



粵海廣南(集團)有限公司

GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock code : 01203)



2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Content

1.	ABOUT THE REPORT	2
1.1	SCOPE OF THE REPORT	2
1.2	REPORTING FRAMEWORK	2
1.3	REPORTING PRINCIPLES	2
2.	ESG GOVERNANCE	3
2.1	COMMUNICATION WITH STAKEHOLDERS	3
2.2	MATERIALITY ASSESSMENT	4
3.	ENVIRONMENTAL PROTECTION	7
3.1	ENVIRONMENTAL TARGETS AND PROGRESS	7
3.2	MANAGEMENT OF EMISSIONS	7
i.	Policies on Management of Emissions	7
ii.	Management of Wastewater	9
iii.	Management of Exhaust Gas and Greenhouse Gases Emission	10
iv.	Management of Disposal of Solid Wastes	11
v.	Management of Noise	12
3.3	MANAGEMENT OF RESOURCES UTILISATION	13
i.	Conservation of Energy	13
ii.	Conservation of Water	14
iii.	Conservation of Other Resources	15
3.4	THE ENVIRONMENT AND NATURAL RESOURCES	16
3.5	DEALING WITH CLIMATE CHANGE	16
4.	EMPLOYMENT AND LABOUR PRACTICES	17
4.1	TALENT SELECTION	17
4.2	LABOUR STANDARDS	18
4.3	COMPENSATION AND WELFARE	18
4.4	DEVELOPMENT AND TRAINING	19
4.5	HEALTH AND SAFETY	21
5.	OPERATING PRACTICES	24
5.1	SUPPLY CHAIN MANAGEMENT	24
5.2	PRODUCT QUALITY AND SAFETY	25
5.3	CUSTOMER SERVICES	27
5.4	BUSINESS ETHICS	27
5.5	ANTI-CORRUPTION	28
6.	COMMUNITY INVESTMENT	29
7.	HONOURS AND CERTIFICATIONS	30
8.	VISION OUTLOOK	31
9.	APPENDIX I: ENVIRONMENTAL PERFORMANCE DATA SUMMARY	32
10.	APPENDIX II: CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE	34

1. About the Report

GDH Guangnan (Holdings) Limited (the “Company”) and its subsidiaries (collectively as the “Group” or “We”) are pleased to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for the period between 1 January 2021 to 31 December 2021 (the “Year” or “2021”). The ESG Report summarises the Group’s effort and achievements in sustainable development over the previous year, as well as the executed ESG strategies, policies, measures and performance.

1.1 SCOPE OF THE REPORT

The Report covers the Group’s (i) manufacturing and sales of tinplate and related products (“tinplating business”) in the People’s Republic of China (the “PRC” or “Mainland”), including GDH Zhongyue (Zhongshan) Tinplate Industrial Co., Ltd. (“GDH Zhongyue”) in Zhongshan City of Guangdong Province and GDH Zhongyue Posco (Qinhuangdao) Tinplate Industrial Co., Ltd. (“GDH Zhongyue Posco”) in Qinhuangdao City of Hebei Province; and (ii) distribution and sales of fresh and live foodstuffs (“fresh and live foodstuffs business”) in Mainland and Hong Kong Special Administrative Region (“Hong Kong”), including the office of GDH Guangnan Hong (Guangdong) Company Limited (“GDH Food”) located in Zhongshan City of Guangdong Province, a slaughterhouse¹ of GDH Food (Foshan) Company Limited (“GDH Food Foshan”) located in Foshan City of Guangdong Province, and two fresh meat processing workshops in Fanling and San Po Kong, a workplace in Sheung Shui Slaughterhouse, two offices in Wai Chai² and a shop in Sha Tin³ of GDH Guangnan Hong Company Limited (“GDH Guangnan Hong”). The Report describes the management’s approaches, policies, measures and performance in environmental and social aspects of the aforementioned two businesses during the Year. The Report does not cover the property leasing business as its revenue only accounts for 7.2% of the Group’s consolidated revenue. Environmental data summary of tinplating business and fresh and live foodstuffs business during the Year is disclosed in Appendix I: Environmental Performance Data Summary of the Report.

1.2 REPORTING FRAMEWORK

The Report was prepared in accordance with the requirement of the ESG Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). As for the disclosure requirements and content of the ESG Reporting Guide, please refer to Appendix II: Content Index of “Environmental, Social and Governance Reporting Guide” of the Report.

1.3 REPORTING PRINCIPLES

Materiality	The Group has developed the content of this report based on the results of stakeholder communication and materiality assessment. Details are set out in 2.1 Communication with Stakeholders and 2.2 Materiality Assessment of this Report. Material ESG issues that are of stakeholders’ concern have been covered in this Report.
Quantitative	Environmental and social key performance indicators have been disclosed in this Report. The criteria, methodology and reference materials used to calculate the key performance indicators are set out in this Report to provide stakeholders with a comprehensive understanding of the Group’s ESG performance.
Consistency	To improve the comparability of ESG performance, the Group uses consistent reporting and calculation methods as far as reasonably practicable, and details significant data changes in the corresponding chapters.

¹ The Group set up a slaughterhouse in Foshan city in January during the Year and has included the performance in the Report. The inclusion of the slaughterhouse in Foshan city in the reporting scope may lead to a considerable change in the KPI as compared to those disclosed in the ESG Report of the preceding reporting period.

² The Group ceased using one of its Wan Chai offices in September and relocated to another office in Wan Chai which was expanded during the Year, the performance of the additional portion has included in the Report.

³ The Group opened a shop in Sha Tin in July during the Year and has included the performance in the Report.

2. ESG Governance

To effectively apply the sustainable development strategies of the Group and bring long-term returns to stakeholders and business development of the Group, the Company's Board of Directors (the "Board") bear the responsibility of ESG management. The Board is responsible for overseeing the drafting and compilation processes of the Report, and reviewing the content of the Report to ensure the quality of the Report. To effectively manage stakeholders' expectations, the Board is responsible for regularly reviewing stakeholder communication channels to ensure the effective communication between the Group and its stakeholders. Meanwhile, the Board will closely track the plans, budgets and expenditures of ESG-related measures and works to monitor the progress of the implementation of ESG-related measures and works.

In order to manage the risks associated with sustainability and ESG matters, the Group has conducted a materiality assessment during the Year to effectively identify potential and significant ESG issues for the business and its stakeholders. The Board is also involved as one of the internal stakeholders in the materiality assessment to advise on the ESG governance of the Group.

During the Year, the Group set ESG-related goals in line with its business and the expectations and requirements of its shareholder. Details are set out in 3.1 Environmental Targets and Progress of this Report. The Board will conduct regular reviews based on the progress towards achieving the goals to continuously improve the environmental performance of the Group.

2.1 COMMUNICATION WITH STAKEHOLDERS

Corporate sustainable development is inseparable from stakeholders' opinions. Therefore, while endeavouring business development, we keep close contact with different stakeholders. We actively communicate with stakeholders to understand their expectations and requirements so as to formulate the best sustainable development policies and carry out appropriate enhancements. Opinions from stakeholders are also beneficial to us in evaluating and identifying ESG-related risks, as well as ensuring the proper and effective operation of related risk management and internal control systems. Below are the expectations and requirements of the stakeholders for us and our corresponding means of communication and response.

Stakeholders	Expectations and Requirements	Means of Communication and Response
Government and Regulators	<ul style="list-style-type: none"> Compliance with national policies, laws and regulations Supporting local economic growth Production safety 	<ul style="list-style-type: none"> Regular information reporting Inspections and examinations
Shareholders/ Investors	<ul style="list-style-type: none"> Returns Compliant operation Raising company value 	<ul style="list-style-type: none"> General meetings Announcements Email, telephone communication and company website
Business Partners/ Suppliers	<ul style="list-style-type: none"> Operating with integrity Performance of contracts Maintaining a stable and good relationship 	<ul style="list-style-type: none"> Business communications Exchanges and discussions Engagement and cooperation
Customers	<ul style="list-style-type: none"> Products and services of high quality Health and safety Performance of contracts Operating with integrity 	<ul style="list-style-type: none"> Customer service centre and hotlines Customer feedback surveys Communicating conference with customers Social media platform Calling for feedback
Environment	<ul style="list-style-type: none"> Compliant emissions 	<ul style="list-style-type: none"> Communicating with local environmental department Submitting reports
Industry	<ul style="list-style-type: none"> Industry standards formulation Driving industry development 	<ul style="list-style-type: none"> Site visits and inspections
Employees	<ul style="list-style-type: none"> Protection of rights Occupational health and safety Remunerations and benefits Career development 	<ul style="list-style-type: none"> Employee communication meetings Employee training Employee activities
Community and the Public	<ul style="list-style-type: none"> Improving community environment 	<ul style="list-style-type: none"> Company website Announcements

2. ESG Governance (continued)

2.2 MATERIALITY ASSESSMENT

The Group identifies ESG-related material topics through a materiality assessment. It is crucial for the Group to ensure that its business objectives and developing directions meet the expectations and requirements of the stakeholders.

The materiality assessment has been conducted based on the following three main phases:

- Identifying potential material topics in respect of the Group's ESG performance that might affect its business or stakeholders according to the Group's industry and business nature;
- Inviting internal and external stakeholders to complete questionnaires to understand stakeholders' concerns on ESG-related topics and their expectations on the Group's responses to and disclosure of ESG issues;
- Prioritising ESG-related topics based on a total of 59 valid questionnaires retrieved to draw a materiality matrix.



2. ESG Governance (continued)

Environment	Labour Practices	Operation Practices	Community Investment
1. Environmental Compliance	16. Employment Compliance	23. Operational Compliance	36. Charity
2. Air Pollutant Management	17. Remuneration and Benefits	24. Managing Environmental Risks of Supply Chain	37. Promotion of Community Development
3. Fleet Emissions Management	18. Working Hours and Rest Period	25. Managing Social Risks of Supply Chain	38. Poverty Alleviation
4. Wastewater Management	19. Diversity and Equal Opportunity	26. Procurement Practices	
5. Noise Management	20. Occupational Health and Safety	27. Quality Management	
6. Greenhouse Gas Emission	21. Training and Development	28. Customer Health and Safety	
7. Waste Management	22. Prevention of Child Labour and Forced Labour	29. Responsible Sales and Marketing	
8. Energy Consumption		30. Customer Service Management	
9. Use of Water Resources		31. Intellectual Property Protection	
10. Green Office		32. Research and Development	
11. Green Energy Project		33. Information Security	
12. Use of Raw Materials and Packaging Materials		34. Customer Privacy Protection	
13. Ecological Protection		35. Anti-corruption	
14. Responding to Climate Change			
15. Prevention and Handling of Environmental Incidents			

2. ESG Governance (continued)

With reference to the above materiality assessment process, the Group has identified seven material ESG topics and is going to respond in corresponding sections.

