

联想控股 LEGEND HOLDINGS

BUILDING GREAT COMPANIES

(A joint stock limited company incorporated in the
People's Republic of China with limited liability)

Stock Code: 03396



2021










ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT

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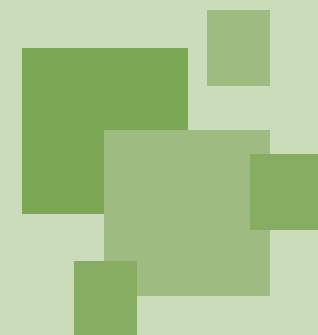
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ABOUT THE REPORT



ABOUT THE REPORT



Legend Holdings Corporation ("Legend Holdings" or the "Company", stock code: 3396.HK) is pleased to release its fifth Environmental, Social and Governance ("ESG") report (the "Report") that aims to disclose the efforts and performance of the Company and its subsidiaries (the "Group") on ESG-related matters such as corporate culture and management, employee development, supply chain management, environmental protection, product responsibility and social welfare initiatives in 2021.

Details on corporate governance and financial data of Legend Holdings are contained in relevant sections of the Company's 2021 Annual Report. Unless otherwise stated, the capitalised terms and expressions used in this Report shall have the same meanings ascribed to them in the definitions section of the Company's 2021 Annual Report. The data and information contained in the Report were sourced from the formal documents and statistic reports of the Group.

This report is released in both Traditional Chinese and English and is published on the Company's website (<https://www.legendholdings.com.cn>) and the website of the Stock Exchange of Hong Kong Limited ("Stock Exchange") for access and downloading by the public. Should there be any discrepancies between the two versions, the Traditional Chinese version shall prevail.



SCOPE OF THE REPORT

The Company has selected certain subsidiaries in different business segments and their property assets as the disclosure scope of this Report by considering the proportions of the contributions of its subsidiaries and their property assets to the total equity attributable to equity holders of the Company and the environmental, health, safety and quality ("EHSQ") risks, including Lenovo Group Limited ("Lenovo", stock code: 00992.HK), Banque Internationale à Luxembourg S.A. ("BIL"), Levima Advanced Materials Corporation ("Levima Advanced Materials", stock code: 003022.SZ), Raycom (refers to Raycom Info Tech Park where the properties and headquarters of Legend Holdings are located. It is jointly managed by Raycom Property Investment Co., Ltd. ("Raycom Property"), and Raycom Technology Co., Ltd. ("Raycom Technology"), both are subsidiaries of Legend Holdings. As the case may be, "Raycom" in this report refers to Raycom Property and Raycom Technology or Raycom Info Tech Park, a property managed by the two companies. The above subsidiaries and their property assets have higher EHSQ risks than other subsidiaries and contributed about 60% of the total equity attributable to equity holders of the Company. The ESG results and performance of the Company and the above subsidiaries and their property assets have been highlighted in this Report. The disclosures of Lenovo in this Report are extracted from its Environmental, Social and Governance Report 2020/21.

Unless otherwise stated, the information disclosed in the Report covers the period from 1 January to 31 December 2021 ("Reporting Period").





BASIS AND PRINCIPLES OF PREPARATION

This Report has been prepared in full compliance with mandatory disclosure requirements and the “comply or explain” provisions in the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) in the Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by the Stock Exchange, the contents of which are indexed in the appendices to this Report.

This Report has been prepared on the basis of the principles of the ESG Reporting Guide, namely “materiality”, “quantitative”, “balance”, and “consistency”, which are detailed as follows:



 “Materiality”: During the preparation of the Report, the Group identified key stakeholders and determined material ESG issues through stakeholder engagement and materiality assessment as the key disclosures of this Report, to focus on ESG issues of the greatest concern to stakeholders.

 “Quantitative”: This Report discloses key performance indicators (KPIs) in environmental and social aspects in a quantitative way wherever possible and describes standards, methods and references for related data statistics and calculation.



“Balance”: This Report complies with the principle of balance to present the current performance and management of the Group in ESG in an objective manner.



“Consistency”: Unless otherwise stated, this Report applies the data statistics and calculation methods that are consistent with those in the 2020 ESG report to provide a meaningful comparison with data over previous years.

REVIEW AND APPROVAL

The Board of Directors of Legend Holdings is fully responsible for overseeing the management and implementation of the Group’s ESG-related policies and for ensuring the truthfulness, reliability and integrity of the data and information disclosed. This report was reviewed and approved by the Board of the Company in March 2022.

FEEDBACK MECHANISM

The Group pays great attention to stakeholders’ opinions and feedback and keeps improving its ESG management and performance while continuously optimising reporting disclosure level.

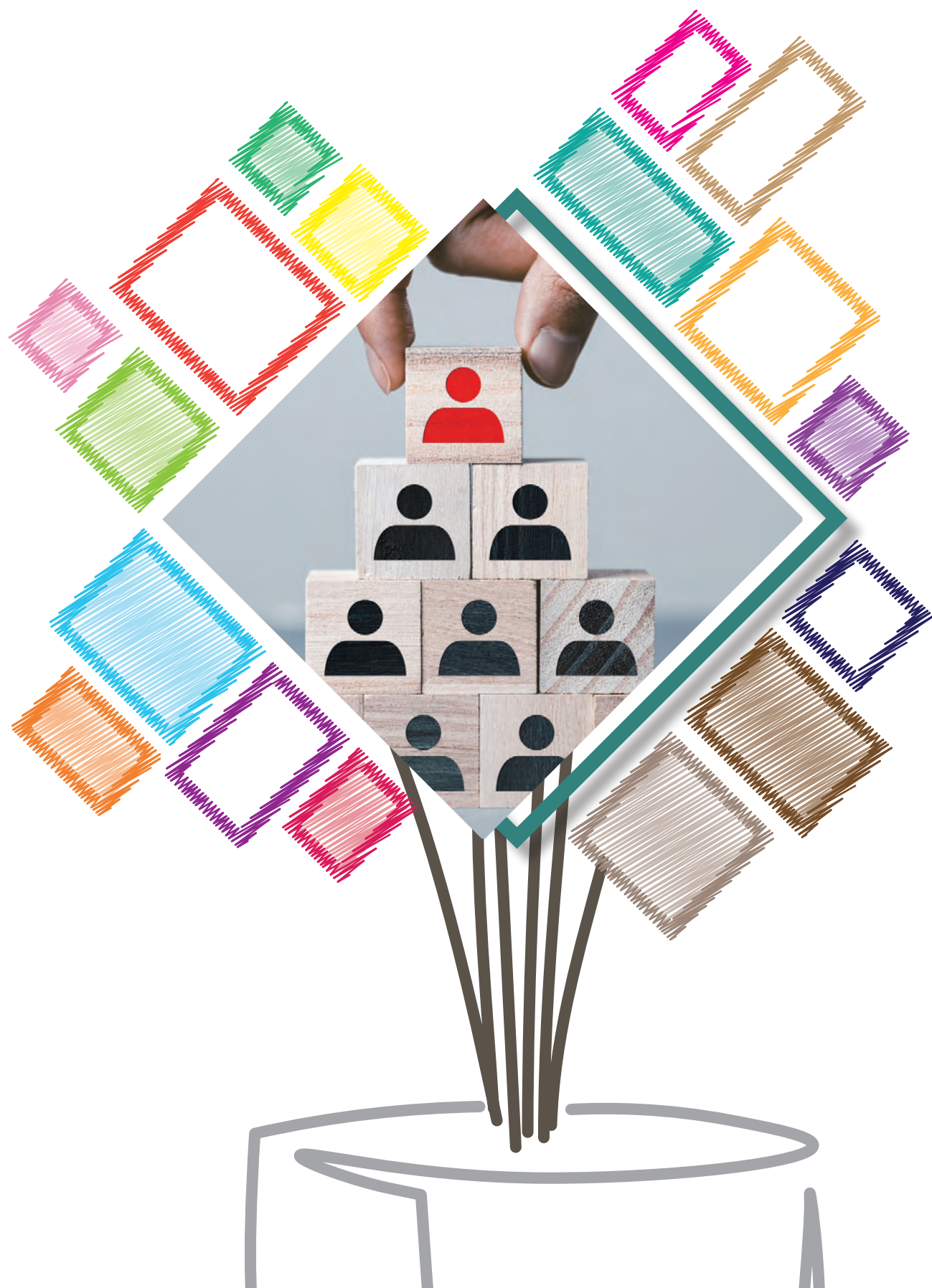
Should you have any opinions or feedback, please feel free to contact the Group via:

Telephone: 010-62509999

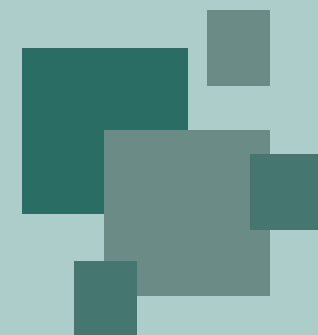
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SUSTAINABILITY GOVERNANCE

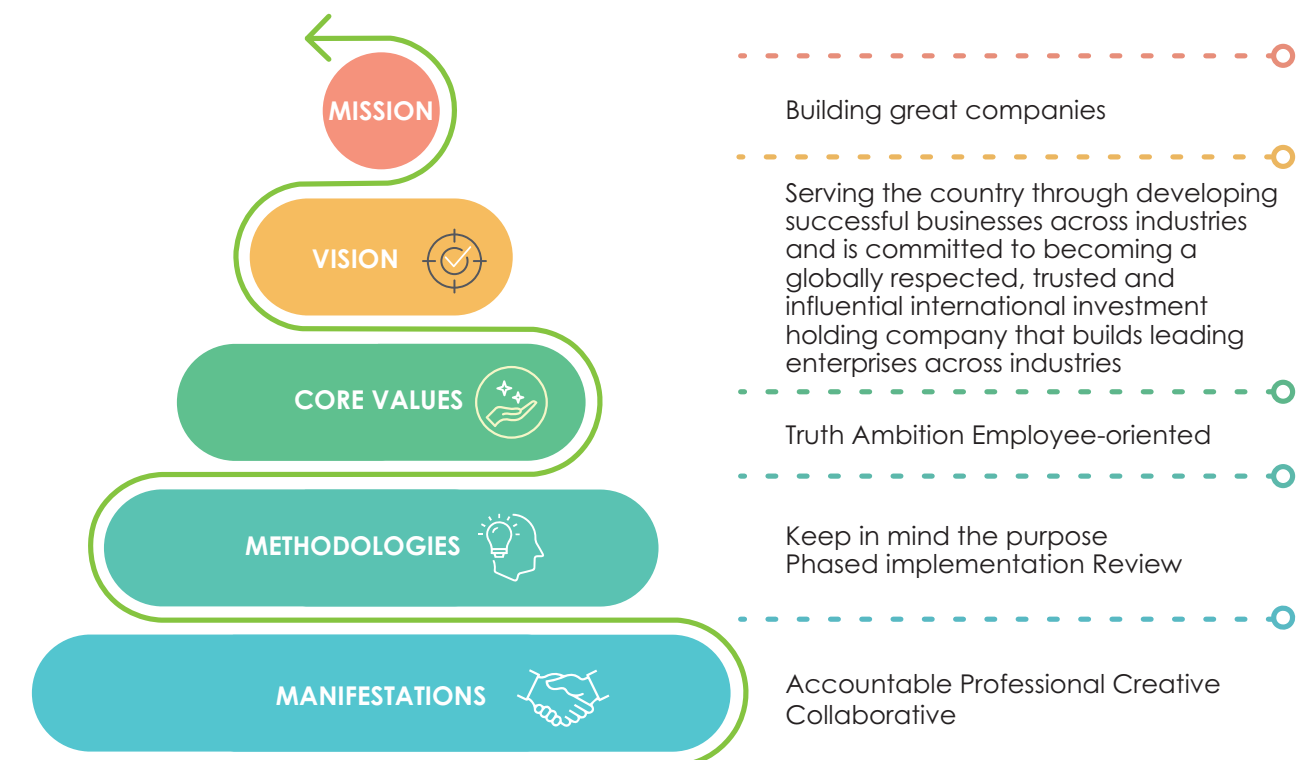


SUSTAINABILITY GOVERNANCE

CORPORATE CULTURE AND MANAGEMENT

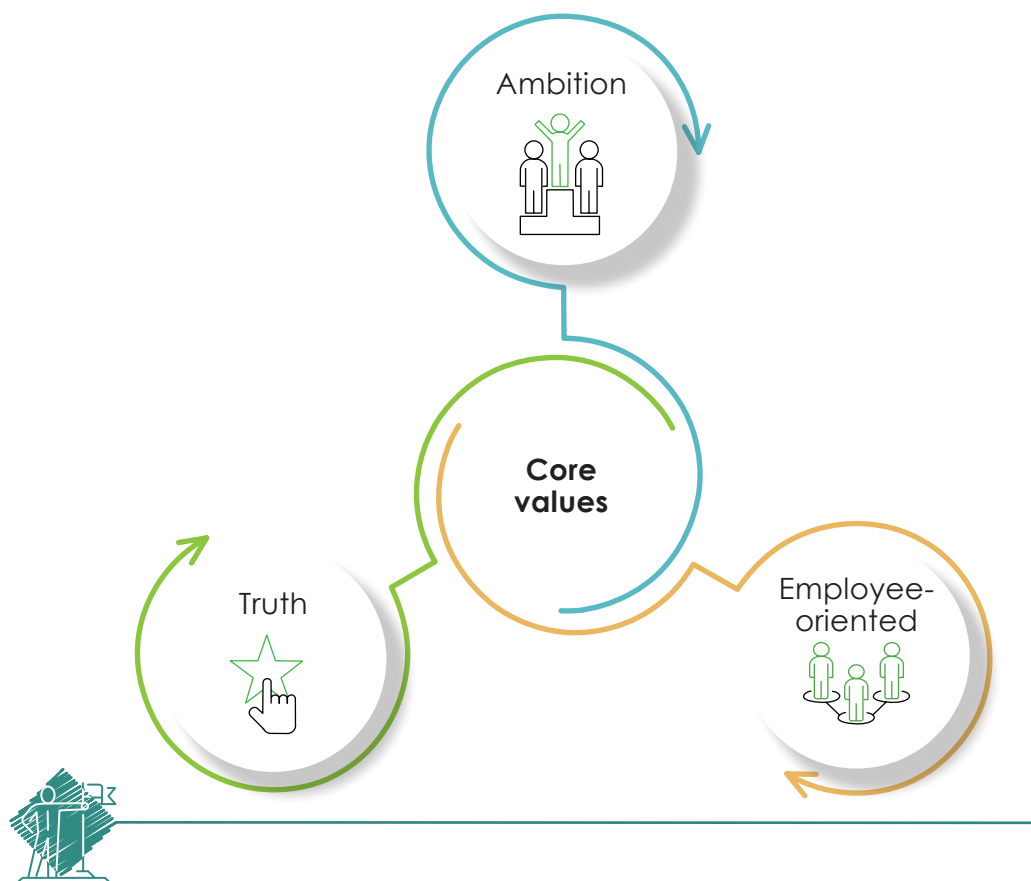
Corporate culture is a collection of underlying assumptions and concepts that have a comprehensive and profound influence on all members of an organisation. A well-aligned match between culture, an organisation, and strategy is key to the long-term development of an enterprise. As a company that values its employees as its core assets, Legend Holdings regards it of vital importance to ensure that its employees understand and recognise its corporate culture and maintain continuous impact of the culture through management measures and communication mechanisms.

The corporate culture of Legend Holdings evolves from its growth and development and consists of its mission, vision, core values, methodologies, and manifestations. The core values and methodology of Legend Holdings are drawn from experiences and are proven to be effective and generally applicable in the course of their development and practices.





As its core competitiveness, Legend Holdings' management and cultural heritage lays a strong foundation for its sustainable development and continuous establishment of excellent businesses.




Core values are the key beliefs upheld by Legend Holdings over the long-term development and represent the essence of its culture.



Truth

-  Be practical and realistic
-  Be honest and accountable and be able to match one's deeds to one's word

Ambition

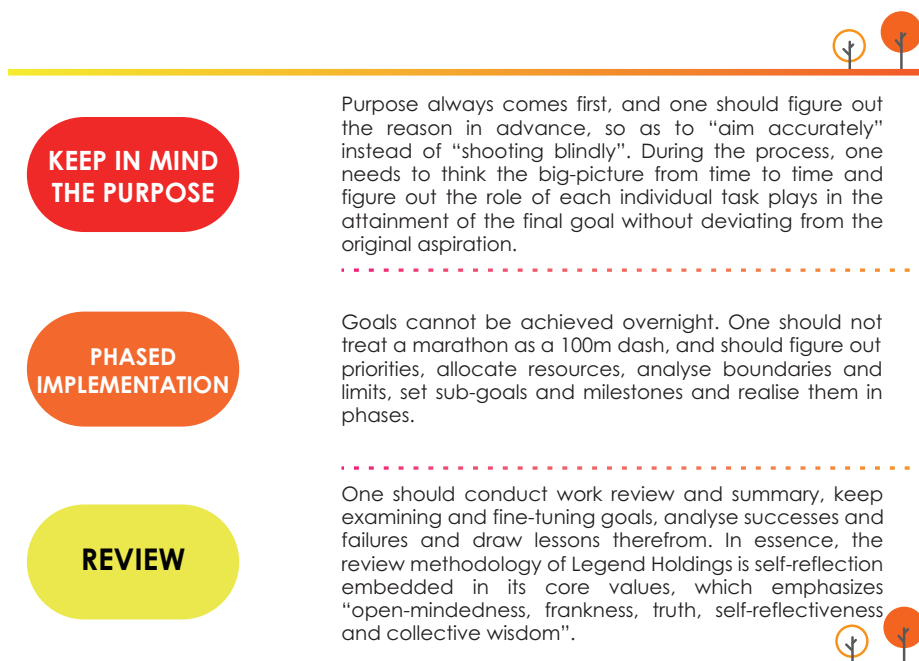
-  Aim high, go beyond immediate interests
-  Go beyond past experience, be imaginative, be creative
-  Surpass one's limits and strive for ambitions realization

Employee-oriented

-  Appreciate employees' efforts
-  Respect employees' needs
-  Create opportunities for employees' development

SUSTAINABILITY GOVERNANCE

For Legend Holdings, the methodology is the way its employees think and solve problems under the guidance of its core values.



The manifestations of corporate culture, which are under the guidance of the Company's core values and methodology, are closely in line with the business characteristics of the Company.



Legend Holdings' management framework is divided into two aspects: operational and fundamental. The fundamental aspect consists of mechanisms, systems, corporate culture and the "Three Elements of Leadership" of Legend Holdings.

"Three Elements of Leadership": Legend Holdings' management philosophy can be summed up as "Formation of Leaders Panel", "Strategy Setting" and "Team Building".



SUSTAINABILITY GOVERNANCE

The Company's management always attaches great importance to the inheritance and applications of Legend's corporate culture and management experiences. In May 2021, a seminar on "Formation of Leaders Panel (建班子)" was organised to enhance the confidence and cohesiveness of the management team. This has laid a solid foundation for the unity of thought and solidarity in the new strategic cycle of the Company.

Since Legend Holdings initiated its strategic investment business in 2010, the Company has always been actively sharing its own cultural values, work methodology and management experiences with investee companies, in order to align their cultural concepts with the Company's cultural concepts. As one of the important means to spread Legend Holdings' corporate culture, "Modelling" (入模子) training programme has been held for 10 years in 20 sessions, and has trained 1,165 persons on the Company's history, current business, and requirements of its management culture. More than half of trainees came from invested companies. These learning processes and experiences are of great significance for them to understand Legend Holdings' corporate culture.

In 2021, offline trainings was not feasible given the restrictions imposed by COVID prevention and control requirements. During this period, all parties including the Company's management and specialised departments from subsidiaries studied and discussed again on purposes, participants, contents, and forms of the "Modelling" training programme. They planned to build a new cultural training model that "aims at investment business, focuses on both learning and application, and encourages interactions throughout the training process".

To carry forward its core values and advocate the down-to-the-earth attitude towards "making its business stand out" 「建功立業」, the Company also regards the annual "Excellent Employee" and "Excellent Subsidiary" selection activities as an important part in establishing corporate culture benchmarks and promoting corporate culture cases. The culture-led approach is fully reflected throughout the process, from candidate nomination, management review, and publicity on the deeds of winners. In January 2022, Mr. Ning Min, Chairman of the Company and Mr. Li Peng, CEO of the Company attended the commendation ceremony for individuals and teams who had made outstanding contributions in their areas of expertise in 2021. In 2021, the Company also put forward a preliminary framework for implementing the core value of "truth" in the new era through interviews with managers and research on the Company's internal and external fundamentals. That has further strengthened the employees' understandings and knowledge of the Company's cultural requirements in its new strategic cycle.

年度联想控股



The Company's emphasis on corporate culture and values is also reflected in its evaluation system for employees. To help the Company's employees and managers at all levels understand the importance of corporate culture and implement cultural requirements on organizational and individual work behaviour, Legend Holdings requires that each manager and employee to conduct self-assessment against the cultural requirements in their annual appraisal. A "one-vote veto" mechanism is in place, and behaviours that violate the Company's culture and values will be resolutely punished.

COMMUNICATION WITH SHAREHOLDERS

The Board of Legend Holdings is fully aware of the significance of maintaining clear, timely and effective communication with the Shareholders and potential investors of the Company. Given this, the Company has formulated the Shareholders' communication policy, ensuring ongoing effective communication between the Company and the Shareholders. Legend Holdings considers general meetings as a great opportunity for direct communication between the Board of Directors and Shareholders and encourages and welcomes the questions raised at the general meetings. In addition, the Board of Legend Holdings is also committed to ensuring that the Shareholders and potential investors receive the latest information in a timely manner by publishing annual reports, interim reports, announcements, circulars and press releases through various channels such as the corporate website.

The Articles of Association of the Company clearly stipulates the rights of Shareholders to effectively protect their rights and interests. Shareholders have the right to request



the Board of the Company to convene an extraordinary general meeting or class meeting and may put forward proposals at a general meeting in accordance with relevant procedures. In addition, Shareholders may also raise suggestions, inquiries, and concerns in writing to the Board of the Company and/or relevant special committees of the Board.

During the Reporting Period, under the continuously updating regulatory requirements, development trends of the Company and the feedback from the Shareholders, the Company continued to focus on enhancing its governance, ensuring steady development of the Company and continuously safeguarding the long-term benefits of the Shareholders.

SUSTAINABILITY GOVERNANCE

SUSTAINABILITY STRATEGY

The Company has established its business development philosophy and vision of "With the mission of serving the country and society through developing successful businesses across industries, Legend Holdings is committed to becoming a globally respected, trusted and influential international investment holding company that builds leading enterprises across industries." This is also the Group's commitment to sustainable development as an enterprise.

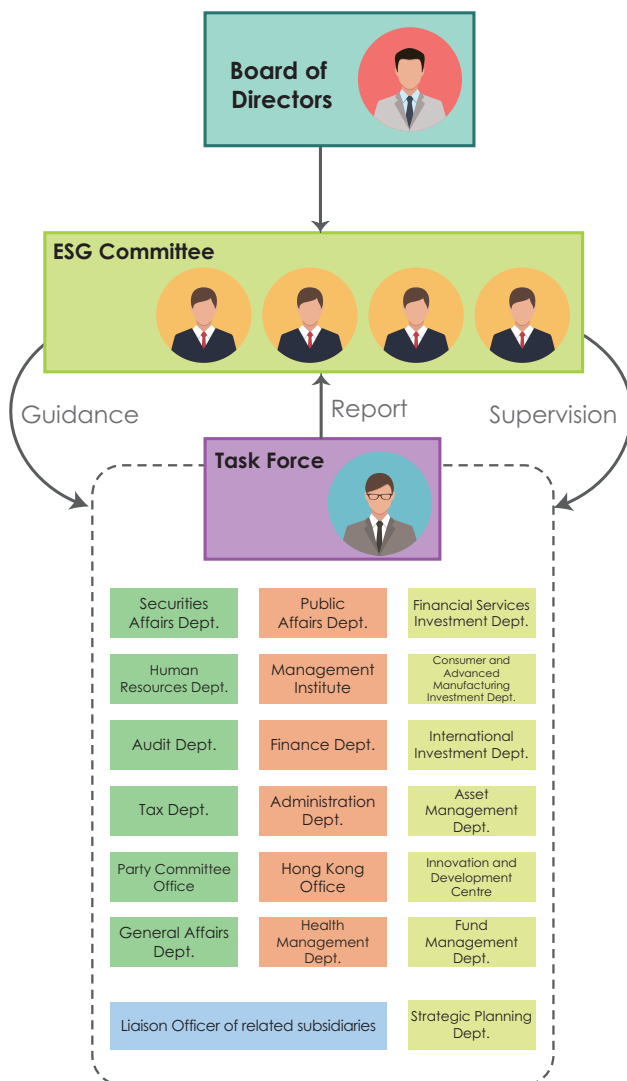
To implement the aforesaid philosophy and achieve its vision, Legend Holdings has developed its environmental sustainability strategy to review and manage the impact of the Group's businesses on the environment and the society. Legend Holdings integrates sustainability into each of its investments and business segments, with the aim of embracing the Group's sustainability philosophy from the top down, from internal management and employees to external stakeholders, and organically incorporates the principle of sustainability into daily work and life. Legend Holdings and its subsidiaries have always regarded fulfilling corporate social responsibilities as the long-term goal of their corporate development. To achieve this goal, they proactively participate in public welfare activities, strengthen environmental protection, energy conservation and emission reduction, and vigorously develop green economy to promote the realisation of "carbon neutrality" 「碳中和」 and "carbon peak" 「碳达峰」 and high-quality development. While pursuing enterprise development and seeking economic benefits, Legend Holdings and its subsidiaries actively safeguard the rights and interests of Shareholders, employees, customers, and various stakeholders. The companies continuously improve corporate governance and strive to increase their contribution to the country's economic and social development to make sustainability an important way of serving the country through industries, promoting scientific and technological innovation and facilitate common prosperity.

