



CHINA HUAJUN GROUP LIMITED

中國華君集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT

2021



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The board (the “Board”) of directors (the “Director(s)”) of China Huajun Group Limited (the “Company”) is pleased to present the Environmental, Social and Governance (“ESG”) Report (this “Report”) of the Company and its subsidiaries (collectively referred to as the “Huajun”, the “Group” or “us”). This Report mainly introduces our management policies, strategies and achievements in environmental, social and governance and aims at strengthening our communication and relationship with stakeholders.

This Report covers our ESG performance for the year ended 31 December 2021 (the “Current Year”). The reporting scope for the Current Year focuses on the ESG performance of printing business, solar photovoltaic business, and energy business. Our trading and logistics, financial services business, property development and investment business did not contribute significantly to environmental impact, and so these activities are excluded from this Report.

In preparation of this Report, we have adhered to the ESG Reporting Guide (the “Guide”) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) to disclose our ESG performance in material and related aspects of the Guide during the Current Year. The following reporting principles served as the foundation in preparation of this Report.

Materiality	Quantitative
Following an ESG stakeholder engagement exercise and a materiality assessment, this Report is structured based on the materiality of ESG issues of the Group. The Board and management review these sustainability issues annually to ensure that stakeholder’s opinions are reflected. The results of the materiality assessment process is set out in the section headed ‘Materiality Assessment’ in this Report.	This Report discloses relevant ESG key performance indicators (“KPIs”) and quantitative information of the printing business, solar photovoltaic business and energy business. Quantitative information is further accompanied by descriptions where appropriate.
Consistency	
This Report follows methodologies that are consistent with previous years, which allows for meaningful comparison of ESG data over time. There was no significant change with the reporting scope of this Report.	

We value any comments you may have on our ESG performance. If you have any comments or suggestions on this Report and our ESG performance, please email to ir@chinahuajungroup.com.

This report is available on the websites of the Company (<http://www.chinahuajungroup.com>) and Hong Kong Exchanges and Clearing Limited (“HKEx”) (<http://www.hkex.com.hk>).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STATEMENT FROM THE BOARD

With the development strategy of health and green, diversified group companies that focus on health, printing, equipment, energy, department stores, finance, and real estate, have developed a diversified integrated enterprise business model. The business links are interlinked, reflecting the rich group resources and financial strength, and at the same time giving full play to the synergies to enhance the overall operating efficiency, and guided by national policies, prospectively review and plan for future development, solidify its existing business. At the same time, it will also actively identify merger and acquisition opportunities and seize opportunities for economic development in China and the world. As its business evolves, the Group will continue to create value to its stakeholders as well as strive to uphold its unique strengths and features.

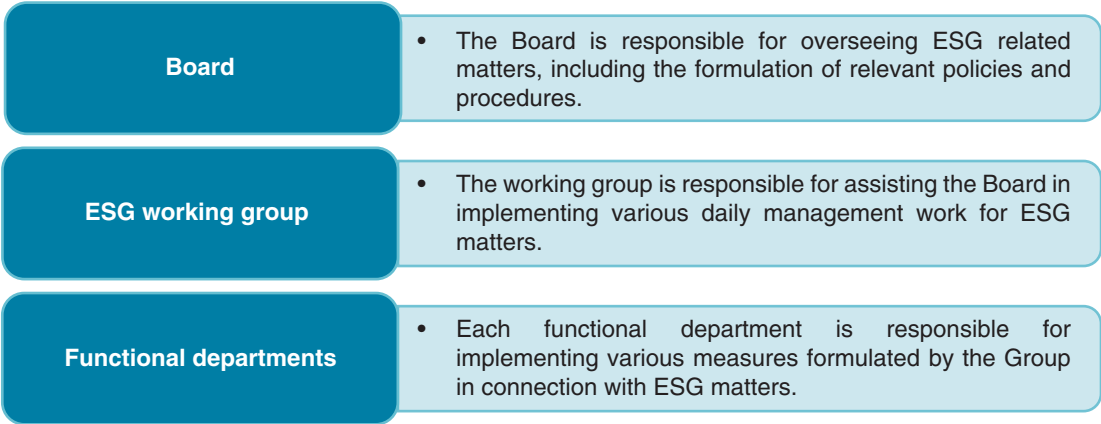
Mission and Objectives
Take people's livelihood and green as strategy development
Take business diversification as the core of group company

It has long been a commitment of the Group to creating economic, social, and environmental value for all stakeholders, including shareholders, employees, customers, etc. An environmental, social, and governance structure was established by the Group to enhance its efforts. The Board is responsible for overseeing the Group's ESG vision, objectives and strategies for the short, medium and long terms. As well as identifying material ESG issues for the Group, the Board also assesses, prioritizes and manages these issues, and considers relevant ESG risks and opportunities.

In order to effectively manage environmental, social, and governance matters, the Group has established an environmental, social, and governance working group to assist the Board in overseeing and promoting the implementation of various ESG strategies. The working group assists the Board in identifying and prioritizing important issues, reporting regularly to the Board about the Group's performance related to environmental and social key performance indicators, as well as preparing an annual ESG report.

To create long-term value for all stakeholders, the Board will continue reviewing and improving sustainable development efforts and performance in the years to come.

GOVERNANCE STRUCTURE



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STAKEHOLDERS ENGAGEMENT

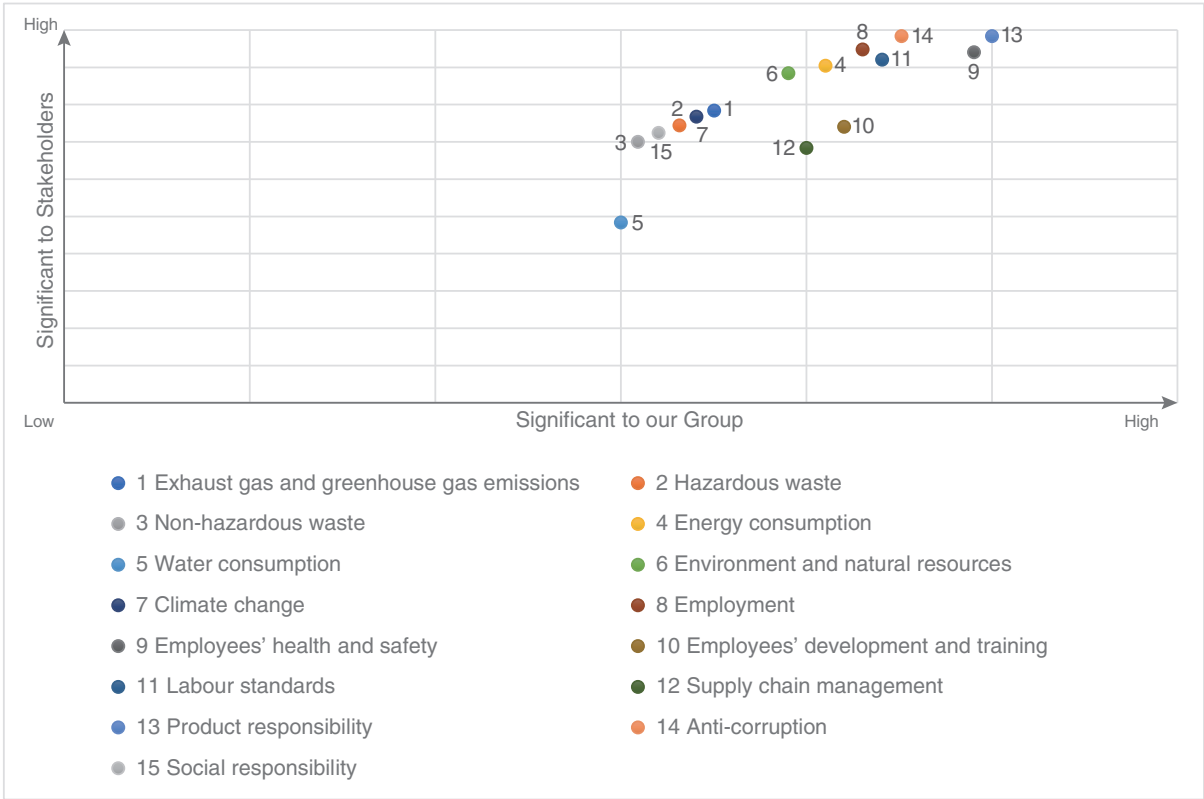
Understanding the views and concerns of stakeholders is crucial to our sustainable development. Our major stakeholders include customers, suppliers, employees, shareholders, regulatory authorities and the public. We have always maintained a close relationship with our stakeholders and are committed to balancing the opinions and interests of our stakeholders to determine our long-term sustainability direction. In preparation of this Report, we actively gathered the advice of our key stakeholders and understood their recommendations on the sustainability performance and direction of the Group. The information collected will be an important basis for the framework of this Report.