Material Topics	Corresponding Sections
4. Wastewater Management	3. Environmental Protection 3.2 Management of Emissions
16. Employment Compliance	4. Employment and Labour Practices
17. Remuneration and Benefits	4. Employment and Labour Practices 4.3 Compensation and Welfare
20. Occupational Health and Safety	4. Employment and Labour Practices 4.5 Health and Safety
23. Operational Compliance	5. Operating Practices
27. Quality Management	5. Operating Practices 5.1 Supply Chain Management 5.2 Product Quality and Safety
35. Anti-corruption	5. Operating Practices 5.5 Anti-corruption

3. Environmental Protection

3.1 ENVIRONMENTAL TARGETS AND PROGRESS

During the Year, the Group has set environmental targets at different levels and implemented corresponding environmental measures. The Group will review and improve its environmental policies and measures in an effort to reduce environmental impact and improve resource efficiency, and is committed to continuously monitoring the progress of achieving its goals.

Aspect	Our Targets	Section with Corresponding Measures	
Emissions	Maintain and minimise greenhouse gas emissions whenever possible	3.2	Management of Emissions
Waste	Proper disposal of waste generated during operation to reduce possible environmental pollution	3.2	Management of Emissions
Energy Consumption	Ensure efficient use of energy resources	3.3	Management of Resources Utilisation
Use of Water Resources	Maintain and reduce water consumption whenever possible	3.3	Management of Resources Utilisation

3.2 MANAGEMENT OF EMISSIONS

i. Policies on Management of Emissions

Tinplating Business

The Group follows the environmental strategy of “Win the trust of Society with Clean and Environmental Protection” and implements the goals of “energy conservation, consumption reduction, pollution reduction and efficiency enhancement” in the tinplating business. We strictly abide by the laws and regulations relating to environmental protection, including but not limited to the Environmental Protection Law of the People’s Republic of China and Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, and formulated environmental protection management systems. GDH Zhongyue and GDH Zhongyue Posco have obtained valid pollutant discharge permits in accordance with the requirements in “Measures for Pollutant Discharge Permitting Administration (For Trial Implementation)” and regularly submitted environmental information to relevant environmental protection departments. At the same time, GDH Zhongyue and GDH Zhongyue Posco have established comprehensive environmental management systems and obtained ISO 14001:2015 environmental management system certificates.

With an aim to establish an environmentally friendly culture and integrate environmental protection concepts into daily operations, GDH Zhongyue and GDH Zhongyue Posco have established a dedicated Environmental Protection Management Committee. The Environmental Protection Committee is responsible for organising, supervising and implementing environmental protection work; paying attention to changes and development in environmental protection laws and regulations and to formulate and update internal rules and regulations; strictly implementing relevant environmental protection systems and conducting compliance evaluations to ensure the smooth undertaking of environmental protection. In addition, the factories of tinplating business have placed environmental monitoring points in the plants to monitor the wastewater, exhaust gas and noise in each production workshop and discharge outlet, thereby applying informational management of emissions and establishing environmental information records. Statistical analysis on the data records will be carried out and the analysis results will be used as the basis for future management and staff training. The Environmental Protection Committee shall promote relevant management work to all levels within the tinplating business, so that all employees can collaboratively implement source emission reduction and actively control, reduce and avoid the generation of pollutants.

3. Environmental Protection (continued)

In an attempt to timely and effectively tackle emergent environmental pollution incidents and minimise the impact of the incident on the environment, the Group formulated emergency plans for handling environmental incidents and related hidden danger inspection and treatment in accordance with the Emergency Response Law of the People's Republic of China, Administrative Measures for the Recording of Emergency Preparedness for Environmental Emergencies of Enterprises and Institutions and other relevant laws and regulations. In response to the potential points of possible environmental incidents in various production steps, we have formulated corresponding early warning, treatment, investigation and rectification measures to ensure that emergency work can be started and operated in a rapid, efficient and orderly manner during environmental incidents. To effectively identify and control potential environmental dangers, we have established a Three-Level (company level, department level and team level) Potential Safety Hazard Checking and Control Responsibility System, where the Environmental Protection Committee organises and leads the environmental protection management task force of each plant to carry out the inspection of potential hazards. During the Year, GDH Zhongyue arranged the repairment of the anti-corrosive layer of the wall of the acid wastewater pool to protect the environment. Furthermore, the Group has installed different monitoring equipment to monitor the environmental conditions of the plant and set up anti-leakage pools where hazardous chemicals are stored so as to reduce possible serious pollution, subsequently reducing the risk of environmental emergencies. We have prepared emergency supplies with inspection, protection and communication functions to deal with environmental emergencies. During the Year, the Group held a number of environmental pollution incident drills, including chromium wastewater hexavalent chromium excessive emergency drill, passivated liquid leakage emergency drill, hydrochloric acid leakage emergency drill, hazardous waste leakage emergency drill and liquid waste leakage emergency drill. Such emergency drills aim to equip plant employees with the knowledge and practical experience in handling environmental pollution incidents, minimizing environmental impact.

Employees form an important part of emissions management. To improve environmental management and employees' awareness of environmental responsibility, the Group has a reward and punishment system, which rewards employees who have proposed effective improvements in emissions treatment, and holds and punishes employees accountable for negligent duties to improve employees' enthusiasm for environmental pollution prevention. At the same time, the Group values employees' knowledge of environmental protection. Therefore, during the Year, the Group provided training to factory employees about requirements of environmental protection regulations, identification of environmental factors and investigation of environmental emergency hazards to ensure environmental compliance and to enhance source emission reduction.

During the Year, the Group continued to strictly adhere to the laws and regulations of the Mainland related to tinplating business, and was not informed of any emission-related violations.

Fresh and Live Foodstuffs Business

The Group's fresh and live foodstuffs business, which includes the operation of livestock agency, live pigs distribution and foodstuffs trading in Mainland and Hong Kong. The fresh and live foodstuffs business does not produce emissions that have significant impact on the environment. The Group operates fresh and live foodstuffs business in strict compliance with laws and regulations related to environmental protection, including but not limited to Environmental Protection Law of the People's Republic of China and Waste Disposal Ordinance of Hong Kong. The business also strictly complies with the regulations of the local health department and slaughterhouses, which strictly monitor and require the appropriate treatment of emission under the regulations.

During the Year, the Group continued to strictly abide by the environmental laws and regulations related to fresh and live foodstuffs business in Mainland and Hong Kong, and was not informed of any emission-related violations.

3. Environmental Protection (continued)

ii. Management of Wastewater

Tinplating Business

In addition to complying with the Water Pollution Prevention and Control Law of the People's Republic of China, the Group operates tinplating business in accordance with various national industrial wastewater discharge standards, including, but not limited to the Emission Standard of Pollutants for Electroplating, Integrated Wastewater Discharge Standard, Discharge Standard of Water Pollutants for Iron and Steel Industry and other relevant standards. The Group rigorously implements internal wastewater treatment procedures and sets up appropriate treatment equipment to ensure that discharged industrial wastewater meets the standards. Sewage treatment facilities are installed in the factories of the tinplating business, which treats the industrial wastewater through procedures including chemical neutralisation, hydrolysis and acidification, physical and chemical precipitation, filtration and sterilisation, until it reaches the legal standard before discharging. In the meantime, the sludge generated from sewage treatment is dehydrated and sent to the hazardous waste disposal unit for treatment. For industrial wastewater that requires special treatment, such as concentrated oily wastewater, waste emulsions, waste thinner and other hazardous liquid waste, we carry out part of the processing procedures at the plant's sewage treatment facility and production department to reduce its impact on the environment, after which it is properly stored in a leak-proof container. After completing the declaration of the government discharge information management platform, we will entrust a qualified recycler for subsequent processing.

The Group regularly carries out local government inspections and engages third-party agencies to conduct wastewater inspections to ensure compliant emissions. The Group tests the chemical oxygen demand ("COD") level and pH value of the wastewater produced by the tinplating business on a weekly basis. The Group entrusts a company that holds a local environmental certification on a quarterly basis to conduct wastewater testing, mainly including the pH value, COD, ammonia nitrogen, total amount of phosphorus, nitrogen, chromium, etc. The relevant test results reach the standards required by regulations. The local environmental protection department also monitors the amount of pollutants in sewage in real-time through the online sewage monitoring facility, and carries out irregular discharge inspection of the plant every year to monitor the wastewater discharge of the tinplating business. Furthermore, the Group strictly implements the "Guidelines for Environmental Suspension Operations" at all production workshops and sewage treatment stations to prevent environmental pollution incidents caused by excessive discharge of wastewater due to operational errors or emergencies.

Fresh and Live Foodstuffs Business

The non-hazardous wastewater generated in the operation of the fresh and live foodstuffs business is mainly from the sewage of cleaning the livestock in the slaughterhouse, the cleansing sewage from the fresh meat processing workshops and the fresh meat stalls, and the domestic sewage from the office. The fresh and live foodstuffs business of the Group complies with the regulations including but not limited to Water Pollution Prevention and Control Law of the People's Republic of China and Water Pollution Control Ordinance of Hong Kong. The sewage produced by cleansing piggens and live pigs in the fresh and live foodstuffs business does not contain substances that causes a significant impact on the environment. The slaughterhouse of GDH Food Foshan located in Foshan City is equipped with wastewater treatment facilities and the treated wastewater will be discharged into the municipal sewage system to comply with the standard. All sewage of slaughterhouse in Hong Kong is discharged to sewage canals of each cleansing pen in accordance with the management procedures of the slaughterhouse. The sewage collected by the slaughterhouse will then be reused after filtration and disinfection. Since the slaughterhouse in Hong Kong was sub-leased to other operators at the same time, the water and drainage data records related to our fresh and live foodstuffs business in Hong Kong are not able to be collected, hence the relevant data are not disclosed in the Report. The Group's fresh meat processing workshops are mainly responsible for the meat cutting process, and the wastewater is mainly cleansing sewage, which will be discharged into the municipal sewage system for treatment. Most of our fresh meat stalls in the supermarket are equipped with grease traps, and environmentally friendly detergents are used to clean the grease traps to reduce the environmental pollution caused by the detergents. The domestic sewage generated by the office is discharged to the municipal sewage system through the pipeline of the building for further processing. Besides, the fresh and live foodstuffs business has not produced any hazardous wastewater that has a significant impact on the environment.

