products for customers, and implements various measures for improving product quality, which include inspection and control on product quality, automatic production and raw materials safety management. The product quality management of the Group has obtained ISO9001 Quality Management System Certification, and the products manufactured have also passed the random inspection of Quality and Technical Supervision Department. Such outstanding results are the recognition of the product quality assurance of the Group.



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7.1 Improving Product Quality

The Group is committed to keeping on improving the quality and safety of its own products so as to provide the best quality products for customers. Hence, the Group formulates standards that are more stringent than national standards for polyester filament yarns and conducts full inspection on products. The Quality Control Department of the Group conducts stringent inspection and quality control on raw materials, semi-finished products and finished products, so as to ensure every production process is in compliance with the requirements of the Group.



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The Group established an after-sales customer service team handling complaints related to our products and services and verifying customer's feedback, suggestions and complaints. At the same time, we delegated technological professionals to actively communicate with customers to jointly analyze and find out the cause, carefully verify and timely solve the problems that exist. We also obtain regular customer feedbacks in using our products and provide them with relevant technological assistance. Through the above measures, the Company can also identify the project inadequacies or management deficiencies appropriately and seek for feasible solutions.

Our mission is to become an excellent supplier of polyester filaments in the world, striving to creating healthy and green products for the society; our vision is to build a global mainstream base for high-tech fiber intelligent manufacturing and production; and our purpose is to create value for customers, create benefits for shareholders, create a future for employees, and create prosperity for the society.

7.1.1 Automatic Operation

The Group's factories adopt the mechanic and automatic production approach, which promotes the processing system of functional differentiated products and improves labour productivity, product quality, research and development capacity of new products and energy efficiency utilization, so as to form a new model of reproducible polyester filament yarn melt-direct spinning intelligent manufacturing and promote for industry application, as well as leading the industry transformation and upgrade.

The Company cooperates with Donghua University, Tianjin University, Minnan University of Science and Technology and other universities to jointly cultivate talents in intelligent manufacturing, build a shared knowledge platform through OA, and implement the Company's talent training plan. 70% of the reserve cadres have grown into department-level leaders and taken on new leadership positions, which makes intelligent manufacturing deeply rooted in the minds of our employees, and greatly promotes the implementation of intelligent manufacturing within the Company.

The Company has built a professional team covering intelligent manufacturing planning, design, production, integration and maintenance services in the chemical fiber industry. A total of 85 intelligent manufacturing professionals have been developed.

During the year, the Group continued to streamline original production lines and product packaging lines for spinning, conduct technical reform and achieve automatic production, so as to satisfy the increasing demands from customers.



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7.1.2 Reliable Procurement

The supply of raw material has a considerable impact on product quality of the Group and as such, the Group attaches great importance to safety procurement.

As for the performance of suppliers' social responsibility, we encourage them to actively participate in environmental protection, and at the same time we need them to comply with national and local relevant environmental protection energy conservation regulations. If suppliers have any comments or questions, they can communicate with the Group through multiple channels at any time, which can ensure that all measures and requirements are accurate and feasible, and at the same time ensure the Company maintain good relationships with the suppliers.

The Group shall conduct a full evaluation on suppliers, which includes material quality, supply stability, safety and environmental protection assessment. Only those suppliers that have passed such evaluation could become our qualified suppliers. In 2021, 128 major suppliers of the Group mainly distributed in Fuzhou, Guangdong, Jiangsu and other regions.

7.2 Achieving Efficient Innovation

The Group is committed to keeping on developing differentiated products in the industry to provide quality and customized product services for customers. Accordingly, we dedicate lots of efforts in research and development as well as innovation.

The Group attaches great importance to the protection of technology and intellectual property for safeguarding innovation results. We also set up the Branding and Intellectual Property Department, responsible for managing the patents of the Company. Also, the Group cooperates with intellectual property service companies and further assures the quantity and quality of future patent applications through means of independent innovation, industry-university-research cooperation and others, so as to develop a sustainable enterprise innovation model.

During the year under review, we obtained 6 new utility model patents.

Patents obtained in 2021:

Item No.	Invention Item	Application Date	Authorization Date	Patent No.	Inventor	Patent Type	Patentee
1	A modified polyester fiber and its production method	2019.07.16	2021.08.27	ZL201910637970.5	Fan Xiaoyuan	Invention patent	Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd.
2	An antibiotic polyester fiber and its preparation method	2019.08.19	2021.11.23	ZL201910762353.8	Fan Xiaoyuan	Invention patent	Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd.
3	A bright polyester film and its production method	2019.07.23	2021.03.26	ZL201910664383.5	Fujian Billion High-tech Material Industry Co., Ltd.*	Invention	Fujian Billion High-tech Material Industry Co., Ltd.*
4	A blue insulating polyester film and its processing method	2019.08.19	2021.04.20	ZL201910762415.5	Fujian Billion High-tech Material Industry Co., Ltd.*	Invention	Fujian Billion High-tech Material Industry Co., Ltd.*
5	The preparation method of an easy-to-rip polyester film	2019.08.02	2021.04.27	ZL201910710862.6	Fujian Billion High-tech Material Industry Co., Ltd.*	Invention	Fujian Billion High-tech Material Industry Co., Ltd.*
6	A production method of a thermal sealing film	2019.08.16	2021.08.20	ZL201910760021.6	Fujian Billion High-tech Material Industry Co., Ltd.*	Invention	Fujian Billion High-tech Material Industry Co., Ltd.*

* for identification purpose only

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7.2.1 Information Privacy

The Group attaches great importance to information privacy and personal privacy. We established rules and regulations for keeping the commercial secret of the Company, of which the contents of commercial secret include customer information, customer credit line, customer procurement volume and core technology information. All employees are prohibited from using or disseminating the customer information of the Company privately without the authorization of the Group and entered into relevant confidentiality agreements.