SUSTAINABILITY GOVERNANCE STRUCTURE

As the Group's highest governing body of sustainability issues, the Board of Legend Holdings is responsible for supervising the Group's ESG matters and developing and reviewing the Group's sustainability strategies and goals. The Board of Directors of the Company balances the needs and interests amongst stakeholders and is committed to integrating long-term benefits of the shareholders, social benefits and environmental benefits. In the meantime, the Board leads and participates in the evaluation and determination of the Group's ESG-related risks to ensure the implementation and improvement of an appropriate and effective risk management and internal control system. Under the leadership of the Board, Legend Holdings strictly abides by the relevant laws and regulations on sustainable development in the region where it operates in deciding on major issues and has formulated relevant internal bylaws, policies, and procedures in accordance with international and local laws and regulations, industry standards and best practices.

To strengthen the management of ESG matters by the Board, the Company established the Environmental, Social and Governance Committee ("ESG Committee") with the approval of the Board on 31 March 2022. The committee is responsible for assisting the Board in guiding and monitoring policies and goals related to the Company's sustainable development, continuously discussing sustainable development trends of the domestic and overseas capital markets and peers and reviewing the progress of issues and matters relating to sustainable development of the Company. Currently, the Committee comprises four Board members and is chaired by an independent non-executive director.

In addition, the Company has set up a Sustainability Task Force ("Task Force") which reports to the ESG Committee. With the Secretary of the Board as the convenor, the Task Force is comprised of staff from all relevant departments of the Company and liaison officers from its subsidiaries. The Task Force reports to the ESG Committee.



Main responsibilities of the Task Force include:

-  Incorporate the ESG concept into the development and implementation of corporate strategies taking into account new technologically innovative ideas and means;
-  Provide advice on ESG strategies to the ESG committee;
-  Assist in evaluating ESG risks and establish a relevant reporting mechanism;
-  Report ESG work to the Board and ESG Committee;
-  Communicate with stakeholders by way of questionnaires and contacts regarding material ESG issues;
-  Coordinate the collection of ESG materials and preparation of ESG reports;
-  Assist in tracking, analysing, and summarizing the implementations of ESG targets; and
-  Handle other matters as authorised by the ESG Committee.

Under the leadership of the Board and the ESG Committee together with the coordinations of the Task Force, the relevant business departments and subsidiaries of the Company also actively cooperate with the implementation and development of the Group's ESG policies and works based on actual needs.

SUSTAINABILITY GOVERNANCE

STAKEHOLDER COMMUNICATION AND ENGAGEMENT

Legend Holdings highly values the concerns and interests of all stakeholders and believes that maintaining an effective and close communication with stakeholders serves as an important basis for sustainable development. The Group examines the stakeholders that may be affected by various aspects of business operations and their corresponding

potential impacts to identify important types of stakeholders and maintain a long-term contact with each stakeholder through various communication channels such as questionnaires, performance evaluations, and business exchanges to listen to their opinions and feedbacks on sustainable development efforts made by the Group.

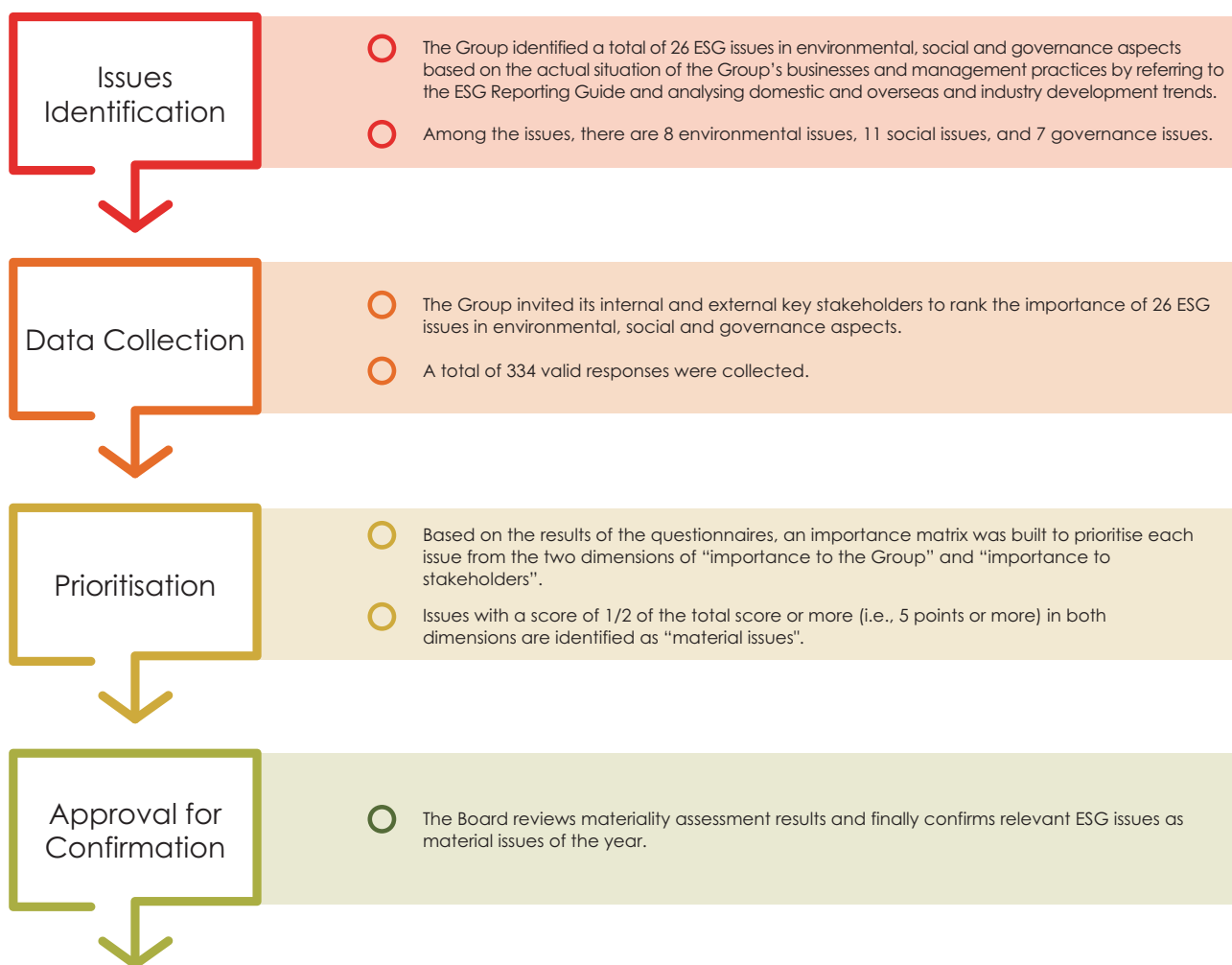
Types of stakeholders	Major communication channels
Board and management	Questionnaires Administrative meetings Board meetings Communication via emails and telephone
Employees	Employee activities Themed trainings Questionnaires Congress of workers and staff
Shareholders/investors	General meetings Questionnaires Investors' roadshows Annual and interim reports
Suppliers and partners	Communication meetings Questionnaires Supplier evaluations Tendering and procurement procedures
Media	Company's official website Social media Questionnaires Press conferences for annual and interim results
Customers	Questionnaires Customer service hotline Social media and the Company's official website
The public and community	Community investments Volunteer services Charity and donation projects

MATERIALITY ASSESSMENT

During the Reporting Period, the Group invited various internal and external stakeholders to participate in an online questionnaire survey and engaged a third-party professional consultant to carry out a materiality assessment,

so as to extensively solicit opinions from the stakeholders and on this basis, identify and prioritise material ESG issues relevant to the Group to further clarify the focus of the Group's ESG work in the future.

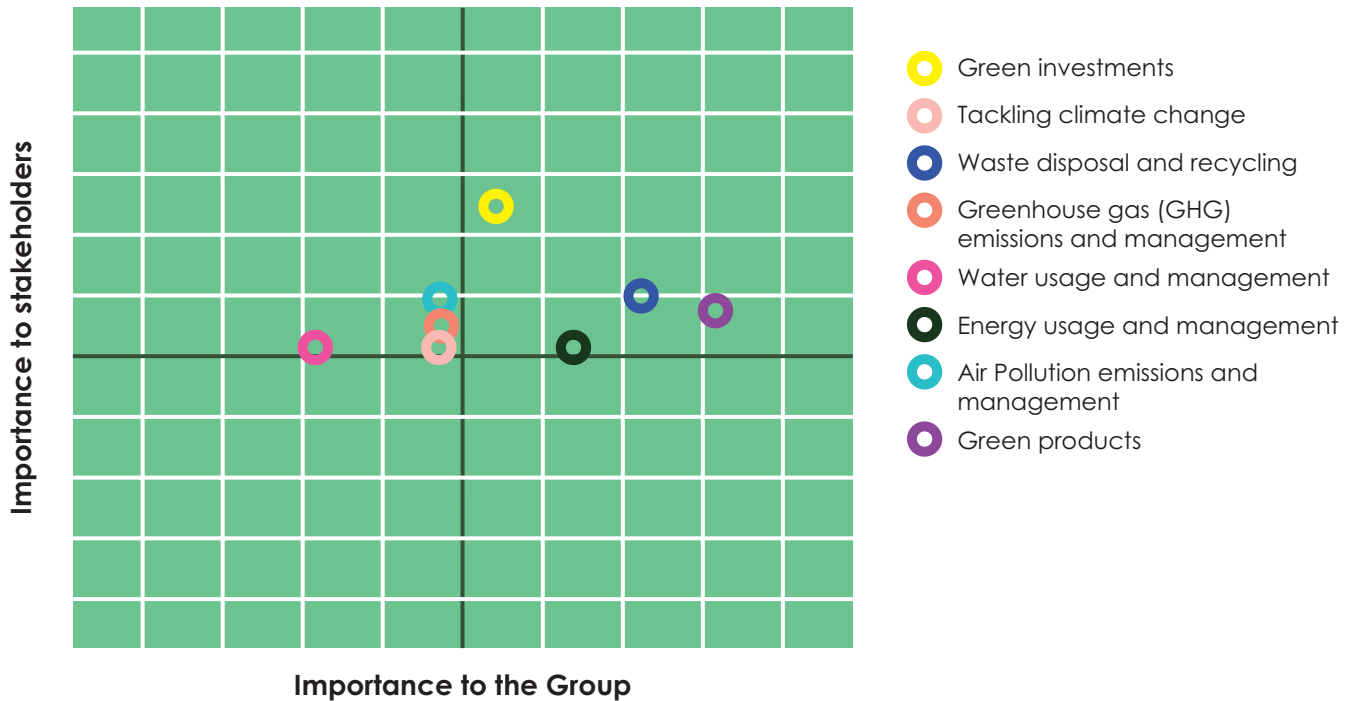
The entire process of questionnaires and materiality assessment is as follows:



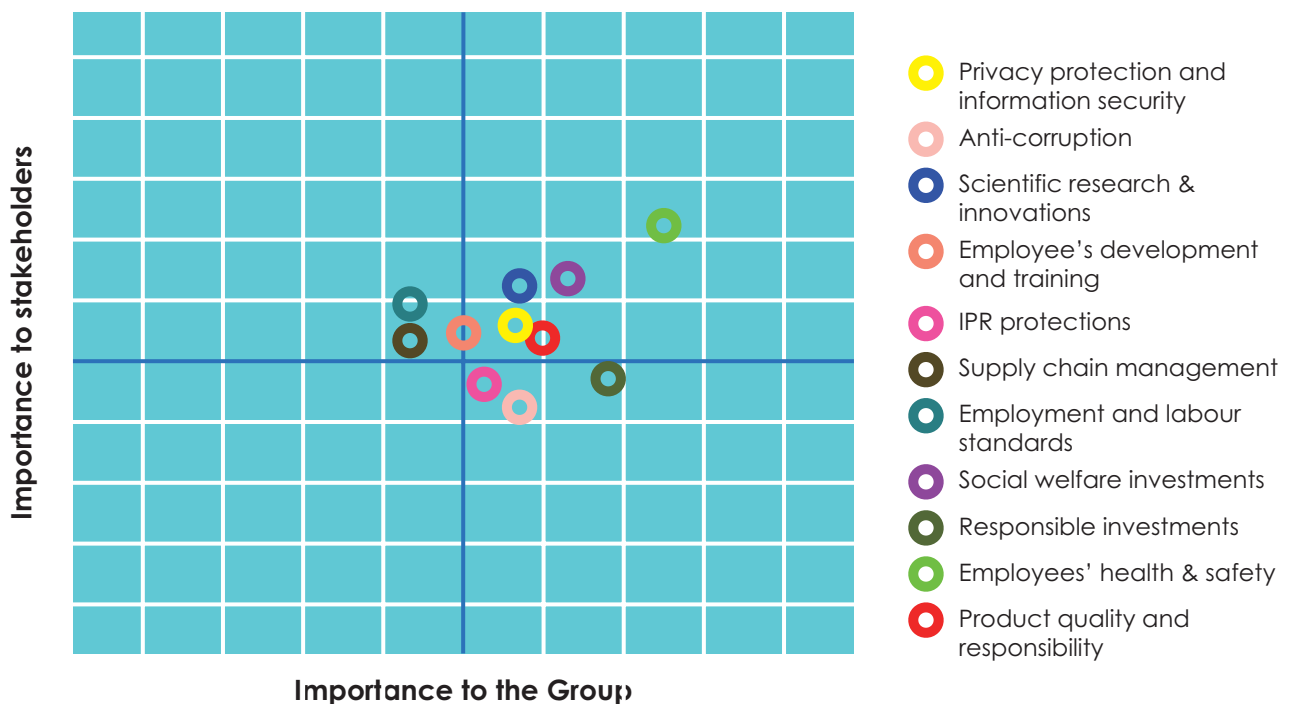
SUSTAINABILITY GOVERNANCE

The materiality matrixes for environmental, social and governance aspects are as follows:

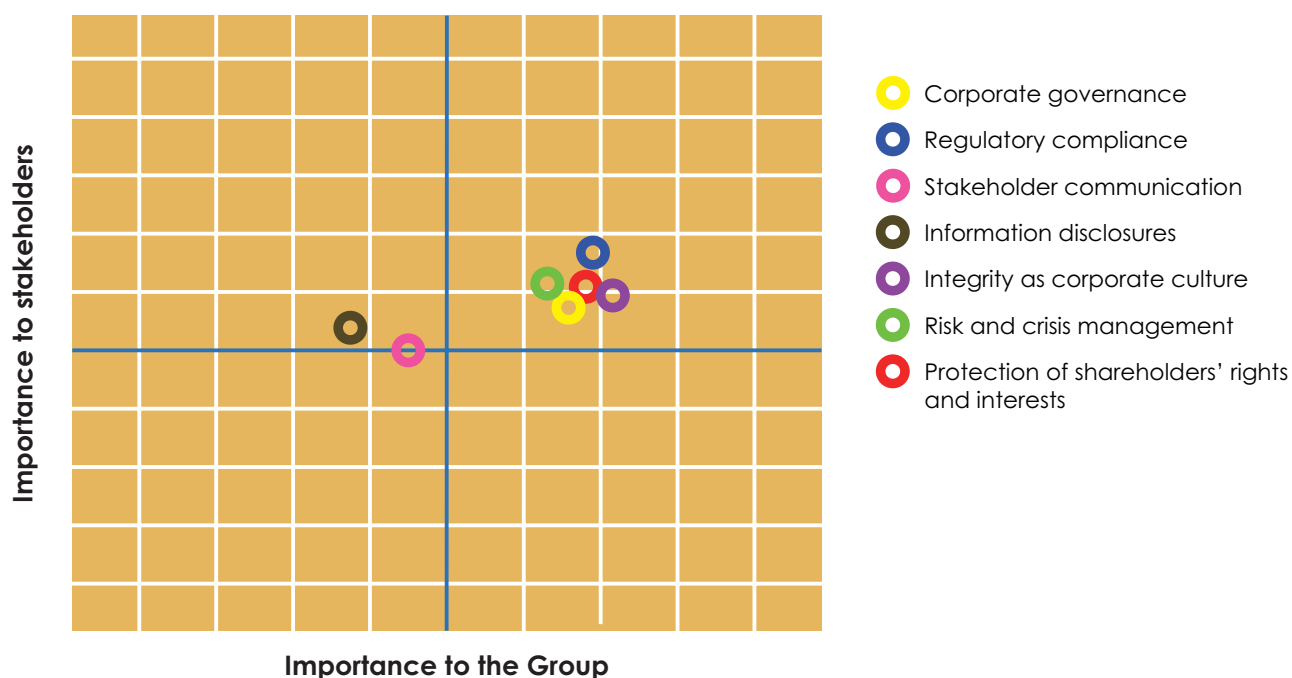
Materiality Matrix (Environmental Aspect)



Materiality Matrix (Social Aspect)

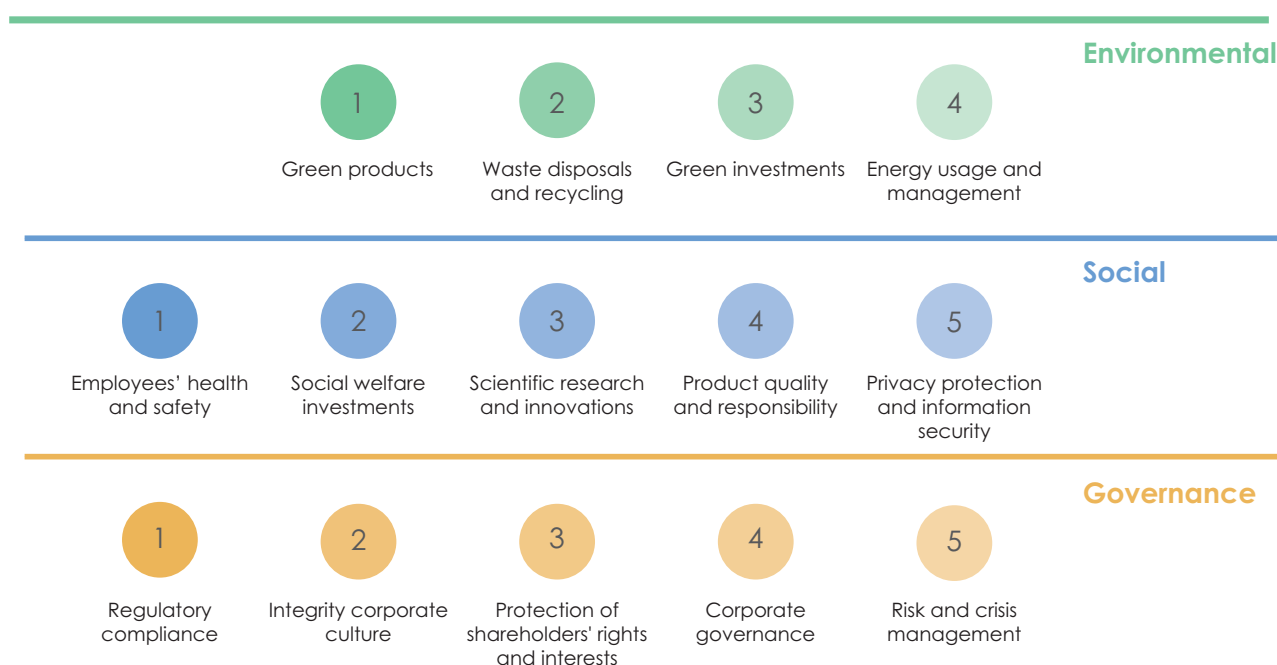


Materiality Matrix (Governance Aspect)



In this materiality assessment, the Group identified 4 material issues in the environmental aspect, 5 material issues in the social aspect and 5 material issues in the governance aspect. Based on the comprehensive scores of the two dimensions, namely "importance to stakeholders" and "importance to the Group", the priority of these important issues is shown in the table below:

Material Issues (in Descending Order of Importance)



SUSTAINABILITY GOVERNANCE

Each chapter of this Report will focus on the disclosures of the Group's management strategies and performance related to the aforesaid material issues, so as to respond more specifically to those ESG issues that are of the most concern to stakeholders.

RISK MANAGEMENT

To realise its long-term vision and mission, Legend Holdings has established a sound risk management and internal control system to identify and evaluate the Group's risk exposures and has formulated appropriate control measures to safeguard our businesses, the shareholders, assets and capital. We believe that the risk management and internal control system embedded in each business will enhance its long-term shareholders' values.

The Group implements a risk management and internal control framework guided by the framework of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), establishes three lines of defence of risk management and internal control, and adopts multiple assurance models to ensure the effectiveness of the risk management and internal control system. The Company's Audit Department reports to the Chairman of the Board regularly and to the Audit Committee quarterly, develops rectification and improvement plans with each department and the subsidiaries of the Company for the identified issues and deficiencies and follows up the implementation of the proposals. The Board of the Company also confirms the effectiveness of the Company's risk management and internal control system based on the review of the Audit Committee on the results submitted by the management.

	For businesses of the headquarters of Legend Holdings	For businesses of subsidiaries	Duties
1st Line of Defence	Business divisions	Subsidiaries	Integrate risk management concepts and control measures into the daily business processes and undertake specific business risk prevention and control functions
2nd Line of Defence	Relevant functional departments	Business divisions and relevant functional departments	Organise and promote the risk management activities, identify and supervise risk management and conducting monitoring activities in the course of businesses and operations.
3rd Line of Defence	Audit Department	Audit Department	Monitor and evaluate the effectiveness of risk management and identify areas for improvement.

Legend Holdings has also established a process of identifying, evaluating, and managing significant risks, as detailed below:

Determination of Scope

Determine the scope of risk management.



Evaluation

Use the evaluation standards developed by the management to evaluate risk level; take into account the impact of risks on the operations and the likelihood of occurrence; consider whether existing monitoring measures are adequate; and prioritise risks through comparing risk evaluation results.



Monitoring and Reporting

Perform regular monitoring and review as well as report based on established risk management procedures.



Identification and Analysis

Identify risks that may potentially affect the businesses and operations and analyse potential consequences and probability of occurrence.



Mitigation and Monitoring

Develop monitoring and mitigation plans, to prevent, avoid or reduce risks; perform ongoing and periodic monitoring of the risk and ensures that appropriate internal control procedures are in place; and revise the risk management policies and internal control procedures in case of any significant change.



Integration

Incorporate the above risk management processes into our operations, including strategic planning, investment decisions, capital management, internal controls and other business or operational management.