3. Environmental Protection (continued)

The Group's hazardous liquid waste and non-hazardous wastewater discharges of the tinplating business as well as fresh and live foodstuffs business are shown in the table below.

Wastewater/Liquid Waste	Unit	2021	2020
Hazardous wastewater			
Total	tonnes	332	607
Intensity	tonnes/million HKD of revenue	0.07	0.24
Non-hazardous wastewater⁴			
Total	tonnes	547,061	376,567
Intensity	tonnes/million HKD of revenue	113.18	149.51

iii. Management of Exhaust Gas and Greenhouse Gases Emission

Tinplating Business

The exhaust gas and greenhouse gas generated by the Group's business are mainly from the production process of tinplate and daily use of vehicles. For exhaust gas produced, the Group complies with laws and regulations, including, but not limited to the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and the requirements of Emission Standard of Pollutants for Electroplating, Emission Standard of Air Pollutants for Industrial Furnace and Kiln, Emission Control Standard of Volatile Organic Compounds for Industrial Enterprises and other relevant industry standards. The Group engages third-party agencies to conduct exhaust gas inspections and strictly implement internal environmental protection management systems and exhaust emission requirements. The Group has set up gas collection hoods in the production workshops to collect exhaust gas, including organic exhaust gas, oil mist exhaust gas and chromic acid mist. We treat the collected exhaust gas, such as lye spray absorption, vacuum oil mist separation, scrubbing and acid regeneration, to ensure that it is emitted at high altitudes in compliance with relevant emission standards. For example, GDH Zhongyue has built a spray tower facility during the Year, aiming to reduce the emission concentration of alkali fumes and achieve relevant emission compliance targets. Personnel from the environmental protection department of the Group is responsible for monitoring the emission of various types of exhaust gas in the plant and installing appropriate exhaust gas treatment facilities at the exhaust outlets to reduce the impact on the environment. The use of hydrogen and nitrogen is required in the production of tinplate. Since the related gases will not be directly burned, no exhaust gas or greenhouse gas that has significant impact on the environment will be produced. During the Year, GDH Zhongyue Posco modified the existing ink metal printing machine using high volatile conventional ink to UV LED metal printing machine using low volatile UV LED ink, effectively reducing the volatile air pollutants generated by the printing process during production.

Driven by our dedication to implementing the source emission reduction policy, we provide employees with the "Guidelines for the Use of Exhaust Gas Treatment Devices" to guide employees in the correct operation of exhaust gas equipment to prevent leakage or excessive emissions of exhaust gas due to operational errors. Through internal management system, and by providing employees with environmental protection-related training, maintenance of production equipment and environmental protection facilities, etc., we are able to manage and reduce the generation and emission of exhaust gas and greenhouse gas. In addition, to reduce exhaust gas emitted from the use of automobiles, the Group encourages employees to use public transportation and the Group's vehicles are required to use unleaded gasoline whenever possible to reduce air pollutants and greenhouse gas emissions.

⁴ The slaughterhouse of the fresh and live food business in Hong Kong was sub-leased to other operators at the same time, the water and drainage data records related to our fresh and live foodstuffs business in Hong Kong are not able to be collected, hence the relevant data are not disclosed in the Report. The Group set up a slaughterhouse in Foshan city in January during the Year, therefore, we began disclosing the amount of non-hazardous wastewater from the fresh and live food business.

3. Environmental Protection (continued)

Fresh and Live Foodstuffs Business

The Group's fresh and live foodstuffs business does not involve the generation of air pollutants that significantly impact the environment. The fresh and live foodstuffs business only produces a small amount of exhaust gas, which resulted from logistics vehicles; and the greenhouse gas mainly comes from electricity use in offices, slaughterhouses and fresh meat processing workshops. To properly manage exhaust emissions from vehicles, we regularly inspect and maintain vehicles, and require drivers to switch off the engines of idling vehicles. Moreover, we encourage employees to use public transportation as much as possible and replace unnecessary business trips with telephone or video conferences, so as to reduce greenhouse gas emissions in daily operations.

The overall exhaust gas and greenhouse gas emissions of the Group in the tinplating business as well as fresh and live foodstuffs business are as follows:

Exhaust Gas and Greenhouse Gases	Unit	2021	2020
Exhaust Gas			
Nitrogen oxides	tonnes	19.69	18.78
Sulphur oxides	tonnes	0.13	0.26
Particulates	tonnes	0.67	0.57
Greenhouse Gases			
Total greenhouse gas emissions	tonnes CO ₂ e	89,643	87,818
Intensity of greenhouse gas emissions	tonnes CO ₂ e/million HKD of revenue	18.55	34.87
Scope 1 – Direct greenhouse gas emissions	tonnes CO ₂ e	11,163	11,248
Scope 2 – Energy indirect greenhouse gas emissions	tonnes CO ₂ e	78,480	76,570

iv. Management of Disposal of Solid Wastes

Tinplating Business

The Group strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, other relevant laws and regulations and local regulations for the storage of solid waste and has formulated internal rules and regulations for waste to classify, manage and monitor waste disposal processes. The waste generated from the production of tinplate can be divided into hazardous waste (such as oily sludge, chromium-containing sludge, waste paint, waste oil residue, etc.), non-recyclable waste (such as domestic garbage, dust, etc.) and recyclable waste (such as waste paper, scrap, iron, packaging waste, etc.). We strictly regulate the treatment and classification of various types of hazardous and non-hazardous waste, and centrally store them for further disposal in accordance with laws and regulations. The Group immediately reports the hazardous waste transfer related to the tinplating business to relevant government departments in accordance with the national requirements for hazardous waste transfer and entrusts a qualified recycling company to dispose of it. The Group regularly sends non-recyclable waste to the local environmental and hygiene department for disposal whereas recyclable waste is sold to recyclers with professional recycling technologies to improve the resource reuse rate and reduce waste.

The Group is committed to reducing the amount of waste through environmental improvement projects. GDH Zhongyue Posco has installed a low temperature sludge dryer. The sludge generated from the surface treatment process at the plant was dehydrated to reduce its amount and the water contained in sludge was effectively reduced from 80% to below 30%. The total amount of sludge was reduced by about 70%, thereby effectively reduce the amount of hazardous waste.

3. Environmental Protection (continued)

Fresh and Live Foodstuffs Business

The non-hazardous waste generated by the Group's fresh and live foodstuffs business is mainly organic waste generated by slaughtering livestock in slaughterhouses and processing fresh meat, and domestic waste from daily operations. We sell organic waste such as lard, pig head, and pig offal to collectors or recyclers to reduce the amount of non-hazardous waste disposal and its impact on the environment as a result thereof. Domestic waste produced from daily operation will be collected and tackled by property management companies. Only a small amount of hazardous waste from the daily office operations, such as replacing ink cartridges, is produced when operating the fresh and live foodstuffs business.

The Group's hazardous and non-hazardous waste generated from tinplating business and fresh and live foodstuffs business are as follows:

Waste	Unit	2021	2020
Hazardous waste			
Total generated	tonnes	1,204	1,002
Intensity	tonnes/million HKD of revenue	0.25	0.40
Non-hazardous waste⁵			
Total generated	tonnes	17,120	13,772
Intensity	tonnes/million HKD of revenue	3.54	5.47

v. Management of Noise

Tinplating Business

The Group strictly abides by relevant laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise and Emission Standard for Industrial Enterprises Noise at Boundary to manage the noise from the tinplating business. Noise is mainly generated during the operation of tinplate production equipment and its auxiliary facilities. The tinplate production plants are in semi-closed style and installed with acoustic doors and windows. The Group has taken various noise reduction measures such as acoustical isolation and noise reduction according to the characteristics of noise from the production equipment. On top of adopting noise reduction design and equipment, the Group has put effort in operation, including requiring employees to follow the management system to operate production equipment, prohibiting unauthorised start up and shut down of the production equipment, regularly repairing and maintaining the production equipment and selecting environmental-friendly and low-noise models when purchasing new equipment, to reduce noise generated during operation. During the Year, the Group commissioned qualified testing companies to conduct quarterly noise tests in the nearby environment and all test results meet emission standards.

Fresh and Live Foodstuffs Business

The noise of the fresh and live foodstuffs business is mainly the noise of livestock in slaughterhouses. Livestock is placed indoors after entering the slaughterhouse to reduce the impact of livestock noise on the surrounding environment. The slaughterhouse of GDH Food Foshan strictly abides by the Emission Standard for Industrial Enterprises Noise at Boundary. It engaged a qualified third-party on a regular basis to conduct noise tests and all test results meet emission standards. We provide earplugs for employees to block the livestock noise to protect employees from occupational injuries.

3. Environmental Protection (continued)

3.3 MANAGEMENT OF RESOURCES UTILISATION

We endeavour to establish the idea of conservation and promote a culture of conservation within the enterprise by implementing various energy-saving and consumption-reducing measures in the process of production and office operations, so as to actively enhance the efficiency of resource use.

i. Conservation of Energy

Direct Energy Consumption

The direct energy consumption of the Group's tinplating business is mainly from the production process, daily office operations and vehicle use, including fuels such as gasoline, diesel, natural gas and ethanol fuel; while the direct energy consumption of the fresh and live foodstuffs business is mainly from vehicle fuel. Compared to tinplating business, the energy consumption ratio of fresh and live foodstuffs business is relatively small. Therefore, other energy-saving systems, apart from fleet management, mainly target at the tinplating business.

The Group actively looks to create a "low-carbon, low-consumption" operating environment. Therefore, it has formulated approaches and management policies on energy use reduction and improvement of energy efficiency and monitors energy use. For example, the Group manages fuel use effectively through centralised procurement of stationary fuels. Drivers are required to plan traveling routes in advance and choose the shortest route before driving the vehicles. The Group also regularly arranges repair and maintenance of vehicles to improve energy efficiency. For the use of natural gas, the equipment maintenance department will regularly check and maintain gas transmission pipelines to avoid gas leakage, which causes waste, safety and environmental problems. For the use of steam, departments that use steam are responsible for inspecting and maintaining steam pipelines and measuring instruments, enduring reasonable use of steam according to the consumption plans, as well as recycling the heat residue and condensed water.