Stakeholders	Communication channels
Customers	<ul style="list-style-type: none">• Interviews• Visits• Social platforms (such as WeChat Official Account)• Meetings• Email
Employees	<ul style="list-style-type: none">• Meetings• Interviews• Trainings• Discussion sessions
Shareholders	<ul style="list-style-type: none">• General meetings• Telephone conversation• Financial reports• Company's website• Announcements
Suppliers	<ul style="list-style-type: none">• Conversation• Email• On-site inspection
Regulatory authorities	<ul style="list-style-type: none">• Conversation• Email• On-site inspection
The public	<ul style="list-style-type: none">• Social platforms (such as WeChat Official Account)• Company's website• Interviews• Sharing sessions

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MATERIALITY ASSESSMENT

To ensure this report has adequately addressed and responded to the major concerns of stakeholders, in addition to regular contacts with them, the Group has made reference to certain information such as the matters covered in environmental, social and governance report of the previous year, internal policies of the Company, industry trends and the Materiality Map introduced by the Sustainability Accounting Standards Board, to identify issues that have potential and practical impact on the sustainable development of the Group. The Group has analysed and prioritised the environmental, social and governance issues based on certain factors such as its strategies, development and objectives, and the results are as follows:



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SUSTAINABILITY PERFORMANCE SUMMARY

The following table summarises our sustainability performance during the Current Year.¹

	Printing business		Solar photovoltaic business		Energy business		Total	
Air emissions								
Nitrogen Oxides (NOx)	168,815.66	g	–	g	238,217.43	g	407,033.09	g
Sulphur Oxides (SOx)	553.50	g	–	g	572.20	g	1,125.70	g
Particulate Matter (PM)	16,295.47	g	–	g	17,437.82	g	33,733.29	g
Greenhouse gases								
Total greenhouse gas emissions	14,605.72	tonnes	8,860.04	tonnes	247.42	tonnes	23,713.18	tonnes
Direct emissions (Scope 1)	751.70	tonnes	–	tonnes	100.09	tonnes	851.79	tonnes
Indirect emissions (Scope 2)	13,856.02	tonnes	8,865.26	tonnes	150.78	tonnes	22,872.06	tonnes
Greenhouse gases removal (Tree Planting) (Scope 1)	2.00	tonnes	5.22	tonnes	3.45	tonnes	10.67	tonnes
Greenhouse gas emissions intensity	1.07	tonnes/tonnes of production volume	27.61	tonnes/MW	72.48	kg/tonnes of production volume		
Hazardous waste								
Total hazardous waste produced	119.04	tonnes	–	tonnes	–	tonnes	119.04	tonnes
Hazardous waste produced intensity	8.70	kg/tonnes of production volume	–	kg/MW	–	kg/tonnes of production volume		
Non-hazardous waste								
Total non-hazardous waste produced	6,059.85	tonnes	26.83	tonnes	7.22	tonnes	6,093.90	tonnes
Non-hazardous waste produced intensity	0.44	tonnes/tonnes of production volume	0.08	tonnes/MW	2.09	kg/tonnes of production volume		
Energy consumption								
Total energy consumption	19,203.97	MWh	12,870.79	MWh	581.11	MWh	32,655.87	MWh
Energy consumption intensity	1.40	MWh/tonnes of production volume	40.11	MWh/MW	0.17	MWh/tonnes of production volume		
Water consumption								
Total water consumption	190,230.00	m ³	55,315.00	m ³	9,248.00	m ³	254,793.00	m ³
Water consumption intensity	13.90	m ³ /tonnes of production volume	172.36	m ³ /MW	2.67	m ³ /tonnes of production volume		
Packaging material								
Total packaging material	3,721.64	tonnes	283.37	tonnes	–	tonnes	4,005.01	tonnes
Packaging material intensity	0.27	tonnes/tonnes of production volume	0.88	tonnes/MW	–	tonnes/tonnes of production volume		
Employment								
Total employees (As at 31 December 2021)	1,176	persons	432	persons	83	persons	1,691	persons
By gender								
Male	588	persons	285	persons	51	persons	924	persons
Female	588	persons	147	persons	32	persons	767	persons
By age group								
<25	61	persons	114	persons	2	persons	177	persons
25-29	72	persons	161	persons	5	persons	238	persons
30-39	267	persons	92	persons	34	persons	393	persons
40-49	526	persons	52	persons	26	persons	604	persons
>50	250	persons	13	persons	16	persons	279	persons
By employment type								
Junior staff	1,049	persons	421	persons	61	persons	1,531	persons
Senior staff	114	persons	9	persons	16	persons	139	persons
Management	13	persons	2	persons	6	persons	21	persons
By geographical region								
Hong Kong	12	persons	–	persons	3	persons	15	persons
PRC	1,164	persons	432	persons	80	persons	1,676	persons

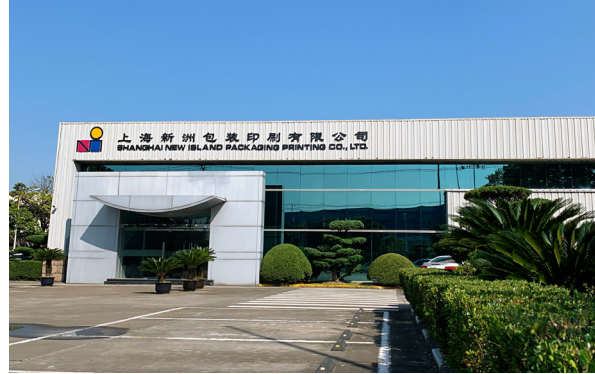
¹ The annual production volume of printing business is calculated based on the weight of finished products in tonnes, the annual production volume of photovoltaic business is calculated based on solar module production capacity in megawatt (MW), and the annual production volume of energy business is calculated based on the weight of goods delivered in tonnes.

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	Printing business		Solar photovoltaic business		Energy business		Total	
Turnover rate								
Total turnover rate	84.69	%	77.31	%	16.87	%	79.48	%
By gender								
Male	120.24	%	69.47	%	5.88	%	98.27	%
Female	49.15	%	92.52	%	34.38	%	56.84	%
By age group								
<25	309.84	%	167.54	%	50.00	%	215.25	%
25-29	208.33	%	65.84	%	60.00	%	108.82	%
30-39	120.97	%	36.96	%	5.88	%	91.35	%
40-49	35.17	%	3.85	%	–	%	30.96	%
>50	59.60	%	7.69	%	50.00	%	56.63	%
By geographical region								
Hong Kong	25.00	%	–	%	33.33	%	26.67	%
PRC	85.31	%	77.31	%	16.25	%	79.95	%
Health and safety								
Deaths due to work	–	persons	–	persons	–	persons	–	persons
Number of work injury cases	14	cases	–	cases	–	cases	14	cases
Lost days due to work injury	161.80	days	–	days	–	days	161.80	days
Employee training								
Employees participated in training								
By gender								
Male	575	persons	255	persons	28	persons	858	persons
Female	601	persons	143	persons	26	persons	770	persons
By employment type								
Junior staff	1,056	persons	387	persons	35	persons	1,478	persons
Senior staff	107	persons	9	persons	13	persons	129	persons
Management	13	persons	2	persons	6	persons	21	persons
Average training hours								
Employees participated in training	3.70	hours/employees	24.00	hours/employees	4.37	hours/employees	8.69	hours/employees
By gender								
Male	4.19	hours/employees	21.47	hours/employees	1.47	hours/employees	9.37	hours/employees
Female	3.22	hours/employees	23.35	hours/employees	5.03	hours/employees	7.15	hours/employees
By employment type								
Junior staff	3.86	hours/employees	22.06	hours/employees	2.69	hours/employees	8.82	hours/employees
Senior staff	2.14	hours/employees	24.00	hours/employees	4.00	hours/employees	3.77	hours/employees
Management	4.46	hours/employees	24.00	hours/employees	1.33	hours/employees	5.43	hours/employees
Employees trained								
By gender								
Male	48.89	%	64.07	%	51.85	%	52.70	%
Female	51.11	%	35.93	%	48.15	%	47.30	%
By employment type								
Junior staff	89.80	%	97.24	%	64.82	%	90.79	%
Senior staff	9.10	%	2.26	%	24.07	%	7.92	%
Management	1.10	%	0.50	%	11.11	%	1.29	%
Supply Chain Management								
Number of suppliers								
Hong Kong	36		–		–		36	
PRC	475		10		26		511	
Others	3		–		1		4	