SUSTAINABILITY GOVERNANCE

During the Reporting Period, the Group evaluated and identified certain major risks it faced as always. Among them, a summary of the risks related to ESG matters and their countermeasures are as follows (for details, please refer to the 2021 Annual Report of the Company):

Risks Related to ESG Issues	Potential Impact on the Group	Response Management
Risk on fluctuations of raw material prices and finished goods sales prices	<p>Under the circumstance of significant fluctuation in raw material price, any ineffective response to the pricing of products and inventory cost controls, will risk a decline in the operating performance of the Company's subsidiaries.</p> <p>The principal raw materials required for the animal protein, fruit and fresh semi-finished products businesses of our subsidiaries are mainly provided by international suppliers which are affected by various costs such as biological costs and labor costs. Once the production costs increase, it may cause an adverse impact on net profit.</p> <p>If the prices of the principal raw materials used by our subsidiaries such as coal, methanol, and vinyl acetate increase, this may lead to an increase in production costs.</p>	<p>Through signing annual sales contracts with important customers and effective procurement plans, our subsidiaries closely track the price trends of raw materials and market supplies and demands.</p> <p>Proactively adjust procurement strategies, and actively seek merger and integration opportunities for upstream principal resources. With the help of product categories and channel advantages, and strategic cooperative relationships with upstream principal suppliers formed over the years, our subsidiaries make flexible adjustments when prices fluctuate greatly while minimizing the operating risks brought during purchase price fluctuations.</p> <p>Through long-term purchase agreements, the industrial chain is extended upstream and downstream, and the price of raw materials is reduced to counteract the risk caused by raw material price fluctuations.</p>

Risks Related to ESG Issues	Potential Impact on the Group	Response Management
Environmental Security Risks	<p>If the pollutant discharge rate of the Company's subsidiaries in the advanced materials industry unable to comply with the national environmental protection requirements, it may have adverse impacts on their business operations and corporate reputation.</p> <p>Our subsidiary's salmon breeding areas under animal protein business will be impacted by environmental pollution and natural disasters.</p>	<p>Increase investment in energy conservation and environmental protection to ensure normal operations and timely upgrade of existing environmental protection facilities and will continue to optimize production processes and focus on the application of green environmental protection technologies.</p> <p>Our subsidiaries purchase commercial insurance to minimize risk exposures.</p>
Extreme Climate Change Risks	<p>The continuous warming of the global climate has led to the warming of the global seawater, which affects the salmon farming environment, and may cause red tides and an increase in the frequency of epidemics. This will have adverse impacts on the salmon breeding environment and the operations of animal protein business</p>	<p>Through the utilization of advanced breeding and monitoring technologies such as artificial intelligence and machine vision, refined breeding standard is being improved to better deal with red tides, epidemics and other disasters.</p>

SUSTAINABILITY GOVERNANCE

Risks Related to ESG Issues	Potential Impact on the Group	Response Management
Risk on cyber-attack and security	The Company and its subsidiaries may face cyber-attacks or other attacks on their data security. This may result in a disruption on operations and damaged reputation and may subject them to legal actions and economic compensation.	<p>Develop and maintain a robust cyber security culture by developing sound policies and processes, and train employees to follow vital data protection practices;</p> <p>Enhance cyber security controls and information security and heighten product security and privacy awareness;</p> <p>Comply with mandatory privacy and security standards and protocols imposed by laws, regulations, industry standards, or contractual obligations;</p> <p>Formulate policies and processes to ensure hardware, operating system software, product software and applications that are either produced by the Company's subsidiaries or procured from third parties are able to protect and use customers' data responsibly.</p>
Risk on intellectual property	If the Company's subsidiaries cannot develop and protect their own intellectual properties, or their suppliers are not able to develop or protect relevant technologies or obtain any necessary technology licenses, the subsidiaries will be exposed to risks of business costs, litigation and damaged reputation.	<p>Take appropriate legal measures to protect know-how and trade secrets, apply for and enforce patents, and register and protect trademarks and copyrights;</p> <p>Delegate intellectual properties as appropriate and monitor the validity and values of the intellectual properties to the Company's subsidiaries;</p> <p>Obtain intellectual properties indemnifications from suppliers, or otherwise transfer the responsibility to protect the intellectual properties to suppliers;</p> <p>Monitor, develop and execute intellectual properties litigation defence strategies; and</p> <p>Make use of the Company's subsidiaries patent portfolio, if appropriate, to decrease potential damages.</p>

Risks Related to ESG Issues	Potential Impact on the Group	Response Management
Risk on food safety	Any food quality problems found in the Company's subsidiaries will cause material adverse impacts to their production, operations and reputation.	<p>Actively promote standardised production and management, establish and implement a food safety assurance system from raw materials to finished products to pass the certification of quality assurance systems such as GMP (Good Manufacturing Practice), SSOP (Sanitation Standard Operation Procedure), HACCP (Hazard Analysis and Critical Control Point) and BRC (Standard for Food Safety by British Retail Consortium) and comply with the relevant food safety laws and regulations of China, Europe, the United States, Chile and other countries or regions;</p> <p>Set up an emergency response system for consumer complaints and quality problems in relevant subsidiaries to minimise the resulting food safety risks.</p>
Compliance risk	The Company and each of its subsidiaries and their employees may be subject to legal obligations, regulatory penalties, financial or reputation losses due to operations, management or practises in violation of regulations.	<p>Enhance the research and understanding of the latest laws, regulations and regulatory policies, strengthen the review of the effectiveness of the Group's internal control and risk management, promote the improvement and implementation of the accountability mechanism, and increase the supervisions and punishment of violations so as to improve the level of compliance management;</p> <p>Consult compliance advisors and internal and external lawyers about compliance matters to adjust compliant corporate development paths in timely response to relevant changes.</p>

SUSTAINABILITY GOVERNANCE

TARGET MANAGEMENT

To further improve the management efficiency of the Group's ESG work and the level of ESG governance, the Group formulated and implemented a series of short-, medium-and long-term ESG targets during the Reporting Period. Please refer to the following chart for details:

Legend Holdings' ESG Targets		
Aspect	Scope	Targets
Social	Social welfare investments	Further increase social welfare investments and respond to the country's policies of "common prosperity" and "rural revitalization".
	Employment and labours	Care about the trainings and development of employees and improve the management capabilities and professional skills of employees through various methods such as management trainings, business trainings, themed sharing activities or lectures to promote the common growths of employees and the Company.
		Improve employee welfare standards steadily based on existing diversified benefits according to the favorable social policies introduced by the country to match the Company's development and employee needs.
Governance	Corporate governance	Increase diversity on the Board so that there will be no less than two female members on the Board by the end of 2030.

BIL's ESG Targets		
Aspect	Scope	Targets
Environmental	Investment and financing environment impact	Green, social and sustainable bonds account for at least 30% of sustainable portfolios by the end of 2025.
	ESG management	Start its own carbon footprint measurement project in 2022, covering scopes 1, 2 and 3 greenhouse gas emissions.
		With the signing of the UN Principles for Responsible Banking and the UN Global Compact, BIL will carry out an impact analysis to further set more specific and clear goals.

Levima Advanced Materials' ESG Targets

Aspect	Scope	Targets
Environmental	Emissions	The uses of MTO grade methanol and optimisation of the steam pipeline networks will reduce steam consumption by 200,000 tonnes, energy consumption by about 20,000 tonnes of standard coal, and carbon dioxide emissions by about 50,000 tonnes in 2022.
	Waste discharge	From 2022 onwards, the concentration of sulfur dioxide, nitrogen oxides and particulate matter in boilers' exhaust gas shall not exceed 35 mg/L, 50 mg/L and 5 mg/L respectively; all waste water discharges and exhaust gas emissions shall comply with relevant standards and the total amount of discharges shall be lower than the amount specified in the company's pollutant discharge permit. The compliance rate of solid waste and hazardous waste disposal will reach 100%, and no environmental pollution incidents will occur.
	Efficiency of resource use	In 2022, energy consumption per RMB10,000 of output value will decrease by 7.5% compared with 2020.
	Water efficiency	In 2022, recycled water consumption will reach 1.05 million tonnes through the optimisation of reclaimed water treatment facilities.
	Environmental investment	In 2022, relevant investments in environmental protections will be no less than RMB50 million to guarantee and improve the company's clean production standards.

SUSTAINABILITY GOVERNANCE

Levima Advanced Materials' ESG Targets		
Aspect	Scope	Targets
Social	Employee hiring and development	<p>In 2022, the employee turnover rate will not exceed 5%.</p> <p>In 2022, the average training hours of employees will increase by 10% compared with 2021.</p>
	Health and safety	<p>No accidents will result in work-related serious injuries or worst among employees or serious injuries or worst among contractors due to inadequate implementation of the Levima Advanced Materials' management responsibilities and there will be no fires (explosions) with direct economic losses of RMB500,000 or above in 2022.</p> <p>No less than 10 company-level hidden danger investigations, no less than 500 accident drills at all levels, and no less than 16 hours of safety training per capita in 2022.</p>

Raycom's ESG Targets		
Aspect	Scope	Targets
Environmental	Emissions	Compared with 2018, total greenhouse gas emissions in 2022 will be reduced by more than 9.5% or around 945 tonnes of carbon dioxide equivalent.
	Waste	<p>Recycle 70,000 kg of waste paper (including cartons), 5,000 kg of metal, 3,000 kg of glass, and about 500 kg of plastic products annually through sorting and recycling measures for renewable resources with a recovery rate of over 90% in 2022.</p> <p>Continue to set up a special storage area for hazardous waste to recycle and process all of the mercury-containing waste lamps, ink cartridges/toners and waste batteries in 2022.</p>
	Efficiency of resource use	<p>Continue to take measures such as refined energy management, continuous commissioning of electromechanical systems, equipment transformation and renovation, the building of the management platform, optimisation of operation strategies, and replacement of LED lamps in 2022, so as to reduce electricity consumption in the public areas of Raycom by more than 7.5% compared with 2018.</p> <p>Continue to optimise the boiler operations strategy and abolish measures such as gas and hot water in 2022 to cut down gas consumption by more than 32% compared with 2018.</p> <p>Take measures such as optimising heating strategies in 2022 to reduce municipal heat consumption by more than 32% compared with 2018.</p> <p>Increase the utilisation rate of solar energy for Block B in the park in 2022 to increase the proportion of solar-powered hot water in the total domestic hot water from 20% in 2021 to 35% in 2022.</p>

SUSTAINABILITY GOVERNANCE

Raycom's ESG Targets		
Aspect	Scope	Targets
Environmental	Water efficiency	<p>Renovate sanitary ware in Block A of the park with water-saving products that meet the national Water-Saving Domestic Water Appliance Standards and international WELL certification standards in 2022 with an expected water saving of more than 30%.</p> <p>Transform the remote water meter in Block B of the park to monitor the water consumption by category in 2022 so that water resources will be saved through refined management methods.</p>
Social	Health and safety	<p>Carry out health and safety activities such as 119 fire safety activities, lectures on women's health and employee health insurance, and training on AED and CPR emergency skills in 2022.</p> <p>Deliver two sessions of training for all employees, one session of skills training, and one session of new employee training in 2022.</p>

REGULATORY COMPLIANCE

The Group adheres to the concept of compliant operations and complies with laws, regulations and management rules related to environmental and social matters that have a significant impact on its business activities. The Group has also developed a series of internal rules, policies, and procedures with reference to laws, regulations, standards and best practices of the international community and regions where it operates. The Group keeps an eye on changes to national policies, puts increasing emphasis on the research and understanding of the latest laws, regulations, and regulatory policies, and keeps reviewing the effectiveness of our internal controls and risk management. Meanwhile, the Group further promotes the improvement and implementation of the accountability mechanism and increase the supervisions and punishment of violations, so as

to improve the level and quality of compliance management. In addition, the Group also consults compliance advisors and internal and external lawyers about compliance matters to adjust compliant corporate development paths so as to timely response to relevant changes. During the Reporting Period, Legend Holdings and its subsidiaries complied with the relevant laws and regulations which had material impacts on the Group's business and operations in material respects, which were detailed in Appendix I.

LEVIMA ADVANCED MATERIALS

2021 was the first full year when Levima Advanced Materials made inroads into the capital market. During the Reporting Period, Levima Advanced Materials complied with the regulatory requirements of regulatory bodies for listed companies and all the important business matters were decided and approved through appropriate internal control procedures in accordance with relevant laws and regulations, Articles of Association and other standards, which reasonably guaranteed the legal compliance of corporate operations.

The board of directors of Levima Advanced Materials established the audit committee. It consists of three directors, more than half of whom are independent directors. One of the independent directors is an accounting professional who acts as the convenor to oversee the design and execution of the company's compliance work, ensuring that all corporate operations comply with the specific requirements of relevant laws and regulations. The audit department of Levima Advanced Materials is responsible to the audit committee for legal compliance and internal audit to promote the company's compliance with relevant laws and regulations and improve the company's internal management system and management efficiency and has achieved expected results.

During the Reporting Period, the audit department of Levima Advanced Materials prepared the Compilations of Core Laws and Regulations of Companies Listed on the Main Board of Shenzhen Stock Exchange by sorting out the legal and regulatory documents that listed companies should follow. A total of 177 regulations were compiled in 9 chapters including those about basic laws and regulations, IPO, and refinancing to supervise compliance matters in its daily work. In addition, the audit department of Levima Advanced Materials continued to optimise its OA approval process and policy management mechanism and carried out special audits on policy design and implementation to ensure that the company's various rules were strictly

implemented and updated in a timely manner. Meanwhile, the department promoted newly acquired companies to improve their internal control systems and continuously improve specific control measures for important businesses. The various work of the audit department of Levima Advanced Materials helps to further improve the building of its culture that advocates legal and compliant operations, thereby achieving ideal results.

BIL

In the increasingly complex and ever-changing compliance environment, BIL pays special attention to the legal and compliant operations of its business. BIL continuously monitors and reviews the compliance risks facing the company to ensure that all business activities always comply with the relevant national and international banking laws and regulations. Meanwhile, BIL adheres to the strictest transparency standards. It has been a signatory of the International Capital Market Association (ICMA) since 2012 and joined the FX Global Code in 2018. BIL abides by international standards and best industry practices. While ensuring that its business operations comply with local laws and regulations, the company maintains good partnerships with market players in 16 countries and regions around the world.

In addition, BIL has also formulated an internal Code of Conduct to guide employees in legal compliance operations in tax transparency, safe work, confidentiality, and anti-money laundering, anti-discrimination, and anti-terrorist financing. Employees will receive special training to fully understand the provisions of the Code of Conduct and to perform their job responsibilities effectively and compliantly. The compliance department also regularly reviews the compliance operating procedures established within the company to ensure their effectiveness. During the Reporting Period, BIL carried out triennial review for moral codes as usual.



TALENT MANAGEMENT AND INCLUSION



TALENT MANAGEMENT AND INCLUSION

Legend Holdings sticks to its values, namely people-oriented and investing in people and always stresses on having a "Mutual Commitment" with its employees and incorporates individual employee's pursuit into its long-term development. Through sharing the growth with its employees, the Company is committed to turning the commitment into a joint undertaking. Legend Holdings strictly abides by various policies and regulations on the protection of rights and interests of employees, practices equal employment, improves compensation and welfare, and actively fulfils corporate responsibility towards employees.

COMPLIANCE WITH EMPLOYMENT AND LABOUR STANDARDS

Legend Holdings strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other employment-related laws and regulations of the regions where the Company's businesses operated. The Company has formulated relevant internal regulations and implementation rules and standardises labour contract management to ensure that all its employees have signed labour contracts. During the Reporting Period, the Group did not come across any incidents of non-compliance with the above employment-related laws and regulations that have a significant impact on the Group.

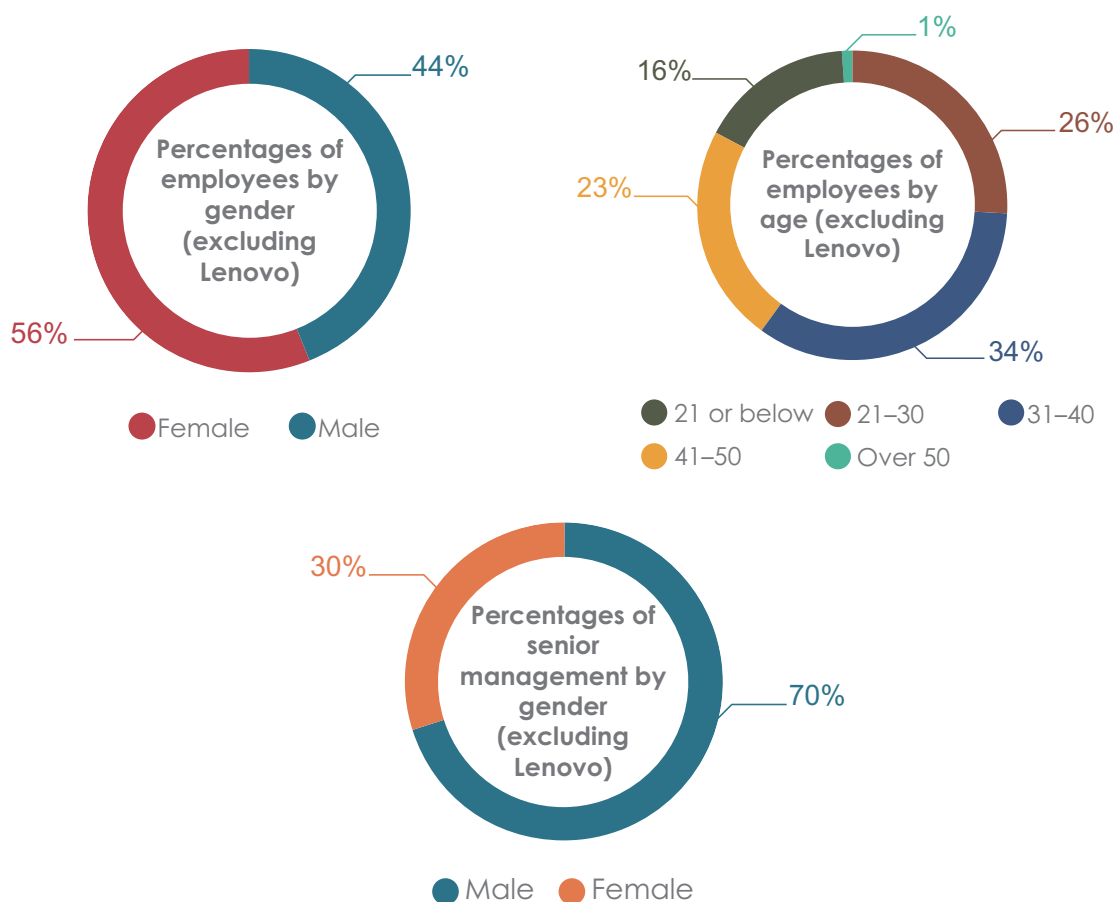
In order to comply with employment- and labour-related laws and regulations, Legend Holdings has formulated the Code of Conduct and the Code of Ethics for Employees to provide compliance guidance to employees in their day-to-day work and increase their sense of responsibility. This allows employees to consciously follow professional ethical standards stipulated in relevant policies. In the meantime, the Company has drawn up the Employee Handbook based on the duties and professional ethics of our employees to define employees' conducts setting out the corporate culture, corporate rules (bottom lines and regulations that employees cannot violate), work style and processes requirements, etc. Newly recruited employees will receive a copy of the Employee Handbook and receive training in their orientation to learn about the Company's corporate culture and observe the code of conduct. In addition, the electronic version of the Employee Handbook is also available on the Company's website. Employees may log in to the website to access or read it at any time. Meanwhile, the Company actively conducted the "Rebuilding the Culture" campaign, such as cultural conference, which enabled employees to truly and completely understand the values that Legend Holdings pursues, to behave in a self-discipline and self-confidence way according to the Company's requirements, and to integrate the corporate values into employees' personal professional conducts.

EQUAL OPPORTUNITY EMPLOYMENT

Adhering to fair and equal employment, Legend Holdings respects and protects human rights, takes a zero-tolerance attitude toward the use of child labour and forced labour, and strictly abides by international human rights conventions and labour standards. The Company is committed to building a diversified working environment that encourages inclusion. Based on employees' professional abilities and qualifications and job qualifications, the Company hires people with diverse cultural backgrounds to avoid discriminating against applicants or employees due to their ages, gender, races and nationalities.

During the Reporting Period, the Group neither come across any incidents or received any complaints that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, nor did the Company come across any irregularities or receive any complaints that have a significant impact on the Group relating to illegal child labour and forced labour.

As of 31 December 2021, Legend Holdings, and its subsidiaries (excluding Lenovo) had a total of 16,906 employees. Details of employees by age, employment type, age group, geographical region were shown in the diagrams below:



TALENT MANAGEMENT AND INCLUSION

Indicator	2021
Number of employees¹	
By gender	
Male	7,453
Female	9,453
By age group	
Below 21 years old	163
21–30 years old	4,322
31–40 years old	5,758
41–50 years old	3,941
Above 50 years old	2,722
By geographical region	
Mainland China	14,819
Hong Kong, China	28
Europe	1,815
Other regions	244
By employee type	
Full-time employees	14,712
Part-time employees	2,194

Indicator	2021
Employee turnover rate²	
By gender	
Male	25%
Female	50%
By age group	
Below 21 years old	27%
21–30 years old	13%
31–40 years old	9%
41–50 years old	7%
Above 50 years old	9%
By geographical region	
Mainland China	45%
Hong Kong, China	18%
Europe	14%
Other regions	6%

¹ Number of employees by category as of the end of the Reporting Period







² The formula for calculating the turnover rate of employees is: Number of departing employees of a certain category/(Number of employees of this category at the beginning of the Reporting Period + number of employees of this category at the end of the Reporting Period)/2 × 100%.



Lenovo

As a signatory of the United Nations (U.N.) Global Compact, Lenovo's practice is to uphold and support the protection of internationally proclaimed human rights. It does not permit the use of child labour, forced or compulsory labour, including physical punishment, in any of its operations.

Lenovo is committed to abiding by the following practices:

-  Conduct business in accordance with the U.N. Declaration of Human Rights and the principles of the U.N. Global Compact and extend those requirements to all suppliers doing business with Lenovo.
-  Perform due diligence across the value chain to identify risks and avoid complicity in human rights violations.
-  Setting up a complaint handling and investigation mechanism, and reporting known cases of human rights abuse to senior leadership.
-  Integrate training and accountability for respecting human rights across the business and the supply chain.
-  Engage internal and external stakeholders to address common challenges and advance human rights practices through continuous improvement.
-  Operate legally and ethically in each country where it does business.

Lenovo's corporate strategies, practices, and guidelines as well as supplier requirements must support this commitment to human rights. Concerns about possible human rights violations must be reported to Lenovo's management who shall take prompt corrective actions. More information is available in Lenovo's Human Rights Policy.

Lenovo is dedicated to growing and developing a workforce to support its long-term growth. It offers multiple programmes for entry-level employees that includes rotations, leadership development, and technical ladder programmes. Lenovo's goal is to infuse diverse talents into its innovative culture via digital transformation — creating smarter technology for all. Entry-level recruitment is a vital part of its human capital strategy. These programmes include, but are not limited to:

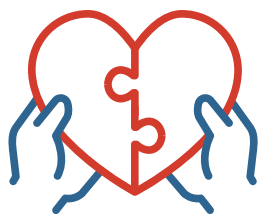
-  China Future Leaders (Sales/Marketing)
-  India Future Leaders (Sales/Marketing)
-  Lenovo Accelerated Sales Rotational Program (LASR)
-  ISG Global Supply Chain Rotational Program
-  Global Finance Talent Program (GFTP)
-  Global Future Leaders Program (Management/Technology)
-  Global Future Leaders Program (High Potential) (internal)

Diversity and inclusion have been the building blocks of Lenovo's history and are among its greatest strengths. Lenovo's employees, each with their unique perspectives and experiences, are the very reason it is enabling smarter technology for all. As a truly global technology company, it has an even greater responsibility in advancing these core values globally.

A diverse business model starts at the top. Lenovo's leaders throughout the world hold a deep commitment to these values that fuel long-term growth. Lenovo is bringing awareness about inclusion to all its leaders and employees in a variety of ways, including Global Inclusion Training (formerly identified as Anti-Harassment) to foster opportunities for employees of all backgrounds and to leverage its diverse talent.

TALENT MANAGEMENT AND INCLUSION

Maintaining a diverse culture and achieving its full potential is fundamental to Lenovo's competitive success. A key element in Lenovo's workforce diversity programmes is the commitment to equal employment opportunity and the avoidance of discrimination, harassment, and similar inappropriate behaviour in the workplace. Lenovo is committed to providing a work environment free of discrimination and harassment based on race, colour, gender, religion, age, nationality, social or ethnic origin, sexual orientation, gender identity or expression, marital status, pregnancy, disability, or veteran status. Hiring, promotion, and compensation of employees must be conducted without bias against such characteristics. These business activities and the design and administration of Lenovo's benefit plans must comply with all applicable laws. For qualified people with disabilities, the company will provide reasonable convenience needed for effective job performance in a manner that complies with applicable laws. More information about Lenovo's initiatives to drive inclusion is featured in its 2020 Diversity and Inclusion Report.



Levima Advanced Materials

Apart from strictly complying with relevant national industry standards as required by the Group, Levima Advanced Materials also has developed and released the Recruitment and Employment Management Measures, Vacation Management Measures, Labour

Contract Management Measures and so forth in accordance with its actual needs to regulate employment-related matters. Levima Advanced Materials signed labour contracts with all of its employees, standardised compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for all employees, and resolutely prevented the uses of child labour and forced labour. Once found, such violations will result in punishment in accordance with requirements of laws and regulations. In terms of labour and employment, Levima Advanced Materials strictly abides by the relevant provisions of national laws and regulations, adopts a standard working hour system, and guarantees employees' entitlement to paid leave. As for recruitment, Levima Advanced Materials avoids employment discrimination based on geographical or gender differences in strict compliance with job requirements. In terms of employee relations, Levima Advanced Materials strictly implements the relevant provisions of the Labour Contract Law, leading to no labour dispute. In addition, Levima Advanced Materials listened to its employees by building and maintaining communication channels with them (such as employee suggestion boxes and suggestion mailboxes) and followed up and supervised the handling of hot issues that were of concern to them. These measures have effectively facilitated the implementation of relevant work. A foundation was also set up to provide financial aids to employees in need and actively offer humanistic care.