Regarding tinplating business, the Group continues to abide by the Energy Conservation Law of the People's Republic of China and other laws and regulations related to energy conservation. The Group also formulates policies on electricity consumption and energy conservation. GDH Zhongyue and GDH Zhongyue Posco have both established energy management systems and obtained ISO 50001:2018 Energy Management System certifications, which meet international standards. We are actively improving the production efficiency of workshops of the tinplating business by arranging production rationally to reduce electricity consumption. In addition, we adopted an environmentally friendly furnace treatment device in metal printing of the tinplating business. By recycling the heat in the metal printing and burning it with natural gas in the environmentally friendly furnace, we make good use of thermal energy and effectively reduce the use of natural gas and greenhouse gas emissions.

Indirect Energy Consumption

The indirect energy consumption of the Group mainly consists of electricity and steam. Electricity is mainly used for operations of office and tinplating plant, while steam is used for the production process of the tinplating business. To ensure the enhancement of production quality, energy efficiency and environmental protection efficiency, the Group is committed to investing in scientific research and innovating tinplating production technology. When purchasing new equipment, the Group gives priority to equipment with greater energy efficiency or with an energy efficiency label and regularly repairs and maintains production equipment and electrical equipment to reduce wastage of energy. With an aim to effectively control electricity consumption of the tinplating business, we are in line with the national energy saving direction and have also set clear energy-saving targets and indicators for the plants to limit electricity consumption.

3. Environmental Protection (continued)

Energy-saving and consumption reduction are consistently the Group's energy use approaches. Therefore, the Group has implemented energy-saving measures in the offices of fresh and live foodstuffs business and tinplating business, encouraging staff to develop better electricity consumption habits and teaching them about resource conservation techniques. The Group has also incorporated electricity-saving habits into its daily office operations. Energy-saving measures adopted by the Group include regulating the air-conditioning temperature of the office according to seasonal changes and setting the temperature to no less than 26°C. Employees must turn off unused lights, air-conditioners, computers and other electrical equipment after work. Employees are encouraged to use natural light as much as possible during daily operations. Electrical appliances are regularly cleaned and maintained to keep high efficiency.

The overall direct and indirect energy consumptions of the Group's tinplating business and fresh and live foodstuffs business are as follows:

Energy Consumption	Unit	2021	2020
Direct energy consumption			
Natural gas	ten thousand cubic metres	483	493
Diesel	kg	206,707	162,680
Gasoline	kg	24,062	23,902
Ethanol fuel ⁶	kg	5,607	4,312
Indirect energy consumption			
Electricity	MWh	94,421	95,064
Steam	tonnes	72,198	67,081

ii. Conservation of Water

Tinplating Business

The water used by the Group includes tap water and natural water and is mainly used in production processes and daily office operations. In addition to tap water and natural water, the tinplating business also uses tower water, pure water and soft water throughout the electroplating production process. During the Year, we did not encounter any problems in sourcing water. The Group recognises that the use of water is critical in the production and daily needs and pays attention to the use of water resources and established different policies and systems to regulate water consumption in different businesses. As the production of tinplate and other steel products is a water-intensive industry, the Group has implemented water conservation measures at different locations with water consumptions and drainage outlets. Employees at wastewater treatment facilities conduct monthly monitoring, including collecting and analysing the flow rate of the water consumption points at the industrial park, and identifying departments or workshops with larger water consumptions. Targeted corrective plans will be formulated to prevent unnecessary use of water. Appropriate water consumption targets are set according to the operation of each production plant. Clear measures to reduce water consumption, such as reminding employees to tightly turn off the taps to avoid wasting water and formulating a reasonable production plan to prevent idling water valves, are adopted to strive for integrating water conservation into daily work. The equipment maintenance department regularly checks and repairs water-consuming facilities to prevent water leakage.

Due to the production needs of the tinplating business, the Group needs to convert raw water into pure water and soft water through a water production process. Hence, the Group attaches great importance to the reuse of water resources. GDH Zhongyue and GDH Zhongyue Posco have installed wastewater reuse devices to adopt multiple treatments, such as filtering, drug-using, nanofiltration, to the concentrated water produced from the water production process and chromium-containing wastewater produced during the production process, and reuse to the production process, thereby improving water resource utilisation. During the Year, GDH Zhongyue and GDH Zhongyue Posco have reused a total of 170,493 cubic metres of water resources (2020: 201,316 cubic metres) to the production process, which helped reduce the use of raw water. In addition, the Group puts great emphasis on scientific research. Our scientific research department specialises in transforming production equipment, optimising production processes and improving wastewater recycling technology solutions, so as to improve wastewater reuse rate.

⁶ The amount of ethanol fuel used is from GDH Zhongyue Posco.

3. Environmental Protection (continued)

Fresh and Live Foodstuffs Business

The water used by the Group's fresh and live foodstuffs business is from municipal water supply and it is mainly used for cleaning livestock and daily life. The slaughterhouse uses water card, which is a stored-value card, to manage water consumption. Employees must remove the water card immediately after completing their work. We closely monitor water consumption, encourage employees to use water reasonably, and reduce waste. During the Year, the Group did not encounter any problems in sourcing water for our fresh food business.

The overall water consumption of tinplating business and fresh and live foodstuffs business of the Group is as follows:

Water Consumption	Unit	2021	2020
Total	cubic metres	1,250,332	1,120,807
Intensity	cubic metres/million HKD of revenue	258.69	445.00

iii. Conservation of Other Resources

The Group promotes the concept of paperless office and encourages its employees to distribute documents electronically, so as to reduce paper used for photocopying, faxing or printing. To make good use of paper, we encourage employees to use double-sided and format reduced printing, set the printer to duplex printing as the default setting, reuse envelopes and packaging materials, and reduce the font size and line spacing as far as possible. In addition, the Group selects green suppliers to supply environmental-friendly paper and lighter paper. The Group will continue to actively promote the aforesaid measures and continually provide employees with different environmental protection training in order to reduce resource consumption.

The overall paper consumption of tinplating business and fresh and live foodstuffs business of the Group is as follows:

Paper Consumption	Unit	2021	2020
Total	kg	7,894	6,914
Intensity	kg/million HKD of revenue	1.63	2.75

In addition to reducing the use of paper, we have also taken measures to reduce the use of packaging materials. The Group's packaging materials are mainly used for packaging tinplate products and packaging fresh food in supermarkets. Regarding tinplating business, GDH Zhongyue manages the inventory and the usage of packaging materials via an online platform of warehouse management, while GDH Zhongyue Posco has recorded the use of packaging materials to effectively understand the monthly usage and facilitate the calculation of usage density to avoid waste. In the field of fresh and live foodstuffs business, we encourage employees in charge of packaging to reduce the disposal of plastic boxes. If the plastic boxes are not broken, they are cleaned and dried for reuse, so as to minimise the impact on the environment due to disposal as much as possible.

The overall packaging materials used by the Group in the tinplating business and fresh and live foodstuffs business are as follows:

Use of Packaging Material	Unit	2021	2020
Total	tonnes	5,320	5,099
Intensity	tonnes/million HKD of revenue	1.10	2.02

3. Environmental Protection (continued)

3.4 THE ENVIRONMENT AND NATURAL RESOURCES

In view of increasingly stringent environmental protection policies and requirements in the Mainland, the Group has been optimising its internal management systems and enhancing the environmental protection equipment, and carried out various environmental improvement projects to eliminate the environmental impact of the business.

The Group will continue to pay attention to and care for the natural environment, continuously improve the management of emissions and use of resources, and strictly abide by and implement various laws and regulations related to environmental protection. We constantly improve production models and equipment, increase the utilisation rate of various resources, and strive to eliminate all hidden hazards that may cause an adverse impact on the environment, the Group or its stakeholders. In the meantime, we continue to encourage employees to develop good habits of thrift through various policies and training activities. The Group integrates environmental protection work into all operating levels within the Group, passes environmental protection information to all stakeholders, and strives to build a good operating environment of making good use and saving natural resources, and then makes contribution to the sustainable development of the planet and climate change.

3.5 DEALING WITH CLIMATE CHANGE

In recent years, climate change has attracted much attention from the international community, and extreme weather events caused by climate change have also negatively affected enterprises. As a responsible corporate citizen, the Group attaches great importance to climate change-related events. During the Year, the Group carried out climate change risk assessment to identify potential risks and impacts led by climate-related risks. For example, in the face of more stringent environmental requirements, we will need more capital to invest in new low-carbon technologies, and the increased compliance costs associated with higher reporting obligations and the need to implement new practices may also increase our operating costs.

To deal with climate change, in addition to reducing greenhouse gas emissions, the Group has formulated emergency plans for possible extreme weather incidents at different operating locations and makes early preparations to reduce the risk of loss due to extreme weather. For example, in terms of preventing typhoons and floods, we have established emergency plans to prevent typhoons, floods, and natural disasters so as to minimise their impact on business operations. In the emergency plan, we clearly set out the emergency treatment process under different typhoon warning signals, including designating the chief commander, adjusting the duty, arranging the corresponding defense work of various departments, and evacuating employees to safe places, in order to respond effectively and orderly to various possible situations, reduce economic loss and casualty, and minimise the impact of climate change. We have also strengthened our staff's ability to respond to natural disasters through training and emergency drills. For example, during the Year, GDH Zhongyue conducted training on typhoon and flood prevention reaction planning, education on the levels of typhoon and flood disasters, and the corresponding prevention work and safety precautions. We also held emergency drills on typhoon and flood prevention to simulate the corresponding work under different levels of disasters.

4. Employment and Labour Practices

The Group considers employees as its most valuable asset in the process of business development. Support from the employees is also the foundation to the Group's continual success. A comprehensive human resource management mechanism is established. We strive to work under the principle of people-oriented in many aspects such as recruitment and retaining of talents, remuneration of employees, training and development as well as occupational health and safety to push forward the sustainable development of human resources, expanding to the sustainable development of corporate. The Group constantly followed the national and local laws and regulations on employment, health and safety and labour standards, including but not limited to the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Production Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, Employment Ordinance and Occupational Safety and Health Ordinance of Hong Kong. The Group has not been informed of any violations of regulations regarding employment, health and safety and labour standards in the Year. The Group strives to create a harmonious, comfortable and safe working environment with pragmatic, conscientious, united and progressive attitudes. Meanwhile, a fair and just competition mechanism has been established internally to create better promotion opportunities for the employees. With regular training, employees are able to unleash their potential on personal and professional aspects, laying the foundation for their future career development. Embracing the idea of work-life balance, we have organised multiple recreational activities to enrich the lives of employees and to enhance team cohesiveness.