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PRINTING BUSINESS



We have established an environmental management mechanism in accordance with the “Environmental Protection Law of the People’s Republic of China,” the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” and the “Law of the People’s Republic of China on Conserving Energy,” aiming to:

- comply with national and local environmental protection laws, regulations, standards and guidelines in places where we operate;
- prevent, avoid and reduce waste generation as much as possible during the production process;
- prevent pollution to the environment during the production process;
- regularly review the implementation of environmental, health and safety measures, as well as the performance of partners in relevant aspects;
- improve product quality and efficiency through research, product development and trainings to save energy and resources; and
- invest significant time and resources to upskill staff knowledge on energy conservation systematically.

ENVIRONMENTAL POLICIES AND MANAGEMENT SYSTEM

Establishing a sound environmental management system is an effective way to reduce the environmental impact of production and promote our sustainable improvement. Therefore, we have been making efforts to establish and improve our environmental policies and management system.

ISO 14001 Environmental Management System

In accordance with the requirements of the ISO 14001 Environmental Management System standards, we have formulated the “Environmental Handbook” and established an environmental management system covering the Company’s office area and production workshops, and obtained the ISO 14001 Environmental Management System certification. We strictly implement the relevant policies in accordance with the requirements of the environmental management system standards, thereby fulfilling the principle of minimising waste of resources, recycling and reusing resources.



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EMISSIONS MANAGEMENT

Our main emissions are wastewater from precision screens and organic waste gases of ink generated from the process of printing and silk screen printing. Our equipment indirectly emits greenhouse gases due to the use of electricity, and the use of backup generators and vehicles also generates air emissions. Other sources of emissions include flawed products, debris and defective products from the production process, and domestic waste and sewage generated by employees and offices. For various sources of emissions, we have actively adopted a number of measures to reduce emissions and their impact.

Collection and Treatment of Volatile Organic Compounds (VOCs) and Ammonia

Volatile organic compounds (VOCs) and ammonia released during our production can affect our health. Therefore, we have built the VOCs and ammonia treatment system in mid-2017 to reduce their impact on our employees and the ecological environment. Water is added through sprinklers to neutralise and reduce the concentration of ammonia before it is emitted at the discharge outlet. With VOCs, dust filtration and ultraviolet (UV) photolysis are employed. Activated carbon is used to absorb VOCs and, discharged through the chimney. Through this system, VOCs emissions are reduced by 90% while saturated activated carbon will be recycled by qualified third parties. During the Current Year, we have enhanced the emission treatment system to reduce the VOCs emissions by 3,233 kg. Moreover, we have introduced the automatic ink mixing system by centralising the ink mixing process in order to reduce VOCs emissions.



VOCs and ammonia collection and treatment

Exhaust Gas

The following table shows our air emissions during the Current Year:

Air emissions	Year ended 31 December 2021	Year ended 31 December 2020	
Nitrogen Oxides (NOx)	168,815.66	997,373.08	g
Sulphur Oxides (SOx)	553.50	1,939.29	g
Particulate Matters (PM)	16,295.47	82,546.17	g

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Air emissions of the Printing Segment for the Current Year are significantly lower than those for the year ended 31 December 2020 as the logistics services are outsourced to third parties and hence reduced the use of heavy goods vehicles.

Greenhouse Gas Emissions

Our greenhouse gas emissions are mainly generated indirectly from the use of electricity.

Greenhouse gases	Year ended 31 December 2021	Year ended 31 December 2020	
Total greenhouse gas emissions	14,605.72	13,824.48	tonnes
Direct emission (Scope 1)	751.70	868.69	tonnes
Indirect emission (Scope 2)	13,856.02	12,957.79	tonnes
Greenhouse gases removal (Tree Planting) (Scope 1)	2.00	2.00	tonnes
Greenhouse gas emission intensity	1.07	1.18	tonnes/tonnes of production volume

Wastewater Treatment and Discharge

We strive to ensure that our treated wastewater is discharged in accordance with the “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant” (GB 18918-2002) issued by the State General Administration of Environmental Protection of the PRC, and have formulated the “Guidelines for the Operation of Wastewater Treatment System” to standardise the workflow of our wastewater treatment system.

We have established a wastewater treatment system that practises “treatment before emission.” The wastewater from workshops first enters the retention basin through the collection system, and is then sent to the coagulation and sedimentation equipment to add coagulant in order to remove the oil and micro suspended solids in the wastewater. The treated wastewater is discharged after going through the anaerobic process, aerobic process, sedimentation and filtration. Sludge generated from wastewater treatment is collected regularly and handled by qualified third parties.



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Hazardous Waste Management

Our hazardous waste mainly includes solvent waste, waste container and empty barrel, ink residue and sludge, rag & gloves etc. We have dedicated and labelled containers for the collection of hazardous waste, which shall be properly stored in conformity with national laws and regulations, such as the “Standard for Pollution Control on Hazardous Waste Storage” (GB 18597-2001), and will be transferred to qualified third parties for treatment upon approval.

Hazardous waste	Year ended 31 December 2021	Year ended 31 December 2020	
Total hazardous waste produced	119.04	148.04	tonnes
Solvent waste	15.62	13.30	tonnes
Waste container and empty barrel	21.00	13.17	tonnes
Waste mineral oil	–	2.00	tonnes
Ink residue and sludge	21.64	44.24	tonnes
Waste paint	1.50	3.00	tonnes
Waste fixer/developer	3.00	3.16	tonnes
Waste lamp	–	0.20	tonnes
Rag & gloves	48.20	58.29	tonnes
Waste glue	6.12	9.78	tonnes
Photographic material waste	0.46	0.9	tonnes
Waste activated carbon	1.50	–	tonnes
Hazardous waste produced intensity	8.70	12.64	kg/tonnes of production volume



Hazardous waste processing equipment

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Non-hazardous Waste Management

Waste paper is the main stream of waste in printing business, and we actively take measures in recycling. For general domestic waste, we clean it up in time to maintain a clean environment.

Non-hazardous waste	Year ended 31 December 2021	Year ended 31 December 2020	
Total non-hazardous waste produced	6,059.85	6,028.80	tonnes
Paper	5,807.19	5,994.17	tonnes
Food waste	23.80	18.00	tonnes
Metal waste	17.18	–	tonnes
Other general waste	211.68	16.63	tonnes
Handled by waste collection department	235.48	34.63	tonnes
Collected by recycling	5,824.37	5,994.17	tonnes
Non-hazardous waste produced intensity	0.44	0.51	tonnes/tonnes of production volume

Measures to Reduce Emissions and Waste Generation

We actively promotes Green Office practices aiming to minimise the generation of waste and maximise the efficient use of resources. In 2021, the Group gradually implemented the following regular measures:

- Organise water saving and energy conservation awareness month to promote energy saving lifestyle;
- Place the recycling bins near all machineries allowing workers to segregate waste paper and other general waste from the source;
- Place the collected waste paper at a designated area for temporary storage outside workshops to reasonably protect waste paper from rainwater or other pollutants before delivering the waste paper to recycle;
- Use electronic systems for file archiving to reduce paper consumption;
- require documents used in offices to be printed and copied on both sides;
- Monitor monthly statistics on paper consumption, and Administrative Department reminds other departments to control their paper consumption;
- Replaced the lighting systems of certain production lines and areas of our plant from fluorescent lamps to light-emitting diodes (LEDs);
- Replaced our conventional air compressors with invertor air compressors to enhance energy-efficiency.