BIL

In full compliance with Luxembourg Labour Law and the core conventions of the International Labour Organization, BIL has developed the applicable Code of Conduct, covering provisions related to forced labour, child labour, working hours, overtime pay, minimum wage, contractors and temporary employees. Meanwhile, BIL constantly updates and upgrades its personnel management process to ensure more comprehensive, transparent and effective recruitment management.



PROFESSIONAL DEVELOPMENT AND TRAININGS

Legend Holdings has always attached great importance to the training and development of employees and kept improving its talent training and development systems. It is

committed to furnishing employees with a promising career development path and a solid promotion ladder.

During the Reporting Period, Legend Holdings conducted various vocational training activities for employees. The data is summarised as follows:

PERCENTAGE OF EMPLOYEES TRAINED ³	2021	AVERAGE TRAINING HOURS ⁴ (HOURS)	2021
BY GENDER		BY GENDER	
MALE	60.36%	MALE	6.08
FEMALE	39.64%	FEMALE	4.25
BY EMPLOYEE CATEGORY		BY EMPLOYEE CATEGORY	
SENIOR MANAGERS	2.26%	SENIOR MANAGERS	25.03
MIDDLE MANAGERS	13.17%	MIDDLE MANAGERS	15.07
JUNIOR EMPLOYEES	84.56%	JUNIOR EMPLOYEES	3.43

³ The formula for calculating the percentage of employees trained by category is: Number of trained employees of a certain category/Total number of employees trained × 100%

⁴ The formula for calculating the number of average training hours of employees by type is: Total number of training hours of employees of a certain type/Total number of employees of this type

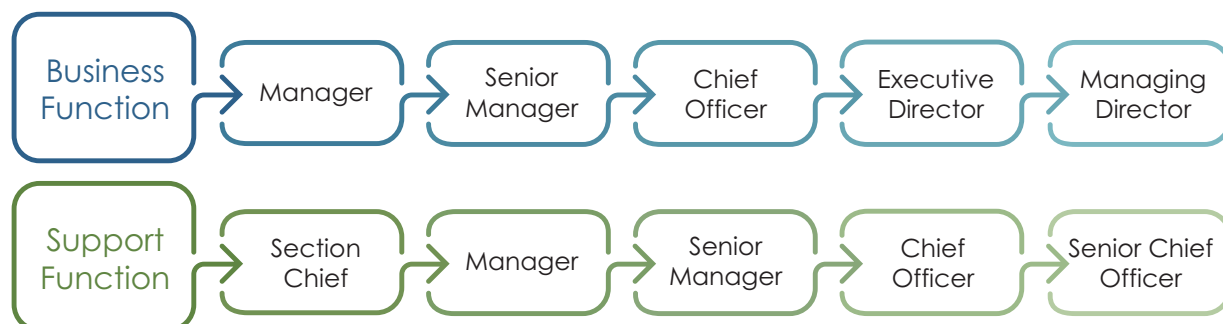
TALENT MANAGEMENT AND INCLUSION



CAREER DEVELOPMENT PATH FOR EMPLOYEES

Legend Holdings advocates professional career development and has developed multiple career development paths for employees based on the characteristics of different positions so that they can choose the path most suited for their interest and traits. With

various career development paths in place, we help employees identify their status quo and future development directions, so that they can focus their efforts and incorporate their personal growth into the long-term development of the Company.



7-2-1 PRINCIPLE FOR TALENT DEVELOPMENT

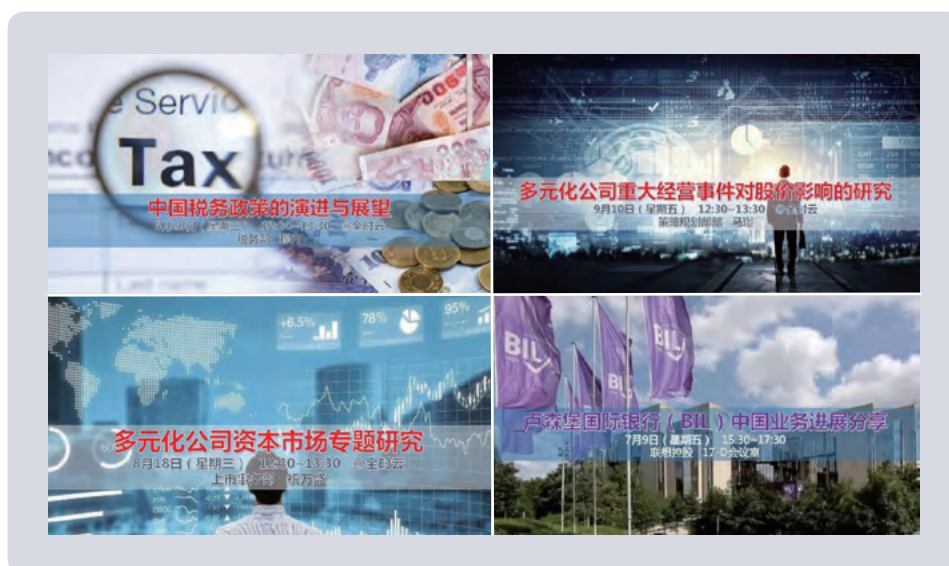
Legend Holdings emphasizes the cultivation of talents and follows 7-2-1 principle. It facilitates the growth of talents through a variety of internal training methods, e.g. actual live practices, coaching from professionals and classroom trainings.

70% of employee capability enhancement comes from practices: Legend Holdings' strategic and business development provides employees with broad opportunities to practices. The Company should assign challenging tasks, after taking individual capabilities and characteristics into account, to the employees to enhance their capabilities.

20% of employee capability enhancement comes from coaching: Legend Holdings has a coaching system in place, through which experienced executives or senior employees act as coaches and also provide personalised guidance and

experience sharing with employees in their course of career development. Since 2020, the Company has further set up the mechanism of sharing by promoted employees. All the promoted employees are required to share what they have learned and accumulated in their areas of expertise, thereby contributing to collective wisdom.

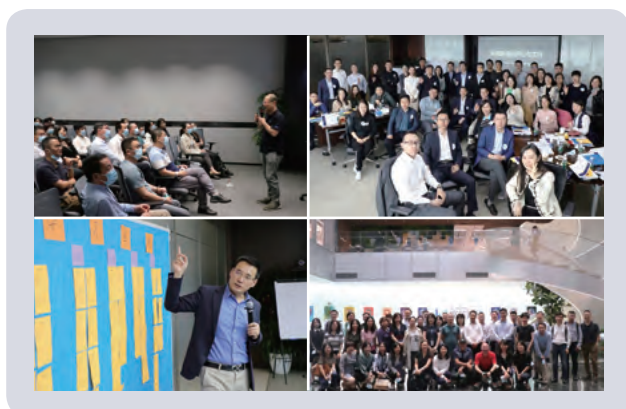
10% of employee capability enhancement comes from trainings: In response to its business development and employee needs, Legend Holdings organises and supports employees to attend all kinds of training programmes so that they can improve competence and gain access to professional information. During the Reporting Period, the Company organised online and offline professional learning exchanges, attracting more than 270 participants to join to enhance their professional standards.



TALENT MANAGEMENT AND INCLUSION

TALENT REVIEW

Through regular review on the quantity, quality and composition of its employees, Legend Holdings discusses and analyses key aspects of its talent management and appraises its employees on the basis of their performance and potential. The results of the review not only offer the basis for the Company's formulation of talent development strategy, but also give clear guidance and help on the future growth of employees.



TRAININGS AND EMPOWERMENT FOR SUBSIDIARIES

Legend Holdings also focuses on sharing its corporate culture, operation philosophy and management experience with investee companies. To this end, Legend Management Institute (聯想管理學院) has been established.

In 2021, focuses on strategies, organizations and culture, the three major professional fields, the Management Institute provided tailored empowerment training programs for 10 subsidiaries which designed based on their demands. These programs included "Organizational Mind Workshop (組織心智工作坊)" and "Dialogue Leadership Workshop (對話式領導力工作坊)" for Zhengqi Holdings; "Effective Managers Workshop (卓有成效的管理者工作坊)" for Levima Advanced Materials as well as "Product Strategy Targets Decomposition Meeting (產品戰略目標分解會)" for Joy Wing Mau, in which the Management Institute provided technical supports etc.

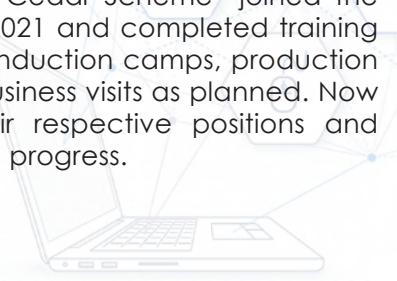
It takes advantage of industry connections and resources to actively set up a learning and communication platform to empower invested subsidiaries. In April 2021, to help member companies improve their ability to develop and implement corporate strategies in a new strategic cycle, the College of Management invited well-known strategic consulting experts in China to teach more than 40 relevant personnel from 15 subsidiaries how to use the "Strategic Decoding" tool. This tool helps use theories in practice, build a systematic understanding of strategies, and understand key points in practical applications. In June 2021, the College of Management organised managers from Legend Holdings and 13 subsidiaries and associated companies to exchange with and learn from business leaders of ByteDance's Feishu business and experts in related fields to find out the reasons why a "Future Organization" can stay alive with the fast growth of business.

LEVIMA ADVANCED MATERIALS

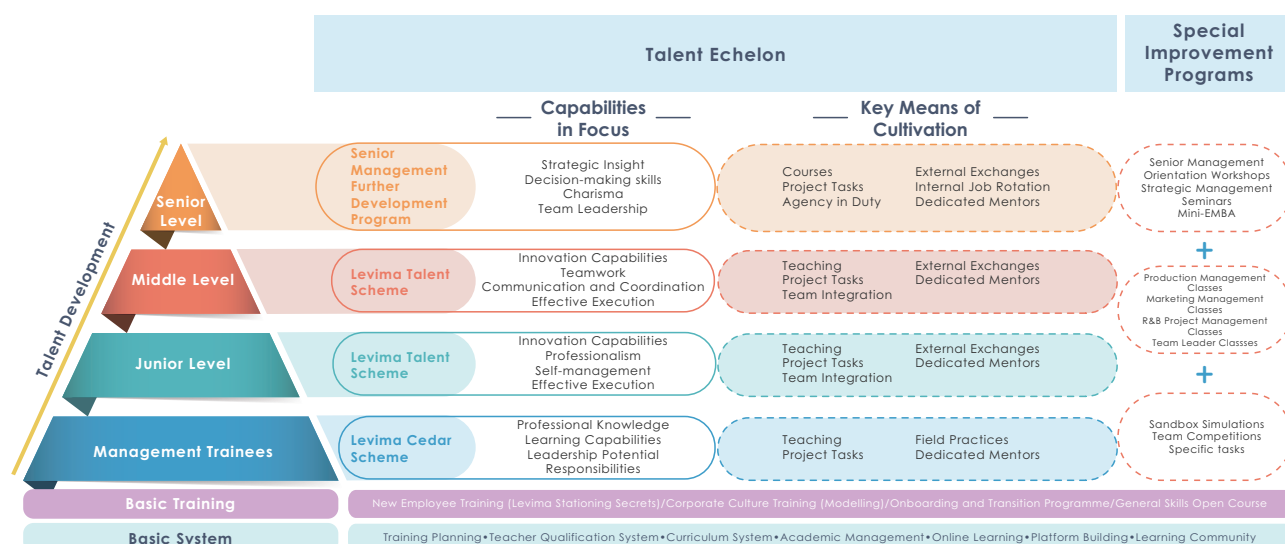
Levima Advanced Materials attaches great importance to employee training and talent development. It has formulated various training plans based on its strategic goals and talent development plans to build a talent training team and talent supply chain and have a pool of people who can cope with challenges and help the company succeed. In 2021, Levima Advanced Materials organised employee trainings and related talent development activities, including the talent cultivation programme for middle and senior management and the development programme for the management trainees recruited from universities and colleges. Training programmes such as "Levima Talent", "Levima Star" and "Key Employee Training Class" for key middle and grass-roots managers emphasize on the resolution of practical problems and improve the comprehensive skills and professional quality of relevant personnel based on actual work needs. The programmes focus on multiple topics and dimensions such as the recognition of management roles, team management and employee motivation, effective management collaboration, logical thinking improvement, sand table simulation, etc. Supported by the comprehensive, systematic theoretical foundation, the training programmes provide models such as case study, situational simulation, and practice review to improve the comprehensive quality and ability of students and make the training more effective. The second batch of management trainees from the "Levima Cedar Scheme" joined the company in July 2021 and completed training activities such as induction camps, production internships, and business visits as planned. Now they work in their respective positions and continue to make progress.

In the field of production management, Levima Advanced Materials lays emphasis on the summarisation and sharing of experience of professional technical personnel. Professional technical personnel are required to give lessons and write theses, thereby improving their learning outcomes and summarisation through teaching. The company also pays attention to the trainings of college students and promotion of training programmes among college students. The company also delivers trainings in an all-around, multi-level manner based on various levels of positions and skills of employees through professional teaching, centralised trainings, shift and team leader rotation trainings, internal and external skills competition, and internal learning and sharing to continuously improve management and operation capabilities of employees.

Due to the repeated COVID-19 outbreak, Levima Advanced Materials conducted learning and sharing activities through "offline + online" means, including learning platforms and other platforms or tools such as Tencent Meeting, DingTalk, and WeChat groups to stimulate employees' enthusiasm for learning and participation. According to employees' general feedback, these trainings and learning activities allow employees to not only broaden their horizons and thinking and master the corresponding knowledge, skills, tools, and methods, but also gain a deeper understanding and experience of many issues, so as to be better qualified for their jobs and lay a solid foundation for future development. Levima Advanced Materials will continue to promote various talent training programmes and keep optimising the way of training to improve the professional skills and comprehensive quality of employees in an all-round manner and provide stable talent support for the company's long-term sustainable development.



TALENT MANAGEMENT AND INCLUSION



During the Reporting Period, Levima Advanced Materials provided various training activities for employees at all levels by exploring the model of training a talent supply chain and optimizing the basic training system. The data details of the training are as follows:

Average training hours at Levima Advanced Materials (Hours)	2021
By gender	
Male	56
Female	53
By employee category	
Senior managers	27
Middle managers	49
Junior employees	55

BIL

BIL always considers talent development as the core of its human resource policy and the foundation for creating corporate value and developing competitive advantages. To this end, BIL actively delivers professional training to employees and help them design career plans to further strengthen the professional knowledge and skills of both current and new employees.

In 2021, in the context of a continuing pandemic, BIL continued to strengthen its distance and hybrid training offer to further adapt to the new normal. Through technological improvements, BIL ensures that its employees have access to training courses and related content on different mobile devices anytime and anywhere, thus providing significant flexibility and making it easier for employees to participate in training activities. In addition, BIL provides detailed instructions and guidance for employees in need to help them better adapt to the new form of distance training.

During the Reporting Period, BIL furnished employees with training activities on various topics such as health, safety, organisational management, and personal support, including remote work balance training, online customer relationship management training, "Work Resilience" training conferences and workshops, and training sessions themed "Management Responsibilities and Opportunities". In addition, to improve the management's work and management capabilities, BIL further improved a series of projects called "Leadership and Growth Mindset" to help the management better support the company's long-term sustainable development under the new normal.

The Luxembourg Bankers' Association ("ABBL") has formulated the Collective Bargaining Agreement for Bank Employees 2018–2020 to further regulate the labour relationships between Luxembourg-based banks and their employees, maximising the protection and enhancement of the interests of its members and supplementing the provisions of relevant laws and regulations. As a member of the ABBL, BIL actively observes the agreement and its principles and uses the "Employability and Training" section as a guide to standardise the assessment and determination of employee training needs, allocate vocational training resources reasonably, and provide customised training activities for employees. In this way, it aims to continuously optimise its talent pool and build and develop a high-performance workforce.

The training data of BIL's employees during the Reporting Period is detailed as follows:

Average training hours at BIL (Hours) 2021

By gender

Male	20.01
Female	17.81

By employee category

Senior managers	37.39
Middle managers	19.67
Junior employees	15.45

TALENT MANAGEMENT AND INCLUSION

OCCUPATIONAL HEALTH AND SAFETY

Legend Holdings emphasizes the importance of employee health and safety and remains committed to creating a safe and healthy working environment for employees. To this end, the Company has clearly listed the specific details of employees' work processes in the Employee Handbook to regulate the processes, so as to avoid safety incidents caused by human errors. Legend Holdings arranges traffic accident insurance for all employees. Each subsidiary, after taking its business characteristics into consideration, sets up a series of working procedures and safety mechanisms in accordance with relevant laws and regulations to safeguard the personal and property safety of the employees. During the Reporting Period, the Group did not come across any irregularities or receive any complaints that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

COMPREHENSIVE HEALTH-CARE PROGRAM

In addition, Legend Holdings has established a health service system with green channels for hospital visits, health, and disease prevention consultation. At the same time, we organised healthcare events from time to time. Legend Holdings also provides medical insurance for employees' underage children and spouses who have no medical insurance cover and thus ease the employees' worries.



Legend Holdings organised health-themed activities during the Reporting Period

HEALTHY AND SAFE WORKING ENVIRONMENT

Legend Holdings continues to strengthen the management of administrative processes and to optimize the standards and models of employee services. At the same time, Legend Holdings constantly pays attention to the working environment health index and increases the number of air purifiers and the

frequency of inspections to create a safe and healthy working environment. The annual air quality level (PM2.5) is below 35 in our offices. There are spacious and well-illuminated tea rooms in our offices which cater to employees with afternoon tea refreshments and snacks.



TALENT MANAGEMENT AND INCLUSION

EMERGENCY PROTECTION AND ENVIRONMENTAL OPERATION AND MAINTENANCE

Legend Holdings is committed to continuously improving emergency protection and environmental operation and maintenance to create a healthy and safe office environment for employees. To this end, the Company has formulated policies and standards relating to environmental operation and maintenance management systems such as the Manual of Legend Holdings for Standardised Environmental Operation and Maintenance,

Equipment and Facility Operation Manual, Emergency Plan Manual, and Office Inspection System to standardise management and improve operation and maintenance quality. In addition, in response to emergencies, the labour union of Legend Holdings has distributed emergency supply boxes to all employees as an important material support for emergency rescue and response, to ensure the safety of the employees and their families.



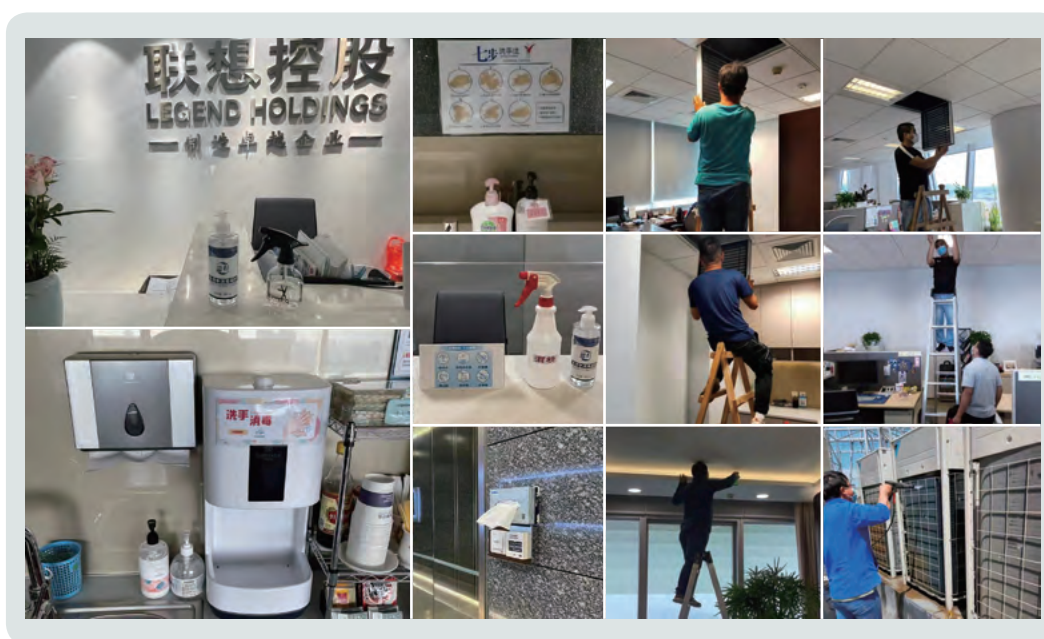
FIGHT AGAINST THE PANDEMIC

As the COVID-19 continues to spread, Legend Holdings has never relaxed its vigilance but insists on fighting the pandemic with the highest standards to build an efficient and safe office environment. The Company always has anti-pandemic and disinfection supplies such as hand sanitisers, contactless disinfectants, and alcohol spray in the office area. Bathrooms are always equipped with hand sanitisers and hand creams as well as a sign showing "7 Steps of Handwashing" to enhance employees' awareness of health and

pandemic prevention. In addition, Legend Holdings dynamically adjusts its sterilisation plan based on changes in the pandemic situation and disinfects everywhere every day. Key areas and public areas are frequently disinfected according to the actual situation. Air-conditioning systems in the building are run in full fresh air mode with return air valves closed to ensure the circulation of fresh air. Meanwhile, windows are opened for ventilation every morning and evening according to the weather conditions. There is also an exclusive

disinfection area for packages in the mailroom where all items received such as packages, letters, newspapers and magazines will be disinfected with alcohol spray. The Company also cleans and sterilises the air-conditioning systems according to the plan and regularly cleans and disinfects outdoor units, indoor units, filters, and air intakes of the air conditioners. Meanwhile, according to changes in the

pandemic situation, Legend Holdings efficiently cooperated with government authorities, higher-level authorities, building property management companies and other organisations in the collection of information on the internal pandemic prevention efforts of Legend Holdings and reported it in a timely manner.



In addition, in response to the country's call for vaccination, Legend Holdings encouraged all employees to vaccinate against the COVID-19 and cooperated with communities in the organisation of its internal employees

for unified vaccination. During the Reporting Period, the three-dose vaccination rate of Legend Holdings' employees reached 90%, building good immunity against the COVID-19.

Number and ratio of work-related deaths for the past three years			
	2021	2020	2019
Number of work-related deaths	0	1	1
Ratio of work-related deaths ^{Note}	0%	0.006%	0.001%

During the Reporting Period, the Group's employees lost 937 working days due to work-related injuries.

Note: Number of days lost due to work-related injuries is determined in accordance with the Regulation on Work-Related Injury Insurances, the Decision on Recognition of Work Injury, etc.

TALENT MANAGEMENT AND INCLUSION

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT OF SUBSIDIARIES

LENOVO

Lenovo's global manufacturing locations are ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (Occupational Health and Safety) (OHS) certified. As required by these internationally accepted standards, the management systems that incorporate objectives and targets at each certified facility continually foster a safe and healthy work environment for employees.

Lenovo adheres to world-class standards for workplace safety through its Occupational Health and Safety (OHS) Management System. It integrates new facilities into its system for evaluation to ensure their compliance with health and safety standards. All global manufacturing locations, including JV locations, are ISO 45001:2018 certified by a third-party auditor.

Moreover, the OHS Management System is integrated with the organization's strategy and operations and assimilates health and safety programmes throughout Lenovo's global manufacturing footprint. This is accomplished through processes of planning, education, prevention, controls, performance evaluation, and continuous improvement which are vital to achieving Lenovo's objectives.

Each manufacturing and development facility reports the number of work-related injuries, illnesses, and lost days each month to the Global OHS Team as part of their KPIs. In FY 2020/21, there were no fatalities, work-related injuries, or major accidents, and Lenovo's recordable work-related injury rate of 0.047 exceeded its target by 0.27, and its lost-day injury rate of 0.032 surpassed its target by 0.18. More information is available in the Consolidated Metrics section of Lenovo 2020/21 ESG Report.



RAYCOM

To safeguard the interests of the Company and its employees, Raycom has developed the "Management Measures of Raycom Property Investment Co., Ltd. for Medical Leave for Employees" which is aimed to standardise medical leave management for its employees who have long-term illnesses or are injured for non-work reasons and properly look after the employees who are on sick leave. Its employees are granted medical leave normally ranging from 3 to 24 months based on employees' total length of service and their length of service at Raycom in accordance with provisions. When an employee suffers from special diseases such as cancer, psychiatric illnesses or paralyses and cannot recover within 24 months, their medical leave may be appropriately extended upon approval by the labour authority.

Falling object is one of the major risk sources for employees at Raycom. For this reason, Raycom not only summed up the corresponding solutions and published relevant information on its website and official WeChat account. It even added a video surveillance system that fully covers the exterior walls of buildings to record the source of a falling object. This ensures fast accountability in the event of objects falling or high-rise littering.