As at the end of the Year, the Group had a total of 1,118 full-time employees. (2020: 1,071) The number of employees and the turnover rate broken down by different categories are as follows:

Number of Employees and Turnover Rate	2021	2020
Total	1,118 (15%)	1,071 (12%)
By Gender		
Male	889 (14%)	853 (12%)
Female	229 (18%)	218 (12%)
By Age Group		
Less than 30 years old	193 (31%)	167 (9%)
30 to 50 years old	729 (9%)	742 (12%)
More than 50 years old	196 (21%)	162 (15%)
By Region		
Mainland China	938 (12%)	881 (11%)
Hong Kong	179 (29%)	190 (17%)
Korea	1 (0%)	0 (0%)

4.1 TALENT SELECTION

The Group believes a sound human resources management is essential to the stable and sustainable corporate development. Based on such idea, we have established a thorough system in the talent selection process, recruiting talents from various channels. We uphold a fair and just principle to provide equal opportunities to existing employees and external candidates. At the same time, appropriate candidates will be selected based on their experience, character, knowledge, abilities and suitability for the job, and their ethnic group, gender, age, nationality, religion, marital status will be disregarded. Apart from the recruitment, we also provide a working environment with equal opportunities, fairness, diversities and anti-discrimination in different employment aspects, including but not limited to promotion, performance appraisal, training, personal development and termination.

4. Employment and Labour Practices (continued)

4.2 LABOUR STANDARDS

The Group cherishes and protects human rights as well as labour rights. Child labour or forced labour is strictly prohibited. We review the identification documents of employees before they commence duty to ensure that they have reached the legal working age, so as to avoid recruiting any child labour by mistake. At commencement of work, employees are required to sign employment contract which explicitly stated out information such as job description, salary, working hours and venue, to prevent any forms of forced labour. In case of misemployment of child labor or forced labor, the Group will immediately stop the work of the relevant personnel, and investigate the incident to prevent any recurrence. Moreover, the working hours of employees are in compliance with relevant local laws and regulations and employees' consent is required upon any arrangements of necessary overtime working. They are compensated in accordance with the laws and regulations to avoid forced overtime working.

During the Year, the Group continued to strictly abide by the laws and regulations related to the prohibition of child labour and forced labour, including but not limited to the Labour Law of the People's Republic of China, Provisions on the Prohibition of Using Child Labour, and the Employment Ordinance and Employment of Children Regulations of Hong Kong. No incident concerning the employment of child labour under the legal working age or forced labour was informed.

4.3 COMPENSATION AND WELFARE

With the aim to attract and retain outstanding talents for ensuring the stability of business operations and meeting the needs of business development, the Group provides employees with competitive remunerations and benefits. We rigorously ensure that our employees' salaries comply with the statutory salary standards of the locations where we operate. We regularly review the salary levels of employees at all levels and understand the salary situation in the industry's labour market, and strive to establish a fair, reasonable and highly competitive salary system. In addition to the salary determined based on factors such as job requirements, knowledge and skills, experience and education, we will also adjust employee compensation in a timely manner based on the results of the business performance and performance evaluation of employees. If overtime working is required, the department which is going to work overtime needs to obtain management approval first. Payment of overtime working will be settled on time as required. After the employee tenders his resignation, we will arrange an interview to understand employees' reasons for departure, thereby improving the operation of the Group, and the outstanding wages will be paid on time.

The Group places great emphasis on protecting the rights of employees, hence the Group strictly abides to relevant laws and regulations at operation locations, and provides all employees with relevant benefits, such as providing high-temperature subsidies, paying social insurance and housing provident funds for employees in the Mainland. Besides, we provide other benefits for employees, including working meals, festive foods, holiday gifts, fruits, etc. In addition to statutory holidays, employees also enjoy paid annual leaves, wedding leave, maternity leave, and compassionate leave. In an attempt to improve team collaboration, working efficiency and team cohesion, and to encourage a culture of work-life balance, we held a number of after-work activities in the Year, such as floral art event, fishing competition and skills competition to enrich employees' working life.

4. Employment and Labour Practices (continued)



Floral art event



Fishing competition

Skills competition

4.4 DEVELOPMENT AND TRAINING

The continuous improvement of employees is the key element to long-term development of the Group. Hence, the Group has initiated a sound, fair and objective performance assessment system to encourage employees to work actively, as well as improve their performance, ability and management skills. Self-assessment and peer-assessment are integrated in the performance assessment of employees. The assessment criteria include employees' capability, attitude, communication skills, and their performance such as code of conduct, discipline as well as honesty and integrity. The management keeps close contact with the employees during the performance assessment for providing recognition for their performance and making suggestions regarding their deficiency. The results of the performance assessment will be used as an important reference for rank evaluation, job rotation, position transfer, promotion and training, etc., as well as linked up with employees' year-end performance salary, so as to motivate employees for continuous improvement. In view of the continuous of COVID-19 pandemic, the Group continued to conduct part of the training in the form of video and webcast conferences during the Year to reduce the transmission risk caused by social gatherings.

4. Employment and Labour Practices (continued)

To align the staff career planning with the long-term corporate development, the Group formulated a training management system to create an excellent, well-trained and responsible team. The human resources department combines the human resource needs of each department to prepare a comprehensive training plan every year to improve employees' knowledge and management skills, enhance employees' ability to perform their duties, improve work performance and increase work efficiency. New employees are required to participate in pre-employment training and pass the assessment before commencement of employment. The training content includes corporate culture, work processes, company organisational structure, management system and five systems (quality, environmental, occupational health and safety, food safety and energy management systems). On-the-job training for employees is conducted in the form of internal and external training, and is implemented at three levels (company level, department level, and team level). In terms of internal training, in addition to the training provided by internal trainers, the Group also has a mentoring policy that senior employees impart their skills and experience to junior employees. After the training is completed, the Group evaluates the implementation and effectiveness of the training by means of examinations, questionnaires and ability tests to further improve the training content. In addition, the Group encourages employees to actively participate in external training. After the employees' voluntary application or the training recommended by the department is approved by the company, the Group will provide subsidies for the training expenses. For example, employees from the finance department of the fresh and live foodstuffs business received a number of external financial and accounting training through subsidies during the Year to enhance their professional competence. Employees can apply to the Group to participate in self-study programs during their employment. Employees who have obtained a diploma, degree certificate or professional qualification certificate are reimbursed a certain percentage of their tuition fees.

During the Year, in addition to pre-employment training for new employees, we have also organised training courses in different areas, such as training related to the Civil Code of the People's Republic of China and sales techniques training and financial accounting training. In accordance with local labour regulations, we have designed special job training programmes, such as forklift operator certification training, for employees who require specialised skills or employees who engaged in on-site management, in order to enhance the knowledge and skills of professionals and ensure that technical personnel are certified.

During the Year, the Group's training situation is as follows:

Average Training Hours ⁷ and Percentage of Employees Trained	2021	2020
Total	22 (97%)	22 (80%)
By Gender		
Male	23 (97%)	24 (87%)
Female	17 (96%)	14 (56%)
By level		
Senior	15 (100%)	8 (44%)
Intermediate	28 (100%)	22 (81%)
Junior	22 (96%)	22 (81%)

⁷ During the Year, the Group reviewed the data collection for the average training hours in 2020 and restated the data.

4. Employment and Labour Practices (continued)

4.5 HEALTH AND SAFETY

The Group considered the health and safety of its employees as its top priority, and adhered firmly to the management direction of “Winning Employees’ Trust by Health and Safety”. At the same time, we adhere to the principle of “people-oriented”, and strengthen the occupational health and safety awareness of “Safety First, Precaution Crucial”. To prevent and avoid employees from occupational hazards and production safety accidents, and to comply with national laws and regulations on production safety including the Production Safety Law of the People’s Republic of China, Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases and Fire Control Law of the People’s Republic of China, etc., we have established a comprehensive set of safety management systems, formulated different rules and regulations for production safety, inspection safety, fire safety, hidden danger management and emergencies, and provided employees with working safety guidelines at the same time to reduce the risks of hidden safety hazards. The Group has clearly defined the safety responsibilities of different positions, including the leadership, management and front-line employees, in the production safety responsibility system. Through clear division of labour in the organisational structure of production safety, the Group effectively implements and carries out the duty for production safety. In addition, GDH Zhongyue and GDH Zhongyue Posco have obtained ISO 45001:2018 Occupational Health and Safety Management System Certifications. During the Year, GDH Zhongyue commissioned a third-party assessment company to conduct annual safety inspection on production equipment and assess the current status of occupational hazards, analysing the safety level of the plants, the implementation of safety regulations and identifying potential safety hazards, so as to maintain a safe workplace.

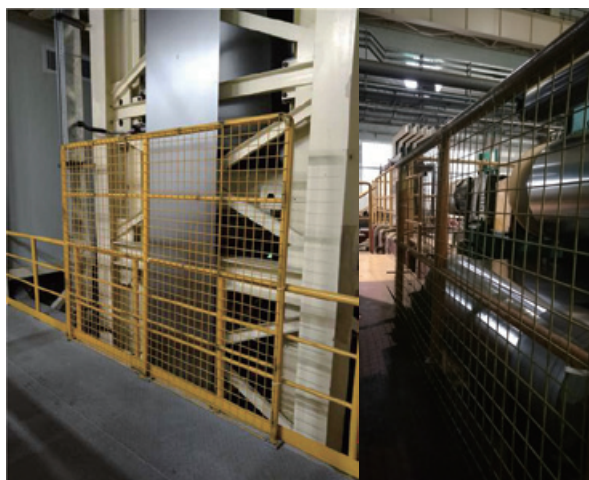
Training is the key to ensure a safe workplace and occupational health. The Group regularly organises production safety education and training for employees. Take tinplating business as an example, new employees must receive training on regulations and systems and a three-level safety training (i.e. three-level refers to department level, team level and production position level), and pass the exam upon the commencement of work. The Group has organised various safety trainings during the Year to ensure all employees receive regular education and training on safety awareness, such as training on occupational health and safety knowledge, training on laws and regulations of production safety, training on safety operation regulations, and training on fire safety, etc., so that the employees can constantly understand production safety approaches and raise the awareness of occupational health and safety and continual improvement. The Group also provides training to employees who are required to carry out high-risk tasks to enhance their safety awareness. For example, during the Year, GDH Zhongyue Posco provided training on radiation-related knowledge, laws and compliance, and management system to the group members of the radiation working group. Furthermore, the Group will take different cases of safety-related incidents as learning content for employees. Through the use of real accidents as case studies, the Group aims to avoid similar accidents.

