



# Environmental, Social and Governance Report 2021

**Blue Moon Group Holdings Limited**

(Limited company incorporated in the Cayman Islands)

Stock code:6993





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# ESG Statements of the Board

The Board of directors the Company highly values the environmental, social and governance (hereinafter referred to as "ESG") practices. In accordance with the requirements of the *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "HKEX"), Blue Moon gradually completes the ESG governance mechanism, continues to improve the ESG governance structure, strengthens the supervision and engagement of the Board in the Company's ESG issues, and faithfully fulfils its corporate social responsibilities to seek long-term stable development.

## ESG Governance

As the highest governance body of the Company, the Board takes full responsibility for Blue Moon's ESG matters and authorises the ESG Committee to assist the Board in managing and making decisions on ESG-related matters. The ESG Committee is responsible for supervising the Company's ESG development direction and strategies, identifying and assessing the Company's ESG risks and opportunities, discussing and reviewing ESG-related objectives and performance, and reporting to the Board. At execution level, the Company has established the ESG Management Office to be responsible for the overall coordination of ESG-related matters under the supervision and guidance of the ESG Committee. Regarding ESG work and information, the ESG Working Group comprising of management departments of various professional fields and regional/functional implementation departments is responsible for the implementation and reporting. Details on the ESG Committee, the ESG Management Office and the ESG Working Group are available in the "ESG management structure" section of this Report.

## ESG Risk Management

Blue Moon always pays attention to the possible material impact of ESG risks on the Company, and the Company identifies and evaluates the materiality of relevant ESG issues and defines annual ESG priorities through ESG risk assessment and stakeholder survey. The ESG Committee has participated in the 2021 materiality assessment of ESG issues, discussed significant ESG risks and opportunities, and approved and confirmed the materiality analysis results.

## ESG Goal Management

Blue Moon has completed with the requirements in the *Environmental, Social and Governance Reporting Guide* issued by the HKEX, and has established key ESG goals covering greenhouse gas emission, pollutant discharge, energy use and water efficiency. The ESG Committee has reviewed and discussed the goal setting and established a working mechanism for reviewing the achieving progress of the relevant goals.



ESG





# Message from the Management

2021 remains a year full of challenges and opportunities amid COVID-19's ongoing impact on the global economy and an increasingly prominent impact of climate change. Guided by China's "dual carbon" strategic goal, all sectors have made their planning for green and low-carbon transformation and development. Blue Moon, as always, adheres to the ESG principle of "better products (services), healthier environment, and great society" and is committed to developing better products, upholding a cleaner lifestyle, protecting a greener homeland, delivering both commercial value and social value, and promoting the sustainable development of the Company, thus becoming a responsible and leading enterprise that consumers trust and stakeholders recognize.

## Create High-quality Cleaning Experience

We are committed to launch new products and services with ingenuity. As a leader in development of concentration technique, we endeavour to refine and specialize our products in three categories, namely, fabric care, personal hygiene and home care, by rolling out Zhizun Biotech Laundry Detergent (Bacteria & Odor Removal), Automatic Hand Wash Dispenser and Washing Machine Cleaner to meet diversified demands from consumers. We were recognized as the "Model Enterprise for Industrial Product Green Design" by the Ministry of Industry and Information Technology of the PRC for our outstanding capabilities in technology research and development ("R&D") and innovation and management level as well as professional product design and R&D team. We keep tight control on product quality by setting up a quality testing centre that has passed the evaluation by the China National Accreditation Service for Conformity Assessment (CNAS) to enhance the credibility of our product testing results. We have been promoting specialized laundry methods and committed to serving customers with 24-hour 400 hotline and professional consultants to answer their questions about cleaning and provide them with a high-quality cleaning experience.

## Uphold Green Operation

We actively responded to the "dual carbon" strategic goal initiated by the PRC government by pursuing green development. We have been applying the concept of environmental friendliness into the full life cycle of products by strenuously developing green products, with 22 of our products being among the first to be certified as "China's green products". We are committed to practicing clean production and creating green factories. Our factory in Guangzhou was recognized as a provincial water-saving benchmark enterprise in 2021 and our factory in Tianjin was recognized as a national "Green Factory". In terms of carbon emission management, we received the first product carbon label evaluation certificate in Guangzhou and will carry out research on and engage in carbon emission accounting, greenhouse gas emission reduction targets and plans and climate change issues on a regular basis.

## Contribute to Shaping a Lovely and Harmonious Society

We help people to enjoy a better life. Being people-oriented, we provide employees with training and channels to develop their career as well as providing a workspace that creates a sense of belongings in them. We received awards such as "China's Top 100 Employer". We are committed to pursuing development in pace with social development and spare no effort to contribute to society with actual actions including actively participating in charity programs, boosting cultural and sports development and making our contributions to the fight against pandemic, disaster relief and rural development. We have been recognized as a "Responsible Brand of the Year" by the Philanthropy Festival for seven consecutive years.

As a leading provider of home cleaning solutions in China, we will adhere to the ESG principle by boosting technological innovation, constantly launching green and environmentally friendly products, steadily pushing forward clean production and strengthening carbon emission management. Meanwhile, we will continue to team up with upstream and downstream partners to develop sustainable development strategies and cooperation models, seek win-win results and synergy through cooperation, promote scientific and clean concepts of life to consumers, and call for scientific cleaning and green consumption, thus making contributions to the accomplishment of China's "dual carbon" strategic goal and ushering in a better future in all walks of life!

<b>Chairman</b>	<b>Chief Executive Officer</b>
<b>PAN Dong</b>	<b>LUO Qiuping</b>

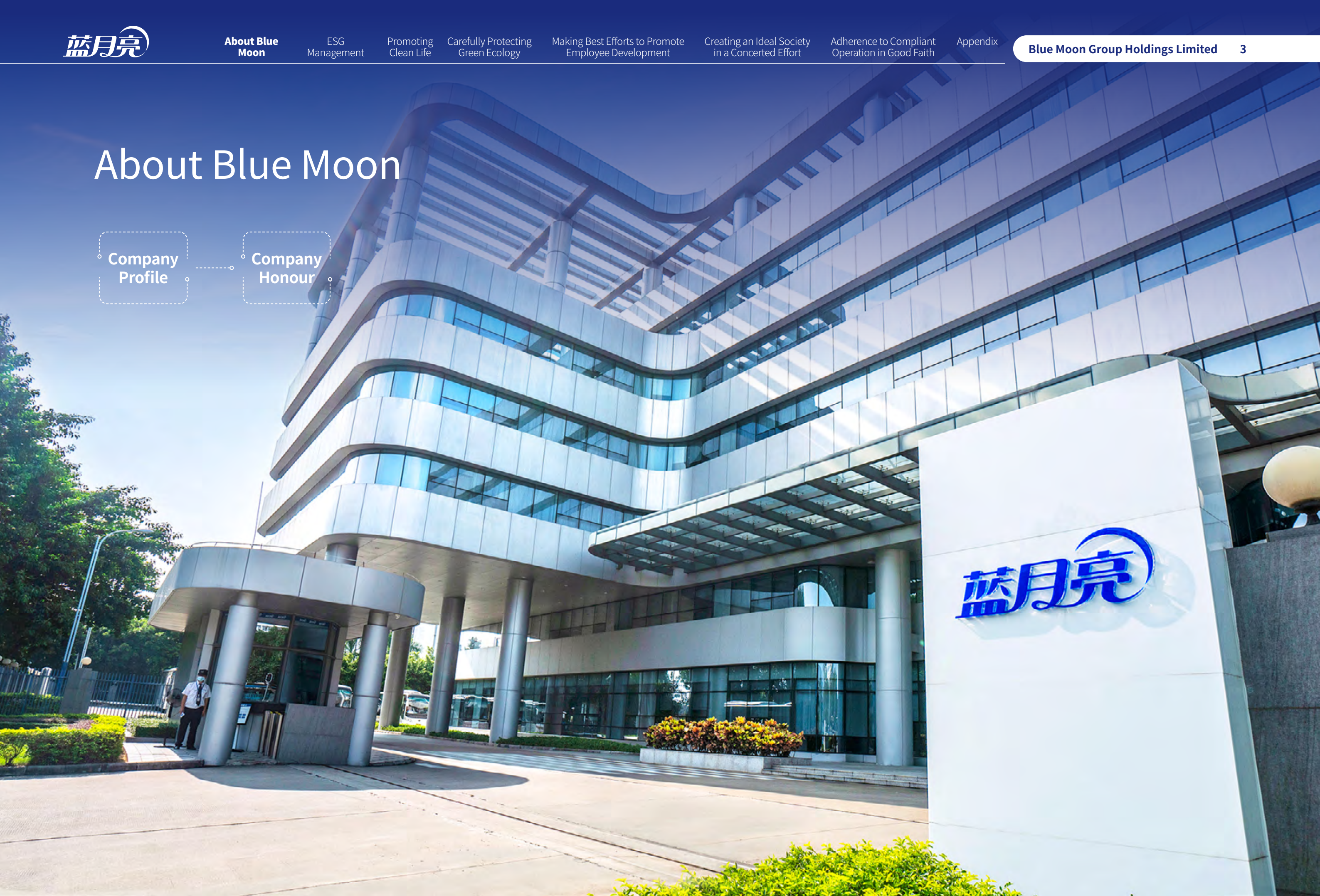
Hong Kong, April 2022



# About Blue Moon

Company Profile

Company Honour

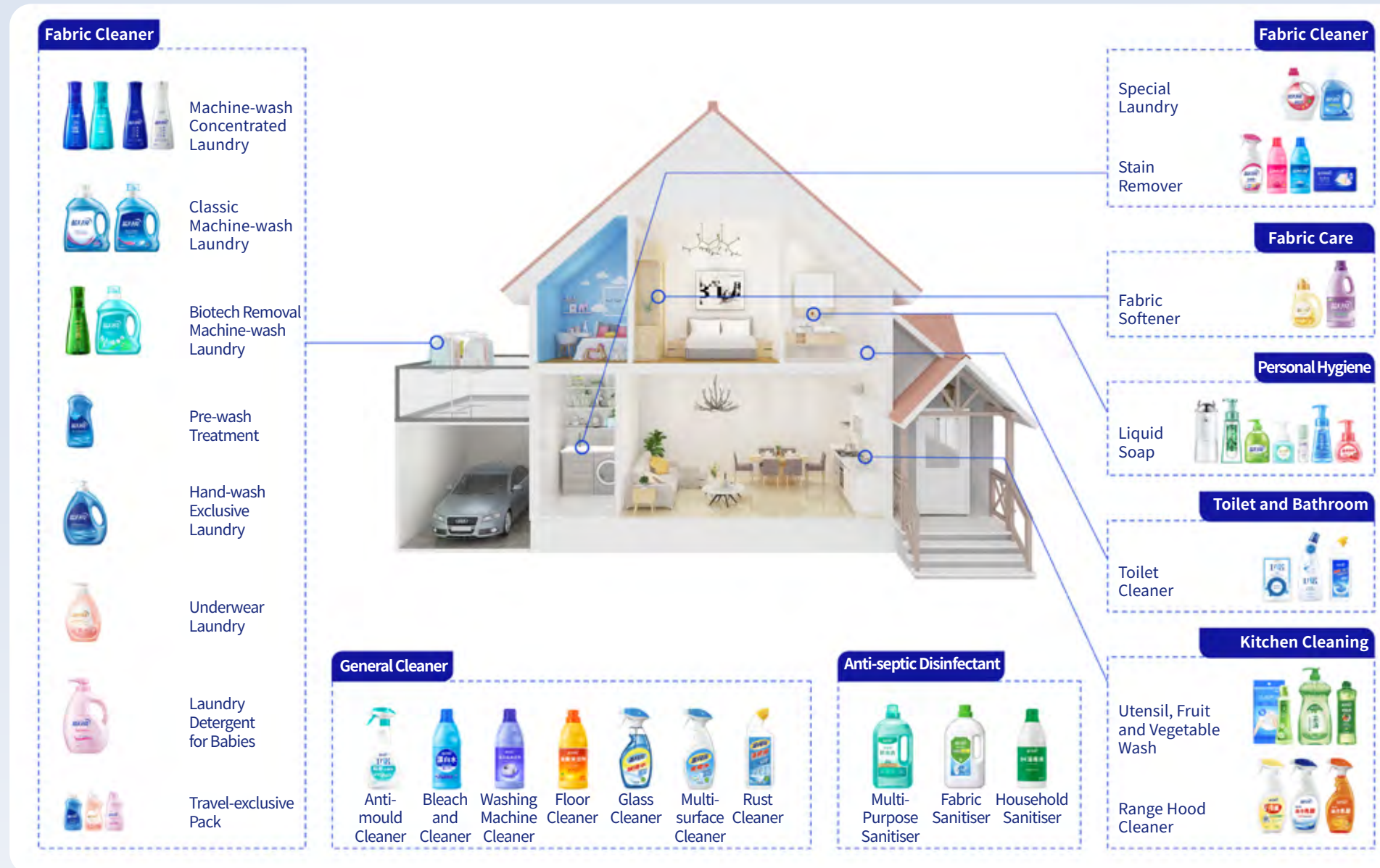




# Company Profile

Founded in 1992, Blue Moon is a provider of home cleaning solutions focusing on consumers and driven by innovation. In 2020, Blue Moon Group Holdings Limited was successfully listed on the Main Board of the HKEX with a stock code of 6993.

## Blue Moon Full-suite Home Care Solutions



Upholding the mission of "Providing cleaning solutions with heart and soul", Blue Moon stood out for in technological innovation, fuelling two phenomenal upgrades from "laundry detergent" to "liquid laundry detergent" and from "ordinary liquid laundry detergent" to "concentrated liquid laundry detergent" in China's detergent industry. In 2008, Blue Moon took the lead in promoting liquid laundry detergent nationwide, ushering in an era of "liquid" laundry detergent in China. In 2015, Blue Moon broke through technological challenges and rolled out the first domestic Machine Wash Supreme Concentrated Plus Laundry Detergent adopting pump head dispenser bottle packaging, once again bringing about a revolution in China's washing market.

In light of consumption demands, Blue Moon continuously improves the brand matrix and enriches the variety of products. Blue Moon currently has established a diversified product mix covering three categories, namely fabric care products, personal hygiene products and home care products, making it easier for consumers to tackle the problems of home cleaning with worry-free cleaning solutions.

In the future, Blue Moon will continue to dedicate itself to providing high-quality products, excellent services and professional insights to consumers, allowing every family to enjoy a clean, healthy, comfortable, respectable and delightful lifestyle.



# Company Honour

## Brand Honours

### Honour

### Awarded by

- Blue Moon laundry detergent products and liquid soap ranked first in market share for 12 consecutive years and 9 consecutive years respectively
- China General Chamber of Commerce, China National Commercial Information Center
- In the (11th) China Brand Power Index (C-BPI) list, Blue Moon liquid laundry detergent and liquid soap ranked first in Brand Power for the 11th consecutive years
- Chnbrand (Beijing) Brand Consulting Co., Ltd.