During the Reporting Period, Raycom renovated the office area in accordance with the US WELL Building Standard. Raycom updated office exhaust systems, installed air detectors, and placed printers in special rooms to help improve indoor air quality. Staff workstations have also undergone a scientific transformation. Office chairs are ergonomically designed and can not only effectively support the waist, but also allow for the flexible adjustment of the seat height. Computer desks can also be adjusted in height so that employees can stand or sit for work, preventing prolonged sitting from damaging


employees' health. Meanwhile, Raycom also provides indoor activity space and equipment for employees, opens up special sports areas, and provides massage chairs, treadmills and other equipment for employees to encourage employees to take more exercise after work for relaxation. In addition, offices also adopt an interior design that is close to the nature and integrate more natural elements such as potted plants, green plants, and water features into the office environment to help employees relieve work pressure and improve their mental wellness.





TALENT MANAGEMENT AND INCLUSION


Levima Advanced Materials

Levima Advanced Materials, a manufacturer of new chemical materials, is committed to carrying out the policy of "Prevention Foremost and Combination of Prevention and Treatment" for the prevention and treatment of occupational diseases and determining the main responsibility for the prevention and control of occupational diseases, so as to thoroughly control and eliminate occupational diseases and safeguard employees' health and safety. Levima Advanced Materials keeps improving working conditions in strict accordance with the requirements of the Production Safety Law, Law on the Prevention and Control of Occupational Diseases, Measures for the Supervision and Administration of Employers' Occupational Health Surveillance, Provisions on the Administration of Occupational Health at Workplaces, and other laws and regulations to create a working environment that complies with national occupational health standards and safety requirements for employees. Levima Advanced Materials has formulated and implemented occupational disease prevention and control systems, including the "Three Simultaneities System for Construction Projects", the "Occupational Hazard Inspection and Evaluation Management System" and the "Occupational Health Monitoring and Filing System". Specific occupational health control measures include:

 Prioritise the use of new technologies, new processes, new facilities and new materials that are conducive to occupational health to reduce occupational hazards at source;

 Regularly inspect the working environment to ensure that the concentration level of harmful substances in the environment is below the limits of health standards;

 Improve the occupational health monitoring files and follow health monitoring opinions;

 Regularly organise occupational health training to raise employees' awareness of health and safety, etc.

Levima Advanced Materials is committed to creating a strong atmosphere conducive to safe production and letting the concept of safety development take root in the hearts of the people. Pursuant to the requirements of the standard safe production system and on the basis of its hierarchical risk control and hazard identification management system, Levima Advanced Materials has formulated a number of work safety management rules, including the Provisions on Potential Hazard Identification and Management, the Provisions on Safety Management of Special Operations, and the Emergency Plan for Work Safety Accidents. These established work safety management systems together with a long-term effective mechanism for identification and management of potential hazards in work safety further strengthen the company's capabilities to respond to emergencies. In the past three years, Levima Advanced Materials reported zero work-related fatalities.

During the Reporting Period, Levima Advanced Materials organised 4 training sessions about occupational safety and health for 3,309 participants. The main contents of the training were the establishment of the dual system, operation safety procedures, emergency plans of "protection against thunder, flood, explosion and heat in summer" and "freeze protection, fire prevention, slip resistance and poison prevention in winter", occupational health, firefighting skills, monitoring safety and others. The training pass rate was 100%, and the duration was 26 hours.

BIL

As BIL considers that employee health and safety as the foundation of its long-term development, it is committed to building a working environment that is conducive to the safety and health of employees. Specific measures are as follows:



Social fund: BIL has set up a social fund to provide employees in need with special assistance, including spectacles, contact lenses, inpatient service, auxiliary medical devices (such as wheelchairs), dental treatment, and other treatments.



Physical check-ups: BIL, in partnership with the Association for Occupational Health for the Financial Sector (ASTF), provides annual physical check-ups for in-service employees aged 40 or above.



Psycho-social care: BIL set up the "Employee Care" team to communicate closely with in-service employees anonymously, care for employees' mental wellbeing, follow up any major incident (e.g. death and suicide), and accompany employees. The "Employee Care" team has also established prevention and management processes to minimise employees' mental health risks and relevant incidents.



Psychological support for employees during the pandemic: During the COVID-19 outbreak, BIL's "Employee Care" team implemented a series of psychological support measures for employees, including setting up a dedicated email, tracking employees and their family members affected by COVID-19, notifying employees who are contact cases in a timely manner, and providing relevant advice and assistance services.



Sports and cultural activities: Guided by the principle of "Creation, Collaboration, Care", BIL actively carries out a series of sports and cultural activities and owns a fitness centre "FIT4BIL", open to all employees. The centre was renovated during the COVID-19 crisis to provide employees with a more comfortable workout environment.



Luxembourg Air Rescue (LAR): All of BIL's employees are automatically signed up to Luxembourg Air Rescue (LAR), a non-governmental organisation. LAR provides its members with professional rescue and support, including repatriation by air, 24 hours a day whenever necessary.

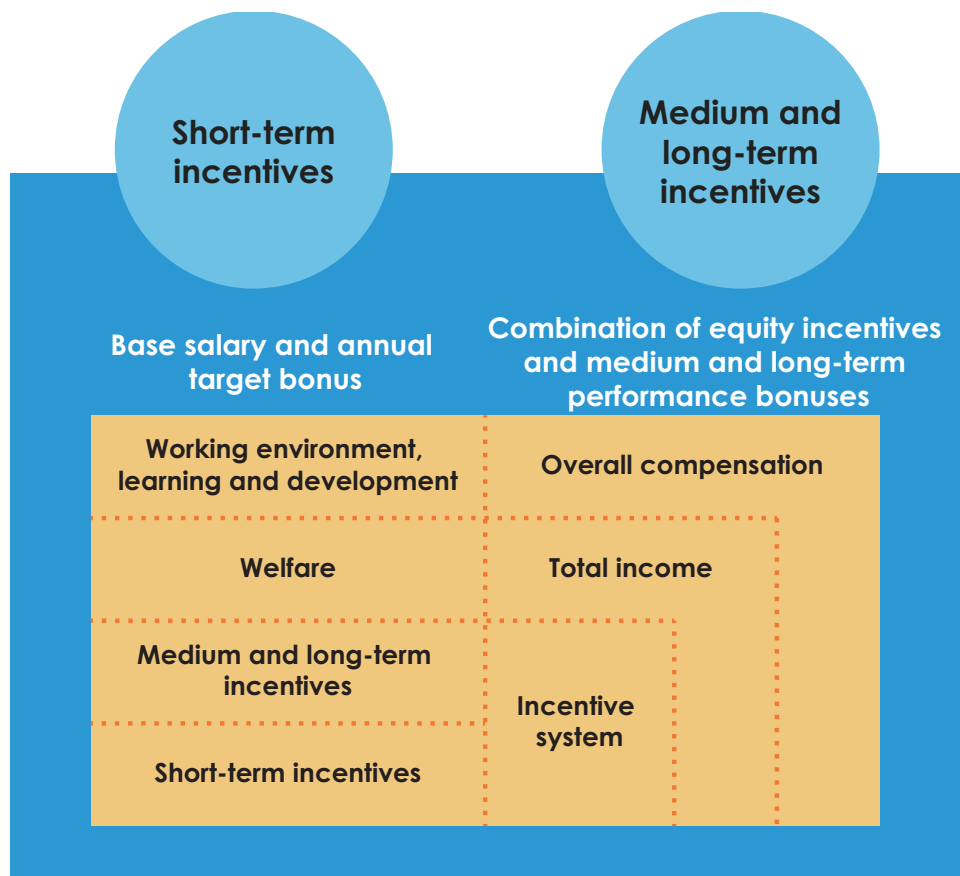
TALENT MANAGEMENT AND INCLUSION

EMPLOYEE BENEFITS AND CARE

Legend Holdings acknowledges that good employee benefits is an important way to attract and retain talents. Thus, the Company pays special attention to employee benefits and care and takes various measures to improve employees' sense of belonging and satisfaction with the Company to retain outstanding talents with concrete actions.

DIVERSIFIED INCENTIVES MEASURES

Legend Holdings has an all-round diversified incentive mechanism, comprising both short-term incentives and medium and long-term incentives. Short-term incentives: consist of a basic salary and an annual target bonus based on job value. Medium and long-term incentives: Guided by the medium and long-term strategic goals, through the combination of equity incentives and medium and long-term performance bonuses, the level of incentives for value creators has been improved along with the overall value growth of Legend Holdings.

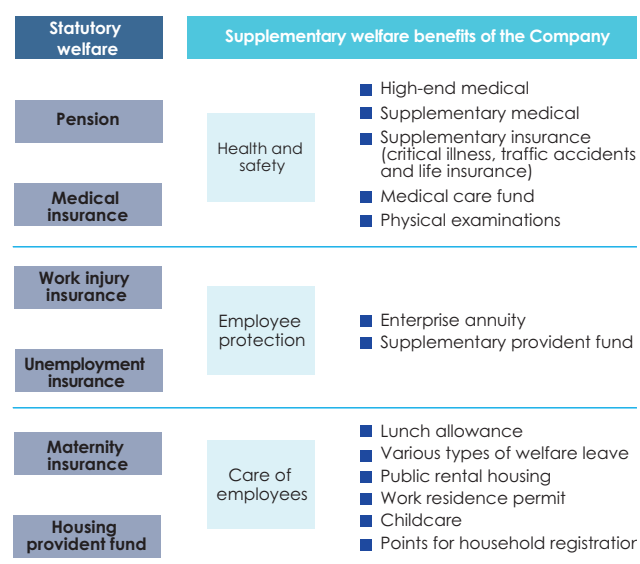


In addition to material incentives, Legend Holdings also motivates the employees with moral incentives. For the purpose of praising excellent performance and creating a truth-seeking and energetic organisational atmosphere, Legend Holdings has set up grants and awards, such as Legend Holdings Awards, Professional Contribution Awards, Tripartite Joint Action Awards and Excellent Subsidiary Awards. These awards encourage teams and individuals, who make important contributions to the growth of the Company, are dedicated to their work and excellent in performance, and put corporate culture into practices. The awards program is carried out once a year. Each department recommends the candidates, and the Company Management selects winners through evaluation.

DIVERSIFIED WELFARE SYSTEM

Legend Holdings has established a sound welfare system for employees to offer various basic benefits, such as paid annual leaves, paid sick leave, Spring Festival leave, basic pension, basic medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing provident fund. Employees are also entitled to medical leave in case of illnesses or non-work-related injuries. Those injured due to work are entitled to relevant benefits in accordance with national and regional work-related provisions. Apart from the statutory welfare required under relevant PRC laws and regulations, Legend Holdings, based on business efficiency and employees' actual needs, provides employees with diversified supplementary welfare benefits and commercial insurances, including high-end medical insurance, supplementary medical insurance, critical illness insurance, accidental injury insurance, and life insurance and sets up a medical care fund. By doing so, the Company is aimed to ease the medical burden of employees and leave all their worries behind. In the meanwhile, Legend

Holdings also sets up an enterprise annuity plan for employees to ensure and enhance their basic living standard after retirement. The annuity fund is well managed to hedge against inflation and to seek value appreciation.



Legend Holdings also carries out care and assistance programmes for employees to provide them with financial aid for their marriage, childbirth, injuries and diseases, and condolence money for the death of employees or their immediate family members. In 2018, Legend Holdings issued the Subsidy Measures for Employees in Difficulties. The Company will provide financial aid and address the urgent needs of employees in case the employees themselves or their immediate members have critical illnesses, or their family is in serious difficulty due to natural disasters, accidents, and other special causes. In addition, to help employees better balance work and family life, the Company also ensures that employees with children under the age of three are entitled to five days of parental leave and employees who are only children and whose parents need nursing can also apply for nursing leave.

TALENT MANAGEMENT AND INCLUSION

CARE FOR FEMALE EMPLOYEES

Legend Holdings strictly complies with the Special Rules on the Labour Protection of Female Employees. The Group is committed to creating an equal, good working environment for female employees. It insists that male and female employees should receive equal pay for equal work and strictly implements labour insurance, medical treatment, and other benefits for its female employees during their pregnancy, maternity leave and breastfeeding leave. During the Reporting Period, Legend Holdings updated its internal leave management regulations in a timely manner in accordance with the latest Regulation of Beijing Municipality on Population and Family Planning, ensuring that female employees who are pregnant or breastfeeding enjoy 158 days of paid maternity leave and 1 hour of breastfeeding leave per day. The Company has set up nursing rooms

in the office area, providing breastfeeding mothers with safety and care. Meanwhile, the Company gives female employees a half day off and holiday gifts on every Women's Day to show our care. The Company includes special-purpose medical screening items in physical examinations for female employees to ensure the protection of their physical health.

Meanwhile, Legend Holdings continuously provides career development opportunities for female employees and organises professional training (in relation to healthy life and career development) for them irregularly. At the Group (excluding Lenovo), female employees accounted for 56% of the workforce, while female senior executives accounted for 30% of the total.

Nursing room

Female employee activities

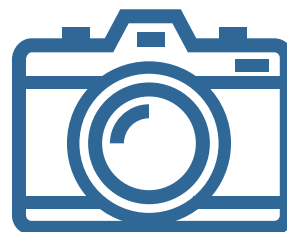


Lecture themed "Care for Women's Mental Health" on Women's Day in 2021



VARIOUS CULTURAL AND SPORTING ACTIVITIES

To take care of employees' physical and mental health and help them relieve stress and better balance their work and life, the Company carries out various cultural and sporting activities, so as to enrich their spare time and raise their sense of belonging and unity.



THEMATIC ACTIVITIES

During the Reporting Period, Legend Holdings carried out a variety of themed activities such as pressed flower DIY at Mid-Autumn Festival and "Mobile Photography Salon" on Christmas, enriching employees' cultural life at leisure time from multiple dimensions such as psychology, culture, and skills and showing the Company's care for employees.





RESPONSIBLE OPERATIONS



RESPONSIBLE OPERATIONS

SUPPLY CHAIN MANAGEMENT

Legend Holdings is well aware that the business operation of a company is closely related to the performance of its suppliers. Therefore, Legend Holdings strictly abides by relevant laws and regulations and has released the Procurement Management System and Rules of Legend Holdings, the Procurement Tender Management Regulations of Legend Holdings, the Administrative Procurement Tendering Process of Legend Holdings, Code of Conduct of Legend Holdings for Administrative Procurement Personnel, and other procurement management rules. The Company has established a complete procurement management system covering the whole process of supplier sourcing, admission, evaluation, elimination, and replacement and has reduced procurement risks and improved the efficiency of supplier management through standardised and refined management. In addition, Legend Holdings also regularly conducts annual supplier exchange and summary meetings to have in depth communication with suppliers so as to make progress together.

To reduce social risks across the supply chain and advocate suppliers to practise high ethical

standards in business behaviour, the Company adds the Integrity Cooperation Agreement to procurement contracts, requiring suppliers to make commitments on anti-corruption operations.

In the future, Legend Holdings will continue to strengthen supplier management and work with partners to build a sustainable supply chain system. On the one hand, the Company will continuously focus on the green coordination of the supply chain and give priority to suppliers with strong environmental awareness and products that have passed environmental certification, so as to reduce the impact of procurement activities on the environment. On the other hand, the Company will continue to care about suppliers' integrity management, anti-corruption, anti-discrimination, respect for human rights, environment, health and safety and quality management, etc. By signing norms and codes such as the Legend Holdings Supplier Integrity Management Commitment and Legend Holdings Supplier Code of Conduct with suppliers, the Company advocates that suppliers should conduct business in a manner that supports green environmental protection and sustainable operations.

The data of Legend Holdings' suppliers during the Reporting Period is detailed as follows:

Number of suppliers by geographical region	
Geographical region	Number of suppliers
Beijing	57
Shanghai	2
Nanjing	1
Shenzhen	1
Hangzhou	1

LENOVO

Lenovo is determined to ensure that the working conditions at all its manufacturing locations and supply chains are safe; workers are treated with respect and dignity; operations are environmentally sound, and business operations are conducted responsibly and ethically. In support of this commitment, Lenovo has implemented programmes and practices to ensure compliance with the Responsible Business Alliance (RBA) Code of Conduct.

Lenovo's manufacturing locations undergo routine health, safety, or environmental audits. Other examples of audits include internal audits, ISO certification audits, customer-requested audits, and industry-standard audits such as RBA audits.

Lenovo is dedicated to ensuring that its manufacturing locations and supply chain enforce the following:



Safe working environment



Respect and dignity for workers



Environmentally sound operations



Legal and ethical business practices

During FY2020/21, six manufacturing sites underwent audits through the RBA Validated Audit Programme (VAP). Five sites achieved Silver Level, one site achieved Platinum Level, and two sites received the Factory of Choice (FOC) award. Due to the COVID-19 impact, the RBA VAP audit for Lenovo's plant in Pondicherry, India was postponed until FY2021/22. Plans are in motion to ensure all Lenovo's manufacturing locations receive independent third-party RBA VAP audits.

Lenovo's FY2021/22 target is to achieve successful RBA VAP audits for the remaining five locations, and to receive the FOC award for the remaining sites in FY2022/23. Plans are in progress to have independent third-party RBA audits performed at all manufacturing locations. When this plan is achieved, its in-house manufacturing network will reach 100% RBA VAP enforcement.

RESPONSIBLE OPERATIONS

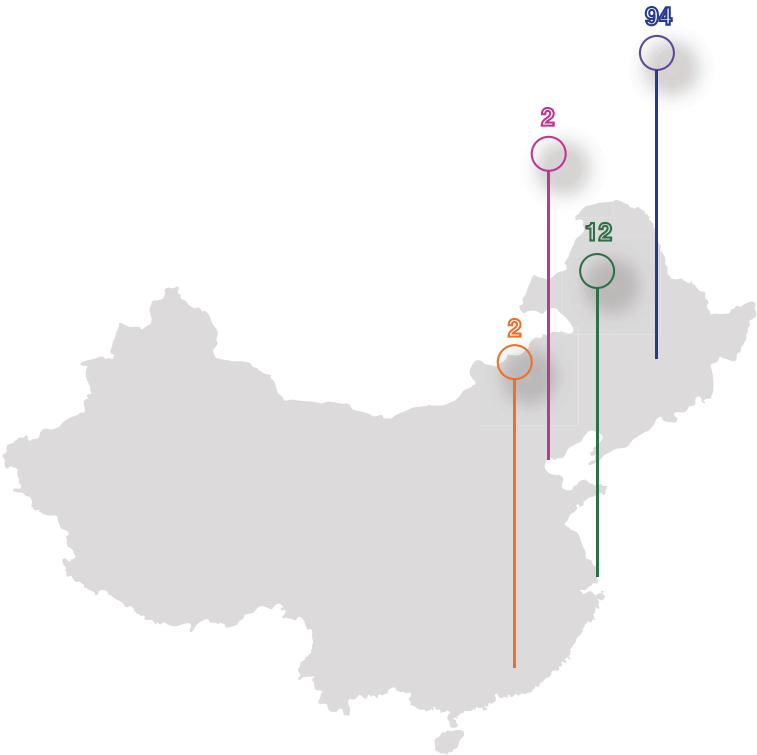
RAYCOM

To better manage potential risks in the supply chain, Raycom standardises and carries out routine work related to supplier management in accordance with the Tender Management Measures. Meanwhile, Raycom has put in place a complete supplier evaluation system with suppliers' business legal compliance,

product quality, and delivery timeliness as the main evaluation factors. Approved suppliers in the supplier database are evaluated in every January. For those suppliers who are eliminated or blacklisted, their qualifications as approved suppliers will be cancelled and business cooperation with them will be terminated.

During the Reporting Period, all of Raycom's suppliers were from China. Their specific distribution is as follows:

Number of suppliers by geographical region	
Region	Number of suppliers
Beijing	94
Guangdong	2
Shanghai	12
Tianjin	2



Levima Advanced Materials

Levima Advanced Materials upholds the procurement management ideas of compliance with laws and regulations, integrity operations, and environmental protection. With a sincere and responsible attitude, Levima Advanced Materials has built an efficient supply chain system by standardising the procurement management model, optimising the supplier assessment plan, and developing strategic suppliers. The company works with suppliers to jointly promote its sustainable development.

Levima Advanced Materials adheres to a strict approved supplier certification system, conducts comprehensive investigations on new suppliers in accordance with the Supplier Management Measures, and includes them in the Qualified Supplier Directory after review and approval. In principle, a short list of suppliers should be selected from the Qualified Supplier Directory. Finally, Levima Advanced Materials will determine suppliers in the short list in accordance with the Supplies Procurement Management Measures and the Tender Management Measures. In addition, Levima Advanced Materials implements a tiered supplier management system, regularly updates supplier qualification files, and monitors suppliers' administrative penalties and abnormal business information. The company evaluates and rates suppliers

through annual supplier reviews and irregular on-site inspections. Suppliers who fail to pass the review will be removed from the Qualified Supplier Directory.

To further strengthen the monitoring and management of social and environmental risks in the supply chain, Levima Advanced Materials specially adds the evaluation and review of the supplier's management systems in quality, environment, energy, and occupational health during its assessment and tries to avoid the use of a single supplier. In addition, to deal with the major negative impacts of its supply chain in the environmental and social aspects, Levima Advanced Materials has also developed work procedures for handling emergencies and set up an emergency response task force.

Guided by the idea of being responsible for the environment and society, Levima Advanced Materials also vigorously advocates green procurement. The company agrees on relevant contents about eco-friendly products and service types before contract signing and finally implements the contents in the procurement contracts signed with the suppliers and their annexed Technology Agreement, thereby further reducing environmental risks in its supply chain.

During the Reporting Period, Levima Advanced Materials' suppliers were distributed as follows:

Number of suppliers by geographical region	
Region	Number of suppliers
North China	156
South China	20
East China	764
West China	14
Central China	68
Hong Kong, Macao and Taiwan	1
Overseas	2

RESPONSIBLE OPERATIONS

BIL

BIL encourages suppliers to adopt the best industry practices in human rights, health, safety, and environmental protection. BIL will send guidelines on how to respect and comply with laws and regulations related to human rights, labour, health and safety, ethics and the environment to its suppliers, and requires the suppliers to make commitments on compliance with these principles. It includes an audit article in the supplier agreement, specifying that an audit should be performed in the place where the supplier operates if necessary. In addition, to ensure that suppliers comply with regulatory requirements and reduce the risk of supply chains, BIL has developed the Outsourcing Regulations, which explicitly prohibits the outsourcing of strategic functions related to its core business to any third party for the purpose of mitigating the operating risk. Meanwhile, BIL formulated and implemented

the Outsourcing and Cloud Computing Policies to provide standardised guidance for supplier management and ensure that it meets the guidelines of the European Banking Authority and the requirements of regulators.

In addition, BIL actively practises green procurement to reduce the environmental impact of the procurement and transportation process. For office supplies, its purchasing department and relevant suppliers have sorted out a comprehensive catalogue, which clearly lists green and reusable office products as a reference for the company's green procurement. In the meantime, BIL encourages its business offices to take the products of their local suppliers as the first choice, a move that will not only protect the environment but also promote local employment and economic development.

During the Reporting Period, BIL's headquarters had 1,487 suppliers, most of which came from Luxembourg. The specific number of suppliers is shown below:

Number of suppliers by geographical region

Region	Number of suppliers
Luxembourg	964
Greater Region of SaarLorLux (France, Belgium, Germany)	266
Other EU countries	95
Non-EU countries	162

PRODUCTS AND SERVICES RESPONSIBILITY

As an industrial operation company that actively undertakes corporate social responsibility, Legend Holdings, in the segments it invests, ensures that its subsidiaries engaged in the manufacturing of products and food productions comply with the local laws and regulations in the whole lifecycle covering development, production, sales, utilisation and recycling. Legend Holdings strives to improve the leadership in environmental efficiency of products and minimise the impact of its products on the environment by paying attention to technological improvements for energy efficiency, materials, packaging, etc.

In terms of information security and privacy protection, the Company continuously pushes forward the building of the network security and information security system, earnestly implements national multi-level information security protection standards, and has developed relevant rules and norms in terms of information system security and terminal security. To improve employees' awareness of information security, regulate employee behaviour, and guide employees to use information resources reasonably and securely, the Company has formulated the

Information System Client Management Regulations of Legend Holdings, and the Management Regulations on the Use of Communication Equipment of Legend Holdings. The regulations strictly regulate employee behaviour in terms of the security of the working environment, user accounts, and information systems, use of computer networks and e-mails, anti-virus control, etc. to strengthen employees' information security awareness and the Company's information security culture. In addition, the official website of Legend Holdings is also actively applying for the second-level certification of national network security.





During the Reporting Period, the Group did not come across any incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to providing and using its products and services (including but not limited to information and labelling, promotional newsletters (such as advertising, promotional sales and sponsoring), customer privacy and intellectual property rights).