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Targets on Emissions and Waste Generation

Due to the above measures, we have been maintaining a relatively low level of emissions and waste generation. We aim to achieve the target of maintaining or reducing the total emissions intensity and the total waste generation intensity in the next reporting year, on the basis of that in 2021.

USE OF RESOURCES

Our energy consumption mainly comes from the purchased electricity. During the Current Year, the increase in diesel consumption is due to the usage of diesel generator to produce electricity.

Total Energy and Water Consumption

Energy consumption	Year ended 31 December 2021	Year ended 31 December 2020	
Total energy consumption	19,203.97	17,156.62	MWh
Direct energy consumption			
Diesel	1,663.20	1,111.91	MWh
Unleaded petrol	218.29	300.65	MWh
Liquefied petroleum gas	1.88	10.00	MWh
Indirect energy consumption			
Purchased electricity	17,320.60	15,734.06	MWh
Energy consumption intensity	1.40	1.46	MWh/tonnes of production volume
Water consumption	Year ended 31 December 2021	Year ended 31 December 2020	
Total water consumption	190,230.00	227,057.00	m ³
Water consumption intensity	13.90	19.38	m ³ /tonnes of production volume

Measures to Reduce Energy and Water Consumption

In terms of energy-saving, we have established an online energy monitoring system to oversee energy consumption in real time. It also allows us to accurately analyse energy consumption data and structure, and helps us to identify equipment or procedures that potentially waste energy, facilitating the formulation of effective energy-saving measures. In addition, the monitoring system assists us in implementing our energy-saving plan and enables us to monitor the execution of energy-saving measures through its energy-saving assessment function.

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In terms of water consumption, we promote water-saving and use water-saving equipment and products in all areas, such as installing water-saving faucets to improve water efficiency. We properly manage, repair and maintain all water supply equipment, facilities and appliances. Engineering staff are responsible for the inspection of water pipes and hoses in the plant and repairment in time. In October 2020, the water supply pipeline improvement was implemented which reduce the annual water consumption and water pump power consumption. The administrative department also constantly monitors and prohibits acts of water wastage. To further improve staff's awareness of water saving and energy conservation, we organised water saving and energy conservation awareness month in May 2021 to promote energy saving lifestyle.

Targets on Energy Consumption

We aims to achieve the target of maintaining or reducing the total energy consumption intensity in the next reporting year, on the basis of that in 2021.

Suitable Water Sources

We have not encountered any difficulties in sourcing suitable water sources, and our offices has a stable water supply which meets its daily operational needs.

Packaging Materials

Packaging material	Year ended	Year ended	
	31 December 2021	31 December 2020	
Total packaging material	3,721.64	2,208.70	tonnes
Carton boxes	2,736.45	2,087.32	tonnes
Card board	778.33	–	tonnes
Protective film	179.98	54.22	tonnes
Packaging tape	26.88	62.66	tonnes
Others	–	4.5	tonnes
Packaging material intensity	0.27	0.19	tonnes/tonnes of production volume

THE ENVIRONMENT AND NATURAL RESOURCES

In our daily operations, there has no significant impact on the environment or natural resources. We adheres to the principle of environment protection and natural resources conservation in its operations, complies with environmental, social, and governance policies and procedures, and applies relevant policies on energy conservation and green measures to avoid leaving significant environmental footprints or overconsumption of natural resources.

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CLIMATE CHANGE

Given the locations and nature of our business, the risks related to climate change do not have a significant impact on our operations. The Group will continue to evaluate the potential impact of climate change on its business annually and adopt corresponding measures to mitigate any potential risks.

PRODUCT QUALITY, HEALTH AND SAFETY

We win clients' trust and confidence with high-quality packaging, books and printed products. We are accredited various certifications, such as the Quality Management System certification (ISO9001), Occupational Health and Safety Management System Certification (OHSAS 18001), Social Accountability Standard Certification (SA8000), certificate issued by the International Council of Toy Industries (ICTI) Ethical Toy Program and G7 Master Qualification. Meanwhile, we have achieved the Global Packaging and Packaging Materials standard formulated by the British Retail Consortium (BRC) and have been awarded the Global Security Verification by Intertek Testing Services Taiwan Ltd. (Intertek).



We have formulated the “Quality and Safety Handbook” and a series of quality management systems and procedures, including the “Incoming Inspection Procedure,” the “Processing (Handicraft) Inspection Procedure,” the “Control Procedure for Verification,” the “Control Procedure for Unsatisfactory Products,” the “Control Procedure for Product Consistency,” the “Control Procedure for Food Safety Protection Plan,” the “Control Procedure for Product Recall” and the “Control Procedure for Sustainable Improvement.” We strictly implement the requirements of each procedure to ensure our products are at an exemplary level in quality, health and safety.

We attach great importance to product safety. We have established the “Control Procedure for Product Recall” and a sample retention procedure. When exceedance of harmful substances are found in a batch of products which is no longer under the control of the Company (e.g. delivered to customers), we would start recalling promptly to ensure that the affected products can be identified and remedied, so as to protect consumer safety. We also carry out simulated recall on a regular basis to ensure a smooth procedure of product recall. Employees are familiar with the precautions for recall and can respond appropriately in time whenever recall incidents occur.

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We promise to respond to our clients within half a working day if there is any complaint about product quality or safety, we would contact the concerned client, ask for details, and transfer to the customer services department for coordination and follow-up action. We take immediate rectification action, understand the source of the problem and implement measures to prevent similar incidents from happening again. Should a product has any potential harm to end users, we would recall the product immediately. During the Current Year, there were no products sold or shipped subject to recalls for safety and health reasons. There were 117 complaints received from customers and all of them were duly handled by customer services department.

We understand that customers' confidential information and property, such as customers' trademarks and intellectual property, are protected by regulations in respect of patents, trademarks, copyrights and trade secrets. We have formulated the "Code of Business Ethics", requiring all employees, agents and contractors to carefully handle customers' confidential information and ensure that the relevant information is used only for business purposes. To protect intellectual property rights of our clients, surveillance system is installed in our printing workshops to administer the production process, to ensure that clients' printing materials are surveilled from receiving to delivering finished products, and to safeguard against any intellectual property leakage.

SOLAR PHOTOVOLTAIC BUSINESS

The solar photovoltaic segment provides clean renewable energy for domestic and foreign enterprises. Using solar energy to generate electricity reduces our dependence on fossil fuels, thereby reduces the emissions of air such as sulphur dioxide, nitrogen oxides and greenhouse gases, and mitigating global warming effect.



ENVIRONMENTAL POLICIES AND MANAGEMENT SYSTEM

A management system for environmental protection has been put in place in accordance with the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes" and the "Safety Production Law of the People's Republic of China" and other related relevant national laws and regulations. We strive to reduce waste generated, to prevent pollution, and to assure safe production, so that we can provide our business partners with quality products and services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMISSIONS MANAGEMENT

The use of electricity-driven equipment indirectly generates greenhouse gases; and offices and employees also generates domestic sewage and waste. We actively adopt a number of energy-saving and emission reduction measures to reduce our impact on the environment.

Exhaust Gas

We have disposed our vehicles and hence there is no emissions from vehicles in the Current Year.

Air emissions	Year ended 31 December 2021	Year ended 31 December 2020	
Nitrogen Oxides (NOx)	–	19,715.87	g
Sulphur Oxides (SOx)	–	856.57	g
Particulate Matters (PM)	–	1,451.64	g

Greenhouse Gas Emissions

Our greenhouse gas emissions are mainly generated from the use of electricity. Consider enhancing the efficiency of the use of electricity and scale down our production in the Current Year, our greenhouse gas emissions reduced.