## Product Honours

### Honour

### Awarded by

- 22 products were certified among the first "China Green Products" in the industry
- China Environmental United (Beijing) Certification Center Co., Ltd.
- 6 products won the first Product Carbon Label Evaluation Certificate in Guangzhou
- China Building Material Test & Certification Group Co., Ltd.
- 3 products were selected into the Guide on "Excellent and Innovative Consumer Goods" (Light Industry)
- China National Light Industry Council
- 2 products were certified as "Guangdong Famous High-tech Product"
- Guangdong Hi-tech Enterprise Association

## Social Recognition

### Honour

### Awarded by

- Guangzhou Blue Moon Industrial Co., Ltd. was selected into the "List of Model Enterprises for Industrial Product Green Design"
- Ministry of Industry and Information Technology of China
- Blue Moon (Tianjin) Co., Ltd. was rated as a National "Green Factory"
- Ministry of Industry and Information Technology of China
- Guangzhou Blue Moon Industrial Co., Ltd. won the title of "Provincial Water-saving Benchmark Enterprise in 2021"
- Department of Industry and Information Technology of Guangdong Province
- Guangzhou Blue Moon Industrial Co., Ltd. won the honour of "Guangdong Province Enterprise of Observing Contract and Valuing Credit" for 14 consecutive years (2007-2020)
- Guangdong Administration for Market Regulation
- Blue Moon won Responsible Brand of the Year Award for 7 consecutive years
- China Charity Festival Organizing Committee



# ESG Management

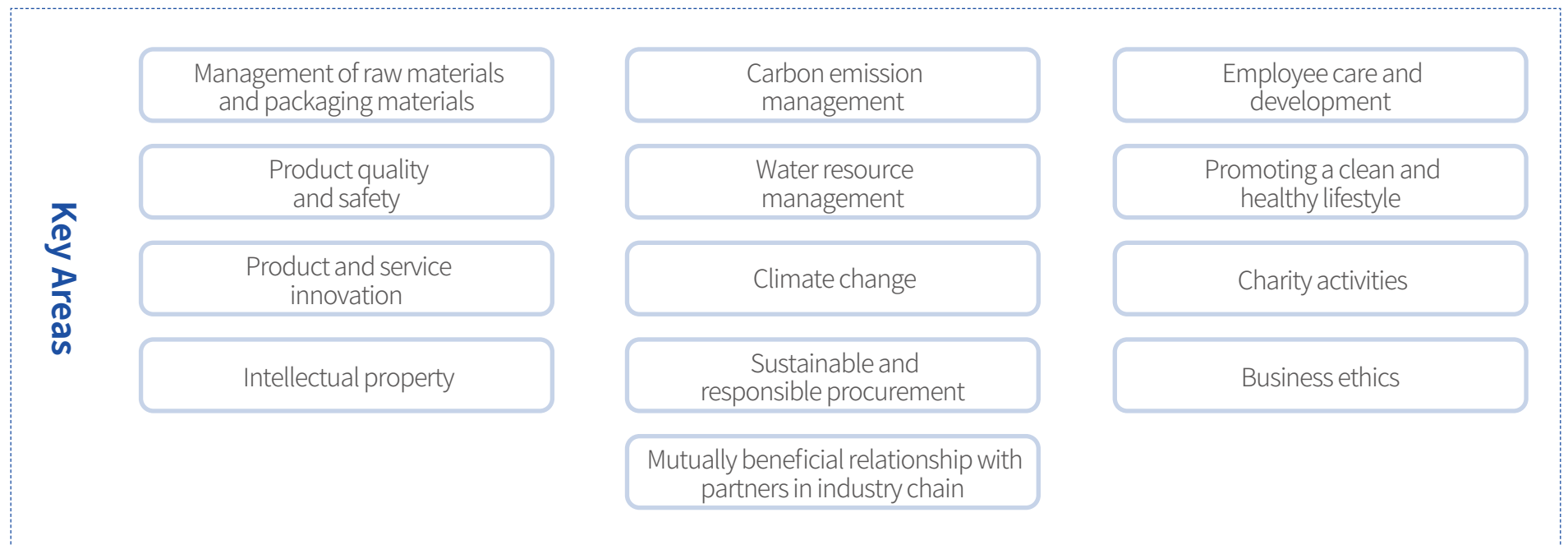
Blue Moon adheres to the ESG principles of "better products (services), healthier environment, and greater society", integrates ESG goals with its enterprise development strategies, introduces the performance of ESG responsibilities in its daily operations, and strives to promote the improvement of management of ESG issues and ESG performance, in a bid to deliver long-term value to shareholders, customers, employees and other stakeholders.





# ESG Principles

Blue Moon has adhered to the development principals of innovation, environmental protection and care, embedding the sustainability concept into the corporate culture. Driven the vision of "To allow every family to enjoy a clean, healthy, comfortable, respectable and delightful 'Blue Moon' lifestyle", we are committed to delivering a pleasant cleaning experience and new cleaning lifestyle to consumers. Adhering to by the mission of "To provide consumers with cleaning solutions comprising of quality products, good services and professional insights" and guided by the values of "for consumers, we excel", we strive to provide more excellent products and services to meet more diverse needs of consumers, protect and improve the environment, and fulfil corporate responsibilities to deliver greater value for the society.



# ESG Management Structure

In order to better incorporate ESG work in our daily operations, we have established the ESG management structure, and made clear the division of responsibilities of the ESG management at three levels of governance, management to execution in order to advance the ESG work in an orderly manner. For details of the Board's participation in the supervision of ESG matters, please refer to the section ESG Statements of the Board in this Report.



Our management structure and hierarchical division of labour are as follows:



The highest level of ESG governance, taking full accountability for ESG-related matters and delegating the authority of managing and making decisions on ESG-related matters to the ESG Committee.

Established under the Board's approval, the ESG Committee comprises three executive directors. It is responsible for identifying and assessing ESG-related risks and opportunities, embedding ESG concepts and approaches in daily operation and management, reviewing and making decision on ESG-related issues as well as reporting to the Board.

It is responsible for overall coordination of ESG work, daily management of ESG-related matters, and communication and coordination between the ESG Committee and management departments.

Comprising of management departments of various professional fields and regional/functional implementation departments, it is responsible for leading or promoting and implementing special ESG-related work by projects.



# Stakeholder Engagement and ESG Materiality Assessment

## Stakeholder Engagement

The effective engagement of stakeholders is crucial for us to define the priorities and directions of ESG-related work. Therefore, we continue to improve the communication mechanism with stakeholders to proactively understand and respond to their demands, in an effort to achieve a sustainable future together with all stakeholders.

Stakeholders	 <b>Consumers</b>	 <b>Shareholders &amp; Investors</b>	 <b>Employees</b>	 <b>Suppliers</b>	 <b>Government and Regulators</b>	 <b>Non-governmental Organisations</b>	 <b>Community &amp; Public</b>
Demands and Expectations	<ul style="list-style-type: none"> <li>• Better products and services</li> <li>• Customer privacy protection</li> <li>• Product diversification</li> <li>• Protection of customers' rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent and steady returns</li> <li>• Well-established governance structure</li> <li>• Open and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of employees' legitimate rights and interests</li> <li>• Safe and healthy working environment</li> <li>• Training and talent development</li> <li>• Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Fair trade</li> <li>• Integrity and mutual benefit</li> <li>• Collaborative improvement</li> <li>• Driving management and technology advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Lawful operation</li> <li>• Work safety</li> <li>• Energy conservation and emission reduction &amp; environmental protection</li> <li>• Adequate tax payment</li> <li>• Fostering healthy development in the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial cooperation and development</li> <li>• Assumption of environmental responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Assumption of environmental responsibility</li> <li>• Participation in community building and development</li> <li>• Employment opportunities</li> </ul>
Means of Communication	<ul style="list-style-type: none"> <li>• Periodic reporting</li> <li>• Company official website</li> <li>• Press release</li> <li>• Customer service hotline</li> <li>• Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' general meeting</li> <li>• Periodic reporting</li> <li>• Company official website</li> <li>• Press release</li> </ul>	<ul style="list-style-type: none"> <li>• Employee training</li> <li>• Employee activities</li> <li>• Labour union management</li> <li>• Employee satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Daily communication</li> <li>• Regular performance feedback</li> <li>• Supplier satisfaction survey</li> <li>• Supplier complaint channels</li> <li>• Project cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic reporting</li> <li>• Regulatory review</li> <li>• Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic reporting</li> <li>• Daily communication</li> <li>• Collaborative activities</li> </ul>	<ul style="list-style-type: none"> <li>• Community activities</li> <li>• Charity services</li> <li>• Coordination within the community</li> </ul>

## Materiality Assessment

We value the opinions and expectations of all stakeholders. Based on the *Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited ("HKEX"), we conducted materiality assessment in the form of extensive questionnaires to prioritise material ESG issues covering the Group's directors, management, employees, shareholders and investors, consumers, suppliers and other stakeholders as important reference for ESG report disclosure for the year.

Based on major issues concerning the sustainable development of the Group in combination with stakeholders' concerns, we systematically sorted out the following thirteen ESG issues. Issues with higher materiality are in the upper right corner of the matrix, while those with lower materiality are in the lower left corner. We focused on the performance of relevant issues and maintained communication with stakeholders.

### Identification of issues ▶

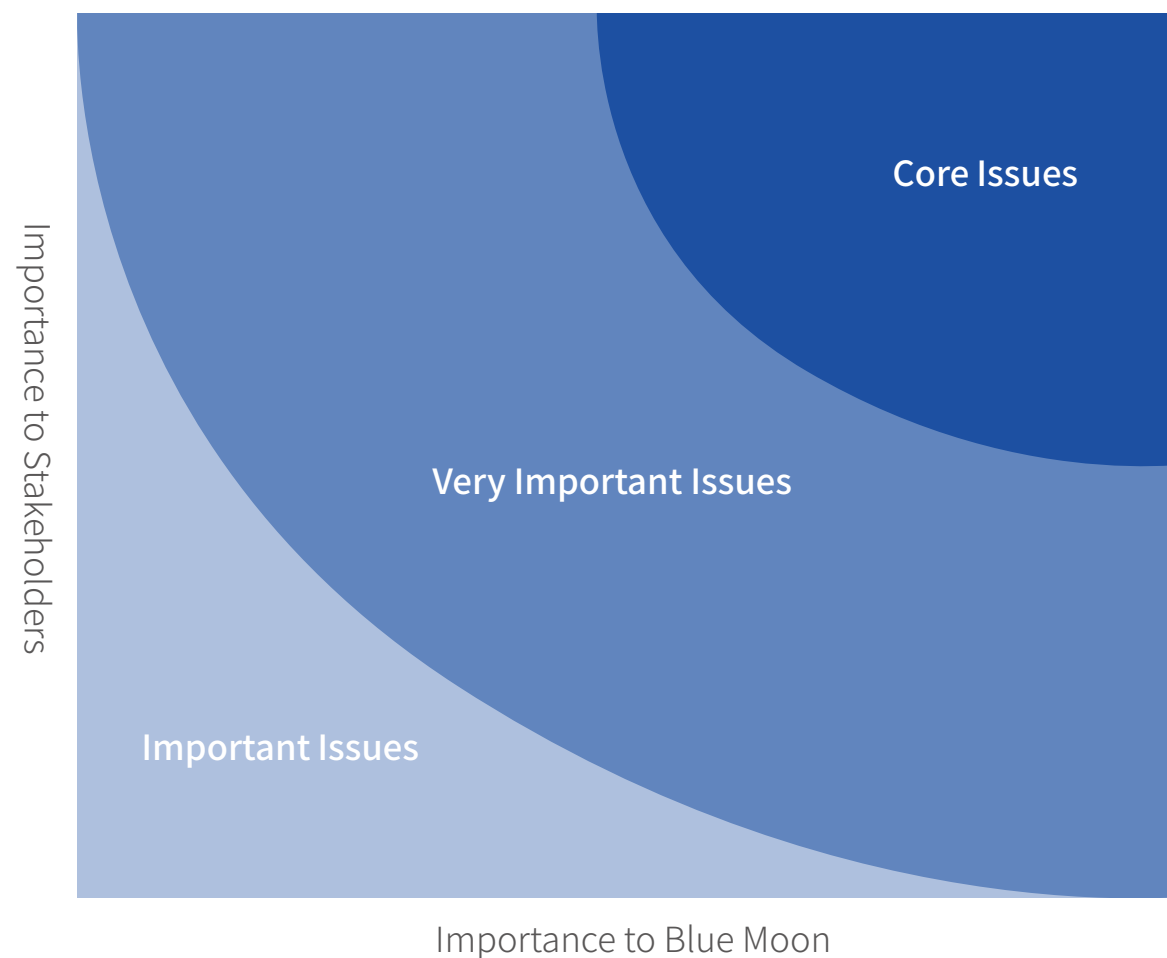
Based on the *Environmental, Social and Governance Reporting Guide* as set out in Appendix 27 to the Listing Rules and taking into account the business development of the Group and the requirements of stakeholders, we identified thirteen issues related to Blue Moon's ESG management.

### Screening and evaluation ▶

We obtained opinions of stakeholders through questionnaire survey, interview, communication and other means. Our survey covered the Company's directors, management, employees, shareholders and investors, consumers, suppliers and other stakeholders, and a total of 340 valid questionnaires were collected. Based on the survey results, we assessed the issues from two dimensions, namely the importance to the business and the importance to stakeholders and prioritizes the issues by importance to identify material issues.

### Review and approval ▶

The ESG Committee reviewed and approved the material ESG issues identified through the above evaluation process. As the core of this Report, the material issues were monitored and managed, and targeted information disclosure was strengthened.



<b>Core Issues</b>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Product and service innovation</li> <li>• Employee care and development</li> <li>• Carbon emission management</li> <li>• Management of raw materials and packaging materials</li> <li>• Intellectual property</li> </ul>
<b>Very Important Issues</b>	<ul style="list-style-type: none"> <li>• Business ethics</li> <li>• Climate change</li> <li>• Sustainable and responsible procurement</li> <li>• Water resource management</li> <li>• Promoting a clean and healthy lifestyle</li> </ul>
<b>Important Issues</b>	<ul style="list-style-type: none"> <li>• Mutually beneficial relationship with partners in industry chain</li> <li>• Charity activities</li> </ul>



# Promoting Clean Life

Over the years, Blue Moon has been emphasizing the value of "for consumers, we excel" and takes research, development and innovation as motivation. We keep working on the cleaning field to investigate the diverse needs of consumers and promote innovation and upgrading of products and services, adhering to strict quality management standards at all times. We strive for win-win cooperation with upstream and downstream partners, dedicate to providing consumers with high-quality home cleaning solutions, help consumers create clean, healthy, comfortable, respectable, delightful and worry-free life.





# Innovation Drives Research and Development

Blue Moon always adheres to the research and development concept of "integrating world-class advanced technologies into consumers' lives", fully understands consumers' demand for high quality life, focusing on researching the cutting-edge technology in the washing field, and carrying out unremitting research on the technology platform to develop products and methods. It continuously improves the product and service system, with the aim of providing consumers with excellent products and better services.

## Focus on the Cleaning Field

Our research and development process has always been customer-centric, focusing on the changing cleaning needs of consumers. With an insight into social development and technological trends in the future, we pinpoint the potential pain points of consumers, and constantly introduce new products in the three major series of fabric care, personal hygiene and home care. Through subdividing and upgrading the market, we lead the development of concentration technology and promote the development of the three major product fields to a more segmented and professional direction.

### Milestones in Brand Development

2021



#### Bacteria and Odor Removal Laundry Detergent

Ultimate odour removal and powerful anti-bacteria effect



#### Zhizun Biotech Laundry Detergent (Bacteria & Odor Removal)

99.9% anti-bacteria effect and odour removal and suppression



#### Underwear Laundry Detergent

Blood removal and stimulation-free anti-bacteria experience



#### Rinse-free Hand Wash

Quick bacteria control, skin-friendly and fresh formula



#### Automatic Hand Wash Dispenser

Contactless sanitizer collection and 0.25s infrared induction



#### Multi-Purpose Sanitiser

99.999% anti-bacteria effect and safe, fresh and non-pungent formula



#### Washing Machine Cleaner

Stubborn dirt, bacteria and odour removal



## Fabric Care



We keep working in the field of fabric cleaning, maintaining our strengths in the field of fabric cleaning, and advocating the concept of "special products for special purpose". Over the years, we have established a product mix covering different people and scenarios to meet the diverse and fine needs of fabric cleaning. In 2021, we launched a number of new products including Zhizun Biotech Laundry Detergent (Bacteria & Odor Removal) and Bacteria and Odor Removal Laundry Detergent and Underwear Laundry Detergent by investigating different scenarios of actual use by consumers as well as the demand changes under consumption upgrade and amidst the pandemic.