RESPONSIBLE OPERATIONS

Lenovo

To ensure adherence to its privacy policies, principles, and processes, Lenovo maintains a global Privacy Program led by the Legal Department and a cross-functional Privacy Working Group comprised of key partners drawn from Information Security, Product Security, Product Development, Marketing, E-Commerce, Service and Repair, Human Resources, and other groups. Key elements of the Lenovo's approach to ensuring privacy compliance include:

-  Monitoring privacy regulatory trends and improving its privacy practices.
-  Harmonizing global data privacy requirements into a company-wide set of guiding privacy principles intended to drive how Lenovo handles personal information.
-  Publishing and keeping updated privacy statements, internal policies, and guidance documents.
-  Providing contractual support to ensure that risks associated with any dataflows are covered by appropriate contractual terms; this support includes assisting Lenovo's Legal Center of Excellence (COE) in its efforts to update contract templates and improve privacy-focused contract exhibits.
-  Providing early input to product development teams by incorporating privacy checkpoints into formal product development plans.

-  Conducting privacy impact assessments, and prelaunch privacy compliance reviews of products, software, websites, marketing programs, internal systems, and vendor relationships.
-  Responding to requests from individuals about their personal information.
-  Coordinating Lenovo's response to law enforcement and other government requests for personally identifiable data.
-  Developing and delivering privacy-focused training programs.
-  Working closely with the Corporate Information Security Office (CISO) to identify and respond to information incidents involving personal information.
-  Maintaining a Privacy Program intranet website for employees that serves as a resource that contains guidance documents, contract templates, compliance checklists, and insights for communicating with the privacy team.

For more information, please refer to Lenovo's Privacy Statement.



Levima Advanced Materials

Levima Advanced Materials is a supplier of advanced material products and solutions focusing on the research and development, production and sales of advanced polymer materials and specialty chemicals. It is a hightech enterprise and a national level "Green Factory" and has been listed as one of the top 100 private petroleum and chemical enterprises in China for many years. In accordance with the Product Quality Law of the People's Republic of China, Standardization Law of the People's Republic of China, the Metrology Law of the People's Republic of China and other laws and regulations as well as requirements of the market supervision administration, Levima Advanced Materials formulated product quality standards, standardised product packaging labels, carried out product inspections, and publicised relevant information on the national "Public Service Platform for Standards Information" to ensure that product quality meets customer needs. In addition, since the products of Levima Advanced Materials are all chemical materials, it does not involve product recycling.

The audit department, results transformation department, brand public relations department and other departments are jointly responsible for protecting intellectual property at Levima Advanced Materials. The audit department has formulated the Intellectual Property Management Measures, which regulates the definitions of various intellectual property rights, management of bearer, review of daily approval, maintenance and protection requirements, reward and penalty measures

and other matters. The audit department also leads the handling of litigation and non-litigation matters related to intellectual property rights. The results transformation department has developed the Implementation Rules for Patent Management to standardise the Levima Advanced Materials's internal patent disclosure, audit, application's, review, registration, and other management matters and raise specific requirements for patent maintenance and retrieval. The brand public relations department has enacted the Brand Management Measures, which regulates the design, application, promotion and other key management matters of the Levima Advanced Materials' brands, trademarks, and other intellectual property rights to guide the application, design, promotion, and use of the Levima Advanced Materials's trademarks. During the Reporting Period, the three departments cooperated with each other to manage intellectual property in accordance with relevant rules, regulations, and approval procedures. While encouraging employees to make inventions, the departments protect the Levima Advanced Materials's intellectual property rights from being infringed.

Levima Advanced Materials is committed to providing customers with comprehensive high-quality products and services. It received a total of 8 complaints about products and services during the Reporting Period. Levima Advanced Materials has properly communicated with customers and reached a consensus on the handling of those complaints.

RESPONSIBLE OPERATIONS

BIL

BIL firmly believes that customer satisfaction is an important foundation for the long-term healthy development of its business. Therefore, BIL is committed to continuously optimising the quality of its products and services to meet the changing needs of its clients. Given this, it takes every opportunity to improve all employee' engagement in and responsibility for customer services and their ability to listen and respond to customers. At the same time, BIL adopts a multi-channel strategy for customers' convenience, including the around-the-clock BILnet platform which offers both online and mobile banking services, telephone banking and 41 branches. BIL tries its best to provide the disadvantaged groups with more convenient services, such as the barrier-free access for people who are wheelchair-bound and others with reduced mobility, and provision of presentations and learning courses on how to use electronic device for people who are less familiar with such device.

In terms of product quality inspection, the Business Processes & Rules Office is responsible for sorting out and improving the processes of the bank's cross-domain work and publishing them regularly on the Intranet, in order to record the content of employees' cross-domain work and enhance employees' understanding of the bank's related activities. Meanwhile, the company's Intranet also lists the operating procedures of various customer services, covering the entire value chain from design, sales, implementation to after-sales services. In addition, BIL also classifies its overall businesses with reference to a "process model" framework. The process team, in collaboration with the audit, risk and compliance departments, reviews, updates, and maintains the framework regularly to ensure work processes of services are professional and efficient.

To get more valuable comments and suggestions from customers, BIL analyses the customer feedbacks received by the account managers and the opinions given by customers in the satisfaction surveys to tailor the services and products that meet the customers' demands. During the Reporting Period, BIL received 477 complaints about products and services, which included complaints relating to the current accounts, payment and ATM services, payment (transfer, automatic transfer, cheque, etc.), mortgage, investment, etc. To regulate the handling of customer inquiries and complaints, BIL has developed a complaint handling policy which defines the duties of the complaint handlers and the matters to be monitored and reported so as to take effective remedial actions and respond quickly. Going forward, BIL will continuously improve its products and services in response to complaints and hold every employee to the highest standards.

In terms of personal information and privacy protection, to better respond to ever changing customer requirements and customise commercial products, BIL needs to collect the personal data of their customers during its daily operations. However, in accordance with the General Data Protection Regulation (EU) 2016/679, BIL promises not to share information with any third party without authorisation by the related customer to protect basic human rights in personal data privacy. In addition, BIL also requires all employees not to disclose the personal details of the Group's customers or staff members through communication channels unauthorised by the bank, such as instant messaging platforms and social media websites.



INTEGRITY IN THE INDUSTRY

Legend Holdings conducts its business with the highest ethical standards and professional spirit. All employees are required to strictly comply with the laws and regulations of the PRC and other regions where the portfolio companies are located relating to bribery, extortion, fraud, and money laundering. It has zero tolerance for any form of bribery and corruption.

The Company has laid down and continuously improves the Anti-Corruption Management Policy, the Code of Ethics for Employees and other management rules. It strives to gradually improve the systematic management of anti-fraud efforts throughout the process of prevention, control, and accountability before, during, and after an event. The Company also requires its subsidiaries to operate in accordance with the laws and regulations based on ethics and integrity and improve their own anti-fraud work systems to guard against individual corruption behaviour at all levels of the Group.

The Company has established various reporting channels, including email, telephone, website, and official account reporting channels and strengthens the collection of risk matters and fraud clues within the Group and carries out investigations independently, legally, and rightly. Any violations will be handled in accordance with relevant provisions. The Company prohibits all kinds of anti-fraud-related retaliation and has protective measures and working mechanisms in place.

The Company pays consistent attention to cultural

development and employee integrity education to prepare in advance for any possible offenses. All new employees are required to participate in training related to themes such as professional ethics and code of conduct and continuously develop stronger integrity awareness through Intranet, anti-fraud training, and case studies. In December 2020, Legend Holdings delivered training which covered risk control, internal audit, and anti-fraud. In 2021, due to the restrictions of the COVID-19 prevention and control requirements, the training for risk control, internal audit, and anti-fraud was postponed. Based on previous research and discussions, this training and other trainings on anti-fraud-related topics will focus on the building and improvement of the anti-fraud system, detection and prevention of fraud risks, and anti-fraud investigations. The Company also regularly provides directors and supervisors with anti-corruption training materials for their reading and learning. During the Reporting Period, the coverage rate of integrity education among the Company's directors and supervisors reached 100% with the per capita training duration of 1 hour.

The Company requests all employees to sign the Integrity Commitment Letter and adds the "Integrity Cooperation Agreement" to procurement contracts that explicitly require employees and partners not to seek improper personal benefits in violations of laws and regulations.

During the Reporting Period, the Group did not receive any legal cases regarding corrupt practices brought against the Group or its employees.



RESPONSIBLE OPERATIONS

RAYCOM

Raycom includes the “integrity clause” in contracts signed with all employees and asks them to promise not to engage in any commercial bribery that violates the integrity agreement or harm counterparty's interests for obtaining improper benefits. If Raycom's in-service employees are found to commit or be likely to commit commercial bribery that violates the integrity clause, it can be reported via an internal whistle-blowing channel.

Levima Advanced Materials

Levima Advanced Materials standardises integrity management in strict accordance with the Criminal Law of the People's Republic of China, Implementation Plan of Shandong Province for Special Work on Combating Commercial Bribery in the Field of Foreign Trade and Economic Cooperation, Interim Regulations of Shandong Province on the Administration of Petrochemical Commodities Trading Market and other relevant laws and regulations applicable to the place where it operates. Levima Advanced Materials has formulated and implemented the Integrity Management Measures, which stipulates in detail that employees at all levels should abide by the code of integrity and be subjected to the penalties for non-compliance in implementing businesses such as project tendering, equipment and materials purchasing, quality management, sales and customer services, and daily expense management. Levima Advanced Materials has also developed the Anti-fraud Management Measures and set up whistle-blowing channels against violations, including email, telephone, and official WeChat account. It also standardises the responsible division, workflow and punitive measures for anti-fraud work, and publicises them on its Intranet. It will regularly inspect

the practices of all units and departments and perform special internal audit activities and conduct annual assessment on upstream and downstream customers on a regular basis. Upon receipt of complaints and reports from internal and external entities on the violations of the Levima Advanced Materials' employees, the audit department will immediately conduct investigations in accordance with established procedures. Levima Advanced Materials also included anti-commercial bribery clauses in its regular contract management, and expressly listed provisions in the Letter of Commitment to Integrity signed with all suppliers and clients. Levima Advanced Materials also established a dedicated anti-bribery work system, which encompassed a special mailbox for bidding, as well as legal and auditing supervision, etc.

Furthermore, Levima Advanced Materials launched the “Corporate compliance and integrity and self-discipline” course on its internal online training platform, Levima Cloud School, with the total video duration of about 1 hour and 20 minutes. The course was presented by in-house legal officers, which is mainly about the explanation of the laws and regulations involved during the Levima Advanced Materials' operations and the risk areas related to integrity and self-discipline in the actual work. Cases were analysed for practical discussions. All employees and directors of Levima Advanced Materials can take the course through mobile phones, computers, etc. The course was generally considered very practical, and the training achieved good results. In 2021, the Levima Advanced Materials' legal training on “business negotiations” and “evidence overview and application of rules” also emphasised precautions for anti-corruption and response measures.

BIL

BIL consistently upholds the highest standards of transparency. Since BIL became a signatory member of the International Capital Markets Association (ICMA) in 2012, BIL Luxembourg has always strictly followed the guidelines and requirements of the association and has formulated internal rules and regulations such as the Code of Conduct, Anti-Bribery and Anti-Corruption Regulations, Code of Ethics, and Financial Crime Prevention Regulations, requiring all employees to strictly follow procedures and guidelines related to tax transparency and combating money laundering and terrorist financing. BIL also actively delivers relevant trainings to directors and staff at all levels to ensure their in-depth and comprehensive understanding of relevant procedures.

Meanwhile, BIL also regularly reviews its relevant policies in accordance with the Anti-Money Laundering Regulation No. 12/02, EU Directive 5, and other laws and regulations related to the prevention of bribery, extortion, fraud, and money laundering to ensure the applicability and compliance of procedures.

SCIENTIFIC RESEARCH AND INNOVATION

The Group has always adhered to the concept of innovation-driven development and has a tradition of excellence in the commercialisation of scientific and technological achievements. In 2021, the Group continued to strengthen its incubation, investment and financial support, through direct and indirect means, in the field of technological innovation, thereby achieving a series of results.


Lenovo

 To encourage innovation in scientific research, Lenovo has formulated short-and medium-term development goals for the next three years, including, the average annual R&D investment will reach RMB20 billion; the number of R&D personnel will be doubled and will be no less than 24,000. At present, relevant work is progressing steadily.

 During the Reporting Period, Lenovo invested RMB3.5 billion in technology research and development and innovation in the fourth quarter, representing a year-on-year increase of 38%. This shows that Lenovo has attached greater importance to scientific research.

Levima Advanced Materials

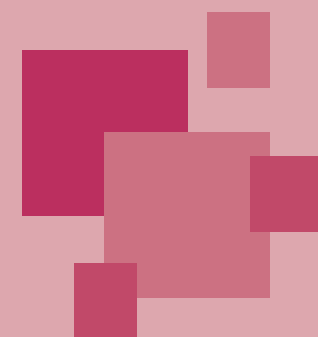
 Levima Advanced Materials adheres to an innovation-driven development strategy. During the Reporting Period, investment in technology research and development increased by more than 60% year-on-year.

 In addition, Levima Advanced Materials also actively explores new technologies and make inroads into the field of new energy materials and biodegradable materials. It carries out research and development in new energy materials such as EVA photovoltaic films, carbonic ester solvents for lithium batteries, and ultra-high molecular weight polyethylene (UHMWPE) diaphragms for lithium batteries, as well as biodegradable materials such as polylactic acid (PLA) and polypropylene carbonate (PPC).

In the future, the Group will continue to improve the internal incentive system and the system of management by objectives and promote the Group's technology research and development and innovation in an all-round way through diversified methods to make new contributions to the development of the industry and society.



OUR ENVIRONMENT



OUR ENVIRONMENT^{5,6}

The Group is committed to environmental protection, energy conservation and emission reduction and reasonable and efficient utilisation of resources and energy in day-to-day operational activities and ensure that every subsidiary strictly observes local environmental laws and regulations and relevant industry emission standards in the regions where they operate. The Group constantly improves environmental management and measures, including establishing a complete environmental emergency response system for specific business, providing feasible supports for prevention and control of environmental accidents, and improving factory production processes and equipping resource recycling system to effectively reduce energy consumption. In addition, the Group has also formulated more detailed environmental protection policies in line with the local conditions of subsidiaries, supervises their implementation, and gradually improves environmental sustainability policies to organically realize economic, social and environmental benefits.

As Legend Holdings makes strategies on all fronts, investors have become increasingly aware of the environmental impact of the Group's activities. Given this, to better respond to the needs of investors, the Group will highlight in this Report the efforts at the environmental aspect level made by Raycom, Levima Advanced Materials and BIL.

During the Reporting Period, the Group did not come across any incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.



⁵ As the headquarters of Legend Holdings is located at Raycom, the environmental key performance indicators of Legend Holdings' headquarters are included in that of Raycom in this chapter.


⁶ During the Reporting Period, Levima Advanced Materials had a new production subsidiary and included it in the scope of data disclosure. Therefore, the environmental performance data of Levima Advanced Materials during the Reporting Period may change significantly compared with the previous year.


GREEN PRODUCTS AND INVESTMENTS


LENOVO


Lenovo's corporate-wide environmental standards and specifications require its product designers to consider environmentally conscious design practices to facilitate and encourage recycling and minimization of resource consumption. Lenovo restricts the use of environmentally sensitive materials in its products. This includes the prohibition of ozone-depleting substances in all applications; the restriction on the use of persistent organic pollutants (POPs) under the Stockholm Convention; and the elimination of materials covered under European Union (EU) Restriction on Hazardous Substances (RoHS) and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), even beyond the jurisdictions where these regulatory requirements exist. Lenovo's implementation strategy and requirements are consistent with the requirements specified in the EU's RoHS Directive and REACH Regulation.

Lenovo supports phasing out brominated flame retardants (BFRs) and PVC and is committed to driving its supply chain toward this goal. Lenovo has made significant progress toward the elimination of BFRs and PVC from its systems. Lenovo continues to focus on eliminating halogens from its top-selling products and across as many commodities as possible. Among its achievements:

 Lenovo has made significant progress in phasing out halogens in many commodities across several product lines, including all plastic enclosures, most components, and connectors (except for printed board laminates); all mechanical plastic parts such as product covers, housings, and bezels; many hard disk drives, optical disk drives, solid-state drives; LCD screens; memory, CPUs, chipsets, and communication cards; and other commodities with offerings that meet the iNEMI definition of low halogen.

 Most of its plastic components meet low halogen restrictions; Br<1000ppm, Cl<1000ppm; all plastic parts > 25 grams meet low halogen requirements. Printed circuit boards, cables, wiring, fans, and electronic components are excluded.

 Elimination of most BFRs and PVC from ThinkPad notebooks. BFRs are used in power cords, cables, AC adapters, planar ASMs, subcards, connectors, and some modular parts. PVC is only used in power cords and cables. In addition, all ThinkPad notebooks have low halogen printed circuit boards.

 All its commercial monitors meet the iNEMI definition of low halogen except for their PCBA and external cables. Furthermore, parts >25g grams including PCBA and external cables in some monitors fully meet the low halogen definition of iNEMI.

Lenovo has completely phased out the use of BFR/PVC in all mechanical plastic parts (such as external covers, housings, etc.) across all its product lines.

Lenovo plans to use additional BFR-and PVC-free parts and materials across the Think and Idea family of products as acceptable alternative materials become available, working toward the goal to phase out the use of these materials across all newly introduced products. Lenovo continues to work with its suppliers to pilot new BFR-and PVC-free applications. The phase-out of these materials is dependent upon the availability of suitable alternatives that meet its technological, cost, quality, environmental, health, and safety requirements.

OUR ENVIRONMENT

Lenovo has identified a list of materials and substances of environmental interest. These substances may be candidates for further restrictions in the future. It holds suppliers accountable for reporting the use of these materials through Supplier Material Declarations. An industry-standard IPC 1752A XML Full Material Disclosure (FMD) form, submitted via the Green Data Exchange (GDX), is the preferred format for confirmation of compliance to the restrictions and for reporting when substances in question are above the specified concentration levels.

Lenovo does not exempt any of its suppliers from providing Full Material Disclosures, though it does allow considerations for confidential information. Only 2.4 percent of component suppliers do not provide full material disclosure, usually for security or intellectual property reasons. Lenovo will continue its efforts to support full material disclosure. Those who do not provide Full Material Disclosures are requested to ensure their components' compliance with its format of material disclosure, IEC 62474 declaration, test report, or self-declaration.

Each product has detailed data of 200–300 pieces of similar parts, which is an important basis for Lenovo's design and R&D work, especially for the analysis of material environmental health and safety.

Lenovo informs its customers about the environmental attributes of its products and compliance with applicable laws and regulations through an industry-standard IT Eco Declaration form. Declarations for newly released products are posted on Lenovo's ECO Declarations webpage.

Lenovo actively manages its response to ongoing energy-related regulatory activities such as updates to emerging protocols and regulations, and industry-related standards, including:

 ENERGY STAR® programme specifications

 U.S. Department of Energy (DOE) Appliance and Equipment Standards

 California Appliance Efficiency Program requirements

 China CEL and CECF Standards

 EU Ecodesign (ErP) requirements



Lenovo's ecolabels from around the globe:



OUR ENVIRONMENT

BIL

BIL is committed to developing responsible products and services to create value for customers. It also actively integrates ESG factors into traditional financial products and accelerates the flow of funds to sustainable development-related activities, thereby supporting the sustainable transformation of global ecology and society. BIL strictly abided by new European ESG regulations, especially the Regulation (EU) 2019/2088, namely Sustainable Finance Disclosure Regulation (SFDR) and maintained close cooperation with sustainable finance teams of the Association of the Luxembourg Fund Industry (ALFI) and the Luxembourg Bankers Association (ABBL). The bank provided its clients with a wide range of ESG products, such as SRI-labelled funds and ESG funds and did its utmost to provide tailor-made ESG solutions for clients who signed discretionary contracts. Meanwhile, it tweaked its securities selection process and published a sustainable and responsible investment statement during the Reporting Period that explains how to integrate ESG factors into its investment products and services and how to include sustainability-related risks into its investment decision processes. In addition, BIL will actively respond to the upcoming SFDR Phase II requirements and amend relevant internal authorisation regulations in

accordance with the authorisation regulations of the Markets in Financial Instruments Directive (MiFID) and Insurance Distribution Directive (IDD) to further assess customers' ESG-related preferences.

Currently, the bank has begun to include ESG factors into its liquidity reserve portfolio. In June 2020, BIL introduced a minimum proportion of social, green and sustainable bonds in its investment portfolio guide. This minimum proportion will be built up gradually according to the following timetable. The minimum proportion is 5% at the end of 2021, 7.5% at the end of 2023 and 10% at the end of 2025. As of 31 December 2021, BIL's green and sustainable development bonds accounted for 10.5% of its total investment portfolios with the total amount of Euro800 million. In addition, at the end of 2021, four funds of BIL have successfully obtained the one-year ESG label certified by the Luxembourg Finance Labelling Agency (LuxFLAG). In the future, BIL will continue to carry out ESG impact analysis on its financial products and services and continuously improve products and services to steer the whole society towards sustainable development through green products and green investments.

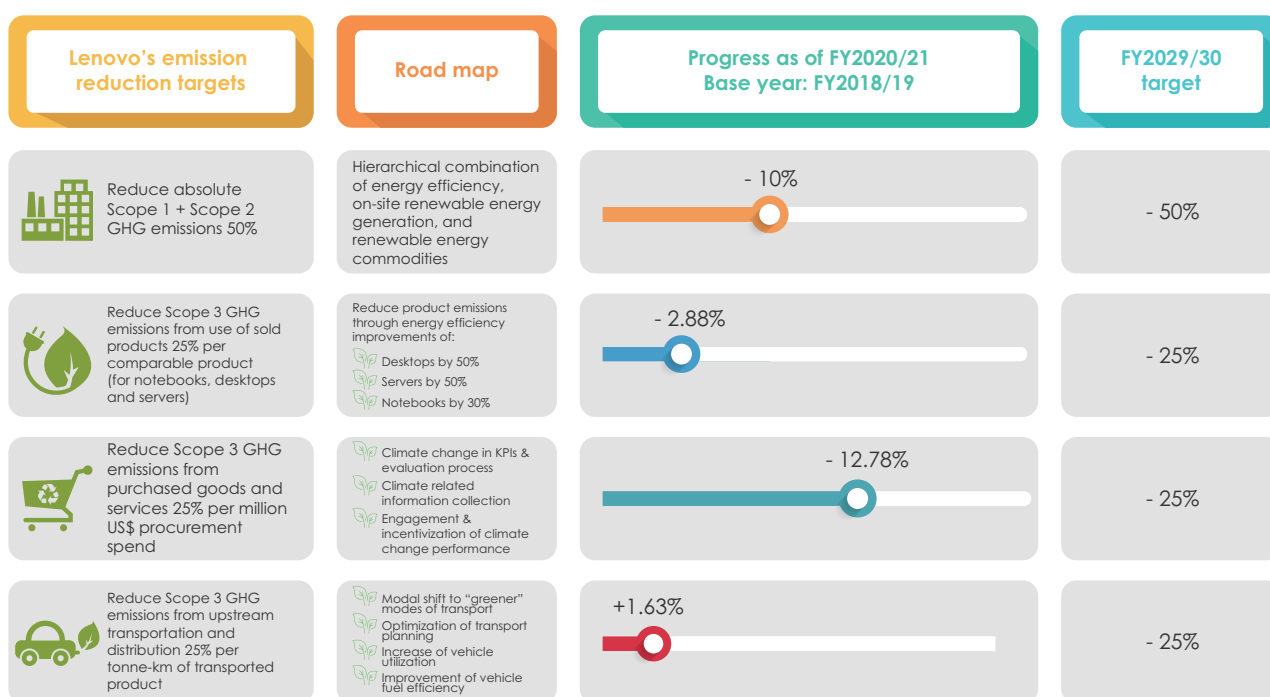


RESPONSES TO CLIMATE CHANGES AND GREENHOUSE GAS EMISSIONS

With the increasingly severe global climate challenges, Legend Holdings acts in an “environmentally responsible” manner and continuously supports diversified and effective energy conservation and emission reduction measures in various investment activities, aimed to reduce the carbon footprint of operations and actively respond to climate changes.

LENOVO

In June 2020, Lenovo established science-based emissions reduction targets, which were validated by the Science-Based Targets initiative (SBTi). Its Scope 1 and 2 emissions reduction targets are consistent with limiting global average warming to 1.5° C, the most ambitious goal of the Paris Agreement, and its Scope 3 emissions reduction targets meet ambitious criteria according to the SBTi's methodology, which means they are in line with current best practices. These targets have a base year of FY 2018/19 and a target year of FY 2029/30. The following table details Lenovo's Science-Based Targets, road maps for their achievement, and progress against the targets in FY 2020/21.



OUR ENVIRONMENT

RAYCOM

Raycom, an investee of the Company, has no significant impact on the environment, but it still undertakes social responsibilities by attaching great importance to the handling of global climate change and reducing greenhouse gas emissions as much as possible.