Greenhouse gases	Year ended 31 December 2021	Year ended 31 December 2020	
Total greenhouse gas emissions	8,860.04	20,508.12	tonnes
Direct emission (Scope 1)	–	137.86	tonnes
Indirect emission (Scope 2)	8,865.26	20,375.48	tonnes
Greenhouse gases removal (Tree Planting) (Scope 1)	5.22	5.22	tonnes
Greenhouse gas emission intensity	27.61	34.65	tonnes/MW

Wastewater Treatment and Discharge

There is no industrial wastewater discharge in our production process, only domestic sewage produced by workers. After the domestic sewage is treated by the septic tank and the canteen wastewater is pretreated by the grease trap, the water quality can reach the third-level standard of the “Integrated Wastewater Discharge Standard” (GB 8978-1996), NH₃-N and TP reach the standard A under Table A of “Water Quality Standard for Discharge Into Municipal Sewers” (CJ 343-2010) standard, and then through the sewage pipe network into the Guozhuang Town sewage treatment plant for centralized treatment, the tail water reached the he first-class A standard in the “Urban Sewage Treatment Plant Pollutant Discharge Standards” (GB18918-2002) before it is finally discharged into the Gaoyang River.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Hazardous Waste Management

During the Current Year, we have improved our production process and did not produce any material hazardous waste in the ordinary course of business.

Hazardous waste	Year ended 31 December 2021	Year ended 31 December 2020	
Total hazardous waste produced	–	1.37	tonnes
Waste mineral oil	–	0.85	tonnes
Xylene	–	0.02	tonnes
Smear	–	0.5	tonnes
Hazardous waste produced intensity	–	2.31	kg/MW

Non-hazardous Waste Management

For non-hazardous waste such as paper, packaging cartons and domestic waste generated from offices and employees, we have established centralised sorting points to recycle as much waste as possible. For non-recyclable waste, we entrust local waste collection department for waste treatment, ensuring that all waste is properly disposed of.

Non-hazardous waste	Year ended 31 December 2021	Year ended 31 December 2020	
Total non-hazardous waste produced	26.83	391.70	tonnes
Metal	–	118.40	tonnes
Paper	0.04	125.60	tonnes
Other general waste	26.79	147.70	tonnes
Handled by waste collection department	26.79	147.70	tonnes
Collected by recycling	0.04	244.00	tonnes
Non-hazardous waste produced intensity	0.08	0.66	tonnes/MW

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Measures to Reduce Emissions and Waste Generation

We actively promotes Green Office practices aiming to minimise the generation of waste and maximise the efficient use of resources. In 2021, the Group gradually implemented the following regular measures:

- Using public transportation to replace private vehicles;
- Strengthening waste management in all aspects by improving reuse of resources, reducing waste generation and strengthening the recycling rate during construction and operation;
- Establishing centralised sorting points to recycle as much waste as possible.

Targets on Emissions and Waste Generation

Due to the above measures, we have been maintaining a relatively low level of emissions and waste generation. We aims to achieve the target of maintaining or reducing the total emissions intensity and the total waste generation intensity in the next reporting year, on the basis of that in 2021.

USE OF RESOURCES

Our energy consumption mainly comes from the solar energy generated and purchased electricity. The significant reduction of energy consumption is due to the scale down of production scale and implementation of energy saving measures. In terms of water consumption, our production does not have high demand of water.

Total Energy and Water Consumption

Energy Consumption	Year ended 31 December 2021	Year ended 31 December 2020	
Total energy consumption	12,870.79	81,994.66	MWh
Direct energy consumption			
Solar energy	1,678.70	60,191.44	MWh
Unleaded petrol	–	617.28	MWh
Diesel oil	–	136.89	MWh
Indirect energy consumption			
Purchased Electricity	11,192.09	21,049.05	MWh
Energy consumption intensity	40.11	138.49	MWh/MW
Water consumption	Year ended 31 December 2021	Year ended 31 December 2020	
Total water consumption	55,315.00	121,642.00	m ³
Water consumption intensity	172.36	185.16	m ³ /MW

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Measures to Reduce Energy and Water Consumption

In terms of energy-saving, we use high-energy-efficient equipment and formulate energy-saving plans every year to minimize energy consumption. Our production workshops reduce unnecessary lighting by 30% and shut down machines after office hours to save energy. Moreover, circulating water pump and cooling water pump changed from variable frequency system to soft starter which reduce energy consumption by 30%.

In terms of water consumption, although our production does not have high demand of water, we will continue to monitor water consumption, emphasise the importance of water-saving to employees, regularly check the leakage or damage of water pipes and equipment, and repair in time to prevent waste of water resources. We will also post water-saving labels in our offices and workshops to remind our employees to save water.

Targets on Energy Consumption

We aims to achieve the target of maintaining or reducing the total energy consumption intensity in the next reporting year, on the basis of that in 2021.

Suitable Water Sources

We have not encountered any difficulties in sourcing suitable water sources, and our offices has a stable water supply which meets its daily operational needs.

Packaging Materials

Packaging material	Year ended	Year ended	
	31 December 2021	31 December 2020	
Total packaging material	283.37	556.00	tonnes
Paper	188.00	369.00	tonnes
Plastics	14.79	29.00	tonnes
Wood	80.58	158.00	tonnes
Packaging material intensity	0.88	0.94	tonnes/MW

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE ENVIRONMENT AND NATURAL RESOURCES

In our daily operations, there has no significant impact on the environment or natural resources. We adheres to the principle of environment protection and natural resources conservation in its operations, complies with environmental, social, and governance policies and procedures, and applies relevant policies on energy conservation and green measures to avoid leaving significant environmental footprints or overconsumption of natural resources.

CLIMATE CHANGE

With the number of hot days is expected to increase over the 21st century, it may affect our sales performance on spare parts since the frequency of repair and maintenance work is usually low in hot weather. We will continue to evaluate the potential impact of climate change on its business annually and adopt corresponding measures to mitigate any potential risks.

PRODUCT QUALITY, HEALTH AND SAFETY

We implement stringent requirements on the quality, health and safety of our products. The efficiency guarantee period of our products is 25 years and the material guarantee period is 10 years. We have also obtained various certifications, such as the Quality Management System certification (ISO9001), certification from the Technischer Überwachungs Verein (TÜV) and, certification from the Bureau of Indian Standards (BIS). We have established quality inspection procedures for each production process to ensure product quality is meeting the required standards. Our products had undergone a number of tests and inspections before packaging and delivery to customers, including high voltage testing, insulation testing and grounding testing, so as to ensure products are meeting the safety standards. During the Current Year, there were no products sold or shipped subject to recalls for safety and health reasons.



We have always been providing customers with the highest quality of products and services over the years. Through close communication with our customers, we understand their requirements, expectations and comments on our products. We continue to improve our products to deliver higher quality service experience to our customers. Upon receipt of customer complaints, we will arrange the quality department or customer services department to follow up in time and conduct on-site inspection when necessary. We will review the cause of the problem and rectify the problem to prevent it from happening again. During the Current Year, we did not receive any complaint in relation to our products and services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENERGY BUSINESS

ENVIRONMENTAL POLICIES AND MANAGEMENT SYSTEM

We have established an environmental management mechanism in accordance with the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes” and the “Safety Production Law of the People’s Republic of China” and other related relevant national laws and regulations. Our goal is to achieve reducing waste generated, prevent pollution and safe production, in order to provide our business partners with quality products and best partnering experience.

During the Current Year, the energy business recorded an increase in intensity of emission and consumptions. It is primarily because of the reduction in production volume, which results in each unit production sharing higher fixed emission and consumptions and outweighed the effect in reduction of emission and consumptions relating to the operation.