To ensure the occupational health and safety of the employees, we have established rigorous safety working and fire protection guidelines, and provided employees with personal protective equipment in accordance with national and local standards, such as earplugs, masks, gloves and work uniforms, and reminded and educated employees on the proper wear and use of the equipment to maximise the protection effect. To reduce the number of work-related accidents among employees that are required to use knives in fresh and live foodstuffs business, apart from arranging regular training for them, we also equip them with appropriate personal protective equipment, such as wire gloves and non-slip shoes. In daily operations, designated department will conduct regular safety inspections and maintenance to all environmental protection facilities, production machinery, water supply equipment, fire protection facilities, etc. to ensure that they are in good condition and reduce the risk of safety accidents. At the same time, when employees notice any machine failure, they should report the failure immediately for repair. For example, GDH Zhongyue records every potential safety hazard, the classification of potential hazard and the respective rectification measures to ensure the safety rectification is completely implemented. Employees in special positions must obtain national certificates before commencing their work.

4. Employment and Labour Practices (continued)

Case Study of GDH Zhongyue's Safety Rectification

GDH Zhongyue has formulated corresponding safety operation specifications and listed relevant training requirements for each production location in the factory. In addition to the safety regulations, GDH Zhongyue has also posted safety warning signs at work locations to remind employees and has installed safety protection equipment in processes with high safety risks, such as installing protective grinding racks in the grinding process, so as to reduce employees' risk of injury.



During the Year, the total number of working days lost due to injured employees during work in the Group is 187 days (2020: 339 days), while the number and rate of work-related fatalities in the last three years are as follows:

Occupational Health and Safety	2021	2020	2019
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (%)	0	0	0

4. Employment and Labour Practices (continued)

Responding to the COVID-19 pandemic

COVID-19 pandemic continues to be rampant and the Group attaches great importance to the prevention and control of the pandemic. The Group has actively adhered to national and local disease prevention and control requirements and places the safety and health of employees as its top priority while conducting business in an orderly manner. During the Year, the Group implemented various measures to reduce the risk of disease and protect the safety of its employee. For example, during the Year, the Group developed an emergency response plan for suspected COVID-19 cases and set up an emergency working group to strengthen the emergency response capability and prevent the spread of the virus. At the same time, the Group has formulated an implementation plan for the regular prevention and control of the COVID-19 outbreak to strengthen internal hygiene requirements, including arranging daily body temperature measurements for employees, requiring employees to wear masks in public places, conducting regular cleaning and disinfection of workplaces and stopping non-essential gathering of people. For example, GDH Zhongyue and GDH Zhongyue Posco are equipped with silver ion spray disinfection channels for quick disinfection of employees. To control the risk of infection caused by the movement of people, employees are required to apply for approval before going to work in other provinces and cities, and employees who have visited high-risk areas are required to undergo nucleic acid test and quarantine. In addition, we have reduced face-to-face communication with suppliers and customers.

The fresh and live foodstuffs business includes the importation of cold-chain food and therefore is at risk of novel coronaviruses being introduced with imported goods. In order to address the risks, the Group actively cooperates with the prevention and control requirements of Guangdong Administration for Market Regulation, carries out COVID-19 nucleic acid tests on imported cold-chain meat, and strengthens the disinfection of goods packaging and the surrounding environment. In addition, employees who come into contact with imported cold-chain meat are required by the Group to wear protective gear, including masks, gloves and sterilised work clothes, etc., to ensure their safety.

5. Operating Practices

5.1 SUPPLY CHAIN MANAGEMENT

An exceptional supply chain management is the foundation for a successful enterprise. Therefore, the Group maintains long-term, stable and strategic cooperative relationships with quality suppliers with enormous capabilities to achieve mutually beneficial and win-win situation, so as to achieve the goal of co-development with suppliers. We established a supply chain system with rigorous management procedures and strive to improve product quality by establishing standardised and systematic supply chain management. During the Year, the Group was not informed of any violations related to supply chain management.

The tinplating business has established stringent procedures in the procurement management system, which controls the verification of suppliers and purchased products, evaluates and controls the selection of new suppliers and conducts annual reviews of existing suppliers. For the selection of new suppliers, an evaluation and review mechanism is in place in the tinplating business to ensure the compliance of suppliers and supplies quality. For example, we conduct reviews on new suppliers and verify their basic profile, including conducting on-site assessments when necessary, reviewing management system certifications, product safety certificates, business licenses and other documents to ensure the compliance of the suppliers. The Group notices that the quality of raw materials is crucial to the production of high-quality tinplate and has developed a strict division of labour from signing of contracts to the operation of raw materials testing and supervising, with an aim to ensure that the selected suppliers have relevant qualification, suitable expertise and quality, adoption of advantageous internal management system, stable quality, on-time delivery, legal compliance, etc., as well as ensuring that the suppliers are competitive and provide high-quality goods and services. Meanwhile, we regularly evaluate existing suppliers based on price, quality, delivery and other aspects. Unqualified suppliers will be opt-out to ensure the quality of products and services provided by the suppliers.

During the Year, the Group's tinplating business had a total of 107 major suppliers (2020: 100), divided by region as follows:

Number of Suppliers	2021	2020
South China	39	33
East China	32	31
North China	26	24
Northeast China	3	5
Central China	4	4
Southwest China	1	2
Northwest China	1	0
Overseas	1	1

For the fresh and live foodstuffs business, the Group has established stringent procedures for the procurement process, supplier selection and evaluation. When selecting new suppliers, we give priority to potential suppliers with good reputation and conduct a preliminary review on their capability to maintain quality and safe production. Then, we conduct investigations on supplier candidates' products, production capacity, and the implementation of quality and safety management systems. Also, when necessary, we would request the supplier candidates to provide samples for evaluation and inspection and conduct on-site assessment. Only the suppliers which passed the review process can be introduced to the list of qualified suppliers. To ensure that the quality of meat products is in compliance with the national and local standards, we require suppliers to provide the products' qualified certifications for safety inspection or quarantine on food safety, and hygiene quarantine, quality and would not purchase meat products without qualified certificates. We evaluate existing suppliers every year based on their supply quality, safety, price, delivery and service quality to ensure that the suppliers can supply in a long-term, stable and high-quality manner.

5. Operating Practices (continued)

During the Year, the Group's fresh and live foodstuffs business had a total of 58 major suppliers (2020: 34), divided by region as follows:

Number of Suppliers	2021	2020
South China	41	27
East China	9	3
Central China	4	1
North China	2	0
Overseas	2	3

The Group is concerned about environmental and social risks in its supply chain and regularly reviews its own supply chain in accordance with its supplier management system to identify potential risks. The Group also engages with internal and external stakeholders to understand the environmental and social risks associated with its supply chain. GDH Zhongyue and GDH Zhongyue Posco conduct annual reviews of existing suppliers on their environmental, energy and occupational health and safety system performance. To reduce environmental and social risks in the supply chain, suppliers which violate the requirements of the system will be penalised, while those with major safety or environmental accidents will be eliminated.

The Group integrates the concept of environmental protection into supply chain management and procurement. In the procurement process, the impact of products or raw materials on the environment is considered and the products with less impact on the environment are selected. For example, GDH Zhongyue gives priority to suppliers which provide energy-saving and environment-friendly products. At the same time, the Group has established a warehouse management system to effectively manage and utilise the materials to avoid waste due to products expired.

5.2 PRODUCT QUALITY AND SAFETY

One of the core concepts of the Group is to provide customers with high-quality and safe products. Therefore, we have established comprehensive quality management procedures to ensure product quality and safety.

Regarding the tinplating business, GDH Zhongyue and GDH Zhongyue Posco have both acquired ISO 9001:2015 quality management system certification and ISO 22000:2018 food safety management system certification. In order to provide high-quality and safe products to satisfy the growing and rigorous customers' requirements on product quality, we improve the quality management system and conduct internal reviews regularly on the implementation of the quality management system, ensuring its suitability, adequacy and effectiveness and taking timely measures for improvement. The tinplating business has a sound product quality management system from the formulation of production plans, the occurrence of quality accidents to the handling of quality accidents. This clarifies the responsibilities of each department to reduce the possibility of having quality accidents in the production process. In case a quality accident occurs, we would identify the cause of the accident immediately, determine the level of the accident and take corresponding measures. The tinplating business firmly abides by the "Four Strict Rules" to constantly seek improvements in product quality, including strictly demanding a clear analysis for reasons behind incidents; strictly requiring persons in charge to deal with incidents promptly; strictly reinforcing education to persons and groups responsible for the incidents; and strictly formulating remedial and prevention measures. GDH Zhongyue has also developed a Quality Management Manual, which clearly sets out the requirements and standards for quality testing to improve product quality. Meanwhile, employees of the tinplating business would receive training related to product quality, including training on food safety knowledge, training on product defect identification, training on judging the product standard, etc. in order to enhance the understanding of product quality. Products from the tinplating business are used for food packaging, hence the Group has a product recall control procedure to timely recall products that may pose a hazard to food safety. Each of GDH Zhongyue and GDH Zhongyue Posco has set up a dedicated task force to receive and verify information on products that may potentially pose a threat to food safety and carry out a product recall. After determining the need for product recall, all departments will withdraw and dispose of the product according to the procedures, analyse the cause of the accident, formulate and implement the corresponding improvement measures to avoid the recurrence of similar incidents. To ensure the effectiveness of the recall control procedures, GDH Zhongyue and GDH Zhongyue Posco organise simulation exercises on product recall regularly.