### Case Zhizun Biotech Laundry Detergent (Bacteria & Odor Removal)

Blue Moon has launched the Zhizun Biotech Laundry Detergent (Bacteria & Odor Removal) with effective anti-bacteria and anti-odour ingredients, which can meet consumers' upgraded demand for clean clothes in different scenarios.



**Efficient bacteria removal**

Other than efficient removal of common bacteria, a protective layer of bacteria removal can be formed to provide constant safeguard during the process of clothes washing, drying and wearing.



**Long-acting malodour suppression**

The innovative malodour suppression technology is adopted to reduce the malodour bacteria and help consumers enjoy a clean and healthy life.



**Green and environmental protection**

"Concentrate+" formula contains various active enzymes. The bottle made of recyclable PET, and the recyclable pump head for liquid taking make laundry easier and more environmentally friendly.



Zhizun Biotech Laundry Detergent (Bacteria & Odor Removal)



## Personal Hygiene



Taking into account factors such as differentiated use scenarios, diverse population characteristics and demand for intelligence, we accelerate the deployment and upgrade of personal hygiene products and continue to launch personal care products such as Automatic Hand Wash Dispenser and Rinse-free Hand Wash to fully cater various cleaning needs of consumers.

## Home Care



We are devoted to meeting all home cleaning needs, from cleaning itself to the maintenance of cleaning tools, providing consumers with integrated cleaning solutions. We also actively promote scientific home cleaning methods, helping consumers create a clean, safe and healthy home environment and enjoy a high-quality clean life.

### Case Automatic Hand Wash Dispenser

In response to consumers' demand for contact-free cleaning in the time of pandemic, Blue Moon rolled out a contactless liquid-taking automatic hand washer dispenser in 2021, in an effort to bring a convenient and interesting handwash experience to customers.



Automatic Hand Wash Dispenser



#### Inductive Design

Precise infrared induction, contactless liquid taking, dense and soft foam forming in a short time.



#### Effective Bacteriostasis

The bacteriostasis version can achieve fast bacteriostasis with long-lasting protection, and effectively control a variety of common pathogenic bacteria.



#### Moisturizing and Skin-Friendly

The moisturizing version contains green and safe amino acid surface active ingredients to form micron-sized foam, moisturizing skin gently.



#### Durable for Repetitive Use

Rechargeable, recyclable, economical, durable, and environmentally friendly.

### Case Washing Machine Cleaner

In response to consumers' demand for washing machine cleaning, Blue Moon launched a washing machine cleaner in 2021, realizing one-stop antibacterial and cleaning effect in an easy and effective manner.



Washing Machine Cleaner



#### Eliminate Stubborn Dirt

It can quickly infiltrate the inner tube of the washing machine and clean the inner gap to achieve all-round cleaning.



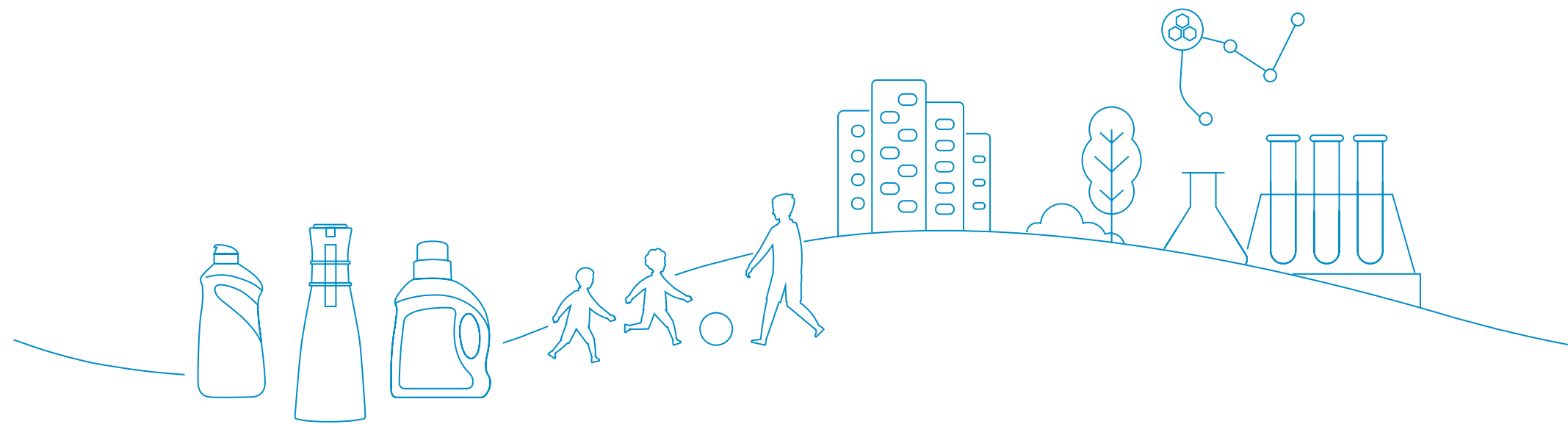
#### Efficient Sterilization

The highly effective chlorine cleansing ingredients can kill germs and bacteria effectively.



#### Eliminate Odour

Eliminate odour and restore the freshness of the inner tube of the washing machine.



We pay attention to and actively promote the development of the industry while striving for technological innovation. Being the deputy director of the National Standardization Technical Committee for Surfactants and Detergents, and a committee member of 6 committees including the National Standardization Technical Committee for Food Detergents and Disinfectants, we actively participate in the formulation of industry standards. So far, we have played a part in the formulation of accumulatively three international standards, 16 national standards, 9 industry standards and 9 group standards.

## Leading in R&D and Innovation

Excellent products require powerful R&D support. We have an independent research and development centre specializing in product development and basic innovation, packaging design, as well as product application research. We constantly develop our R&D team of up to hundreds of core technicians, whom more than 25% hold PhD and Master degrees. Our team members have a wealth of research experience in the home care industry. Through independent research and development, we have made great progress in product formulation research and related application method research, developed a number of proprietary technologies, with a total of 220 authorized patents, 31 invention patents, providing strong R&D support for product innovation and services.

### Case

**"Model Enterprise for Industrial Product Green Design" awarded by the Ministry of Industry and Information Technology of China**

In November 2021, Blue Moon was awarded the title of "Model Enterprise for Industrial Product Green Design" by the Ministry of Industry and Information Technology of China by virtue of its excellent technological R&D and innovation ability and management level, and professional product design and R&D team.

Blue Moon always insists on the consumer-centric and technological innovation driven philosophy. We attach great importance to the environmental safety performance from the inception of design and development, selecting green, environmentally friendly and safe raw materials, and adopt lightweight packaging design, strive to promote the development of green design in the industry, to provide green and environmentally friendly products that meet consumers' needs.

**Advanced Collective of Science and Technology Innovation in Light Industry in the 13th Five-Year Plan Period**

**China Industrial Design Center of Light Industry**

**—China National Light Industry Council**

For the development and research of edging technology, we continue to strengthen the cooperation and exchanges with university teams, and actively introduce external innovation forces. We have established close partnership with Huazhong University of Science and Technology, Kunming University of Science and Technology and other higher education institutions in the fields such as microbial behaviour and modified polymer research, with the aim of continuously promoting technological innovation and overall development of the industry together.



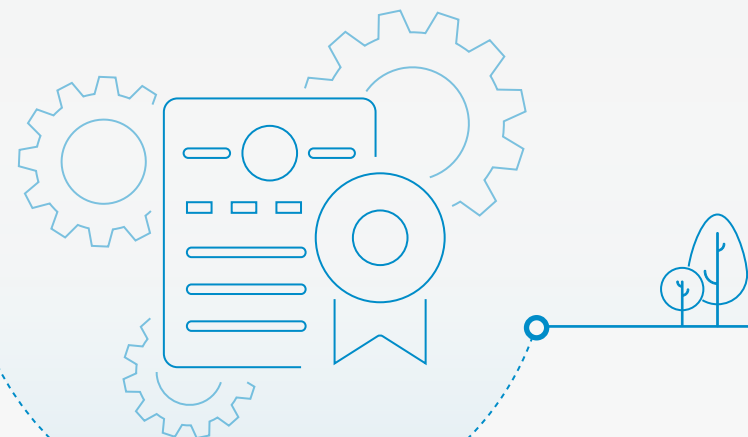
# Adhering to Outstanding Quality

Outstanding quality is the constant pursuit and responsibility of Blue Moon. We abide by the provisions of national laws and regulations of China as well as technical standards strictly and have formulated the Management System Manual and complete procedure documents at all levels according to ISO 9001 quality management system and other relevant requirements, to build a strict, sound and appropriate product quality management system. We continue to enhance our quality management with craftsmanship spirit for providing consumers with products of outstanding quality, and further meeting their pursuit of high quality.

All manufacturing factories of Blue Moon have passed the certification of

## ISO 9001

quality management system



# Controlling Product Quality Strictly

We adhere to the work concept of "prevention-based process control and continuous improvement" for quality management, and follow the methodology of "whole quality management in three areas", that is, whole process, whole scope and whole staff, to strictly control the quality of products. We have set up a whole process management system encompassing product development, production, storage, logistics, sales and after-sales, to supervise and measure key control points in each process, control quality risks, and forge products of superior quality through scientific and efficient management. We formulated the *Product Recall Procedure*, and regularly organize product recall simulation exercises every year to ensure the effectiveness and feasibility of the product recall procedure. During the Reporting Period, no recalls related to product quality occurred in Blue Moon.

Based on that, we are gradually promoting the information-based quality management to further enhance the accuracy and timeliness of quality information and ensure transparency of its flow. In 2021, we completed a project relevant to inspection information in the subsidiary factories of the Group, which realized electronic inspection documents, optimized the efficiency of data transmission and improved the inspection management. Meanwhile, we are also promoting a number of pilot projects such as information-based laboratory management and automation of inspection on production site to further enhance the electronic and intelligent level of quality management, strengthen quality management capability and improve quality management efficiency.



### Case CNAS Accreditation for Quality Testing Center

Blue Moon has a special quality testing center. We have strived to make continuous improvement in facility establishment, equipment purchase, establishment of quality management system, personnel training, etc. With a high capacity of laboratory testing and management, the testing center passed the accreditation by China National Accreditation Service for Conformity Assessment (CNAS) in 2021, was included in the list of accredited testing and calibration laboratories, and is technically capable of providing testing and calibration services according to the corresponding accreditation standards.

After accreditation by CNAS, we can affix the CNAS accreditation mark and the international joint mark for mutual recognition on the test reports we issue, to so as facilitate international mutual recognition of test results in the field of trade.



## Product Safety and Reliability

We strictly comply with the requirements of national regulations and standards in China, such as the *Cosmetics Supervision and Administration Regulations* and the *Sanitary Code for Disinfection Product Manufacturers*, and embed the concept of safety compliance in every stage of the product life cycle. We carry out a closed-loop management of the entire chain, from raw material selection, supplier admission, material inspection for acceptance, product safety evaluation, product manufacturing and use, as well as the final disposal, and ensure that we provide consumers with safe and reliable products through technological innovation and constant standardization of product safety evaluation standards and processes.

In 2021, the *Cosmetics Supervision and Administration Regulations* were officially released for implementation, and following the successive promulgation of the *Management Measures for Cosmetics Registration and Filing* and the *Measures for the Management and Supervision of Cosmetics Production and Operations* and other regulations and measures, China has put forward higher requirements for the development of the cosmetics industry. As a fast response to the requirements of the new regulations, we improved and enhanced the plant facilities and equipment, personnel organization structure, personnel capacity building, operation of quality management system and all other areas in 2021. The key initiatives are as follows:

### Identify the Prohibited Ingredients

According to *Technical Standards for Cosmetics Safety* and other regulations and national standards, Blue Moon formulated *List of Prohibited and Restricted Raw Materials*, which clearly prohibits raw materials that are carcinogenic, mutagenic and with reproductive toxicity, as well as other raw materials with uncontrollable risk to human and environment, ensuring the legal and compliant use of regulated raw materials and protecting the safety to human and environment.

### Carry Out Safety Assessments

Blue Moon carried out consistent safety research on raw materials, formulated *Safety Research Guidelines for Raw Materials*, assessed the long-term reliability of raw materials and their ecotoxicity with reference to the safety assessment reports of the European Union, the United States, Japan and other major countries and in strict compliance with applicable safety laws and regulations in China, and updated the assessment criteria dynamically in response to regulatory changes and other factors to ensure the use safety of consumers.

### Adopt Biodegradable Raw Materials

Blue Moon selected biodegradable raw materials and used surfactants derived from plant derivatives, with high biodegradability, to provide consumers with much healthier and safer products.





# Providing High-Quality Service

Blue Moon keeps "providing services with craftsmanship", and adheres to the tenet of "quality service in pursuit of excellence" to provide services that exceed consumers' expectations with whole heart. We hope to keep customers free of worries in cleaning through our warm and valuable professional services, and make them become the referee of the brand Blue Moon while enjoying a pure, fresh, warm and romantic clean environment.



Scene of service and reception



Training scene

## Enhancing Service Experience

We guarantee that consumers can experience the best and most convenient service by continuously optimizing our service standards for example, we have developed internal systems such as *Procedures for Handling Customer Inquiries* and *Complaints and Quality Inspection Standards* for various service channels to promote the standardization of consumer service processes. Meanwhile, we continuously develop service channels to ensure that we are at customers' service anytime, anywhere.



## Protecting Consumers' Rights and Interests

Blue Moon emphasizes the rights and interests of consumers, abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Advertising Law of the People's Republic of China* and other relevant laws and regulations, and spare no effort to implement privacy management, information security and compliant marketing, ensuring that consumers' rights and interests are not violated.



### Responsible Marketing

We have formulated the *Advertising Review System* to clarify the requirements and restrictions on the advertising copy and its review process; we have also developed compliance guidelines for multi-scenario advertising such as *Compliance Guidelines for Advertising Copy*, *Compliance Guidelines for E-commerce Campaign Pages* and *Compliance Guidelines for Microblog Release* to regulate the compliance of product advertising. For product identification, we developed special control processes to prevent relevant legal risks, ensuring that product representations and advertising are true and objective.

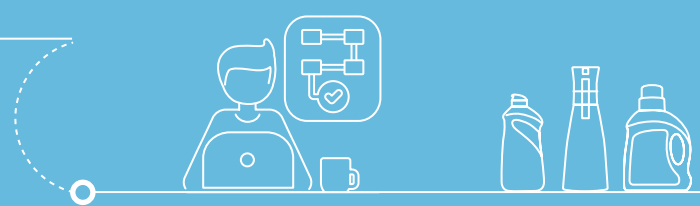
Moreover, to prevent misleading or other improper marketing behaviour, we provide special training to our sales team to ensure that our product descriptions are true and objective during the product promotion, helping customers make right choices from diverse products.

### Privacy and Information Security

Blue Moon strictly complies with laws and regulations such as the *Personal Information Protection Law*, the *Data Security Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and formulates and implements internal specifications such as the *Personal Information Protection Management System* and the *Customer Information Protection System* to fully protect customers' personal information and privacy security.