EMISSIONS MANAGEMENT

In the course of our storage and transportation business for energy segment, the vehicles will generate air emissions; the use of electricity-driven equipment indirectly generate greenhouse gases; and offices and employees also generate domestic sewage and waste. We strive to build a highly green environment plant. In addition to planting a large number of trees, we use those vacant area to open up a small farmland to bring more green areas to the plant.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Exhaust Gas

Air emissions	Year ended 31 December 2021	Year ended 31 December 2020	
Nitrogen Oxides (NOx)	238,217.43	554,119.62	g
Sulphur Oxides (SOx)	572.20	758.57	g
Particulate Matters (PM)	17,437.82	41,017.99	g

For air emissions generated by our fleet, we disposed of those aged vehicles and upgraded to new, more environmentally friendly and energy-efficient one. Keeping regular maintenance ensures that the vehicles are in good condition, reducing the occurrence of faults and ensuring the efficiency of vehicle operation.



Greenhouse Gas Emissions

Our direct greenhouse gas emissions mainly come from combustion of fuels by vehicles for business use, while indirect greenhouse gas emissions mainly come from purchased electricity.

Greenhouse gases	Year ended 31 December 2021	Year ended 31 December 2020	
Total greenhouse gas emissions	247.42	338.62	tonnes
Direct emission (Scope 1)	100.09	122.66	tonnes
Indirect emission (Scope 2)	150.78	219.41	tonnes
Greenhouse gases removal (Tree Planting) (Scope 1)	3.45	3.45	tonnes
Greenhouse gas emission intensity	72.48	57.31	kg/tonnes of production volume

Wastewater Treatment and Discharge

We does not produce wastewater in the ordinary course of business.

Hazardous Waste Management

We does not produce any material hazardous waste in the ordinary course of business.

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Non-hazardous Waste Management

We use domestic waste generated by our offices and canteen, such as kitchen waste, to make organic fertilizers for the small farmland in our plant. Metal scraps and waste paper generated will move to qualified third parties for recycling. For non-recyclable waste, we will entrust the local waste collection department for waste treatment, ensuring that all waste is properly disposed of.

Non-hazardous waste	Year ended 31 December 2021	Year ended 31 December 2020	
Total non-hazardous waste produced	7.22	6.50	tonnes
– Food waste	1.20	1.50	tonnes
– Other general waste	3.62	3.00	tonnes
– Metal waste	2.40	2.00	tonnes
Handled by waste collection department	3.00	3.00	tonnes
Collected by recycling	3.02	2.00	tonnes
Reuse	1.20	1.50	tonnes
Non-hazardous waste produced intensity	2.09	1.09	kg/tonnes of production volume

Measures to Reduce Emissions and Waste Generation

We actively promote Green Office practices aiming to minimise the generation of waste and maximise the efficient use of resources. In 2021, the Group gradually implemented the following regular measures:

- Reuse the kitchen waste to make organic fertilizers for the small farmland in our plant;
- Recycle metal scraps and waste paper;
- Encouraging paper conservation by printing on both sides of office papers and reusing one-side printed papers;
- Encouraging our employees to use online communication.

Targets on Emissions and Waste Generation

Due to the above measures, we have been maintaining a relatively low level of emissions and waste generation. We aim to achieve the target of maintaining or reducing the total emissions intensity and the total waste generation intensity in the next reporting year, on the basis of that in 2021.

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USE OF RESOURCES

Total Energy and Water Consumption

Our energy consumed mainly from electricity used in offices, diesel and petrol for transportation and delivery.

Energy consumption	Year ended 31 December 2021	Year ended 31 December 2020	
Total energy consumption	581.11	780.15	MWh
Direct energy consumption			
Diesel	198.36	349.10	MWh
Unleaded petrol	219.86	204.38	MWh
Liquefied petroleum gas	2.81	–	MWh
Indirect energy consumption			
Purchased electricity	160.08	226.67	MWh
Energy consumption intensity	0.17	0.13	MWh/tonnes of production volume

Water consumption	Year ended 31 December 2021	Year ended 31 December 2020	
Total water consumption	9,248.00	7,120.00	m ³
Water consumption intensity	2.67	1.19	m ³ /tonnes of production volume

Measures to Reduce Energy and Water Consumption

In terms of energy-saving, we upgrade our fleet to save diesel and petrol. Also, we use LED lights instead of fluorescent lamps to save electricity. In terms of water consumption, although our production does not have high demand of water, we will continue to monitor water consumption, emphasise the importance of water-saving to employees, regularly check the leakage or damage of water pipes and equipment, and repair in time to prevent waste of water resources. We will also post water-saving labels in our offices and workshops to remind our employees to save water.

Targets on Energy Consumption

We aims to achieve the target of maintaining or reducing the total energy consumption intensity in the next reporting year, on the basis of that in 2021.

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Because of the effect of epidemic, we have strengthened the management of outsiders. In addition to sterilization before entering the factory, we have also restricted the number of people entering the factory and the length of stay and area they can stay. At the same time, environmental protection and safety management regulations have been formulated in accordance with relevant laws and regulations for employees to learn and comply with.

We attach great importance to product safety. We have established the “Control Procedure for Product Recall” and a sample retention procedure. Testing will carry on at the product dispatch from the site, report and sample will keep until the customer confirm the quality of good delivered. Only qualified product will dispatch to the customer. We also taking precaution on the vehicles use for delivery to ensure the safety. We also carry out simulated recall on a regular basis to ensure a smooth procedure of product recall. Employees are familiar with the precautions for recall and can respond appropriately in time whenever recall incidents occur. During the Current Year, there were no products sold or shipped subject to recalls for safety and health reasons.

Whenever our customer complains about product quality or safety issues, we promise to respond within half a working day. We would contact the customer and ask for details, and submit it to the customer services department for coordination and follow-up. We would take immediate rectification action, understand the source of the problem and implement measures to prevent similar incidents happening again. During the Current Year, we did not receive any complaint in related to our product and services.



EMPLOYMENT

Employees are important assets of the Company. They are also the foundation of our success and development. We believe that our business success depends on our ability to attract, retain and nurture our employees. We are committed to providing employees with a safe working environment, attractive remuneration and benefits, adequate trainings and a fair promotion ladder. We will continue to review and improve the existing mechanism in accordance with the market standards, so that every employee can grow together with the Group.

We strictly comply with applicable local labour laws and regulations, including but not limited to the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China” and the “Social Insurance Law”, and have formulated a comprehensive human resources management mechanism, including the “Human Resources Management Regulations” and the “Employee Handbook”, so that employees can have a clear understanding of our employment systems, such as recruitment, promotion, rest periods, benefits and welfare, working hours, resignation and dismissal.

We ensure our Dongguan plant is in compliance with certification SA8000:2014 that (1) there is no use of child labour; (2) no forced or compulsory labour; (3) the health and safety of our staff are monitored; (4) freedom of association and right to collective bargaining of our employers are practised; (5) there shall be no discrimination against age, sex, ethnic groups; (6) corrective and preventive actions for complaints and faults are implemented; both (7) working hours and (8) remuneration are in compliance with the Labour Law of the People’s Republic of China; and (9) there is proper management of suppliers and contractors for social accountability.



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Remuneration System, Working Hours and Rest Periods

Our remuneration system strictly complies with relevant laws and regulations, such as the “Labour Contract Law” and the “Labour Law”, ensuring employees receiving their due labour compensation. We have also formulated the “Management Procedure for Working Hours and Overtime” to regulate the on-duty time and overtime of employees. Rest periods or overtime pay shall be compensated to employees for overtime work in accordance with legal requirements. Besides, we also provide personal leave, sick leave, work injury leave, paid marriage leave, paid maternity leave, paid funeral leave and paid public leave.

We have also formulated the “Regulations on Reward and Punishment Management” to review the work efficiency of employees regularly. Awards such as the special contribution award, production performance award and best employee award shall be given to outstanding employees. The long-term service award shall be given to employees who have been working continuously in the Company for a certain period of time.