The Group attaches great importance to data security and cyber security. It gives permission to connect external network for staff who have different needs according to their demand, installs antivirus software and kills virus regularly for each computer and makes backups for server data and database.

7.3 Ensure Integrity of Operations

The Group aims at keeping high transparency, probity and accountability, and strives to ensure non-occurrence of any incident that is harmful to the interests of shareholders, investors, customers and the public. We have not received any report of legal cases regarding corrupt practices from the Group or the employees in 2021.

For this, the Group formulates relevant whistleblowing management policies, to fully protect the human rights, property rights, working right, democratic rights, reputation rights and other legal rights of the whistleblowers and determine the specialized personnel to accept whistleblowing and complaints for the president of the Company or authorized persons and set up an independent investigation team according to the nature of the event, and also they will be engaged to conduct investigation or refer the incident to relevant regulatory authorities of local government.

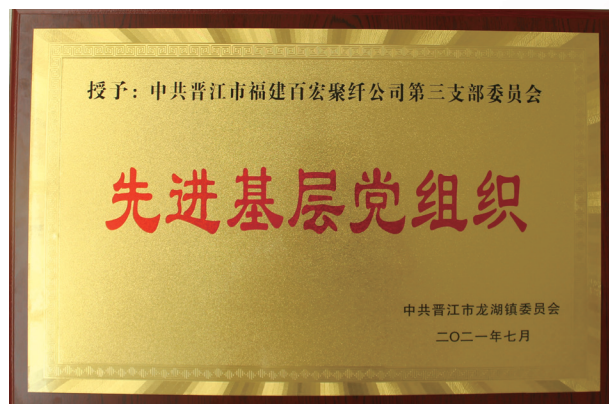
The Company has abided by the standards of business ethics, organized all employees to conduct business ethics training on a regular basis, and specified the definitions and standards of compliance risks in each operation process of the Company. The Group has continuously improved the integrity education training system to offer employees with general business ethics standard education, and special skills training for internal control and risk management, to strengthen the business integrity awareness, enhance the study on laws and regulations on integrity for the purpose of promoting the formation of an integrity atmosphere and guaranteeing the operation integrity of the Group.

8. COMMUNITY

8.1 Care about Community Development

Apart from paying high attention to self-development and its employees' development, the Group also cares about the development of townships and the communities where it is located. Not only did the Group provide financial support to those in need, it also organized employees to actively participate in community activities to jointly build a perfect and harmonious community.

During the year under review, the Group donated approximately RMB192,000 to schools at our surrounding communities and social organizations and provided about 12,485 hours of voluntary services.



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9. CONTENT INDEX

KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Optimize the Management Model Pollutant Emission Reduction
KPI A1.1	The types of emissions and respective emissions data.	Pollutant Emission Reduction
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollutant Emission Reduction
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollutant Emission Reduction
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollutant Emission Reduction
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Pollutant Emission Reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Pollutant Emission Reduction

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resources Conservation Packing Materials Consumed
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resources Conservation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resources Conservation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resources Conservation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resources Conservation
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Summary of Data and Performance
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment-friendly Industry
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment-friendly Industry
Aspect A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environment-friendly Industry
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.	Environment-friendly Industry

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
B. Social		
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Human-based Management Talent Development — Equal Development Opportunity
KPI B1.1	Total work force by gender, employment type (for example, full- or part-time), age group and geographical region.	Human-based Management
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Summary of Data and Performance
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Implementation of Safety Operation
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	During the past three years, including the reporting period, there was no work-related fatality
KPI B2.2	Number of lost days due to work injury.	Summary of Data and Performance during the past three years
KPI B2.3	Description of occupational health and safety measures adopted, how they are being implemented and monitored.	Implementation of Safety Operation

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Development
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Human-based Management — Employment Compliance
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Human-based Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	During the reporting period, there was no recorded incident

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect B5	Supplier Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Reliable Procurement
KPI B5.1	Number of suppliers by geographical region.	Reliable Procurement
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Reliable Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Reliable Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Reliable Procurement

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the reporting period, there was no recall for safety and health reasons
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Improving Product Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Achieving Efficient Innovation
KPI B6.4	Description of quality assurance process and recall procedure.	Improving Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Privacy

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ensure Integrity of Operations
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.	During the reporting period, there was no reporting of corrupt practices
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Ensure Integrity of Operations
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ensure Integrity of Operations
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Care about Community Development
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Care about Community Development
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Care about Community Development