For information security, we strictly restrict customer data storage and information export permission according to the requirements of *Customer Data Storage Management Process* and *Customer Information Export Application Process* and establish *Emergency Handling Process for Customer Information Leakage* to ensure effective and timely control, mitigation and elimination of hazards and losses to customers caused by information security emergencies.

For privacy protection, we carry out a special personal information compliance program for our digital products and internal systems to ensure our information handling process meets the compliance and security requirements for personal information protection. Meanwhile, we formulate and implement a policy of user privacy protection to specify user information collection and use rules and the various personal information rights held by users, and protect consumers' right to know. We provide training related to personal information protection for our employees, and require them to abide by laws and regulations on personal information protection to strengthen their awareness of information compliance. During the Reporting Period, no violation of customer privacy or loss of customer data occurred in Blue Moon.





# Sustainable Supply Chain

Blue Moon is devoted to establishing long-term and stable relationships with its suppliers for mutual benefit and win-win results. We keep adhering to and gradually optimize the whole cycle supplier management system from admission through to exit, and continuously promote synergistic development with our suppliers. We boost responsible procurement and forge a high-quality and sustainable responsible supply chain with our partners.

In 2021, we optimized our responsible procurement criteria for suppliers, proceeded with the strategic cooperation with outstanding partners for technical synergy, and collaborated with suppliers in promoting technical projects for plastic recycling.

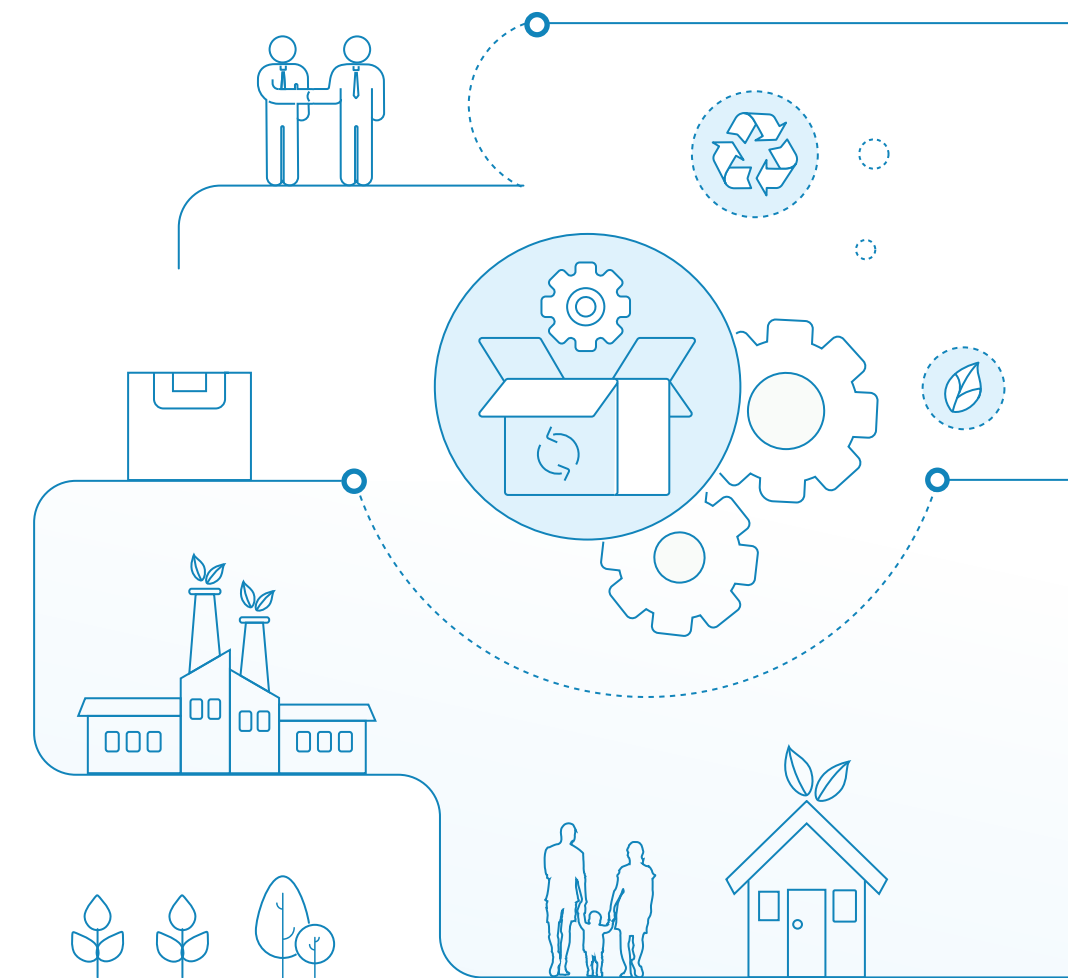
## Advocating Responsible Procurement

We continue to focus on risk identification of supply chain. In 2021, we issued *Supplier Code of Conduct* and advocated all partner suppliers to sign it. The *Supplier Code of Conduct* explicitly provides that suppliers shall comply with the provisions on protecting labour rights, respecting employees, protecting environment, observing business ethics, protecting intellectual property rights, etc. We encourage our upstream and downstream partners to jointly fulfil social responsibilities, reduce supply chain risks and build a sustainable ecological network.

Meanwhile, we have reciprocally revised the supplier admission criteria, set clear standards for occupational health, child and underage labour, and business ethics which shall be included in the access requirements for suppliers, on the premise of upgrading the requirements for environmental responsibility and health mechanisms, and set the critically risky control requirements (such as the employment of child labour) as a veto item, in order to defend and promote the concept of responsible procurement.

We actively push forward sustainable procurement. Carrying forward the principle of environmental protection in product R&D and design, we insist on procurement of raw materials that meet eco-friendly requirements. When we select new suppliers, we take their social responsibility concept and good operation performance with green and environmental protection elements as a plus to encourage suppliers with outstanding performance in green and sustainable development.

Moreover, we have been conducting in-depth technical research on the development direction of palm oil and plastic packaging for exploring more environmentally friendly and sustainable solutions.



## Promoting Synergic Development

We pursue constantly win-win cooperation with our suppliers, and establish an in-depth and open communication platform with mutual trust, in order to promote R&D cooperation and technological innovation, and actively create an efficient supply chain for complementary and mutual benefit.

### Case Deepen synergic cooperation with CPMC

On 13 August 2021, Blue Moon and CPMC Investment Co., Ltd. held a signing ceremony of an online strategic cooperation framework agreement and reached consensus on further deepening the overall cooperation in fields such as sustainable development, R&D cooperation, mutual promotion and progress and business priority. The intensive cooperation between the two parties further safeguarded the stability of their supply chains and improved the reliability of product quality. In addition, the close and efficient cooperation between upstream and downstream partners is helpful for reducing the composite costs of warehousing, manpower and management, and improve the efficiency of operations, transportation, inventory turnover, hence the holistic operational efficiency.



Strategic cooperation agreement signing ceremony

### Case Advice from others may help overcome shortcomings

In 2021, Blue Moon learned from its partner, Shenzhen Beauty Star, about its professional experience in plastic recycling. Shenzhen Beauty Star recycled the plastic bottles of Blue Moon's products and made them into wood-plastic flooring. It publicized the concept of environmental protection to the staff, thus practicing plastics recycling.

#### Wood-plastic Flooring Recycling

We recycle plastic bottles and sort them according to the material, colour, wet and dry conditions and other dimensions, and then hand them over to Shenzhen Beauty Star to make PCR granules through cleaning and granulation and use them to produce wood-plastic composite materials, which are applied to pave garden tour trails in the factory. This environmentally friendly material has stable properties and various functions such as waterproof, sun-proof, insect-proof and anti-corrosion.

#### The Process of recycling the plastic bottles of Blue Moon products and made them into wood-plastic flooring





# Carefully Protecting Green Ecology

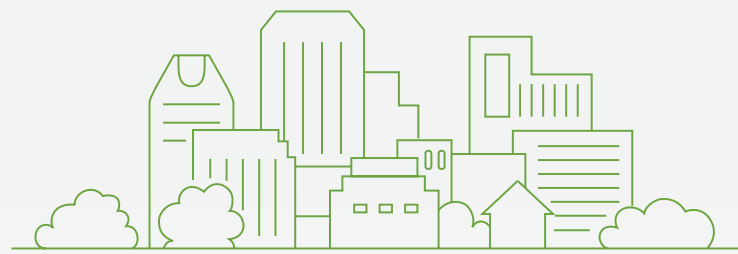
Blue Moon is committed to creating a clean and comfortable living environment for consumers and strives to satisfy consumers' pursuit of a better life. A green environment is important for people to live a better life in the new era. We include green environmental protection in the enterprise's business principles, and uphold the environmental management policy of "prevention from source, control at all stages", to form a green and low-carbon development model. We constantly improve the efficiency of resource utilization, strictly control emissions and wastes, continuously launch environmentally friendly green products, strive to promote environmentally friendly packaging, and incorporate tackling climate change into our daily operation, actively respond to the government's "dual carbon" strategic goal protect the green ecosystem and make, making contributions to the sustainability of the environment.





# Creating Green Products

Blue Moon always implements the environmentally friendly concept throughout the full life cycle of product production, actively develops green products and promotes the concentration of liquid detergent products, leading the industry into a new era of eco-friendly concentration. We also vigorously promote professional washing methods, and cultivate environmental awareness in its consumer to promote green development of the detergent sector.



Above **90%** of Blue Moon products have passed the certification of **China Environment Labeling**

Main liquid detergent products of Blue Moon have passed **China Water Conservation Certification**

## Case Passed the first "China Green Product" certification in the industry

On 8 October 2021, assessment conducted by China Environmental United Certification Center (CEC) in accordance with *GB/T 39020-2020 Green Product Assessment - Detergents*, covered 22 products of Guangzhou Blue Moon Industry Co., Ltd. including Supreme Biotech Laundry Detergent, and Deep Cleaning Care Liquid Laundry Detergent passed China green product certification. The Group was awarded the Certificate of China Green Product, and became one of the first enterprises to obtain the certificate in the industry.



Certificate of Green Product awarded to Blue Moon



# Promoting Cleaner Production

Blue Moon strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law* and other national and local laws and regulations of the places where it operates, actively promotes clean production, insists on environmentally-friendly techniques, actively introduces high-efficiency production equipment, applies the concept of environmental protection from the plant design stage, always adheres to low carbon and environmental protection in each process of production and operation management, drive continuous optimization and improvement through refined operation and persistently creates green factories.

The Chongqing factory and Tianjin factory of Blue Moon have passed the certification of

## ISO 50001

energy management system.

All manufacturing factories of Blue Moon have passed the certification of

## ISO 14001

environmental management system.

### Case

### Blue Moon (Tianjin) Co., Ltd. was awarded the honour of National "Green Factory"

The Tianjin factory takes environmental protection as a necessary criterion in processes such as raw material purchase, process design and standard establishment, and strictly controls the safety and environmental protection in the production process of its products. In terms of techniques, it effectively saves energy and reduces consumption by continuously improving equipment and optimizing techniques as well as other measures.

In the future, Blue Moon will continuously advance the process of "green factory", extend the excellent experience in green factory construction to other factories and strive to become the benchmark of green manufacturing enterprise in the daily chemical industry.

After Blue Moon (Chongqing) Co., Ltd. was recognized as a national "Green Factory" in 2020, Blue Moon (Tianjin) Co., Ltd. also passed the review for national green factory, and was chosen as a national "Green Factory".




## Improve resource efficiency

We deeply recognize that the resources from nature are precious, so we integrate the improvement of the efficiency of the use of energy, water and other resources into our daily operations, continuously advance energy conservation and emission reduction, improve the resource efficiency, reduce unnecessary waste of resources, minimize the impact on the environment, in order to constantly improve our environmental performance.


### Energy management

Blue Moon has formulated energy management systems such as *Resource and Energy Control Procedures*, *Electricity Use Management Standard*, *Natural Gas Use Management Standard* and *Energy Inspection System*, and regulated energy use management in line with the relevant provisions of *Comprehensive Management Standard of Energy Conservation and Emission Reduction*.


We have established a complete energy consumption management process, and assigned an energy consumption manager to monitor the key parameters of the main energy equipment and control the energy condition in a timely manner through regular inspections. Moreover, we continue to develop special improvement plans for energy conservation to increase energy efficiency. In 2021, special improvement programs were carried out in all our factories with specific measures as follows:

- 

**Prioritize energy conservation equipment**

Give priority to the procurement of energy conservation equipment. For example, unified requirements for air compressors to achieve energy efficiency index 1, unified requirements for energy-saving and environmentally friendly lighting.
- 


**Replace the equipment with high energy consumption**

Identify the equipment with high energy consumption through energy use monitoring, include it into renewal plans, and phase it out.
- 

**Reduce energy consumption via technical transformation**


Transform the existing equipment for energy conservation by adding energy conservation facilities or through technical transformation to realize energy conservation and consumption reduction.

**Case** Tianjin factory continues to promote improvement actions for energy conservation



**Energy conservation renovation**

A total of over 15,000 kWh of electricity was saved by replacing fixed-frequency air compressors with variable frequency air compressors and renovating raw material heating equipment.



**Layout optimization**

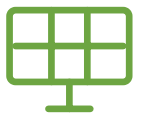
The energy consumption of fans and air conditioning units were reduced through partition optimization in the layout of workshop, saving a total of over 61,000 kWh of electricity.

### Objective for energy use ▶

High-efficiency equipment accounts for more than **98%** of all equipment by 2030



Build and put into operation **photovoltaic power generation** equipment in factories



Renewable electricity use accounts for more than **50%** in factories



Stop using self-owned boilers to produce steam in more than **50%** of factories





## Water management

Protecting and saving water is a consistent initiative that Blue Moon always insists on. We comply with the *Water Law of the People's Republic of China* and have formulated the *Water Management Standards* to pinpoint the requirements for water management. The water we use in production and operations is sourced from municipal tap water, so we can make sure there is no risk in water source or daily use. We reduce water waste through a complete water management system and a range of efficient measures for water use.

### Objective for water management ▶

By 2030, water utilization ratio in all product manufacturing factories will improve by

**25%**  
compared to 2020



- #### Improve water management

Establish a sound water conservation management system and inspection system, and strictly implement water metering and monitoring to improve the level of water management.
- #### Improve the process

Choose a multi-stage water production process, which enhances the production efficiency of purified water by 10%.
- #### Concentrated water reuse

The concentrated water produced by the water treatment unit in the process of preparing purified water is collected for flushing toilets, washing floors, and other purposes, which saves more than 6,000 tons of water per year.
- #### Use water-saving appliances

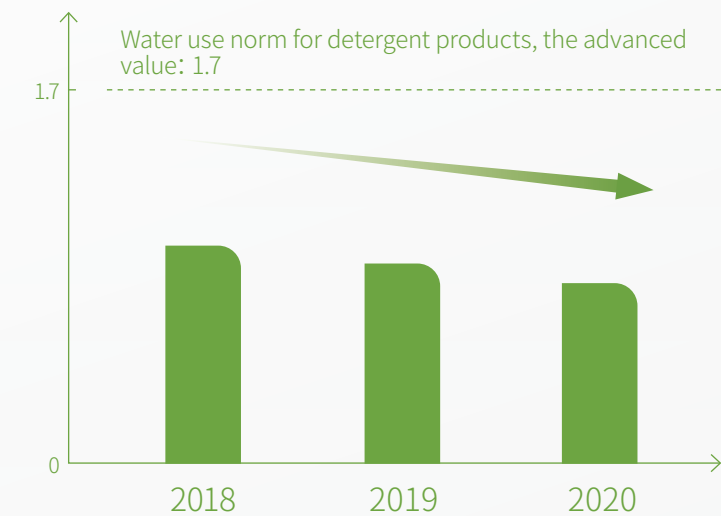
### Case Recognized as a provincial water-saving benchmark enterprise in 2021

In December 2021, Guangzhou Blue Moon Industry Co., Ltd. was selected as the "Provincial Water Saving Benchmark Enterprise" by the Department of Industry and Information Technology of Guangdong Province. Blue Moon persists in saving water resources. Based on controls from the source, whole process management and continuous improvement, we keep reducing the water consumption per unit output, continuously optimize the water efficiency indicators through an array of measures such as increasing the water production rate, improving the recovery and recycling rate of concentrated water and reducing the cleaning water. We have reached the advanced level of the industry in water management, equipment and technology, and water indicators, etc. according to the standard of *Guangdong Norm of Water Use*, and become a benchmark enterprise in water conservation.