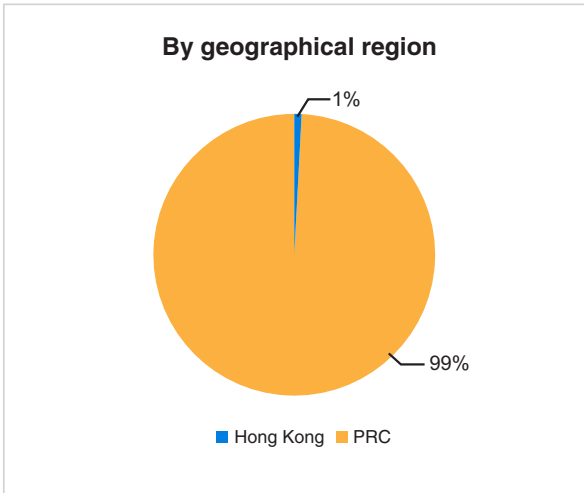
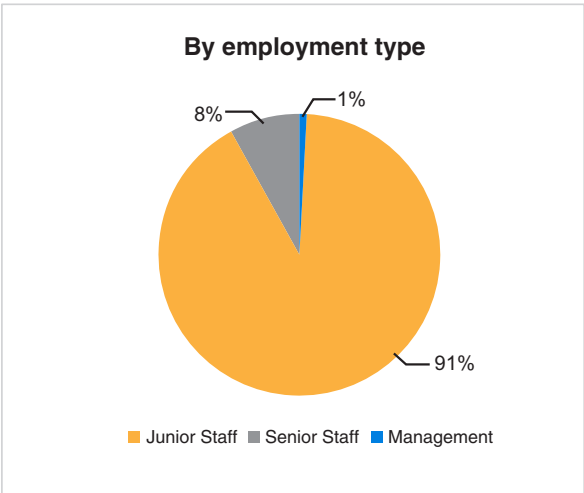
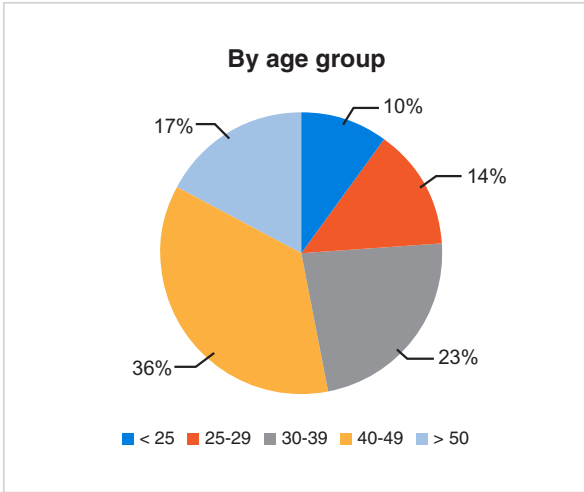
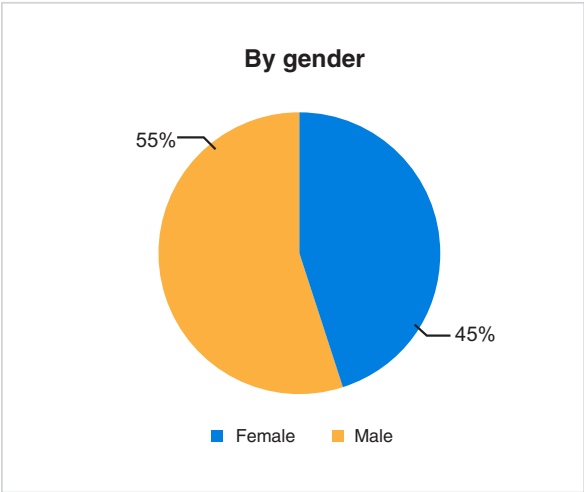
Total number and classification of employees

As at 31 December 2021, the total number of employees of printing business, solar photovoltaic business and energy business was 1,691, and the details of employees were as follows:

TOTAL NUMBER OF EMPLOYEES (IN PRINTING, SOLAR PHOTOVOLTAIC & ENERGY BUSINESS)

Total number of Employees	1,691
By Gender	
Female	767
Male	924
Age profile	
< 25	177
25-29	238
30-39	393
40-49	604
> 50	279
Type of employment	
Junior Staff	1,531
Senior Staff	139
Management	21
Geographical location	
Hong Kong	15
PRC	1,676

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Employees turnover ratio

Details of the employee turnover rate of printing business, solar photovoltaic business and energy business as at 31 December 2021 were as follows:

TOTAL EMPLOYEE TURNOVER		
	Number of employees	% of total number of employees
Total turnover	1,344	79.48%
By gender		
	Number of employees	% of turnover
Female	436	56.84%
Male	908	98.27%
Age profile		
	Number of employees	% of turnover
< 25	381	215.25%
25-29	259	108.82%
30-39	359	91.35%
40-49	187	30.96%
> 50	158	56.63%
Geographical location		
	Number of employees	% of turnover
Hong Kong	4	26.67%
PRC	1,340	79.95%

HEALTH AND SAFETY

We strive to provide employees with a safe workplace, and ensure compliance with all occupational safety-related laws and regulations, including the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, the “Production Safety Law of the People’s Republic of China”, the “Fire Protection Law of the People’s Republic of China” and the “Special Equipment Safety Law of the People’s Republic of China.” We have obtained the Occupational Health and Safety Management System (OHSAS 18001:2007) certification. We are devoted to safeguarding employees from occupational hazards and enhancing employees’ awareness of production safety, thereby reducing the risk of health and safety in workplace. During the past three years, there was no work-related fatality involved. The number of work injury cases and lost days due to work injury during the past three year was listed below:

	Year ended 31 December 2021	Year ended 31 December 2020	Year ended 31 December 2019
Number of work injury cases	14	15	13
Lost days due to work injury	161.8	657	363.8

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We put the health and safety of our employees at first priority. We have appointed safety directors in all production workshops and production lines, and established an Environmental Health and Safety Committee to review the work safety in workshops. We equip our employees with necessary protective equipment, such as earmuffs and safety shoes. Our workshops are equipped with fire protection equipment or tools. Our mechanical equipment is sensor-activated, so as to prevent staff from being pinched, with protective fences to reduce risks, ensuring the safety of employees. In addition, we provide all employees with annual health examination and medical insurance, in an aim to eliminate the worries of employees.

Our printing business may involve the use of hazardous chemicals. In terms of the purchase, storage, usage and management of hazardous chemicals, we have formulated the “Working Guidelines for Storage of Hazardous Chemicals”, regulating the purchase, storage and usage of hazardous chemicals. Employees who are responsible for handling hazardous chemicals must receive relevant trainings. The training includes how to understand the safety points, labels and the keys to the operation of chemicals as set out in the “Manual of Safety Information of Chemicals”. Responsible staff are required to undergo regular yearly trainings.

We have formulated contingency plans and procedures for the control and management in case of fire, work-at-height incidents, and work-related injuries to ensure prompt responses are taken and losses are minimised. We provide employees with regular safety trainings to enhance employees’ safety awareness, including:

- Occupational health and work injury prevention training;
- Special equipment and machine safety training;
- Safety awareness training;
- Fire safety basic knowledge training;
- Hazardous chemicals safety knowledge training.

To raise our production safety awareness, fire drills in the factory are conducted regularly. At the same time, safety management regulations are established in compliance with relevant laws for employee learning and obligation.

DEVELOPMENT AND TRAINING

Training and development of our employees is the key to our business success. We provide employees with various training programs, covering corporate culture, occupational safety, laws and regulations, professional skills and other aspects. The human resources department has introduced staff training programs based on the actual business condition and needs. After the implementing staff training programs, sequential record tracking are maintained for adjustment of staff training programmes and human resources management. We offer new employees with orientation and induction training courses to let them familiarise themselves with our corporate culture, adapt to and understand the operations of each department of the Company. We provide

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

existing employees in different positions with regular on-the-job training, covering basic knowledge of printing, maintenance of production equipment, production procedures, design theory, post-process and basic knowledge of quality. We held approximately 14,144 hours of trainings during the Current Year with details listed below:

STAFF TRAINING

	Number of employees	% of total number of employees
Total number trained	1,628	96.27%
By gender		
Female	770	47.30%
Male	858	52.70%
Type of employment		
Junior Staff	1,478	90.79%
Senior Staff	129	7.92%
Management	21	1.29%
Training hours		
Total hours (hours)	14,144	
Average training hours completed		
Each employees participated in	8.69	
By gender		
Female (hours)	7.15	
Male (hours)	9.37	
Type of employment		
Junior Staff	8.82	
Senior Staff	3.77	
Management	5.43	

LABOUR STANDARDS

We adhere to the employment principle of “fair competition and meritocracy”. We support a diverse working team, and believe that fair, justice and equal opportunities are essential in human resources management. Employees’ employment and promotion opportunities will never be affected by factors such as their gender, age, marital status, race, nationality, colour, religion or disability. During the process of recruitment and performance appraisal, we only consider work-related requirements of employees, such as their experience, working ability, teamwork and attitude, opposing to any form of workplace discrimination.