During the Reporting Period, Building C of Raycom Info Tech Park carried out energy-saving and green transformation. By diagnosing and analysing the maintenance and operation of equipment and facilities in the building, Raycom comprehensively promoted

comprehensive energy-saving renovations such as the upgrading of lighting systems, remote water and electricity meters, and fan ducts, continuous power commissioning, and updates on intelligent building operation and maintenance. This will reduce energy consumption such as water, electricity, and gas in the building to help build an energy-saving and carbon-reducing office environment and make due contributions to addressing climate change and low-carbon ecological construction.

The Beijing Haidian District Commission of Housing and Urban-Rural Development granted comprehensive acceptance to the energy-saving and green transformation project during the Reporting Period. As assessed by external engineering experts, Building C of Raycom Info Tech Park saved about 473 tonnes of standard coal and reduced carbon dioxide emissions by 1,229 tonnes on an annual basis. With the energy saving rate of 10.7%, the building reduced annual average operating costs by RMB2.25 million. During the Reporting Period, the total volume and intensity of Raycom's greenhouse gas emissions are as follows:

TOTAL VOLUME AND INTENSITY OF RAYCOM'S GREENHOUSE GAS EMISSIONS

Type	Unit	2021	2020
Scope 1 ⁷ (Direct Emissions)	tCO ₂ e	50,593.49	424.52
	tCO ₂ e/m ² ⁸	0.53	4.84 × 10 ⁻³
Scope 2 ⁹ (Indirect Emissions)	tCO ₂ e	20,416.79	20,454.51
	tCO ₂ e/m ²	0.21	0.24

⁷ The 2020 Scope 1 greenhouse gas and air pollutant emissions came from the operations of passenger vehicles and standby diesel generators and the use of cooling agents in Raycom. On this basis, emissions from boilers for heating in Building A were added in 2021. For calculation, please refer to Requirements of the greenhouse gas emissions accounting and reporting — land transportation enterprise and industrial greenhouse gas emissions accounting and reporting other industries issued by the National Development and Reform Commission of the People's Republic of China, as well as the Greenhouse Gas Inventory Guidance — Direct Emissions from Mobile Combustion Sources issued by the United States Environmental Protection Agency (USEPA).

⁸ The square meters, as the unit of intensity is the sum of the non-rented area of Raycom and the office area of Legend Holdings' headquarters. The date during the Reporting Period is 95,740.41 square meters.

⁹ Scope 2 emissions came from Raycom's purchased electricity. Electricity emission factors came from the "Notice on 2018 Annual Carbon Emissions Reporting and Accounting and Preparation of Emissions Monitoring Plan" issued by the Ministry of Ecology and Environment in 2019.

Levima Advanced Materials

Levima Advanced Materials is dedicated to reducing greenhouse gas emissions and contributing to the climate change responses. Based on the actual demands in commencing environmental protection work, Levima Advanced Materials established an environmental monitoring and management system covering the whole plant and established the Health and Safety Environment (HSE) Department. The department is headed by a senior vice president of Levima Advanced Materials and all the operation divisions are manned by environmental staff responsible for the operation of environmental facilities, environmental monitoring and management of emissions such as greenhouse gas emissions and discharges. To reduce greenhouse gas emissions, Levima Advanced Materials continued to carry out "Leak Detection and Repair (LDAR)" throughout the entire plant and managed to reduce the emission of volatile organic compounds by 4,165.48kg during the Reporting Period.

In addition, in response to heavily polluted weather caused by extremely adverse weather conditions and other factors due to global climate changes, Levima Advanced Materials has formulated the "Contingency Plan for Heavily Polluted Weather" based on actual situations to protect the general public's health and provide a scientific guidance to production and life. At the same time, Levima Advanced Materials submitted a list of emergency emission reduction for heavily polluted weather (2020–2021) as required by the Zaozhuang Municipal Bureau of Ecology and Environment. Under the contingency condition of the heavily polluted weather, Levima Advanced Materials strictly implements measures in the contingency plan and discloses relevant information on the electronic screen and bulletin board in time to ensure that employees are aware of the arrangements and reduce negative impact on their health.

During the Reporting Period, the data of Levima Advanced Materials' greenhouse gas emissions is as follows:

Total Volume and Intensity of Levima Advanced Materials' Greenhouse Gas Emissions

Type	Unit	2021	2020	2019
Scope 1 ¹⁰ (Direct Emissions)	tCO ₂ e	2,992,602.02	634,423.05	615,271.00
	tCO ₂ e/revenue (millions of RMB)	394.80	106.96	108.44
Scope 2 ¹¹ (Indirect Emissions)	tCO ₂ e	636,633.48	472,624.95	432,067.00
	tCO ₂ e/revenue (millions of RMB)	83.99	79.68	76.14

¹⁰ Scope 1 greenhouse gas emissions came from Levima Advanced Materials' fuel combustion (coal, diesel (diesel generators, vehicles), natural gas (canteens), dimethyl ether/methanol to olefins (DMTO) units that produce fuel gas and torch emissions), emissions from combustion of torch and emissions from industrial processes (continuous burnt flue gas emissions from DMTO units, emissions from EO units, desulphurized calcium carbonate emissions). The data are calculated with reference to the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions of China's Petrochemical Enterprises (Trial) and Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions of China's Power Generation Enterprises (Trial) issued by the National Development and Reform Commission of the PRC. The data disclosed for 2021 are estimated emissions and will be revised and disclosed in the following year after being verified by a third party.

¹¹ Scope 2 emissions came from Levima Advanced Materials' purchased electricity or heat. The data are calculated with reference to 2011–2012 Regional Power Grid Average CO₂ Emission Factors in China Guidelines and the Requirements of the greenhouse gas emissions accounting and reporting — industrial enterprises in other industries (trial) published by the National Development and Reform Commission of the People's Republic of China. The data disclosed for 2021 are estimated emissions and will be revised and disclosed in the following year after being verified by a third party.

OUR ENVIRONMENT

BIL

BIL demonstrates its ambition for sustainable development by developing and implementing the strategic plan "Create Together 2025", in which BIL also sets out its carbon footprint objectives for its banking business. BIL's greenhouse gas emissions mainly came from vehicle emissions and purchased electricity. For this reason, BIL actively avoided unnecessary use of electrical appliances and IT equipment and carried out a LED lamp replacement project in the office area of the headquarters for several months, which is expected to greatly reduce the carbon emissions caused by electricity consumption. Moreover, BIL will install sensor switches for lights in the toilet cubicles, which will save 8,100kWh of electricity every year. In addition, BIL developed and implemented the Commercial Transportation Policy to encourage employees to reduce their frequency of air, train or car travels and its personal carbon footprint through teleconferencing or video conferencing. BIL also subsidizes employees' annual public transportation to encourage them to use public

transportation. During the Reporting Period, BIL further formulated the "Sustainability Strategy" based on the "Create Together 2025" strategy to specify carbon footprint measurement tasks in 2021 and the setting of carbon footprint targets in 2022.

In response to the potential impacts of climate changes, BIL has begun to comprehensively evaluate ESG risks, including climate-related risks, through ESG risk programmes, in accordance with EU recommendations. During the Reporting Period, BIL focused on the development of ESG risk maps in carrying out ESG risk programmes and worked with a carbon asset management company to measure greenhouse gas emissions for different investment portfolios, so as to lay a solid foundation for further advancing the work related to climate risk assessment. Relevant analysis is still in progress, and relevant conclusions and recommendations will be disclosed in 2022.

During the Reporting Period, the total amount and intensity of greenhouse gas emissions of the BIL headquarters are as follows:

Total Volume and Intensity of BIL's Greenhouse Gases Emissions¹²

Type	Unit	2021	2020	2019
Scope 1 ¹³ (Direct Emissions)	tCO ₂ e	973,607.36	18.10	17.31
	tCO ₂ e/m ²	27.40	5.09 × 10 ⁻⁴	4.87 × 10 ⁻⁴
Scope 2 ¹⁴ (Indirect Emissions)	tCO ₂ e	5,216.58	5,354.55	5,670.13
	tCO ₂ e/m ²	0.15	0.15	0.16

¹² The square meters, namely, the unit of the density is calculated according to the net internal floor area of BIL's headquarter offices. The net internal floor area was 35,530 m² during the reporting period.

¹³ Scope 1 greenhouse gas emissions in 2020 came from vehicles owned and operated by BIL's headquarters, while in 2021, the combustion of natural gas and coal gas is added on this basis. Therefore, the greenhouse gas emissions in this year may change greatly compared with the data of the previous year. The data are calculated with reference to the EMEP/EEA Air Pollutant Emission Inventory Guidebook, and some of them are estimated values.

¹⁴ Scope 2 emissions came from the purchased electricity, natural gas and coal gas of BIL's headquarters. The data are calculated with reference to the EMEP/EEA Air Pollutant Emission Inventory Guidebook.

WASTE AND AIR POLLUTANT EMISSIONS

RAYCOM

In order to effectively manage the hazardous waste of Raycom, such as batteries, ink cartridges and waste lamps containing mercury, etc., Raycom Property has signed a solid waste disposal agreement with Beijing Eco-Island Science and Technology Co., Ltd. According to relevant laws, policies and guidelines such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste, the Notice on Strengthening the Management of Chemical Hazardous Substances, the Notice on Strengthening the Environmental Management of Waste Electrical and Electronic Equipment, and the Administrative Measures for the Prevention and Control of Environmental Pollution Caused by Electronic Waste, hazardous waste such as mercury-containing lamps is centrally collected and managed, and a qualified third party is engaged to regularly transfer waste for disposal. In addition, Raycom also clarified classification requirements at garbage collection points on each floor of Buildings A, B, and C to ensure that hazardous wastes in the park are effectively collected and treated.

Raycom's non-hazardous wastes are mainly construction waste and domestic waste. Raycom actively sorts wastes in accordance with the Regulations on the Management of Domestic Waste in Beijing. Raycom places trash bins for sorting waste in commercial areas and has signed a service agreement with a renewable resource recycling company to send people to sort the domestic waste produced in Buildings A, B, and C to ensure the standardisation of recycling procedures and the traceability of channels for the disposal of renewable resources. Raycom has also signed a domestic garbage collection contract with a garbage collector to ensure that the domestic garbage is disposed of legally in accordance with relevant regulations. In addition, Raycom has designed and put "Sorting Stations" into use, achieving the objective of reducing the volume of domestic wastes.

During the Reporting Period, Raycom formulated a waste reduction target for the discharge of wastes and tried to minimise the use of plastic garbage bags in daily operations, mainly in the bathrooms of the buildings. The annual target for the reduction of the plastic bags is not less than 100,000 pieces.



OUR ENVIRONMENT

The recycling management of non-hazardous and hazardous wastes are detailed as follows:

Total Emissions of Hazardous and Non-hazardous Wastes at Raycom

	Type	Unit	2021	2020
Non-hazardous Wastes	Construction wastes	tonnes	4,000.00	5,000.00
	Domestic wastes	tonnes	2,000.00	1,800.00
	Papers	pieces	211,000	629,100.00
	Discarded tubes with mercury	pieces	2,617	2,620
Non-hazardous wastes	Discarded batteries	pieces	180	1,284
	Wasted oil from cleaning air-conditioning systems	L	0 ^{Note}	380.00
	Ink cartridges	cartridges	76	126

Note: Raycom carries out air-conditioning system cleaning from time to time according to actual needs. It did not generate any waste oil as no cleaning of air-conditioning system was being conducted in 2021.

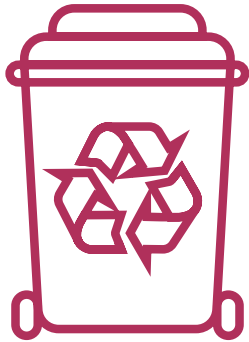
Raycom's air pollutant emissions mainly came from the use of fuels in vehicles and indirect emissions caused by purchased electricity. Through the green, energy-saving renovation of the property building, Raycom further reduced and controlled air pollutant emissions. In the future, Raycom will set feasible targets for emission reduction through a comprehensive inventory and review. The data of Raycom's greenhouse gas and air pollutant emissions during the Reporting Period is as follows:

Total Volume¹⁵ and Intensity¹⁶ of Raycom's Greenhouse Gas and Air Pollutant Emissions

Type	Unit	2021	2020
Nitrogen Oxides (NO _x)	kg	35,210.62	33.23
	kg/m ²	0.37	3.79 × 10 ⁻⁴
Sulphur Oxides (SO _x)	kg	211.63	0.477
	kg/m ²	2.21 × 10 ⁻³	5.43 × 10 ⁻⁶
Carbon Monoxide (CO)	kg	29,787.66	225.03
	kg/m ²	0.31	2.56 × 10 ⁻³
Dust (PM)	kg	2,675.60	2.15
	kg/m ²	0.03	2.45 × 10 ⁻⁵

¹⁵ Air pollutant emissions in 2020 came from the operations of passenger vehicles and standby diesel generators in Raycom. On this basis, emissions from boilers for heating in Building A were added in 2021. The air pollutant emissions are calculated mainly according to non-road mobile source air pollutant emission inventory preparation technical guide and Road vehicles air pollutant emission inventory preparation technical guide issued by the Ministry of Ecology and Environment of the People's Republic of China.

¹⁶ The square meters, as the unit of emission intensity is calculated according to the non-rented area of Raycom. The non-rented area during the reporting period is 87,745.28 m².



Levima Advanced Materials

Levima Advanced Materials implements energy conservation and emission reduction measures and strictly implements a boiler exhaust gas emission standard called "DB 37664-2019 Emission Standard of Air Pollutants for Thermal Power Plants" to ensure legitimate and compliant pollutant discharges. Levima Advanced Materials actively conducts technical research and optimises operation, strengthens technical analysis and technical improvement, and reduces pollutant discharges. During the Reporting Period, Levima Advanced Materials renovated the top of sewage conditioning tanks so that related waste gases was discharged to the odour treatment facilities of sewage treatment plants, reducing volatile organic compounds (VOCs) emitted from the sewage conditioning tanks.

In 2021, Levima Advanced Materials' annual chemical emissions reduction target is to reduce the total emission of air pollutants by more than 5% compared with 2020. To this end, Levima Advanced Materials took a series of emission reduction measures. On the one hand, to achieve the "dual compliance" of pollutant emission concentration and total volume control, Levima Chemicals completed the low-nitrogen combustion transformation of the circulating fluidized bed boiler in April 2021, reducing the initial concentration of nitrogen oxides greatly and cutting the ammonia consumption of denitrification units. Besides lower operating costs, process operations were also adjusted through optimisation. On

the other hand, Levima Advanced Materials Heating Centre achieved a lot in emissions reductions. It cut the total emissions of nitrogen oxides, sulphur dioxide and soot by 9.37%, 12.71% and 50.63%, respectively by replacing the filter bags of dust collectors and optimising process operations.

Levima Advanced Materials conducted the identification, storage, plan application and disposal measures on hazardous wastes to ensure that they were all legally and appropriately disposed of. By adjusting the operations of the vinyl acetate ("VA") refining system in the ethylene vinyl acetate ("EVA") copolymer plant, Levima Advanced Materials increased VA recycling volume while reducing the generation of waste VA subject to different product brands and production conditions. The VA refining volume decreased by 273.06 tonnes from 1,298.26 tonnes in 2020 to 1,059.96 tonnes in 2021, a year-on-year decline of 18.2%. Levima Chemicals generated a total of 291.18 tonnes of hazardous wastes such as waste oil, waste catalysts, and waste chrome bricks of gasifiers during the production process in 2021. These hazardous wastes were temporarily stored in strict accordance with the requirements of GB18597-2001 Standard for Pollution Control on Hazardous Waste Storage and its modification list and handed over to an entity with corresponding hazardous waste treatment qualifications for disposal.

OUR ENVIRONMENT

In addition, Levima Advanced Materials also handles general waste with care. The sludge from the wastewater treatment station and fluoride removal equipment for exterior drainage at Levima Chemicals is categorised as general waste according to the environmental assessment. It is taken to boilers for incineration each month. Levima Advanced Materials entrusts qualified third-party agencies with the disposal and comprehensive utilisation of boiler slag and flue-gas gypsum. Domestic wastes are placed at a designated place and are collected. Local environmental authorities will clear and conduct harmless treatment in time and regularly sterilise and clear the waste storage place to prevent the breeding of bacteria and the spread of diseases.

Levima Advanced Materials' chemical waste reduction target for 2021 is to reduce the total emission of hazardous wastes by more than 2% compared with 2020. To this end, while ensuring the normal power supply of the DCS control system of each device, Levima Advanced Materials reasonably prolongs the service life of the battery in the instrument cabinet room by strengthening maintenance methods such as inspection and reduces the frequency of replacement, thereby reducing the generation of waste batteries.

During the Reporting Period, the data of Levima Advanced Materials' air pollutant emissions and waste discharges are as follows:

Total Volume and Intensity of Levima Advanced Materials' Air Pollutant Emissions¹⁷

Type	Unit	2021	2020
Nitrogen Oxides (NO _x)	tonnes	267.91	86.66
	t/revenue (millions of RMB)	3.53×10^{-2}	1.46×10^{-2}
Sulphur Oxides (SO _x)	tonnes	46.67	23.73
	t/revenue (millions of RMB)	6.16×10^{-3}	4.00×10^{-3}
Carbon Monoxide (CO)	tonnes	3.52	2.15
	t/revenue (millions of RMB)	4.65×10^{-4}	3.62×10^{-4}
Dust (PM75)	tonnes	8.04	6.96
	t/revenue (millions of RMB)	1.06×10^{-3}	1.16×10^{-3}
Dust (PM10)	tonnes	0.21	0.06
	t/revenue (millions of RMB)	2.79×10^{-5}	1.04×10^{-5}

¹⁷ The data are calculated with reference to the Technical Guide for the Preparation of Air Pollutant Emission Inventory for Road Vehicles. In 2021, NO_x and SO_x emissions came from the engineering equipment, boilers and passenger vehicles of Levima Advanced Materials, CO and PM10 were emitted by the engineering equipment and passenger vehicles, and PM75 emissions came from boilers. In 2020, NO_x, SO_x, CO and PM10 were emitted by the engineering equipment and passenger vehicles of Levima Advanced Materials, and PM75 emissions came from boilers of the company.

Total Volume and Intensity of Levima Advanced Materials' Hazardous and Non-hazardous Discharges

Type		Unit	2021	2020
Non-hazardous Wastes		Not Applicable ¹⁸		
General Wastes	Wastewater Treatment Sludge	tonnes	9,797.10	528.65
		t/revenue (millions of RMB)	1.29	8.91×10^{-2}
Non-hazardous Wastes	VA Refined Residual Liquid, Waste Lubricating Oil, Waste Initiator, Waste Packaging, etc.	tonnes	2,251.79	1,502.10
		t/revenue (millions of RMB)	0.30	0.25

Discharge and Emissions from Other Pollutants of Levima Advanced Materials

Type		Unit	2021	2020
Wastewater Discharge		tonnes	6,986,019.00	2,671,392.00
		t/revenue (millions of RMB)	921.64	450.38
Chemical Oxygen Demand (COD)		tonnes	397.00	286.03
		t/revenue (millions of RMB)	5.24×10^{-2}	4.82×10^{-2}
Ammonia Nitrogen		tonnes	13.06	5.52
		t/revenue (millions of RMB)	1.72×10^{-3}	9.31×10^{-4}

¹⁸ During the Reporting Period, non-hazardous waste was less important than other hazardous waste and pollutants. So, no data about non-hazardous waste were disclosed.

BIL

The main non-hazardous wastes generated in the daily operations of BIL are papers, kitchen wastes and glass. In terms of the use of papers and ink cartridges, BIL encourages a paperless workflow. It equipped its printing system with double-sided printing function to reduce paper usages, and reducing one third of printers during the Reporting Period. In the meantime, BIL gradually reduces the use of brochures, and has achieved 100% paperless training. Furthermore, BIL has introduced an electronic signature system to enable clients to sign contracts remotely.

Since 2008, BIL has adopted the Super DrecksKëscht Fir Betriber (SDK) labelling method for waste management. According to this method, wastes are sorted into 43 types for storage and disposal, thereby increasing the

amount of recycled wastes while minimizing the amount of produced wastes. BIL examines and verifies whether the measures under this method have been fully implemented each year to correct mistakes and omissions in a timely manner, giving full play to its role in waste reduction measures.

During the Reporting Period, BIL identified a 29.7% increase in the adoption of paperless processes and its account opening service saw a 40% increase in its use. Electronic signatures became widespread in internal communications and communications with business clients.

OUR ENVIRONMENT

During the Reporting Period, the wastes emissions of BIL were detailed as follows:

Total Volume of Emissions and Collection of Hazardous and Non-hazardous Wastes at BIL

	Type	Unit	2021	2020	2019
Non-hazardous Wastes	Paper and Cardboard Boxes	kg	65,150	67,930	96,190
	Paper and Cardboard Boxes Recycled	kg			
	Domestic Wastes	kg	81,827	69,390	86,100
	Food Residue	kg	15,154	12,660	28,293
	Food Residue Recycled	kg			
	Glass	kg	7,740	8,610	14,860
	Glass Recycled	kg			
	Mixed Packagings	kg	3,830	3,900	8,071
	Mixed Package Recycled	kg			
Non-hazardous Wastes	Waste Bulbs and Lamps	kg	41	30	117
	Ink Cartridges	pieces	1,415	2,245	5,600

BIL's air pollutant emissions mainly came from vehicles owned. The detailed data is as follows:

Total Volume and Intensity of BIL's Air Pollutant Emissions¹⁹

Type	Unit	2021	2020	2019
Nitrogen Oxides (NO _x)	kg	22.60	51.04	48.65
	kg/m ²	6.36×10^{-4}	1.44×10^{-3}	1.37×10^{-3}
Sulphur Oxides (SO _x)	kg	0.08	0.11	0.11
	kg/m ²	2.12×10^{-6}	3.26×10^{-6}	3.10×10^{-6}
Carbon Monoxide (CO)	kg	3.43	11.58	11.35
	kg/m ²	9.65×10^{-5}	3.26×10^{-4}	3.19×10^{-4}
Dust (PM)	kg	0.24	1.38	1.16
	kg/m ²	6.79×10^{-6}	3.88×10^{-5}	3.26×10^{-5}

¹⁹ Air pollutant emissions came from vehicles owned and operated by BIL's headquarters. The data are calculated with reference to the EMEP/EEA Air Pollutant Emission Inventory Guidebook.

USE OF RESOURCES AND ENERGY

LENOVO

Lenovo lays emphasis on the use of renewable energy. Its renewable energy installations include solar hot water facilities in Beijing and solar electric generation plants in Hefei and Wuhan, China as well as Whitsett and Morrisville, NC, USA. At the end of FY 2020/21, the solar capacity of all projects was approximately 16 megawatts (MW). Lenovo's target is to achieve 30 MW of owned or leased renewable energy generation capacity globally. The final phase of this commitment includes evaluating energy installations in Brazil and Mexico of approximately 14 MW. During 2020, travel restrictions, project complexities, and COVID-19 had impacts on the progress of the installation.

Where actual direct energy reductions or use of renewable energy sources are not technically or economically feasible, Lenovo chooses to purchase Renewable Energy Credits (REC), International Renewable Energy Credits (I-REC), and Guarantees of Origin (GO). In FY 2020/21, Lenovo purchased renewable commodities that supported 100 percent renewable energy projects in Brazil (wind), China (wind), India (solar, wind), Mexico (wind), Europe (hydro, solar, wind), and the United States (wind). The images below are of solar panel installations at the Lenovo's Morrisville, North Carolina, USA location.



OUR ENVIRONMENT

RAYCOM

Raycom actively fulfils environmental responsibilities and is committed to improving the utilisation efficiency of resources and energy. In accordance with relevant laws and regulations, Raycom formulated the Environmental Energy Efficiency Plan. It also actively improved energy efficiency through technological transformation. Raycom and Tianjin University jointly invested in the establishment of Beijing Yundong Technology Co., Ltd. (北京雲棟科技有限公司) ("Yundong Technology") that is dedicated to the research and development and promotion of new technologies for energy conservation and emission reduction. The central air-conditioning intelligent control system independently developed by Yundong Technology has been put into operations in Building C of Raycom. While ensuring environmental comfort, it helps improve energy efficiency and achieve goals of reducing energy consumption and carbon emissions with the annual average energy savings of 19.5%. During the Reporting Period, Raycom also renovated its office area in accordance with the WELL Building Standard and carried out energy-saving and green transformation for Building C of Raycom Info Tech Park to comprehensively promote energy conservation and emission reduction. Currently, Buildings A and C in Raycom have received

the LEED-EB Platinum certification and Building B has received a national Three-Star Green Building Operation Label.