### Blue Moon's water consumption of unit product

Unit: m<sup>3</sup>/t



According to *Guangdong Norm of Water Use (DB44/T1461.2-2021)*, Chemical Raw Materials and Chemical Products Manufacturing Category - Daily Chemical Products Manufacturing Sub-category - water use norm for detergent products, the advanced value is 1.7 m<sup>3</sup>/t.

## Conduct strict emission management

We strictly implement the control of pollutant emission during the production, abide by and implement the laws and regulations such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and National Directory of Hazardous Wastes* and formulate management systems such as *Environmental Protection Management Standard*, *Comprehensive Management Standard of Energy Conservation and Emission Reduction*, *Environmental Monitoring Management Process*, *Environmental Factor Impact Assessment Control Procedures*. We implement standardized management model for pollutant management, and carry out technical upgrading and transformation of equipment and processes from the source to reduce the total amount of pollutants generated; meanwhile, we construct and operate efficient pollutant management facilities, monitor and control the environmental parameters in the pollutant management process, reduce the intensity and total amount of pollutant emissions, and control the impact of emissions on the environment strictly.

### Exhaust gas management

We have formulated management systems such as *Standardized Management Specification for Exhaust Gas Treatment* and *Key Control Points for Operation Management of Exhaust Gas Treatment Facilities* to implement standardized management and normalized operation of all exhaust gas treatment equipment and facilities in factories, ensuring normal operation of various exhaust gas treatment facilities. We establish key control points for the treatment and discharge processes of VOCs, oily fume and other exhaust gases, discharge exhaust gas in strict accordance with the pollutant emission requirements in the places where we operate, and continuously update exhaust gas treatment equipment and facilities to reduce the emission of exhaust gas.

#### Objective for waste reduction ▶

By 2030, wastewater emission per unit output in all product manufacturing factories will be reduced by

**15%**  
compared to 2020



#### Case Boiler equipment upgrading for "Energy Conservation and Emission Reduction" in the Chongqing factory

In 2021, the Chongqing factory completed a series of measures such as renovation and replacement of boiler low-NO<sub>x</sub> burner, renovation of boiler gas piping, air box and pressure fan and addition of inverter to the fan. The following testing data showed that the thermal efficiency of the boiler was significantly improved after the renovation and the natural gas was burned more fully. As a result, the utilization rate of energy was improved, and the NO<sub>x</sub> emission concentration in the exhaust gas of boiler was further reduced to below 30mg/m<sup>3</sup>. In this way, the factory reached the local *Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler* in Chongqing and efficiently achieved in-depth treatment.





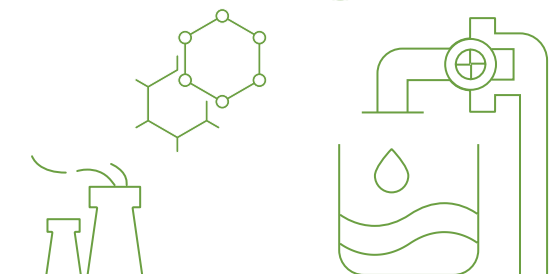


## Wastewater management

We have issued the *Standardized Management Specification for Sewage Stations, Operating Methods and Standards for Testing Key Control Parameters of Sewage Treatment* and other systems. For the source of wastewater, we continuously optimize the production technique and equipment and reduce the number of equipment cleaning and production wastewater generation by optimizing the production scheduling and remodeling process, improving the facility technology, optimizing the amount of cleaning water and other measures; for the wastewater treatment and reclaimed water utilization, we reduce the emission intensity and total amount of production wastewater and continuously reduce the impact of wastewater on the environment by strengthening the maintenance of equipment, implementing environmental monitoring in the wastewater treatment process, and exploring and implementing water reuse technology and solutions.

### Case Industrial wastewater emission reduction and reclaimed water reuse in the Chongqing factory

In 2021, by implementing measures such as centralized production scheduling integration for the same type of products, optimization of the remodeling process, reduction of the cleaning frequency and amount during the production, the Chongqing factory reduced the production wastewater per unit output by 15% compared with 2020; at the end of wastewater treatment, the reclaimed water reuse system was used to further treat the wastewater until its quality met corresponding standard, and then used it for factory greening, ground cleaning, cooling water replenishment, so that part of the production wastewater was "turned into wealth".



## Waste management

We introduced internal systems such as *Integrated Solid Waste Management Standard* and *Hazardous Waste List* to pinpoint the standards for general waste and hazardous waste, stipulate the operation processes for waste generation control, storage management and treatment, and establish ledgers and file management to standardize waste management, fully safeguarding the strict separation between hazardous waste and general waste in the production and operation and conducting proper disposal.

## Non-hazardous waste management

- General waste is delivered to qualified recycling units for recycling and disposal.
- For recyclable general waste, such as solid waste, waste paper, and useful spare parts from the production process, we identify their detailed conditions for cyclic utilization and then hand them over to qualified recycling units for recycling and disposal.
- For the sludge in the wastewater treatment station, we optimize the process of sludge generation to reduce sludge and dispose of it in strict compliance with local regulations.

## Hazardous waste management

- Each factory and unit prepare a clear Hazardous Waste List, collect, store and transfer it to the hazardous waste warehouse according to its category, and set up secondary leakage-proof measures to block leaks.
- We hand it over to a unit with hazardous waste qualification for compliant disposal, and establish a hazardous waste generation ledger and transfer and disposal ledger to ensure effective follow-up.
- We conduct emergency drill at least once a year to enhance emergency handling capabilities.

# Promoting Environmentally Friendly Packaging

Blue Moon always adheres to the development concept of resource conservation and environmental protection, attaches importance to the optimization of product packaging, continues to implement the management of packaging materials, reduces the product packaging materials by using replaceable packaging through the research and design for environmentally friendly materials. We continue to promote the lightweight packaging materials and the green recycling of packaging materials, and advocate the recycling of packaging materials and other means to reduce their impact on environment, while guiding green consumption and practicing the concept of environmental protection.

In 2021, the paper for cartons and boards was reduced by

**356**

tons YOY for the same output



In 2021, EPE sleeves (EPE material) were saved by

**6.6**

tons in total YOY







### Greener packaging materials

We actively respond to the national plastic reduction policy in the PRC and prioritise environmentally friendly materials in product designs. In 2021, we carried out technical verification of PCR recyclable plastics for PE/PET bottles respectively, and will continue related technical research work. Meanwhile, we focus on technological improvements to reduce the plastic content in packaging and promote green packaging.



### Extending cyclic utilization

We introduce the replaceable packaging solution, encourage consumers to reuse the original product's bottles, pump heads or holders and increase usage rate of packaging materials. We replace cartons with reusable boxes to reduce the use of packaging materials for products turnover in the production process. We drive full recycling of packaging cartons in factories for packaging protection of e-commerce products and reduce the cartons and other packaging waste.



### Lighter packaging

We design the simple packaging and filler strictly according to functional requirements in order to avoid excessive packaging, and actively carry out packaging optimization programs to achieve lightweight packaging by reducing box size, optimizing protective packaging, and reducing the use of cartons, pearl wool sleeves, bubble bags, and packing tapes.



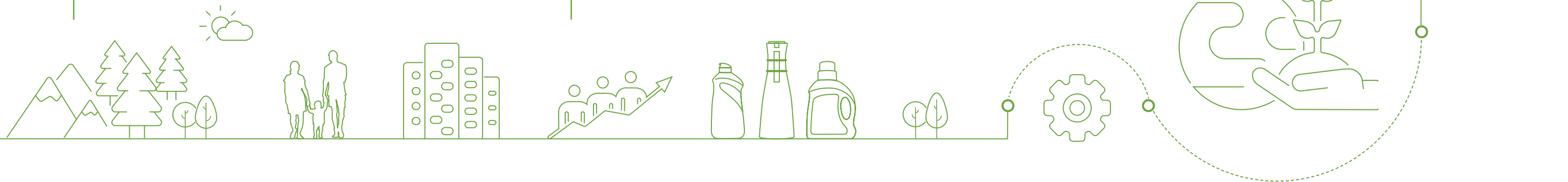
### Encouraging consumer participation

We actively publicize the recyclability of empty bottles to consumers, redesign the packaging of existing products in batches adding "recyclable mark" on the outer packaging of products. We encourage and guide consumers to sort and dispose of the empty bottles after use for recycling, continuously promoting a green and low-carbon lifestyle to consumers.

#### Case

#### Technology research on recyclable doypack in a single PE material

The use of doypack refills can achieve reuse of plastic bottles, which is one of the key measures to reduce packaging plastic. The popularity of doypack refills also give rise to issues related to plastic recycling with their popularity. In 2021, we worked with our supplier to advance the technology optimization project which adopted a single PE material to make recyclable 500g doypacks and established the technical feasibility of applying a single PE material to the 500g doypack of Blue Moon through the joint efforts of both parties. We will gradually implement this technical solution, and eventually realize the recycling of doypack plastic and reduce the white pollution.



# Addressing Climate Change

Blue Moon is fully aware of the severity of the climate change issue and the urgency to tackle it, and gradually deepens the understanding of climate change. Under the guidance of the "dual carbon" strategic goal initiative of the PRC government, we stand up to new challenges and seize opportunities brought by accelerated green transformation in the industry, proactively identify the potential impact of climate change on our operations, and actively consider and establish responses to the climate change risks.

## Objective for greenhouse gas emission reduction

By 2030, greenhouse gas emission per unit product will be reduced by

# 30%

compared to 2020



## Carbon emission control

As climate change issues escalate, different stakeholders are increasingly concerned about the environmental impact of enterprises and the environmental attributes of products. We attach great importance to the impact of transition risks of climate change on business operations and actively promote carbon emission management and product carbon labeling. In 2021, we engaged a professional advisory body to assist in conducting a greenhouse gas assessment, assessing and checking the major carbon emission sources, carbon emissions amount and the life cycle of carbon footprint of main products within the scope of our operations, which laid the foundation for the formulation of greenhouse gas emission reduction goals and plans for the ongoing quantitative management of carbon emissions.

### Case Honoured with the first product carbon labeling evaluation certificate in Guangzhou

As the greenhouse effect is intensifying, carbon labeling is attracting more and more attention from around the world as an effective tool to propel carbon reduction in products. In August 2021, on behalf of the leaders in Guangzhou's daily chemical industry and the only one selected as an advanced enterprise in the production of daily chemical products, Blue Moon participated in the Guangzhou Carbon Labeling System Research and Pilot Project, carrying out the life cycle carbon footprint check from raw material exploitation, raw material transportation, product production, product use to final scrap disposition with regard to six products in different specifications, including Volo Fragrant Toilet Cleanser and Special Laundry Detergent for Babies, and received the first carbon labeling evaluation certificate in Guangzhou issued by the Guangzhou Ecological Environment Bureau and China Building Material Test & Certification Group Co., Ltd.





We conduct the identification of physical risks and transition risks according to the guidelines of Task Force on Climate Change Related Financial Disclosures (TCFD), and gradually perfect management strategies for climate change mitigation, adaptation and resistance.

During the Reporting Period, Blue Moon initially identified potential climate change risks that had potential impact on the Company's business and finance based on its geographical location.

### Physical risks

Global climate change intensifies the frequency of extreme weather with potential risks to production and operation stability, physical safety of plant and equipment assets, and staff commuting safety. We have identified physical risks in climate change such as typhoons, high temperatures, droughts, heavy rains and floods/urban inundation based on our geographical location, and have carried out a series of actions to reduce the impact of climate change risks and ensure asset safety and supply stability.

- In 2021, all factories and units organized seven sessions of emergency drills and emergency knowledge application training in response to all kinds of extreme weather such as typhoon, heavy rain, heavy snow, with full participation by all departments related to emergency response.
- The EHS department of the Guangzhou factory actively participated in six large flood, drought and wind prevention business training sessions "Lectures in Enterprises" organized by Huangpu Office of Disaster Prevention, Guangzhou, and acted as the training instructor to share experience with the participating enterprises and units, receiving high recognition.



To ensure stable production, we have developed contingency plans for abnormal weather risks., by which production resources in all supply bases are deployed nationwide in a united manner to ensure stable and orderly supply. During the Reporting Period, no supply chain disruption occurred in Blue Moon due to extreme weather conditions.

### Transition risks and opportunities

The introduction of a series of policies to achieve carbon peaking and carbon neutrality in China, and the deepening of national and industry policies to accelerate green development and transformation, responsible investment, low carbon economy and green development may impose more stringent requirements for our business operations in carbon emission reduction policies, clean production technologies, changes in raw material costs, increased investor attention and changes in green consumption preferences. Meanwhile, we can see both challenges and opportunities regarding our strengths in technology and business model thanks to our consistent and ongoing investment in sustainable development.

We will continue to monitor climate change risks and opportunities, develop targeted actions to manage the climate change risks. In the future, we will maintain a high level of attention to and focus on climate change risks, and gradually incorporate our care for the environment into all aspects of our operations.

#### Case The first pilot environmentally friendly garden

In 2021, we conducted a pilot project of outdoor environmentally friendly garden at the Yonghe factory with an ecologically sustainable rainwater facility for irrigation, and artificially excavated shallow concave greenbelts for gathering rainwater in the garden. Through the combined action of plants and gravel and sandy soil, the rainwater was purified, gradually infiltrated into the soil and nurtured the groundwater. The environmentally friendly garden not only provides a green space for our employees, but also changed our perception of environmental protection subconsciously.



Environmentally friendly garden



# Making Best Efforts to Promote Employee Development

Blue Moon regards talents as the core strategic resources for sustainable development as well as the source of power for providing excellent products and services to consumers. We always value and respect talents, and protect the legitimate rights and interests of employees. We strive to build and provide an equal and broad platform to facilitate the diversified development of employees. We create a healthy and safe working environment and care for the physical and mental health of the employees. We are committed to providing employees with a sense of achievement and belonging, and enhancing their sense of ownership, in order to achieve the common development of employees and the Company.





# Protecting Employees' Rights and Interests

Blue Moon spares no effort in attracting and discovering outstanding talents, and establishing a respectful, inclusive, diverse and positive working environment for all employees, in an attempt to creating a passionate, creative and sustainable talent development team. We strictly abide by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other relevant laws and regulations, and have formulated human resources management systems such as *Employee Handbook and Employee Reward and Punishment System* to protect the legitimate rights and interests of employees in recruitment, compensation, benefit, promotion, leave, resignation and other aspects, and build and maintain harmonious labour relations.

We constantly optimize the staff structure to achieve a reasonable distribution of employees by gender, age and region.