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We respect human rights and adopt a zero-tolerance approach to issue such as gender, race and disability discrimination and workplace harassment. We strictly comply with the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China” and the “Special Provisions on Labour Protection of Female Employees”. Should the head of human resources department or other departments receive any complaint, the matter shall be investigated, and will be handled solemnly once proven to be true. We have also formulated the “Management Procedure for Child and Minors Labour”, which strictly prohibits the employment of child labour and forced labour. If any related situation is found during recruitment or under any circumstances, we will set up a task force and notify the social welfare department to ensure proper handling. During the Current Year, no child labour or forced labour was found, and we fully complied with all relevant laws and regulations relating to child labour or forced labour.

SUPPLY CHAIN MANAGEMENT

We value environmental, social and governance work. We also hope that our partners share our philosophy, thereby maintaining a long-term and stable cooperation and growing together, as well as building a long-lasting and mutually beneficial partnership. We have established the “Assessment and Management Procedures for Suppliers” to comprehensively evaluate suppliers before engaging any suppliers through suppliers’ management systems, production scale, quality assurance, control of hazardous materials, environmental protection, hygiene and safety of food, price, services and social responsibility. Moreover, we continuously evaluate the performance of suppliers to ensure that their products and service quality are meeting the standards, and how they handle environmental and social issues.

In 2021, the detailed breakdown of the number of suppliers by geographical region is as follows:

Number of suppliers	Year ended 31 December 2021
Total number of suppliers	551
Hong Kong	36
PRC	511
Others	4

PRIVACY PROTECTION

The Group strictly complies with the provisions of the Personal Data (Privacy) Ordinance and strive to ensure all collected data kept is free of unauthorized or accidental access, processing, erasure or other use. We require employees to keep internal information such as consumer data and employee data confidential and configure proper networking and server permissions to avoid employee accessing information unrelated to their work. In case of any information leakage is noticed, the Group will ascertain the source of leakage to prevent any further leakage of information.

The Group has also incorporated an IT management policy in our corporate policies. We ensure anti-virus software must be installed on all computers to safe-guard customer’s information and backup employees’ computer and servers on regular basis to protect possible data loss caused by hardware or software failures.

INTELLECTUAL PROPERTY RIGHTS

The Group respects and protects intellectual property rights and take appropriate actions to ensure that the intellectual property rights are observed and protected. We ensure all computers must be installed with licensed software and no employees are allowed to install software on the computers without authorization.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ANTI-CORRUPTION

We uphold the corporate culture of “fairness, justice, honesty and integrity”. Our “Employee Handbook” and “Supplementary Provisions of Labour Contract” stipulate that all gifts, banquets and customer rebates are prohibited. If any misconduct, fraud, unlawful behaviour or suspected commercial bribery is found, it shall be passed on to judicial authorities for pursuit of charges.

We have established whistle-blowing channels. If employees are aware of any violation of laws and regulations, they can report the matter by phone, email or letter. We encourage employees to report violations, and we keep the identity of whistle-blowers and their report content confidential to protect the legitimate rights and interests of the whistle-blowers, in order to create a healthy business environment. During the Current Year, we did not receive any report of such violations, and there were no cases of corruption, extortion, fraud or money laundering against us or our employees. Due to COVID-19 pandemic, we did not provide anti-corruption training to directors and staff to reduce the risk of virus transmission and employee infection. Yet, all Directors of the Group have received corporate governance training provided by the Group before listing or in induction, so that the Directors would clearly understand their responsibility and exercise their fiduciary duties. We encourages the Directors to participate in continuous professional development activities, and will arrange relevant trainings according to the actual needs. The Group’s Employee Handbook clearly states the business conducts and professional ethics that employees should strictly follow, and prohibits any acts such as bribery, insider trading and fraud. The leaflet on anti-corruption is also placed in office for staff reference. For further information on our corporate governance, please refer to the section headed “Corporate Governance Report” in our annual report 2021.

COMMUNITY INVESTMENT

The rapid growth of Huajun is inseparable from the support and trust of the nation and the society. During our continuous development, we have gained understanding, support and help from the government, society and residents, and we recognise the importance of harmonious coexistence with the society. As a responsible enterprise, the Group extends active presence in community activities to support public welfare in addition to its efforts in delivering business growth.

During the Current Year, the Group actively participated in charity events including donating money to Ronald McDonald House Charities, Hong Kong Cancer Fund and participating in the related Dress Pink Day 2021. The Group has also donated RMB2,000 to 上海市松江區印刷協會 by helping the poor students, and RMB6,250 to labour union for helping poor families and staff suffered from sickness.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEx ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Mandatory Disclosure Requirements Governance Structure		
	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> i) a disclosure of the board’s oversight of ESG issues; ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	STATEMENT FROM THE BOARD, GOVERNANCE STRUCTURE
Reporting Principles		
	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	ABOUT THIS REPORT, STAKEHOLDERS ENGAGEMENT, MATERIALITY ASSESSMENT
Reporting Boundary		
	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	ABOUT THIS REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
“Comply or Explain” Provisions		
Aspect A1: Emissions		
General Disclosure	Information on: <ul style="list-style-type: none"> (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. 	ENVIRONMENTAL POLICIES AND MANAGEMENT SYSTEM, EMISSIONS MANAGEMENT – Wastewater Treatment and Discharge
KPI A1.1	The types of emissions and respective emissions data.	EMISSIONS MANAGEMENT – Exhaust Gas
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	EMISSIONS MANAGEMENT – Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	EMISSIONS MANAGEMENT – Hazardous Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	EMISSIONS MANAGEMENT – Non-hazardous Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	EMISSIONS MANAGEMENT –
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Measures to Reduce Emissions and Waste Generation, Targets on Emissions and Waste Generation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	USE OF RESOURCES
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	USE OF RESOURCES – Total Energy and Water Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	USE OF RESOURCES – Measures to Reduce Energy and Water Consumption, Targets on Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	USE OF RESOURCES – Suitable Water Sources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	USE OF RESOURCES – Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	THE ENVIRONMENT AND NATURAL RESOURCES
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	CLIMATE CHANGE
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B1: Employment		
General Disclosure	Information on: <ul style="list-style-type: none"> (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. 	PRODUCT QUALITY, HEALTH AND SAFETY, EMPLOYMENT – Remuneration System, Working Hours and Rest Periods
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	HEALTH AND SAFETY, EMPLOYMENT – Total number and classification of employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	HEALTH AND SAFETY, EMPLOYMENT – Employees turnover ratio
Aspect B2: Health and Safety		
General Disclosure	Information on: <ul style="list-style-type: none"> (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. 	HEALTH AND SAFETY
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	DEVELOPMENT AND TRAINING
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B4: Labour Standards		
General Disclosure	Information on: <ul style="list-style-type: none"> (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. 	LABOUR STANDARDS
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	SUPPLY CHAIN MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
Aspect B6: Product Responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	PRODUCT QUALITY, HEALTH AND SAFETY
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	INTELLECTUAL PROPERTY RIGHTS
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
KPI B6.4	Description of quality assurance process and recall procedures.	PRODUCT QUALITY, HEALTH AND SAFETY PRIVACY PROTECTION
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	
Aspect B7: Anti-corruption		
General Disclosure	Information on: <ul style="list-style-type: none"> (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. 	ANTI-CORRUPTION
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
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.	COMMUNITY INVESTMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture and sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	