Although Raycom sources its water from the municipal pipeline and has no issues in sourcing water fit for purpose, the company is still committed to building itself into a water-friendly enterprise. Leaking and water-consuming equipment was repaired and replaced by it in a timely manner through real-time monitoring of water consumption and inspection of sanitary ware. Besides, Raycom also adjusted its heating operation strategy based on the weather conditions on a weekly basis and performed sophisticated management. In maintenance service contracts involving gardens with huge daily water consumption, Raycom requires suppliers to reasonably water plants based on local climate characteristics, tree species, stages of tree growth, etc. under the principle of water conservation and agrees on the average upper limit of 0.8 tonnes/year/square metre for water consumption, so as to minimise water waste. As for water consumption in offices, Raycom asked employees to turn off taps in a timely manner after getting water and used water-saving equipment in places with huge water consumption.



Raycom's resource and energy consumption data during the Reporting Period are detailed as follows:

Total Volume and Intensity of Resources and Energy Used by Raycom

Type	Unit	2021	2020
Purchased Electricity	MWh	34,966.24	33,526.48
	MWh/m ²	0.37	0.38
Petrol	MWh	329.01	—
	MWh/m ²	3.44×10^{-3}	—
Diesel	MWh	11.66	11.66
	MWh/m ²	1.22×10^{-4}	1.33×10^{-4}
Natural Gas	MWh	2,508.36	7,796.95
	MWh/m ²	0.03	0.09
Heat consumptions	MWh	7,510.01	—
	MWh/m ²	0.08	—
Tap Water	m ³	234,160.00	198,416.00
	m ³ /m ²	2.45	2.26
Packaging Materials		Not Applicable ²⁰	

²⁰ Raycom does not involve the use of packaging materials for finished products, and therefore this is not applicable.

Levima Advanced Materials

Pursuant to the "ISO5001 Energy Management System Requirements and Usage Guidelines", Levima Advanced Materials continued to optimize its energy management system and review its energy conservation feasibility strategies and measures so as to identify opportunities to improve the efficiency of resource utilisation. Meanwhile, Levima Advanced Materials made constant efforts to take water conservation measures. It adopted technologies of the wash water for the 2# scrubber ("T1401") and the spraying water for the dimethyl ether/methanol to olefins ("DMTO") plant to save water costs. The

scrubber is used to remove a small number of oxygenated compounds from the reaction gas in the process. Thus, to avoid blockage of the T1401 packing caused by purified water and to improve its washing effect, the plant has been using deoxygenated water as the wash water.

Levima Advanced Materials' target for freshwater consumption in 2021 was no more than 5.43 million cubic metres. The actual consumption was 5.068 million cubic metres, meeting the annual water consumption target.



OUR ENVIRONMENT

Saving water and improving the utilisation rate of reclaimed water

Case 1:



Levima Advanced Materials built a reclaimed water reuse facility in 2015. In 2016 and 2017, it was renovated for increased reclaimed water reuse. At the end of December 2017, the basic construction was completed, and the facility has been operating stably so far. In 2021, the recycled water volume was about 1.018 million tonnes, accounting for about 20.1% of fresh water.

Case 2:



In June 2020, Levima Advanced Materials put into use the project of replacing deoxygenated water with condensation water as the wash water for the 2# scrubber and the spraying water for the quench tower of the DMTO plant. The 2# scrubber ("T1401") of the DMTO plant is used to remove a small number of oxygenated compounds from the reaction gas in the process. To avoid blockage of the T1401 packing caused by purified water and to improve its washing effect, the plant has been using deoxygenated water as the wash water with huge, deoxygenated water consumption since the original start-up. With professional review and approval, the T1401 wash water system was transformed in April 2020 to replace the deoxygenated water with condensation water as the wash water for T1401 with a cost reduction of RMB2 per tonne. Since the project became operational in June 2020, the deoxygenated water consumption in the plant dropped by 72t/h, and the cost was reduced by about RMB1.15 million per year based on 8,000 hours a year.

The Shandong Development and Reform Commission issued the Circular on Accelerating the Building of the Online Energy Consumption Supervision System in Key Energy-Consuming Units (Lu Fa Gai Huan Zi (2020) No. 458) in 2020 to ask companies to set up online energy consumption monitoring systems and upload key energy consumption data to national, provincial and municipal platforms for further monitoring. In active response to the government's policy requirements, Levima Advanced Materials set up a system construction task force. At the end of July 2020, Levima Advanced Materials Online Energy Monitoring System completed its development. In September, the system was connected to the provincial platform and started to upload and monitor energy data

properly. In November, the system passed the reviews and acceptance of the government experts. In 2021, the system operated stably with the actual reporting rate and timeliness rate of data upload reaching 100%, providing basic supports for Levima Advanced Materials' energy management.

The coal control target of Levima Advanced Materials for 2021 was 261,600 tonnes, and the actual coal consumption was 243,800 tonnes. To this end, Levima Advanced Materials continued to reduce coal consumption by reducing the calorific value of coal, burning coal gangue, and optimising the operation of the steam pipe network of public works for lower boiler load.

Leveraging synergies to reduce the energy consumption of Levima Advanced Materials

Case 1:

An olefin plant started production and tried out methanol-to-olefins (MTO) methanol since August 2021. According to the trial, when Levima Chemicals produces MTO methanol in one production line, the steam consumption of 1.27 MPa is reduced by more than 20 tonnes/hour, that of 0.3 MPa is reduced by 10 tonnes/hour, and that of 0.4 MPa in the MTO plant increases by about 5 tonnes/hour, the resultant steam saved by more than 25 tonnes/hour. Under "dual carbon" goals and "dual control" targets, the steam saved leaves sufficient rooms for the company's subsequent development and relieves stress on its coal reduction efforts.

Case 2:



On 15 January 2019, Levima Advanced Materials put into use the new E-342C plate-type heat exchanger for the EO plant mainly to increase the feed temperature of the rich liquid in the analysis/purification tower, thereby reducing the medium pressure steam consumption of reboilers in the tower. After the plant was put into use, the steam consumption has been significantly reduced by 5.15 tonnes/hour being about 45,000 tonnes/year.

OUR ENVIRONMENT

During the Reporting Period, the resource and energy consumption of Levima Advanced Materials was detailed as follows:

Type	Unit	2021	2020
Purchased Electricity	MWh	725,264.67	534,461.66
	MWh/revenue (millions of RMB)	95.68	90.11
Coal	tonnes	1,800,412.80	238,160.89
	t/revenue (millions of RMB)	237.52	40.15
Diesel	MWh	1,086.63	523.98
	MWh/revenue (millions of RMB)	0.14	0.09
Petrol	MWh	269.97	233.01
	MWh/revenue (millions of RMB)	0.04	0.04
Natural Gas	MWh	3,697.68	—
	MWh/revenue (millions of RMB)	0.49	—
Tap Water ²¹	m ³	1,240,999	5,037,629
	m ³ /revenue (millions of RMB)	163.72	849.32
Packaging Materials	FFS Film	tonnes	814.13
	Phosphated barrels	pieces	8,889,600
	EOD packaging bags	pieces	2,073,693
	Phosphated barrels	pieces	1,276
	Intermediate bulk containers	pieces	3,312
	120L plastic barrels	pieces	14,056
	200L plastic barrels	pieces	43,594

²¹ Levima Advanced Materials' water is sourced from the municipal pipeline network, and has no problems in sourcing water fit for purpose.



BIL

For higher power efficiency of air conditioners, BIL reminds employees to keep windows closed where possible through its intranet information. In addition, the windows of the BIL office building are also equipped with automatic sunshade curtains to isolate the office from solar heat and keep the temperature stable in offices. Since 2008,

BIL has installed 110 measurement points to monitor the consumption of electricity, natural gas and water resources on an ongoing basis. It prepares monthly monitoring data reports and compares them with past data to better identify and correct abnormalities, thus using resources more efficiently.

During the Reporting Period, the resource and energy consumptions of BIL were detailed as follows:

Total Volume and Intensity of Resources and Energy Used by BIL

Type	Unit	2021	2020
Purchased Electricity	MWh	6,463.56	6,634.76
	MWh/m ²	0.18	0.19
Natural Gas	MWh	4,101.09	4,207.62
	MWh/m ²	0.12	0.12
Coal Gas	MWh	0.48	0.06
	MWh/m ²	1.36×10^{-5}	1.55×10^{-6}
Tap Water ²²	m ³	18,200.00	17,332.00
	m ³ /m ²	0.51	0.49
Packaging Materials	Not Applicable ²³		

²² The water of BIL's headquarters is sourced from the municipal pipeline network, and it has no problems in sourcing water fit for purpose.

²³ BIL at its headquarters does not use packaging material for finished products, and thus, this is not applicable.

IMPACTS ON THE ENVIRONMENT AND NATURAL RESOURCES

As Legend Holdings is mainly engaged in investment business, businesses under its direct operation barely have any impact on the environment and natural resources. Nonetheless, the Company actively supports the green and sustainable development projects. Raycom has taken measures, including using energy-efficient LED lights and standardising waste sorting, aiming to reduce

impacts on the environment and natural resources. Levima Advanced Materials has also promoted sustainable development through its technological innovations and online energy monitoring system to save energy and reduce emissions at the source. BIL has adopted various measures to reduce the use or waste of paper and disposable products to fulfil its environmental obligations.



GIVING BACK
TO SOCIETY



GIVING BACK TO SOCIETY

Legend Holdings always strives to become a “trustworthy and respected” company and has incorporated corporate social responsibility into its overall strategy. Given this, the Company actively participates in social welfare undertakings, with a focus on the

systematic planning and long-term investment of “Supporting Education”, “Fostering Startups”, “Promoting Social Integrity” and other areas to fulfil its social responsibilities with concrete actions and help achieve common prosperity.

SUPPORTING EDUCATION

Legend Progress Class — let the flowers of dreams bloom in mountains

“Legend Progress Class (聯想進取班)” is a key public welfare programme of Legend Holdings. In 2004, Legend Holdings set up the “Legend Advancing Education Fund” (聯想進取教育基金), which is mainly aimed to open the “Legend Progress Class” in underdeveloped areas. The fund provides tuition fees and living costs for senior high school students from low-income families. Legend Holdings also carries out various activities to improve their spiritual character and comprehensive ability and broaden their horizon to help them complete their education and realize their dreams of attending universities. More importantly, the activities allow the children to establish a correct outlook on life and values and become confident and enterprising.

Empowerment and motivation — a Dream Tour in Beijing for “Legend Progress Class” in 2021

“We run the ‘Legend Progress Class’, not only to provide financial supports, but also to focus on empowerment. We hope to help children build self-confidence, broaden their horizons, and improve their overall qualities. In addition to learning knowledge from their textbooks, the class will expose students to the world outside their hometown for extensive experiences and widened horizons.”

— Mr. NING Min, Chairman of Legend Holdings Corporation

“Cultivating students’ spiritual character, broadening their horizons, and improving their overall ability” are the consistent original intention of Legend Holdings’ Dream Tour in Beijing for “Legend Progress Class”. The five-day journey consisted of a variety of activities which included “Salute to Our Country” to watch the flag-raising ceremony in Tiananmen Square, “A Look into History” to visit the Forbidden City, Summer Palace, Old Summer Palace, National Museum, Military Museum, etc. and visited the Great Wall as well as the Peking University and Tsinghua University that students yearn for, and special experience activities such as “Exploring Technology” to visit the Lenovo Future Centre and the China Science and Technology Museum.



Dream Tour in Beijing — a colourful journey

A face-to-face exchange meeting was the most anticipated for students in the “Dream Tour in Beijing” activity. Students had a heated discussions on the issues they were most concerned about with the Company’s Chairman Mr. Ning Min, Legend Star Mr. Zhu Yangjun (founder and CEO of Marching Power), and Ms. Gao Min (“Diving Queen”, chairman of Beijing Xingneng Charity Foundation).



Face-to-face exchanges

Good news on National College Entrance Examination

In the 2021 national college entrance examination, students from the “Legend Progress Class” achieved gratifying results again after they overcame various adversities and forged ahead. They repeatedly interpreted and practiced the class motto of “Knowledge Reshapes Destiny and Forging Ahead for a Future” with concrete actions.



GIVING BACK TO SOCIETY

Opening ceremony of the new "Legend Progress Class" and return visits

At the beginning of the new school year, Legend Holdings' charity team went to three schools again to participate in the activity of opening the new "Legend Progress Class". While visiting and greeting students, the team also brought them with long-awaited "Activities Beyond Class".

The charity team invited domestic well-known psychology lecturers and artificial intelligence experts to answer students' questions on the spot based on the needs and characteristics of the students in different schools to broaden their minds.



Heated interactions between students and experts and teachers

In the past 17 years, Legend Holdings started the "Legend Progress Class" in Beijing, Guizhou, Gansu, Sichuan, Ningxia and other regions and supported more than 2,800 students, of which 2,200 students have graduated from their high schools in mountains and entered into universities.



FOSTERING STARTUPS

To help rural revitalisation, the second phase of the “Legend Holdings Maternal Entrepreneurship Revolving Fund (聯想控股母親創業循環金)” was launched to help more rural women start their own businesses or find jobs

In response to the country's call for poverty alleviation, Legend Holdings Charity Foundation set up the “Legend Holdings Maternal Entrepreneurship Revolving Fund” with China Women's Development Foundation in 2018. The fund helps rural women start small and micro businesses or find jobs through the provision of small interest-free loans, thereby increasing their income.

To continue to help the country's rural revitalisation, the second phase of the project resumed in May 2021 (suspended in 2020 due to the COVID-19). The fund supported 150 low-income peasant households in Lincang City, Yunnan Province and Yushu City, Changchun, Jilin Province in grass weaving and the planting of fruit, vegetable, and rice projects.

On the other hand, Leping Social Entrepreneur Foundation (北京樂平公益基金會) is a charitable organisation that aims to help low-income people improve their employability and entrepreneurial competencies, promote public welfare innovation, and build a harmonious society. It supports low-income people mainly through entrepreneurship education and vocational education. It carries out public welfare activities in the fields of training of public welfare personnel and the building of a harmonious community. As the governing unit of Beijing Leping Welfare Foundation, Legend Holdings has long supported the development of its public welfare projects.



PROMOTING SOCIAL INTEGRITY

“Legend Capital Heroic Models and Good Samaritans Fund”

The “Legend Capital Heroic Models and Good Samaritans Fund (聯想首都英模暨見義勇為人士專項基金)” is a charitable foundation jointly set up by Legend Holdings and Mr. Liu Chuanzhi in 2004. It aims to support and help heroic models and care for good samaritans and their families and promote social integrity. As of the publication of the report, the “Legend Capital Heroic Models and Good Samaritans Fund” had rewarded and supported over 2,000 people.

“MOIST INITIATIVE (濕潤行動)”

“Moist Initiative” is a dedicated public welfare program initiated by Mr. Liu Chuanzhi and set up by Legend Holdings Charity Foundation in 2013. “Moist Initiative” is aimed to promote social justice and make society more harmonious by caring about and supporting ordinary people who have done good deeds or their families with rewards or assistance to make them feel love and care.



GIVING BACK TO SOCIETY

SOCIAL INVESTMENT

THE LEGEND STAR CEO SPECIAL TRAINING CLASS (聯想之星創業CEO特訓班)

Legend Star holds the Legend Star CEO Special Training Program to implement China's national innovation and entrepreneurship strategy for business development. Legend Star CEO Special Training Program is a free public program co-sponsored by the Chinese Academy of Sciences and Legend Holdings in 2008. Through offering supports such as free trainings and entrepreneurship alliance, this program is committed to bringing up technological entrepreneurial leaders and in turn promoting the industrialisation of technological achievements.

On 21 November 2021, a total of 61 applicants registered for Legend Star membership, started their journey in the 14th session of Legend Star CEO Special Training Program. The lecturer team, led by Mr. Liu Chuanzhi, was comprised of a group of field-specific and experienced entrepreneurs and executives. In the past thirteen years, through various platforms and events, Legend Star received more than 1,169 business starters who received free trainings related to business startup and management.



The 14th session of Legend Star CEO Special Training Program



LEGEND STAR ENTREPRENEURSHIP ALLIANCE (聯想之星創業聯盟)

The “Entrepreneurship Alliance (創業聯盟)”, sponsored by Legend Star in 2011, is a platform providing business starters with continuous services and shared resources. The alliance carries out a variety of regular contact, startup counselling activities to facilitate the growth and development of numerous startups. As of the end of 2021, the “Entrepreneurship Alliance” had brought up 39 listed companies. Over 320

companies are valued at more than US\$100 million, among which Legend Star companies attract investments of over RMB320 billion with the valuation of over RMB1,100 billion, creating jobs for more than 260,000 people. The programme has built up a sustainable Legend Star entrepreneurial ecosphere that provides in-depth services and products for business startups.



APPENDIX I: COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS HAVING A SIGNIFICANT IMPACT ON THE GROUP

Aspect	Country/ Region	RELEVANT LAWS AND REGULATIONS AND MANAGEMENT ORDINANCES HAVING A SIGNIFICANT IMPACT ON THE GROUP
Relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	PRC	<p>Production Safety Law of the People's Republic of China</p> <p>Water Law of the People's Republic of China</p> <p>Environmental Protection Law of the People's Republic of China</p> <p>Environmental Protection Tax Law of the People's Republic of China</p> <p>Water and Soil Conservation Law of the People's Republic of China</p> <p>Energy Conservation Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Prevention and Control of Water Pollution</p> <p>Law of the People's Republic of China on Environmental Impact Assessment</p> <p>Law of the People's Republic of China on Promoting Clean Production</p> <p>Law of the People's Republic of China on Prevention and Control of Air Pollution</p> <p>Circular Economy Promotion Law of the People's Republic of China</p> <p>Soil Pollution Prevention and Control Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution</p> <p>Regulation on the Implementation of the Environmental Protection Tax Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</p> <p>National Ambient Air Quality Standards of the People's Republic of China</p> <p>Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes</p> <p>Measures on the Management of Hazardous Waste Manifests</p> <p>Regulation on the Administration of Collection and Use of Pollutant Discharge Fees</p> <p>Regulation on Environmental Impact Assessment of Planning</p> <p>National Hazardous Waste List</p> <p>Regulation on the Administration of Permitting of Pollutant Discharges</p> <p>Notice on Strengthening the Management of Chemical Hazardous Substances</p> <p>Notice on Strengthening the Environmental Management of Waste Electrical and Electronic Equipment</p> <p>Administrative Measures for the Prevention and Control of Environmental Pollution Caused by Electronic Waste</p>

Aspect	Country/ Region	RELEVANT LAWS AND REGULATIONS AND MANAGEMENT ORDINANCES HAVING A SIGNIFICANT IMPACT ON THE GROUP
Relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Luxembourg	Limitation of Emissions of Volatile Organic Compounds Law A-105 of the Grand Duchy of Luxembourg, Regulation (EU) No 525/2013 of the European Parliament and of the Council Law of the Grand Duchy of Luxembourg ITM-SST1505.2 Zero Single-Use Plastic Manifesto
Relating to: 1) compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare; and 2) preventing child and forced labour	PRC	Constitution of the People's Republic of China Trade Union Law of the People's Republic of China Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China Law of the People's Republic of China on the Protection of Women's Rights and Interests (As Amended) Law of the People's Republic of China on Prevention and Control of Occupational Diseases Law of the People's Republic of China on Basic Medical Hygiene and Health Promotion Regulation on Paid Annual Leave for Employees Implementation Measures for Paid Annual Leave for Employees of Enterprises Regulations of Shandong Province on Population and Family Planning
	Luxembourg	Luxembourg Labour Law — L.124-1 s, L.124-7 Law of the Grand Duchy of Luxembourg A-10, A-11, L.241-1s Labour Code of Luxembourg — L.251-1 s, L.342-1 s Criminal Code of Luxembourg, Para. 1, 382-1

APPENDIX I: COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS HAVING A SIGNIFICANT IMPACT ON THE GROUP

Aspect	Country/ Region	RELEVANT LAWS AND REGULATIONS AND MANAGEMENT ORDINANCES HAVING A SIGNIFICANT IMPACT ON THE GROUP
Relating to providing a safe working environment and protecting employees from occupational hazards	PRC	<p>Criminal Law of the People's Republic of China</p> <p>Flood Control Law of the People's Republic of China</p> <p>Construction Law of the People's Republic of China</p> <p>Fire Protection Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Protecting Against and Mitigating Earthquake Disasters</p> <p>Law of the People's Republic of China on Safe Production</p> <p>Law of the People's Republic of China on Prevention and Control of Occupational Diseases</p> <p>Emergency Response Law of the People's Republic of China</p> <p>Road Traffic Safety Law of the People's Republic of China</p> <p>Special Equipment Safety Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Basic Medical Hygiene and Health Promotion</p> <p>Regulations on Labour Protection in Workplaces Where Toxic Substances Are Used</p> <p>Law for Supervision and Administration of Occupational Health in Workplaces</p> <p>Measures for the Supervision and Administration of Employers' Occupational Health Surveillance</p> <p>Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents</p> <p>Special Rules on the Labour Protection of Female Employees</p> <p>Regulation on Labour Security Supervision</p> <p>Regulation on Work-Related Injury Insurance</p> <p>Provisions on Period of Medical Treatment for Illness or for Non-Work-Related Injury Incurred by Enterprise Employees</p> <p>Notice on the Standards for Heat Illness Prevention and Cooling Fees for Enterprise Employees</p>
	Luxembourg	<p>Luxembourg Labour Law, Volume III, Chapters I and II</p> <p>Grand Ducal Regulation of 27 June 2008</p> <p>Luxembourg Labour Law, Volume IV, Chapter I</p> <p>Collective Bargaining Agreement (Chapters 33, 34 and 35)</p>

Aspect	Country/ Region	RELEVANT LAWS AND REGULATIONS AND MANAGEMENT ORDINANCES HAVING A SIGNIFICANT IMPACT ON THE GROUP
Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	PRC	Advertisement Law of the People's Republic of China Standardisation Law of the People's Republic of China Administrative License Law of the People's Republic of China Product Quality Law of the People's Republic of China Regulation on Work Safety Licenses Regulation on the Safety Management of Hazardous Chemicals Administrative Regulations on the Work Safety of Construction Projects
	Luxembourg	European Council Directive 2014/65 European Council Directive 2016/679 Luxembourg's Data Protection Regulation dated 1 August 2018
Relating to bribery, extortion, fraud and money laundering	PRC	Criminal Law of the People's Republic of China Company Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China
	Luxembourg	Criminal Code of Luxembourg — 13 February 2011 European Council Directive 2015/849

APPENDIX II:

KPIS IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HKEX

Provisions, Subject Areas, Aspects, General Disclosures and KPIs			Locations of Disclosure or Remarks
Mandatory Disclosure Requirements			
Governance Structure	A statement from the board containing the following content: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.		RISK MANAGEMENT SUSTAINABILITY STRATEGY AND GOALS SUSTAINABILITY GOVERNANCE STRUCTURE STAKEHOLDER COMMUNICATION AND ENGAGEMENT MATERIALITY ASSESSMENT
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report	Materiality: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	BASIS AND PRINCIPLES OF PREPARATION STAKEHOLDER COMMUNICATION AND ENGAGEMENT MATERIALITY ASSESSMENT
		Quantitative Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).	BASIS AND PRINCIPLES OF PREPARATION
		Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.		SCOPE
"Comply or explain" Provisions			
A. Environment			
Aspect A1: Emissions			
General Disclosure	Relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		RESPONSES TO CLIMATE CHANGES AND GREENHOUSE GAS EMISSIONS WASTE AND AIR POLLUTANT EMISSIONS
KPI A1.1	Types of emissions and respective emissions data.		WASTE AND AIR POLLUTANT EMISSIONS
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).		RESPONSES TO CLIMATE CHANGES AND GREENHOUSE GAS EMISSIONS
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		WASTE AND AIR POLLUTANT EMISSIONS
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.		
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.		
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		USE OF RESOURCES AND ENERGY
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).		
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		
KPI A2.3	Description of energy efficiency target(s) set and steps taken to achieve them.		
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.		
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		

Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	IMPACTS ON THE ENVIRONMENT AND NATURAL RESOURCES
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	
Aspect A4: Climate Changes		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	RESPONSES TO CLIMATE CHANGES AND GREENHOUSE GAS EMISSIONS
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.	
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	COMPLIANCE WITH EMPLOYMENT AND LABOUR STANDARDS EQUAL OPPORTUNITY EMPLOYMENT
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	EQUAL OPPORTUNITY EMPLOYMENT
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety		
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	OCCUPATIONAL HEALTH AND SAFETY
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of the occupational health and safety procedures adopted, and how they are implemented and monitored.	
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	PROFESSIONAL DEVELOPMENT AND TRAINING
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
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.	EQUAL OPPORTUNITY EMPLOYMENT
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
OPERATING PRACTICES		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	SUPPLY CHAIN MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	
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.	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

APPENDIX II:

KPIs IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HKEX

Aspect B6: Product Responsibility		
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	PRODUCT AND SERVICE RESPONSIBILITY
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	
Aspect B7: Anticorruption		
General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	INTEGRITY IN THE INDUSTRY
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.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training delivered to directors and employees.	
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	SUPPORTING EDUCATION FOSTERING STARTUPS PROMOTING SOCIAL INTEGRITY SOCIAL INVESTMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	

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