5. Operating Practices (continued)

For the fresh and live foodstuffs business, we have established a strict process on quality control for providing customers with fresh and live foodstuffs of high-quality, safety and up to hygiene standards. We strictly comply with related laws and regulations, including but not limited to the Animal Epidemic Prevention Law of the People's Republic of China, Food Safety Law of the People's Republic of China, Measures for the Supervision and Administration of the Inspection and Quarantine of Imported and Exported Meat Products, Measures for the Administration of Inspection and Quarantine of Live Pigs Supplied to Hong Kong and Macao, Regulation on Hog Slaughter of Mainland, as well as the Public Health and Municipal Services Ordinance, Food Business Regulation, Slaughterhouses Regulation and Prevention of Cruelty to Animals Ordinance of Hong Kong, throughout business operations. The chilled meat we purchased must acquire documentation such as quarantine certificate, disinfection certificate and import trade declaration and we check its shelf life, temperature control during transportation, appearance, and ensure that the packaging is intact during purchase. In addition, quality control of live pigs is an important part of the operation of fresh and live foodstuffs business. Therefore, other than checking whether the supplier holds certificates on hygiene, inspection and quarantine issued by the local government, we also conduct regular inspections and flight inspections (i.e. inspections without prior notice) of the farms from the list of qualified suppliers to ensure that live pigs purchased meet the supply standards of Hong Kong. GDH Food Foshan has formulated the method for the delivery of live pig products, ensuring that only live pigs with immune ear tags and quarantine certificates of origin are accepted in accordance with legal requirements, the requirement for establishing detailed records of their origin and random medical checks are conducted on live pigs, to ensure the quality of pork products. At the same time, according to the Basic Requirements for Animal Hygiene in Live Pig Farms for Hong Kong and Macau and Basic Requirements for Animal Hygiene in Live Poultry Farms for Hong Kong and Macau, we conduct reviews on suppliers and send live pig samples to a third-party testing agency for inspection. We will terminate the contract with suppliers which are associated with the illegal use of drugs, poor sanitation management or unqualified sampling. Furthermore, we conduct verification, quarantine and inspection, including group and individual inspections of live pigs, and sampling of urine for illegal drug tests, to the live pigs on the logistic vehicles to Hong Kong. The Group will reject live pigs that failed in the verification, quarantine and inspection process. GDH Food Foshan has developed a system for the disinfection of live pig slaughterhouses and a disinfection management measures, to regulate the disinfection methods of the slaughterhouses, transport vehicles and staff that come into contact with the products, so as to effectively reduce possible contamination during the slaughtering process and ensure the safety of pork products. In Hong Kong, upon the arrival of live pigs at the slaughterhouse, they will be inspected by the personnel of the Hong Kong Food and Environmental Hygiene Department. Unqualified pigs will be sent to the designated locations for culling. To ensure that food is free from contamination, the utensils and logistic vehicles used to process meat are cleaned and disinfected. Moreover, if any incident of death of live animals is discovered, the employees of Hong Kong must notify the Hong Kong Food and Environmental Hygiene Department immediately for culling, take pictures and records, so as to prevent any situation that could lead to the spread of an epidemic, while the employees in Mainland are required to handle them in strict accordance with the opinion of the veterinary department. In Hong Kong, onsite quality supervisors are appointed by the supermarket to monitor the quality of pork and the operation process in the fresh meat processing workshops. After entering the supermarket, fresh pork will be stored in the fresh-keeping warehouse. We will strictly control the sales time and temperature to ensure the hygienic condition of the process and the quality of pork. The fresh and live foodstuffs business has established a product recall procedure to recall products that may pose a food safety hazard in a timely manner to ensure food safety. For example, GDH Food Foshan has developed a defective product recall method and a pork product quality and safety traceability method to record the production and flow of all pork products, so that when unsafe food is found, the recall can be carried out quickly in accordance with the procedures and reported to the local agricultural authorities. Meanwhile, GDH Food Foshan records every product recall and analyse the causes of food safety problems so as to rectify and prevent the recurrence of related problems.

During the Year, there were no incidents that the Group had to recall products for safety and health reasons.

5. Operating Practices (continued)

5.3 CUSTOMER SERVICES

The Group believes that customer opinions are the foundation for the sustainable development of an enterprise. To continually improve product quality and service quality, we standardise the marketing of the tinplating business to ensure the service quality and business capabilities of marketing employees. Meanwhile, the business team communicates with customers through various ways to proactively understand their needs and resolve issues related to products and services. Through conducting regular customer satisfaction surveys, we collect and analyse customers' opinions on the product quality of tinplate, service quality, delivery timeliness, price-performance ratio, etc. so as to introduce improvement measures to enhance customer satisfaction. The tinplating business also has a customer complaint handling process in place to investigate and handle complaints in a timely manner, aiming to provide customers with satisfactory and high-quality after-sales service. The Group records the product information of defective batches and conducts in-depth analysis of the product quality problems of the relevant batches. If the quality issue is found to have risen from the supplier or the delivery company, we will report to the relevant supplier or delivery company and seek compensation. We will also work out a compensation plan with the customer and take improvement measures to avoid the recurrence of the related quality issues.

Regarding the fresh and live foodstuffs business, when a customer complaint is received, relevant departments of fresh and live foodstuffs business will comprehend the content of the complaint, grasp the situation from the related employees in fresh meat stalls, reply to the customer within 24 hours via supermarkets and take appropriate actions to avoid the same or similar situation from happening, in order to enhance customers' satisfaction. We record relevant complaints in detail for reference in future management.

5.4 BUSINESS ETHICS

The Group is committed to maintaining business ethics in its business operations and strictly abides by national and local laws and regulations related to privacy protection, intellectual property rights and product information, including but not limited to the Trademark Law of the People's Republic of China, Copyright Law of the People's Republic of China, and the Personal Data (Privacy) Ordinance, Copyright Ordinance and Trade Descriptions Ordinance of Hong Kong. Employees are not allowed to disclose business and customer information without permission, and should not disclose the Group's trade secrets to third parties even after the termination of employment. Regarding the tinplating business, employees need to understand, sign and promise to obey privacy rules to keep trade secrets and related information confidential. During the auction of fresh and live foodstuffs, employees must keep the information in the auction confidential, and must not disclose any information that may affect the auction results even after the auction.

In addition, we also emphasise the importance of protecting intellectual property rights and preventing any infringement. For example, both GDH Zhongyue and GDH Zhongyue Posco have listed the norms and regulations of its intellectual property rights in the employee handbook to safeguard and protect the interests of the Group in respect of its business achievements, inventions or research efforts, etc. When a new product or technology is developed, we will register a patent from the local or relevant intellectual property administration to protect our rights and interests. During the Year, GDH Zhongyue and GDH Zhongyue Posco have five patents registered with the China National Intellectual Property Administration. Apart from protecting our own intellectual property rights, we also respect the efforts of others and will not infringe others' intellectual property rights. Furthermore, we are committed to ensuring the information provided during daily operations is clear and accurate. For example, when our employees carry out marketing work of the tinplating business, they are prohibited from making false, misleading or untrue statements about our products, so as to avoid the detriment of our customers.

During the Year, the Group was not informed of any violations related to privacy protection, intellectual property rights, and product information.

5. Operating Practices (continued)

5.5 ANTI-CORRUPTION

Honesty and integrity have always been one of the Group's corporate cultures. Throughout the entire business operations, we uphold the values of integrity, ethics and honesty, and strictly prohibit all forms of bribery. The Group strictly regulates the behaviour of directors, management and employees, and requires all employees to obey national and local laws and regulations on preventing bribery, extortion, fraud and money laundering, including but not limited to the Criminal Law of the People's Republic of China, Anti-Money Laundering Law of the People's Republic of China and the Prevention of Bribery Ordinance of Hong Kong.

Under the premise of ensuring absolute confidentiality, employees can report any illegal acts such as personal gain, bribery, extortion, fraud and money laundering in the course of work through the reporting channels provided by the Group, including mail and email, to create a corruption-free corporate and social environment. The Group has established the guidelines for the management of whistleblowing on integrity practices, and the identity of the whistleblower is kept confidential. The discipline inspection office is responsible for investigating the information reported. If the investigation confirms that corruption may have occurred, the Group will hand over the relevant information and circumstances to the local law enforcement authorities. The employee handbook for the tinplating business clearly states the code of conduct for employees, and prohibits any corrupt practices. Any employee who accepts bribes or embezzles will be dismissed from their employment contract. The tinplating business has signed the honesty and integrity agreement or included the honesty and integrity clause in the contract, of which the probity responsibility and obligation for both parties are clearly listed to follow with the telephone number of complaining and reporting to the Group, with suppliers to protect the benefits of both parties and fight against corruption. In addition, the Group requires the employees to adhere to the principles of honesty, integrity, fairness and impartiality, and to sign an integrity target responsibility statement to implement the Group's integrity requirements. While the auctioneers of Hong Kong are required to conduct electronic auctions to avoid any bribery. In the annual performance assessment, we evaluate the honesty and integrity of employees. For employees who violate our code, we will penalise them with severe disciplinary action or direct dismissal. During the Year, the Group organised various types of anti-corruption trainings, such as training on integrity risk management was provided to the employees of GDH Zhongyue's procurement department and the Independent Commission Against Corruption (ICAC) was invited by GDH Guangnan Hong to conduct a seminar for 25 managers and employees. The content of the seminar covers common corruption risks, relevant laws and regulations, and corruption cases, so as to enhance employees' awareness of corruption risks and corruption prevention. In addition, the Group also issued an integrity festive notice to its employees before the festive to enhance their awareness and prevent corruption during the festive period.

During the Year, the Group was not informed of any litigation of corruption involving the Group or its employees, or the involvement in or occurrence of any violations related to anti-corruption.

6. Community Investment

The Group has always adhered to fulfilling its corporate social responsibility and spared no effort in contributing to society while continuously developing its own business. We believe that everyone is accountable to oneself, their family, their employer and the society. We also encourage employees to show their love and care for the vulnerable and disadvantaged through donations and volunteer work.

During the Year, GDH Zhongyue participated in the 2021 Charity Walk in Zhongshan Torch Hi-tech Industrial Development Zone and donated RMB30,000 to the Red Cross of Zhongshan Torch Hi-tech Industrial Development Zone to support charity work and promote community development.



The Group also organised a number of volunteer services, for example, the employees of GDH Food Foshan twice assisted the Shishan community in carrying out vaccination work, including temperature measurements, health code checking and information registration for residents waiting for vaccination, as a voluntary campaign to protect the health of the public.



As a socially responsible enterprise, we also actively show solicitude for the disadvantaged groups apart from operating a business and paying taxes. We are committed to enhancing the diversity and equal opportunities of the work environment and continued to provide employment opportunities to people with disabilities during the Year. We have always maintained a good production and operation model, actively promoted the concept of green and environmental protection and created a good development order. We have made certain contributions to maintain social stability and build a harmonious community.