As of the end of 2021,  
Blue Moon had  
**7,553**  
employees



with female employees  
accounting for  
**57.4%**



## Case Blue Moon received several employer brand awards

Following the people-oriented philosophy, Blue Moon continues to optimise and improve in all aspects of human resources, and constantly enhances the employees' working experience. In 2021, we won several awards, such as "China Best Employer TOP100", "Guangdong Extraordinary Employer of the Year", "New Force Young Employer Brand", "Best Young Employer Brand Social Responsibility Award" and "City Pioneer Employer". We were highly recognized by the professional human resources organizations.



## Equal employment

Based on the principles of integrity, respect and win-win situations, we attract talents through campus recruitment, social recruitment, school-enterprise cooperation and other channels, and treat all employees equally in the appointment and arrangement of work, without discrimination on the basis of their social status such as gender, age, ethnicity or race, with an aim to offer equal opportunities to all.



We strictly comply with the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on the Prohibition of using Child Labour* and other relevant regulations, strictly prohibit the recruitment of employees under the age of 16, and require strict identity verification during the recruitment process. We respect employees' reasonable working time and working willingness, and will not force anyone to work under the threat of punishment in any form. If the use of child or forced labour in the Group's operations is discovered, the Group will immediately terminate the employment contract and investigate if further action is required. During the reporting period, the Company did not have any child labour, forced labour violations.

### Case Blue Moon deepened the school-enterprise cooperation

In 2021, Blue Moon cooperated with more than 80 well-known colleges and universities across the country to carry out more than 100 school-enterprise cooperation activities in the form of Enterprise Open Day, Blue Moon Classroom Job Hunting Challenge and internship programme, expanding the practice and employment channels for college students.



By enabling the students to get familiar with the job application process and skills in advance, and further identify their weaknesses in job and professional qualities, we aimed to guide the students to meet the upcoming job-hunting stage with the best state and mindset, and help them boldly enter the workplace and achieve a bright future.



Job Hunting Consultation



By showing the college teachers and students around the headquarters of the Group and allowing them to appreciate the advanced cleaning technologies in proximity, and communicate with outstanding alumni face-to-face, we provided the teachers and students with the opportunity to gain more comprehensive understanding of Blue Moon.



Enterprise story sharing



By offering workplace experience opportunities, we helped prepare the students psychologically, mentally and technically for entering the workplace in the future. In addition, Blue Moon has established a sound internship retention mechanism to provide interns with promising employment opportunities.



Internship base of Central South University



Internship base of South China Normal University



## Compensation and benefits

The development of Blue Moon is inseparable from the efforts of every employee, and every employee's efforts deserve to be taken seriously. We regularly carry out market salary research to ensure that our pay level is competitive in the market. We have established a compensation structure covering fixed salary, performance bonus and mid and long-term incentive to ensure that employees' compensation reflects the value of their positions and individual contributions.

We offer a variety of benefits to our employees. Aside from various benefits and allowances stipulated by laws, we also provide staff canteen, shuttle bus, staff dormitory, holiday gifts and other internal benefits. For female employees, we provide special seats for pregnant women on shuttle bus, nutritious mother and baby meals, and a separate, hygienic and comfortable nursing room that cover every aspect of life of the employees, with an aim of enhancing the sense of belonging of employees.



### Case Blue Moon launched a share award plan

Blue Moon adopted and announced the share award plan on 3 June 2021. The share award plan of Blue Moon was designed to recognize and reward the employees who have contributed to the Group's continued operations and development, attract the talents needed for the development of the Company to join, in order to enrich the talent pool, enhance enterprise vitality, and promote the further development of the Group.

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**Blue Moon Group Holdings Limited**  
藍月亮集團控股有限公司  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 6993)

**ADOPTION OF SHARE AWARD PLAN**

On 3 June 2021, the Board approved the adoption of the Plan, the purposes of which are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

The maximum number of Shares to be subscribed for and/or purchased by the Trustee by applying the Group Contribution for the purpose of the Plan shall not exceed 5% of the total number of issued Shares as at the Adoption Date, being 292,959,750 Shares. The total number of Shares which may be subject to an Award or Awards to a Selected Participant shall not in aggregate exceed 1% of the total number of issued Shares as at the Adoption Date, being 58,591,950 Shares.

The Plan does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is not required to comply with the requirements thereunder. No Shareholders' approval is required for the adoption of the Plan, and this announcement is made on a voluntary basis.

**THE SHARE AWARD PLAN**

The Board is pleased to announce that on 3 June 2021, the Board approved the adoption of the Plan. The following is a summary of the principal terms and conditions of the Plan:

**Purposes**

The purposes of the Plan are to:

- (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and
- (ii) attract suitable personnel for further development of the Group.

**The announcement on adoption of the share award plan published by Blue Moon on the website of HKEX**

# Support for Employee Growth

Blue Moon attaches great importance to talent cultivation and development, continues to improve the talent training system, creates diverse channels for employees' career development and a fair promotion mechanism, to motivate employees, enhances their personal ability and maximise their full potential, thus achieving all-round development.

## Empowering career development

Blue Moon keeps pace with the development trend of the industry, arranges talent strategy in advance, constantly expands career development opportunities for all kinds of talents and makes reserve of talents for the future. In addition to our management, professional, technical and support channels, we added new career development channels in 2021 to further improve the multi-channel career development path.

### Case Creating a career development channel for blue-collar employees

In 2021, Blue Moon cooperated with a professional consulting company to create a human resource system tailored for blue-collar teams with the focus on professional skills, covering ranking system, salary incentive and performance appraisal, providing a broad career development path and competitive salary structure for front-line operators, which is conducive to fuelling the independent improvement of professional skills, optimising the talent structure of blue-collar team and preparing for the business transformation to "automation" and "intelligence" in the future.

#### Ranking System

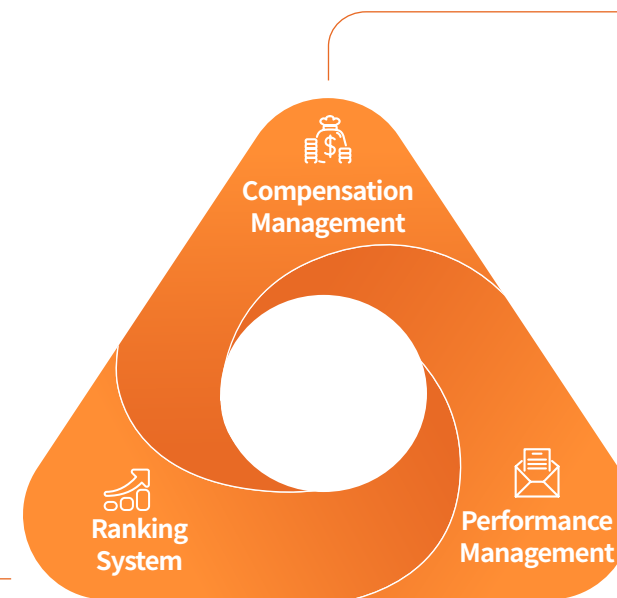
- Build a ranking system and development channel from operator ▶ skilled worker ▶ technician
- Establish a qualification management framework
- Determine the management process of ranking promotion

#### Compensation Management

- Set salary by the position, raise wages according to the skill of employee, and give rewards by the performance
- Increase post allowance and merit award

#### Performance Management

- Adequate combination of team performance and individual performance
- Link performance results to all aspects of human resources such as bonus, appraisal, transfer, promotion and training

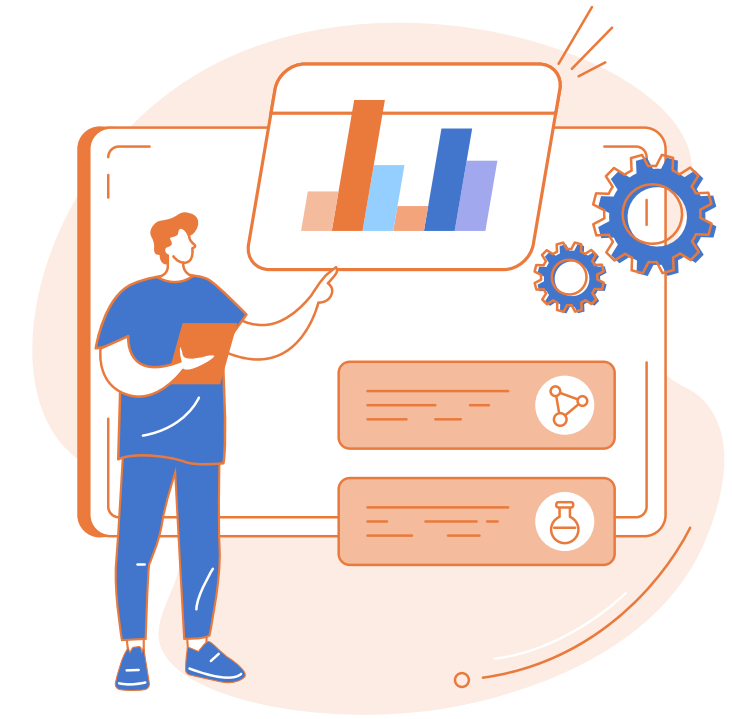




## Focus on talent cultivation

Blue Moon concerns about employee training and development, and provides targeted training courses for different types of employees such as new employees, employees in professional positions and middle and senior management. In the meantime, we encourage employees to improve their education or skills, while offering financial support to employees who participate in qualification and skill exam, in a bid to help employees achieve self-improvement.

In 2021, our business modules conducted a variety of targeted training activities, such as process management training, personal sales ability training, Training Within Industry (TWI) project training, project management training and EHS training.



As at the end of 2021, the overall training rate of the Group's employees was

# 91.4%



the average training time was

# 18.0

hours per employee



# Employee Health and Safety

Blue Moon strictly abides by the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Emergency Response Law of the People's Republic of China* and other laws and regulations to ensure the continuous and effective implementation of occupational health and safety as well as emergency management. We pursue "zero accidents", adopt the approach of "safety first, prevent problems before they occur", and always give priority to employees' health and safety. We care about the physical and mental health of employees and provide comprehensive health management care and services for employees.

All manufacturing factories of Blue Moon have passed the certification of **ISO 45001** occupational health and safety management system



## Focus on work safety

Blue Moon pays high attention to employees' health and safety, and has formulated a series of management system documents such as the *EHS Responsibility System*, *Procedure for Hazard Identification and Risk Assessment and Control*, *Fire Safety Management Standard*, *Occupational Health Management Standard*, *EHS Accident Management Process* to further optimise work safety and occupational health management system, and fully implement work safety management responsibilities.

We continue to invest in safety production, so as to constantly improve the working environment of employees as well as to level up the essential safety standards, and comprehensively carry out hazard identification and risk assessment, while taking risk mitigation or control measures, to continuously implement accident prevention. In addition, through effective implementation of the EHS training and drill plan, and emergency drills for various types of emergencies, all plants and units constantly test their preparedness for emergency response in procedures, resources, organisation and skills and their actual response ability, to enhance the ability of emergency response capability.



Safety skill training



Supplier safety communication



Emergency response drill



## Care for physical and mental health

Regarding employee's physical and mental health as one of our priorities, Blue Moon endeavours to make every employee feel the sincere care from the Company. We set up a dedicated team for employee health management, with the aim of providing employees with comprehensive health management care and services and assisting employees to devote themselves to work and enjoy life with healthier mind and body.



We entrusted a third-party organisation to detect occupational hazard factors every year and specially investigate dangerous sources in workplaces, while allocating labour protection appliances to employees in special positions, to ensure a safe workplace; provide annual occupational health examination for employees in relevant positions, and establish occupational health surveillance archives for them.



We provided employees with various services, such as annual welfare-based physical examination, interpretation of physical examination report, TCM health care and physical therapy, appointment for vaccination and surrounding medical guidance.



We launched a series of activities such as lectures on psychology and psychological forum to relieve their stress, thus helping employees timely adjust emotions and get relaxed.



We opened a WeChat official account specific to health management to provide health care knowledge, health activities and other information. In 2021, a total of 42 health advocacy articles on 9 subjects were published, and more than 10 online and offline health lectures were held, covering female health, vaccination knowledge, sports health and other content, to popularise health information for employees and raise their awareness of healthy life.



Based on the opinions of nutrition experts, assess the health grade of dishes in the staff canteen, while employees can choose dishes concerning their health conditions. We organised a mutual-help group for healthy weight control as well as balanced diet quizzes, encouraging employees to develop a healthy lifestyle by means of employees' diet follow-up, exercise supervision, weight loss courses, award-winning quizzes, etc.

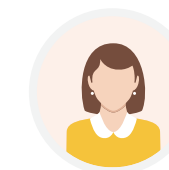
### Case Mutual-help activity for on weight control

In 2021, to help employees develop healthy living habits, improve body mass index (BMI), prevent various diseases and maintain a well-built body, we formed a mutual-help group for fat loss and organized fat loss activities to help employees on weight control through mutual supervision. By launching multiple activities such as recording daily diet, reporting daily exercise data, in combination with activities such as healthy fat reduction and measuring weight and body fat, we encourage employees to achieve self-health management through balanced diet, proper exercise and sufficient sleep.

#### Employees convey the significance of participation in the mutual-help group on weight control



After the physical examination organised by the Company at the end of 2021, I get rid of hyperlipidemia and fatty liver that have plagued me for a long time.



With the success of weight loss, my self-confidence is strengthened and I feel at ease when walking and feel very happy.



# Enriching Employees' Life

Blue Moon lays emphasis on employees' well-being and humanistic care, and proactively carries out a variety of activities for employees in order to increase their happiness and sense of belonging and create a harmonious, warm and pleasant workplace atmosphere for employees.

Kunshan Factory spring sports meeting



We provide fitness equipment and self-testing blood pressure monitor in the office area, and organise healthy running, different ball games training, internal and external sports competition and other physical activities, in order to motivate employees to shape a healthy body. In addition, we organise external fellowship, festival theme, team building and other cultural activities, enriching employees' spare-time life, and enabling them to constantly experience a fulfilling life.



Mother's Day celebration

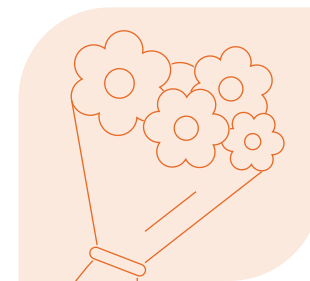
Running group



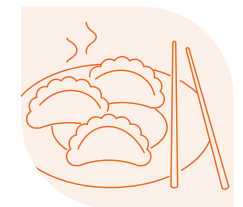
Kunshan Factory winter solstice making dumplings



Blue Moon soccer team



Badminton match





# Creating an Ideal Society in a Concerted Effort

To repay and contribute to the society is an obligation of responsible enterprise as well as the ongoing pursuit of Blue Moon. Committed to the harmonious social outlook of "attention, love and care" and guided by the enterprise principle of "greater society", we give back to the society with practical actions. We take active part in various public welfare undertakings, care for social vulnerable groups, help people live a healthy life, continuously give impetus to the common community development and to build a better and warm society.



# Spreading the Clean and Healthy Concept

We always care about the needs of families and the society, and remain committed to promoting the concept of clean and healthy life to the public, while making contribution to the public health development and helping to realize Chinese families' aspirations for a better life.

Case

Holding the "Healthy Angel" campaign and assisting with children's healthy family education



"Healthy Angel" Health Lecture launched in Xibaipo

Since 2001, in collaboration with the China Family Education Society and China Children and Teenagers' Fund, Blue Moon held the "Healthy Angel" campaign concerning about children's healthy family education, and publicised the knowledge about children's clean and health in family life so as to motivate children to develop good habits. As of 2021, we cumulatively spent RMB38.87 million, bringing benefits to 22,000 kindergartens and 17 million children's families.