7. Honours and Certifications

The major awards and certifications obtained by the Group during the Year are as follows:

GDH Zhongyue:

- ISO 14001:2015 Environmental Management System Certification
- ISO 50001:2018 Energy Management System Certification
- ISO 9001:2015 Quality Management System Certification
- ISO 22000:2018 Food Safety Management System Certification
- ISO 45001:2018 Occupational Health and Safety Management System Certification
- Contract Honouring and Creditworthy Enterprise in Guangdong Province
- Environmental Integrity Enterprise
- Standardised Occupational Safety and Health Enterprise

GDH Zhongyue Posco:

- ISO 14001:2015 Environmental Management System Certification
- ISO 50001:2018 Energy Management System Certification
- ISO 9001:2015 Quality Management System Certification
- ISO 22000:2018 Food Safety Management System Certification
- ISO 45001:2018 Occupational Health and Safety Management System Certification
- Qinhuangdao Federation of Trade Unions Safe Enterprise
- Enterprise with Good Ecological and Environmental Trustworthiness in Hebei Province

8. Vision Outlook

As a good corporate citizen, the Group firmly believes that striking a balance between corporate development and social responsibility is the key to its leading position in the industry. In the future, we will continue to pay attention to environmental protection, employees' development, product quality and customer service, as well as contribution to the community. We will monitor the performance of the above aspects, which lays a solid foundation for our sustainable development.

In terms of environmental protection, the Group will continue to comply with the more rigorous national and regional environmental laws, regulations and the direction on environmental policies, while investing resources to optimise the treatment of exhaust gas, wastewater, solid waste and other facilities and to reduce the adverse environmental impact of business operations, to maintain energy-saving works and to improve energy efficiency. In terms of employees' development, we have kept the promise of satisfying employees and production safety, provided employees with a safe and high-quality working environment, and hired more technical and managerial talents with a competitive salary mechanism. In terms of product quality and customer service, we will continue to invest resources to maintain and improve product quality in order to provide customers with quality products and services. In terms of community contribution, we will adhere to the original intention to bear social responsibility, actively participate in public welfare undertakings, and strive to promote the sustainable development of the community.

The Group aims to become a respected enterprise and hopes to improve business performance through the implementation of sustainable development strategies, while contributing to environmental protection and social development to create long-term value for enterprises and stakeholders.

9. Appendix I: Environmental Performance Data Summary

		Tinplating Business		Fresh and Live Foodstuffs Business		Total	
Unit		2021	2020	2021	2020	2021	2020
Greenhouse Gas⁸							
Scope 1⁹							
Total	tonnes CO ₂ e	10,516	10,750	647	498	11,163	11,248
Intensity ¹⁰	–	32.88	33.37	27.43	112.40	2.31	4.47
Scope 2¹¹							
Total	tonnes CO ₂ e	76,816	76,470	1,664	100	78,480	76,570
Intensity ¹⁰	–	240.15	237.37	70.58	22.64	16.24	30.40
Exhaust Gas¹²							
Nitrogen oxides	tonnes	14.46	14.82	5.23	3.96	19.69	18.78
Sulphur oxides	tonnes	0.13	0.26	0.00	0.00	0.13	0.26
Particulates	tonnes	0.29	0.28	0.38	0.29	0.67	0.57
Wastewater/Liquid Water							
Hazardous wastewater							
Total	tonnes	332	607	N/A	N/A	332	607
Intensity ¹⁰	–	1.04	1.89	N/A	N/A	0.07	0.24
Non-hazardous wastewater							
Total	tonnes	370,707	376,567	176,354	N/A	547,061	376,567
Intensity ¹⁰	–	1,158.95	1,168.90	7,481.24	N/A	113.18	149.51
Waste							
Hazardous waste							
Total	tonnes	1,204	1,002	0.10	0.10	1,204	1,002
Intensity ¹⁰	–	3.76	3.11	0.004	0.02	0.25	0.40
Non-hazardous waste							
Total	tonnes	16,617	13,574	503	198	17,120	13,772
Intensity ¹⁰	–	51.95	42.14	21.33	44.75	3.54	5.47

⁸ The calculation of greenhouse gas emissions is based on Appendix 2 “Reporting Guidance on Environmental KPIs” provided by the Stock Exchange of Hong Kong (“Appendix 2”) and the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” provided by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong. The Group greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide. For ease of reading and understanding, the greenhouse gas emissions data is presented in tonnes of carbon dioxide equivalent (“tonnes CO₂e”).

⁹ Scope 1 refers to the direct greenhouse gas emissions of the Group’s business, including the combustion of diesel, gasoline, ethanol fuel and natural gas. The emission factors used are from Appendix 2, the “Guidelines on Greenhouse Gas Emission Accounting and Reporting” provided by the National Development and Reform Commission of the PRC (“NDRC”) and the “Guidelines for National Greenhouse Gas Inventories” provided by the Intergovernmental Panel on Climate Change (“IPCC”).

¹⁰ The intensities of the tinplating business, fresh and live foodstuffs business and the total are calculated by the production volume in thousand tonnes, the sales volume in thousand tonnes and million HKD of revenue, respectively.

¹¹ Scope 2 refers to the indirect greenhouse gas emissions of the Group’s business, including the consumption of purchased electricity and steam. The emission factors used are from the “Average Carbon Dioxide Emission Factor of China Regional Power Grid” and the “Guidelines on Greenhouse Gas Emission Accounting and Reporting” provided by the NDRC, the emission factor provided by The HongKong Electric Co., Limited and the emission factor provided by CLP Holdings Limited.

¹² The emission factors used are from the “Air Pollutant Emission Inventory Guidebook” provided by the European Monitoring and Evaluation Programme (“EMEP”) and European Economic Area (“EEA”), the “Feasibility Study Report on the Replacement of Coal fired Boilers by Ethanol Fuel Boilers” provided by the Beijing Aerospace Propulsion Institute, Appendix 2 and the “Guidelines on Greenhouse Gas Emission Accounting and Reporting” provided by the NDRC.

9. Appendix I: Environmental Performance Data Summary (continued)

		Tinplating Business		Fresh and Live Foodstuffs Business		Total	
Unit		2021	2020	2021	2020	2021	2020
Energy Consumption							
Direct energy consumption¹³							
Natural gas							
Total	ten thousand cubic metres	483	493	N/A	N/A	483	493
Intensity ¹⁰	–	1.51	1.53	N/A	N/A	0.10	0.20
Diesel							
Total	kg	3,967	4,438	202,740	158,242	206,707	162,680
Intensity ¹⁰	–	12.40	13.78	8,600.58	35,737.75	42.77	64.59
Gasoline							
Total	kg	20,464	23,146	3,598	756	24,062	23,902
Intensity ¹⁰	–	63.98	71.85	152.64	170.80	4.98	9.49
Ethanol fuel							
Total	kg	5,607	4,312	N/A	N/A	5,607	4,312
Intensity ¹⁰	–	17.53	13.38	N/A	N/A	1.16	1.71
Indirect energy consumption							
Electricity							
Total	MWh	91,244	94,890	3,177	174	94,421	95,064
Intensity ¹⁰	–	285.26	294.55	134.76	39.34	19.54	37.74
Steam							
Total	tonnes	72,198	67,081	N/A	N/A	72,198	67,081
Intensity ¹⁰	–	225.71	208.22	N/A	N/A	14.94	26.63
Water Consumption							
Total	cubic metres	938,446	1,117,891	311,886	2,916	1,250,332	1,120,807
Intensity ¹⁰	–	2,933.88	3,470.03	13,230.76	658.60	258.69	445.00
Use of Packaging Material							
Total	tonnes	5,262	5,053	58	46	5,320	5,099
Intensity ¹⁰	–	16.45	15.69	2.46	10.34	1.10	2.02
Paper Consumption							
Total	kg	2,810	3,791	5,084	3,123	7,894	6,914
Intensity ¹⁰	–	8.78	11.77	215.66	705.39	1.63	2.75

¹³ Direct energy consumption includes stationary fuel consumption for production, canteens and heating, and vehicle fuel consumption, including the consumption of diesel, gasoline, natural gas and ethanol fuel. The conversion factors for diesel, gasoline and ethanol fuel are from the national standard "Automobile Diesel Fuels" (GB19147-2016), "Gasoline for Motor Vehicles" (GB17930-2016) and "Alcohol Base Liquid Fuel" (GB16663-1996) issued by the State General Administration of the PRC for Quality Supervision and Inspection and Quarantine and the Standardization Administration of the PRC.

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide

ESG Indicators	Reporting Guideline	Page
A. Environmental		
Aspect A1	Emissions	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7-12
Key performance indicator A1.1	The types of emissions and respective emissions data.	7-10
Key performance indicator A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10-11
Key performance indicator A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	11-12
Key performance indicator A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	11-12
Key performance indicator A1.5	Description of emissions target(s) set and steps taken to achieve them.	7-11
Key performance indicator 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.	7, 11-12
Aspect A2	Use of Resources	
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	13-15
Key performance indicator A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility)	13-14
Key performance indicator A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	14-15
Key performance indicator A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7, 13-14
Key performance indicator A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7, 14-15
Key performance indicator A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	15
Aspect A3	The Environment and Natural Resources	
General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	16
Key performance indicator A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	16

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide (continued)

ESG Indicators	Reporting Guideline	Page
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.	16
Key performance indicator 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.	16
B. Social		
Aspect B1	Employment and Labour Practices	
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.	17-19
Key performance indicator B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	17
Key performance indicator B1.2	Employee turnover rate by gender, age group and geographical region.	17
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	21-23
Key performance indicator B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	21-23
Key performance indicator B2.2	Lost days due to work injury.	21-23
Key performance indicator B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	21-23
Aspect B3	Development and Training	
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	19-20
Key performance indicator B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	19-20
Key performance indicator B3.2	The average training hours completed per employee by gender and employee category.	19-20

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide (continued)

ESG Indicators	Reporting Guideline	Page
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.	18
Key performance indicator B4.1	Description of measures to review employment practices to avoid child and forced labour.	18
Key performance indicator B4.2	Description of steps taken to eliminate such practices when discovered.	18
Aspect B5	Supply Chain Management	
General disclosure	Policies on managing environmental and social risks of the supply chain.	24-25
Key performance indicator B5.1	Number of suppliers by geographical region.	24-25
Key performance indicator 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.	24-25
Key performance indicator B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	24-25
Key performance indicator B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	24-25
Aspect B6	Product Responsibility	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	25-27
Key performance indicator B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	25-26
Key performance indicator B6.2	Number of products and service related complaints received and how they are dealt with.	27
Key performance indicator B6.3	Description of practices relating to observing and protecting intellectual property rights.	27
Key performance indicator B6.4	Description of quality assurance process and recall procedures.	25-26
Key performance indicator B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	27

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide (continued)

ESG Indicators	Reporting Guideline	Page
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.	28
Key performance indicator 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.	28
Key performance indicator B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	28
Key performance indicator B7.3	Description of anti-corruption training provided to directors and staff.	28
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.	29
Key performance indicator B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	29
Key performance indicator B8.2	Resources contributed (e.g. money or time) to the focus area.	29