In 2021, the campaign covered 121 kindergartens and primary schools as well as 200 maternal and child health hospitals and community service centres, with 50 health lectures held. In addition, on the occasion of the 100th anniversary of the founding of the Communist Party of China, we went to Xibaipo, a sacred place for the revolution in Hebei Province, to give lectures on health knowledge in 10 kindergartens and primary schools such as Xibaipo Bayi Red Army Primary School of the Chinese Workers' and Peasants' Red Army, Nanzhuang Kindergarten in Xibaipo Town, Wanquan Primary School in Shangwendu Village, Mengjiazhuang Town, and donate "healthy Angel Gift Packs", in an effort to encourage children to study hard and develop a clean and healthy lifestyle, thus being a builder and successor of socialism with all-round development of morality, intelligence, physique, aesthetics and labour.

Case

Holding "Smart Woman" series activities to build a happy family



"Colourful Life of Smart Women and Smart Mothers" women and reading salon in 2021

Since 2013, Blue Moon has been cooperating with China Marriage and Family Research Association to jointly run the "Smart Woman - I call the shots in my home" home life series activities, aiming at spreading clean and healthy knowledge to women, and guiding thousands of families to create high-quality, clean and healthy home life. In 2021, the "Smart Woman" campaign targeted at women working in enterprises and public entities in the labour unions, women and children, and education sectors in 15 large and medium-sized cities. By distributing 160,000 pamphlets entitled "Colourful Life of Smart Women" free of charge, and holding 9 themed salons including "Colourful Life of Smart Women and Smart Mothers" women and reading salon, and 60 online and offline "colourful classes", we delivered scientific and effective household cleaning methods to millions of families, helping Chinese families pursue a higher quality of life.



# Assisting with Disaster Relief

When disaster strikes, help comes from all sides. The gleam of light converges to form a river of stars. Stand together regardless of situation. In the face of the challenges posed by COVID-19 and natural disasters, we actively shouldered our social responsibilities. We supported the disaster-hit areas in Henan Province, Guangzhou in Guangdong Province and Lanzhou in Gansu Province, and donated disinfection, cleaning and protection materials to them, with an aim to protect people's health and tide over difficulties together.

## Case Helping with the cleaning and disinfection after flood in Henan

In July 2021, Henan Province was hit by heavy rains and floods. We were concerned about Henan people and tried our best to help them overcome difficulties together. We donated disinfection, cleaning and protection materials valued RMB 10 million via the Henan Charity General Federation, to help Henan carry out post-disaster cleaning, sanitation and preventive disinfection and protect people's health.



Materials for supporting Henan

## Case Supporting the front line of fighting against the pandemic in Guangzhou

From May to June 2021, in light of the severe pandemic situation in Guangzhou, we quickly responded to the call of the community and donated 84 disinfectant solution, medical protective masks and other disinfection protective materials to provide safety protection for the medical workers. In addition, we organized volunteer teams consisting of our employees to support nucleic acid testing and help communities fight against the pandemic.





# Supporting Arts, Sports and Culture

Blue Moon vigorously supports cultural and sports undertakings, pays attention to the artistic development of young people, and supports the growth of China's future original power. We continue to help young artists to fulfil their potential, promote arts to take root and sprout in community life, and further promote and popularize aesthetic education in society.

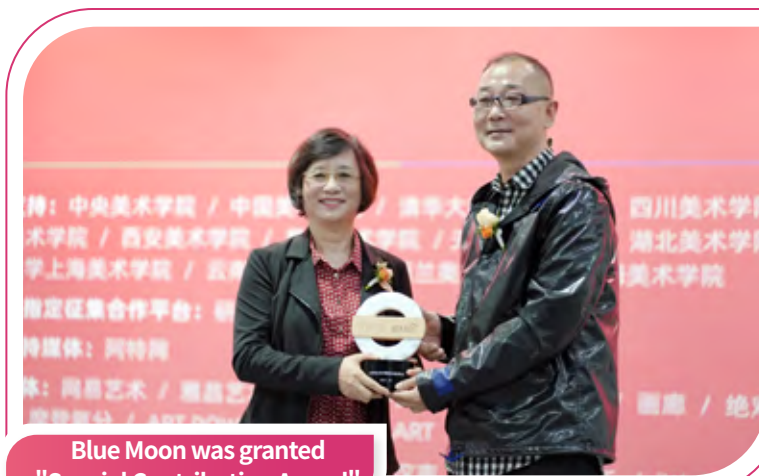
## Case Blue Moon won Special Contribution Award for its long-term support to arts and culture

Since 2014, Blue Moon has been the chief sponsor of nine College Student Art Fairs in a row, providing museum-level professional opportunities for nearly 5,000 artists to showcase nearly 15,000 pieces of works, and bringing more attention to young people at the early stage of their art careers. During the College Student Art Fairs, Blue Moon also directly purchased and collected more than 800 pieces of works of more than 400 artists, giving great spiritual encouragement and direct economic support to young creators.

On 9 October 2021, the second College Student Art Fair (Wuhan) was officially opened in Wuhan International Convention and Exhibition Center, gathering more than 800 art students and young artists from nearly 150 universities around the world and more than 3,000 pieces of outstanding works. At the opening ceremony, the organizing committee of the College Student Art Fair granted the "Special Contribution Award to the Development of Chinese Youth Art" to Blue Moon, in recognition of its outstanding contribution to the cause of Chinese youth art and its great support for the promotion of aesthetic education in Chinese society.



The scene of the second College Student Art Fair (Wuhan)



Blue Moon was granted "Special Contribution Award"



# Contributing to Rural Development

In response to the call of the Party and the government, we actively participate in the activities to help build beautiful countryside. Since 2010, we have participated in the "Poverty Alleviation Day in Guangdong" donation activities for 12 consecutive years. We have donated a total of RMB 1.92 million to impoverished areas such as Qingyuan in Guangdong Province and Sandu County in Guizhou Province to improve local infrastructure.

In 2021, we participated in the material donation activity of "Consolidating Poverty Alleviation Achievements and Helping to Build Beautiful Countryside" co-sponsored by China Detergent Industry Association and The Department of Economy and Information Technology of Tibet Autonomous Region, donating laundry detergents, hand sanitizers, disinfectants and other cleaning and disinfection materials to more than 300 households in Shenmuda Village and Tongmen Village, Qudang Township, Tingri County, Shigatse City, to help villagers develop good hygiene habits. In addition, we participated in the public welfare project of "Thousands of Enterprises Helping Hundreds of Villages, Building Better Homes Together" in Kunshan City, Jiangsu Province, and the donation activities of "East-West Poverty Alleviation Cooperation" in Tianjin City, helping to build beautiful villages.





# Adherence to Compliant Operation in Good Faith

Only with adherence to good corporate governance, can we maintain a stable development. Sticking to the integrity management, Blue Moon is always concerned about its risk management and firmly guards the bottom line of business ethics. It keeps improving and enhancing its corporate governance level, and promotes its sustainable and healthy development by building a sound and scientific corporate governance structure, in an effort to build and maintain an uncorrupted and faithful business environment in compliance with rules.



## Business Ethics

Ingenuity helps you win, while virtuousness makes you triumph. Blue moon complies with the *Civil Code of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Prohibiting Commercial Bribery* and other relevant laws and regulations, advocates the integrity management and business ethics, and encourages its partners to practice business ethics. We actively carry out work of the compliance with laws and regulations, bribery and anti-corruption, intellectual property right protection, arm's length transactions, working ethics, etc., and strive to promote the legitimate competitions and fair operations of enterprises. Attaching great importance to the building of employees' awareness of business ethics and incorporating ethical business into our values, we formulate the *Conflict of Employee Interest Management System* and other internal management requirements, and keep strengthening the integrity education to improve our employees' professional ethics and integrity standards.

We require all suppliers to sign the acknowledgement of commitment to integrity, which provides that our partners shall comply with the legal provisions on anti-corruption and anti-bribery and undertake not to commercially bribe our any employee in any form. Our review and qualification examination of a supplier cover the supplier's business ethics management. We actively pay attention to promoting the supplier's anti-corruption management. We issue the *Notification on Combating Corruption and Upholding Integrity* to all of our distributors, stating that Blue Moon's operation philosophy of integrity and compliance with laws, adhere to the regulations on clean and incorruptible business and advocate the goal of cooperating with our partners for a harmonious win-win situation.

Sticking to the principle of acting in good faith for trust and building our goodwill with credibility, we keep strengthening the contract and credit management and abide by laws in operation, establishing a good social reputation. Since 2007, Blue Moon has been announced as an "**Enterprises that Observe Contracts and Value Credits**" by Guangdong Administration for Market Regulation for fourteen consecutive years.



## Risk Management

Risk management is the foundation of Blue Moon to continuously maintains stable operation. We keep perfecting the risk management and internal monitoring mechanisms to push forward the overall risk management, and conduct the specific risk monitoring and management in important fields that affect the enterprise operation, in order to ensure that risks are controllable and under control and that our operation is stable.

Blue Moon has built a sound and effective normal risk management mechanism. There is an audit committee under the Board of Directors to assist the Board of Directors in examining and reviewing the effectiveness and sufficiency of the Company's internal control and risk management system, so that the overall risk can be kept within the acceptable range.

In strict accordance with the *Corporate Governance Code* of The Stock Exchange of Hong Kong Limited, we have formulated the *Legal Risk Management System*, the *Compliance Evaluation Management Standards and Control Procedures*, the *Internal Audit Management Standards* and other management systems, and established the risk management process covering three steps, namely risk identification, risk assessment and risk management, and conduct the risk assessment annually to determine the implementations of the Company's risk management and internal monitoring policies.

### Case Special Compliance Review for Legal Risks

A sound legal risk management system is the foundation and the guarantee of the compliant operation. In accordance with our business characteristics and regulatory requirements, we have formulated internal systems such as the *Legal Risk Management System*, the *Compliance Evaluation Management Standards and Control Procedures*, and established a comprehensive and systematic identification, prevention and control mechanism of legal risks. In 2021, we conducted a special compliance review for legal risks, in aspects of product quality, work safety, trade secrets, environmental protection, advertising, antitrust, etc., and followed up on the progress of rectifications to problems and hidden troubles in a timely manner. We also evaluated the effect of the improvements made, carried out special projects of risk governance in key aspects and formed a closed loop of risk management.





# Combating Corruption and Upholding Integrity

Blue Moon advocates a culture of incorruptibility and integrity, keeps improving the management mechanism for combating corruption and upholding integrity, formulates the internal system and standards such as the *Accountability System for Falsehood*, the *Integrity Work Management System*, the *Supervision and Whistle-blowing Management System*, strengthens the compliance and integrity education, perfected the process of monitoring and whistleblowing as well as the whistleblower protection mechanism, for adherence to the integrity management.

**In 2021, we organized various education and training on integrity, and pushed articles on integrity on our official WeChat account for directors, senior managers and employees of Blue Moon.**

In a total of **70** training sessions



the participation person-times reached **62,823**



We have put in place a three-level monitoring and check mechanism covering the Board of Directors, the Audit Committee and the dedicated department of audit and monitoring, define the violations of disciplines and rules for all employees in rules and regulations, and impose punishment for violations of disciplines and rules for more effectively constraining employee conducts. We take active measures for internal control, identify potential management problems through the normalized compliance review, and further improve and standardize the processes and systems, preventing violation of rules. We conduct special examinations of key fields every year and never tolerate any dishonest behaviour that harms our interest. We define the red line of compliance and cause employees to strengthen their individual professional integrity.

We always implement the education on compliance and integrity, organize various training activities such as the explanation of integrity culture, promotion of systems, and case analysis. Meanwhile, we incorporate the anti-corruption contents in the bottom-line system into the onboarding training for new employees, and require the employees holding the relevant posts to sign the Letter of Commitment to Integrity and Self-discipline and other commitments specifying the bottom lines of violation of rules and disciplines, in a bid to comprehensively strengthen our employees' awareness of integrity and self-discipline.

We encourage all parties to report violations through open channels. We open multiple online and offline channels, including the whistle-blowing hotline, e-mail address for whistle-blowing, "Incorruptible Blue Moon" official WeChat account, to receive complaints from and to accept the supervision by all parties.

## Case Joining China's Enterprise Anti-Fraud Alliance

In March 2021, Blue Moon joined the China Enterprise Anti-Fraud Alliance ("CEAFA"), which was sponsored by the Guangdong Enterprise Institute for Internal Controls in collaboration with the relevant enterprises and universities, with an aim to foster an uncorrupted business environment together through a platform for enterprises to exchange anti-fraud experiences.



During the Reporting Period, the Company was not involved in any concluded lawsuit of corruption, bribery, extortion, fraud or money laundering; as a result of an internal special audit, 8 people violating the Company's bylaws were punished in accordance with the *Reward and Punishment System for Employees* and the *Accountability System for Falsehood*.

# Intellectual Properties

In the time of knowledge-based economy, intellectual properties play a more and more important role as an intangible asset. In order to continuously guarantee our ability to innovate, we strictly comply with the *Trademark Law of the People Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other relevant laws and regulations, and have formulated internal systems that fully cover the intellectual property management, such as the *General Rules on the Intellectual Property Management*, the *Procedures of Intellectual Property Risk Management and Control*, to strengthen the intellectual property protection, help the Company maintain strength of advanced technologies and boost the Company's core competitiveness.

We have set the dedicated department of intellectual property management to strictly standardize and manage the search, registration, filing, application for authentic right, assessment, maintenance and other processes of trademarks, patents and other intellectual properties, to protect our own intellectual properties from being infringed and to ensure that the intellectual properties of others are respected.

In 2021, we conducted 6 training sessions about intellectual properties for the management and all employees of the Company, covering the promotion of systems, standardized management, trade secret protection, patent information usage, risk prevention, etc., so as to strengthen the intellectual property protection.

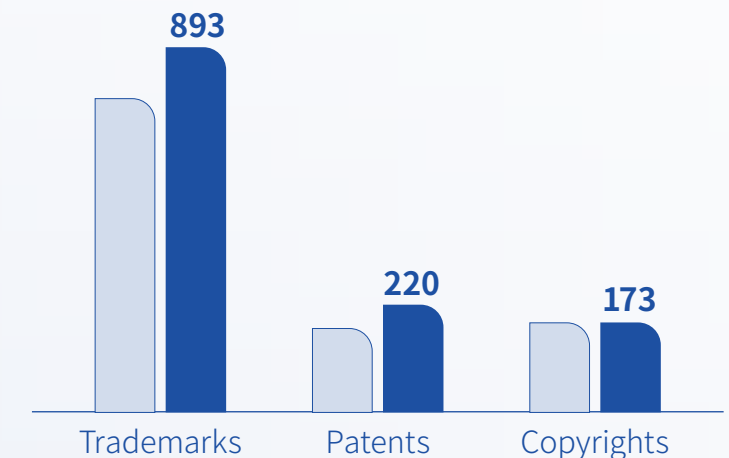
The trademark "Blue Moon" was officially included as the first Catalogue of Protected Key Trademarks in Guangdong Province



Number of Blue Moon's intellectual properties

2020 2021

Unit:Item



## Case Blue Moon was granted the intellectual property management system certificate

Attaching importance to the intellectual property protection, Blue Moon has established a scientific, standardized and systematic intellectual property management system in accordance with the *Enterprise Intellectual Property Management Standards (GB/T 29490-2013)*, which standardizes the intellectual property management of the Company in project approval, research and development, procurement, production, sales, and other areas, with an view to enhancing the level and the ability of the Company's intellectual property management.

In November 2021, Guangzhou Blue Moon Industry Co., Ltd. under Blue Moon Group, received the intellectual property management system certificate.





# About the Report

Blue Moon Group Holdings Limited presents to its stakeholders its environmental, social and governance ("ESG") policy, and describes specific implementation and performance of the Company in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited ("HKEX").

This Report mainly outlines the environmental and social related policies, measures and performance of Blue Moon Group Holdings Limited and its subsidiaries. Other topics including corporate governance and information related to the directors have been disclosed in the relevant sections of the Group's 2021 annual report.

## Abbreviations Statement

For the convenience of expression and reading, "Blue Moon", "Group", "Company" and "we" all refer to Blue Moon Group Holdings Limited.

Full name of main subsidiary	Abbreviation of subsidiary factories
Guangzhou Blue Moon Industry Co., Ltd	Guangzhou Factory
Blue Moon (Tianjin) Co., Ltd.	Tianjin Factory
Blue Moon (Chongqing) Co., Ltd.	Chongqing Factory
Blue Moon (Guangzhou) Co., Ltd.	Yonghe Factory
Blue Moon (Kunshan) Industry Co., Ltd.	Kunshan Factory

## Reporting Period

This Report covers the environmental, social and governance issues of the Group in China during the period from 1 January 2021 to 31 December 2021 ("Reporting Period" or the "Financial Year") and may trace back or extend to other relevant years as appropriate.

## Organizational Coverage

This Report focuses on Blue Moon Group Holdings Limited (Stock Code: 6993), and its disclosure criteria is consistent with those for the annual report.

## Reporting References

This Report is prepared in accordance with the *ESG Reporting Guide* issued by the HKEX and has referred to the Global Reporting Initiative's GRI Standards.

The Report was prepared in accordance with the requirements set out in the above standards and follows a set of systematic procedures, including industry benchmarking, stakeholder communication, conducting materiality analysis of key issues, collecting relevant materials and data, writing the Report, and review of this Report by the Board, to ensure the content in this Report follows the principles of materiality, quantitative, balance and consistency.

## Data Source

All information and data used in this report originate from formal files, statistical reports, and financial reports of the Company. All materials used in this Report are provided by our employees and our partners, which will only be used for reporting the Group's environmental, social and governance progress and not for commercial purposes. For the purpose of this report, the policy documents, statements, data, etc. cover the actual business scopes of Blue Moon Group Holdings Limited and its subsidiaries, except as otherwise specified in individual documents.

## Language Statement

This Report will be provided in Chinese and English versions. In case of any discrepancy between these two versions, the Chinese version shall prevail.

## Availability of this Report

An electronic version of this Report is available on the website of the HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)) or the Company's official website ([www.bluemoon.com.cn](http://www.bluemoon.com.cn)).

# List of ESG KPIs

## Data about environmental management

Indicators	Unit	2021	
<b>A1. Emissions</b>			
<b>A1.1 Emission types and related emission data</b>			
Exhaust gas	NO <sub>x</sub> emission	kg	3,080.5
	SO <sub>x</sub> emission	kg	30.3
	PM emission	kg	271.3
	VOC gas emission	kg	86.1
	Smoke emission	kg	122.6
Waste water	Industrial wastewater emission	t	165,204.4
	Domestic wastewater emission	t	107,491.1
<b>A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity</b>			
Greenhouse gas emission	Scope 1 greenhouse gas emission	t	3,601.3
	Scope 2 greenhouse gas emission	t	13,044.8
	Intensity of scope 1 greenhouse gas emission	kg/RMB10,000	4.63
	Intensity of scope 2 greenhouse gas emission	kg/RMB10,000	16.76
<b>A1.3 Total hazardous waste produced and intensity</b>			
Hazardous waste	Total hazardous waste	t	18.5
	Intensity of hazardous waste	kg/RMB10,000	0.02

Indicators	Unit	2021	
<b>A1.4 Total non-hazardous waste produced and intensity</b>			
Non-hazardous waste	Total non-hazardous waste	t	5,690.9
	Intensity of non-hazardous waste	t/RMB10,000	0.01
<b>A2. Use of Resources</b>			
<b>A2.1 Total direct and/or indirect energy consumption and intensity by type</b>			
Use of resources	Total energy consumption	tce	5,002.6
	Energy consumption intensity	tce/RMB10,000	0.01
	Power consumption	kWh	20,143,928.6
	Steam consumption	t	4,512.0
	Natural gas consumption	m <sup>3</sup>	1,623,176.3
	Diesel consumption	t	29.1
<b>A2.2 Total water consumption and intensity</b>			
Use of water resource	Tap water consumption	t	894,814.6
	Tap water intensity	t/RMB10,000	1.15
<b>A2.5 Total packaging materials used for finished products and with reference to per unit produced</b>			
Packaging materials	Total packaging materials used	t	84,555.6
	Intensity of packaging materials used	t/RMB10,000	0.11
	Plastic packaging materials used	t	37,995.7
	Paper packaging materials used	t	46,559.9

### Note

- The intensity data was calculated based on the gross annual output value of the Company and was denominated in RMB'0,000.
- The exhaust gas emission was calculated by reference to the *Manual of Calculation Methods and Factors for Statistics and Investigation of Sewage from Emission Sources* released by the Ministry of Ecology and Environment and to the *Reporting Guidance on Environmental KPIs*.
- Greenhouse gas emission merely refers to the emission of carbon dioxide, excluding the greenhouse gases, such as methane and nitrous oxide, from other emission sources.
- Scope 1 greenhouse gas emission: greenhouse gas emission from combustion of diesel, natural gas and other fossil energies and in industrial production process; scope 1 greenhouse gas emission factors were calculated by reference to the *Accounting Method and Reporting Guide for Greenhouse Gas Emissions of Enterprises in Industry and Other Sectors (for Trial Implementation)* released by the National Development and Reform Commission and to the *Reporting Guidance on Environmental KPIs*.
- Scope 2 greenhouse gas emission: greenhouse gas emission due to purchased electricity and heat; among others, the emission factor of electricity was determined by reference to the HBQHH [2022] No.111 *Notice on Doing Well the Key Work Related to the Management of the Reports on Enterprise Greenhouse Gas Emissions* released by the Ministry of Ecology and Environment; the steam emission factor was determined by reference to the *Accounting Method and Reporting Guide for Greenhouse Gas Emissions of Enterprises in Industry and Other Sectors (for Trial Implementation)*; and the heat enthalpy value was provided by the steam supplier of our Guangzhou Factory.
- Total energy consumption: It was calculated by reference to the *GBT 2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption* issued by the State Administration for Market Regulation and the Standardization Administration, and was presented in ton of standard coal equivalent.



## Data about social responsibilities

Indicator		Unit	2021		
<b>B1. Employment</b>					
<b>B1.1 Total employees by gender, employment type, age group and geographical region</b>					
	Total number of employees	People	7,553		
Gender	Number of male employees	People	3,217		
	Number of female employees	People	4,336		
Employment type	Number of full-time employees	People	7,553		
	Number of part-time employees	People	78		
Age group	Number of employees aged 35 and below	People	4,646		
	Number of employees aged above 35	People	2,907		
Geographical region	Number of domestic employees	People	7,553		
	Number of overseas employees	People	0		
<b>B1.2 Employee turnover rate by gender, age group and geographical region</b>					
	Annual employee turnover rate	%	9.2%		
Gender	Male employee turnover rate	%	7.1%		
	Female employee turnover rate	%	10.6%		
Age group	Turnover rate of employees aged 35 and below	%	7.1%		
	Turnover rate of employees aged above 35	%	12.5%		
Geographical region	Turnover rate of domestic employees	%	9.2%		
	Turnover rate of overseas employees	%	0%		
<b>B2. Health and safety</b>					
<b>B2.1 Number and rate of work-related fatalities in each of the past three years</b>					
Work-related death	Rate of fatalities due to work-related injuries	%	2019	2020	2021
			0%	0%	0%
	Number of fatalities related to work	People	0	0	0
<b>B2.2 Lost days due to work-related injury</b>					
	Lost days due to work-related injury	Day	825.4		
Loss due to work-related injuries	Lost workday incident rate per a million working hours	Case/million hours	0.8		
<b>B3. Development and training</b>					
<b>B3.1 Percentage of trained employees by gender and employee category</b>					
	Ratio of trained employees to total employees	%	91.4%		
Gender	Rate of trained male employees	%	40.8%		
	Rate of trained female employees	%	59.2%		
Employee category	Rate of trained senior managers	%	1.3%		
	Rate of trained middle managers	%	5.7%		
	Rate of trained employees of other ranks	%	93.0%		
<b>B3.2 Number of average training hours completed per employee by gender and employee category</b>					
	Average training hours for all employees	Hours	18.0		
Gender	Average training hours for male employees	Hours	17.3		
	Average training hours for female employees	Hours	18.5		

Indicator		Unit	2021	
Employee category	Average training hours for senior managers	Hours	29.4	
	Average training hours for middle managers	Hours	22.2	
	Average training hours for employees of other ranks	Hours	17.6	
<b>B5. Supply chain management</b>				
<b>B5.1 Number of suppliers by geographical region</b>				
Information about suppliers	Total number of suppliers	Supplier	662	
	Percentage of local suppliers in China	%	>95%	
<b>B6. Product responsibility</b>				
<b>B6.1 Percentage of sold or shipped products subject to recalls for safety and health reasons</b>				
Product recall	Percentage of products recalled	%	0%	
<b>B6.2 Number of products and service related complaints received</b>				
Complaints about products	Number of products and service related complaints	PPM	5.3	
<b>B7. Anti-corruption</b>				
<b>B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period</b>				
Corruption lawsuit	Number of legal cases regarding corruption practices	Case	0	
<b>B7.3 Description of anti-corruption trainings provided for directors and employees</b>				
Anti-corruption training	Number of anti-corruption training sessions	Session	70	
	Number of directors participating in training	Person-time	9	
	Number of employees participating in training	Person-time	62,814	
<b>B8. Community Investment</b>				
<b>B8.2 Resources contributed to the focus area</b>				
Community investment	Amount of contribution for public welfare	RMB'0,000	1,990	
	Hours of contribution for public welfare	Hours	2,057	

### Note

- Total number of employees: The scope of statistics of the total number of employees as well as the genders, age groups and geographical regions is based on the total number of full-time direct employees.
- Annual employee turnover rate: Annual employee turnover rate = Number of resigned employees during the period / ((number of on-the-job employees at the beginning of the period + number of on-the-job employees at the end of the period) / 2) \* 100%. Number of resigned employees: number of persons who have been discharged from employment with the Company due to dismissal, retirement or death.
- Lost workday incident rate per a million working hours: Lost workday incident rate per a million working hours = Number of lost workday incident(s) / actual total working hours of attendance \* 1,000,000.
- Percentage of products recovered: Percentage of products recovered =  $\sum$  (number of units determined to be recovered) /  $\sum$  (number of shipped units) \* 100%.
- Number of products-related complaints: the statistical indicator is the number of units involved in customer complaints per million units =  $\sum$  (number of units involved in consumer complaints + number of units involved in complaints made through channels) /  $\sum$  (number of shipped product units) \* 1,000,000.

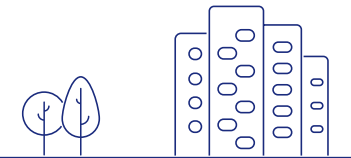
# ESG Index of HKEX

Subject Areas, Aspects, General Disclosures and KPIs		Relevant chapter /section
<b>A: Environmental</b>		
Aspect A1: emissions	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Carefully Protecting Green Ecology
	KPI A1.1 The types of emissions and respective emissions data.	List of ESG KPIs
	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).	List of ESG KPIs
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	List of ESG KPIs
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	List of ESG KPIs
	KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Carefully Protecting Green Ecology
	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.	Carefully Protecting Green Ecology
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Carefully Protecting Green Ecology
	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).	List of ESG KPIs
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	List of ESG KPIs
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Carefully Protecting Green Ecology
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.	Carefully Protecting Green Ecology
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	List of ESG KPIs
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Carefully Protecting Green Ecology
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Carefully Protecting Green Ecology
Aspect A4: Climate change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Carefully Protecting Green Ecology
	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.	Carefully Protecting Green Ecology
<b>B. Social</b>		
Aspect B1: Employment	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Making Best Efforts to Promote Employee Development
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	List of ESG KPIs
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	List of ESG KPIs
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Making Best Efforts to Promote Employee Development
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	List of ESG KPIs
	KPI B2.2 Lost days due to work injury.	List of ESG KPIs
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Making Best Efforts to Promote Employee Development



Subject Areas, Aspects, General Disclosures and KPIs		Relevant chapter /section
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Making Best Efforts to Promote Employee Development
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	List of ESG KPIs
	KPI B3.2 The average training hours completed per employee by gender and employee category	List of ESG KPIs
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Making Best Efforts to Promote Employee Development
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour	Making Best Efforts to Promote Employee Development
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Making Best Efforts to Promote Employee Development
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Promoting Clean Life
	KPI B5.1 Number of suppliers by geographical region.	List of ESG KPIs
	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	Promoting Clean Life Adherence to Compliant Operation in Good Faith
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Promoting Clean Life
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Promoting Clean Life
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Promoting Clean Life
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	List of ESG KPIs
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Promoting Clean Life List of ESG KPIs
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Adherence to Compliant Operation in Good Faith
	KPI B6.4 Description of quality assurance process and recall procedures.	Promoting Clean Life
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Promoting Clean Life
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Adherence to Compliant Operation in Good Faith
	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.	List of ESG KPIs
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Adherence to Compliant Operation in Good Faith
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	List of ESG KPIs
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	Creating an Ideal Society in a Concerted Effort
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Creating an Ideal Society in a Concerted Effort
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	List of ESG KPIs

# Feedback



Dear readers,

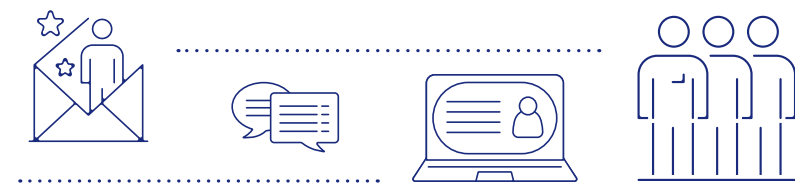
Hello!

Thank you for taking the time to read the 2021 Environmental, Social and Governance Report of Blue Moon Group Holdings Limited. In order to further enhance our environmental, social and governance management quality, we would like to invite you to fill out the readers' questionnaire and send it back to us through the methods listed below. Your comments and suggestions will be highly appreciated and we look forward to your reply.

Contact: Blue Moon ESG management office

Email: [kcxfz@bluemoon.com.cn](mailto:kcxfz@bluemoon.com.cn)

Website: [www.bluemoon.com.cn](http://www.bluemoon.com.cn)



## 1. What is your overall impression of this report:

- Good
- Above average
- Average
- Below Average
- Poor

## 2. What do you think of the accuracy and comprehensiveness of identifying and prioritizing key stakeholders, conducting materiality analysis of key issues relevant to environmental, social and governance in this report?

- Good
- Above average
- Average
- Below Average
- Poor

## 3. What do you think of the ESG information disclosed in this report in terms of comprehensiveness and completeness?

- Good
- Above average
- Average
- Below Average
- Poor

## 4. What do you think of this report in terms of readability?

- Good
- Above average
- Average
- Below Average
- Poor

## 5. You are welcome to make comments and suggestions on Blue Moon's environmental, social and governance management and environmental, social and governance report:

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