



Labixiaoxin Snacks Group Limited
蠟筆小新休閒食品集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 1262



ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT
2021



Environmental, Social and Governance Report

Contents

1.	ABOUT THIS REPORT	2
1.1	OVERVIEW	2
1.2	BASIS OF PREPARATION	2
1.3	REPORTING SCOPE AND BOUNDARIES	2
1.4	STATEMENT ABOUT INFORMATION AND ASSURANCE OF RELIABILITY	2
1.5	REPORTING SPECIFICATION	3
1.6	REPORT LANGUAGES AVAILABLE	3
1.7	CONFIRMATION AND APPROVAL	3
1.8	FEEDBACK ON THE REPORT	3
2.	INFORMATION OF LABIXIAOXIN	4
2.1	COMPANY INTRODUCTION	4
2.2	CORPORATE CULTURE AND PHILOSOPHY	4
2.3	DIVERSE PRODUCTS	5
2.4	PATENTS, INNOVATIONS AND HONORS	7
2.5	CORPORATE GOVERNANCE	9
2.6	FOCUS: ENCOURAGE INNOVATION AND GROW TOGETHER	12
3.	ESG MANAGEMENT	18
3.1	ESG MANAGEMENT PRINCIPLE	18
3.2	ESG MANAGEMENT SYSTEM (ESG MANAGEMENT DEPARTMENT)	19
3.3	COMMUNICATION WITH STAKEHOLDERS	19
3.4	ANALYSIS OF MATERIAL ISSUES	21
4.	GUARANTEEING FOOD QUALITY WITH HEALTH AND NUTRITION	23
4.1	PRODUCT QUALITY MANAGEMENT SYSTEM	23
4.2	SUPPLY CHAIN MANAGEMENT	24
4.3	PRODUCTION CONTROL AND MANAGEMENT	25
4.4	QUALITY INSPECTION	26
4.5	WAREHOUSING AND LOGISTICS	28
4.6	PRODUCT TRACEABILITY MANAGEMENT	28
4.7	PRODUCT QUALITY	29
4.8	CUSTOMER SERVICE SYSTEM	29
4.9	INTELLECTUAL PROPERTY MANAGEMENT SYSTEM	30
5.	GREEN PRODUCTION AND ENVIRONMENTAL PROTECTION	31
5.1	EMISSIONS	31
5.2	USE OF RESOURCES	33
5.3	ENVIRONMENTAL IMPACT MANAGEMENT	34
5.4	TACKLING CLIMATE CHANGE	35
6.	PEOPLE-ORIENTED AND CARING FOR EMPLOYEES	35
6.1	OUR VALUES	35
6.2	EMPLOYMENT AND INTERESTS OF EMPLOYEES	35
6.3	HEALTH AND SAFETY	39
6.4	DEVELOPMENT AND TRAINING	40
6.5	LABOR STANDARDS	43
7.	ROOTED IN LOCAL COMMUNITY AND GIVING BACK TO THE COMMUNITY	44
7.1	SOCIAL SERVICES	44
7.2	CHARITABLE DONATIONS	46
	HKEX ESG INDICATOR INDEX	47



Environmental, Social and Governance Report



1. ABOUT THIS REPORT

1.1 Overview

The Report is the sixth environmental, social and governance report (the “ESG Report”) prepared and issued by Labixiaoxin Snacks Group Limited in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange. The Report discloses the Company’s responsible practices in relation to its shareholders, customers, employees, partners, the environment, communities and other key stakeholders, as well as its environmental, social and governance (the “ESG”) performance. The Report covers the financial year from 1 January 2021 to 31 December 2021 (the “Reporting Period”), with some important information backdated to previous years.

1.2 Basis of Preparation

The preparation of the Report is based on the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange and the Review of the Environmental, Social and Governance Reporting Guide and Related Listing Rules Appendix 27 (“ESG Reporting Guide”), with reference to the Guidance on Climate Disclosures (《氣候信息披露指引》) issued by the Hong Kong Stock Exchange, GRI Standards of Global Reporting Initiative, Guidelines on Preparation of Corporate Social Responsibility Report for Corporations in China (CASS-CSR4.0), Guidelines on Preparation of Corporate Social Responsibility Report for Corporations in China 3.0 – Food Industry (《中國企業社會責任報告編寫指南3.0之食品行業》) issued by Chinese Academy of Social Sciences and ISO 26000: Guidance on Social Responsibility (2010) issued by International Organization for Standardization.

The Report is prepared based on the requirements set out in the abovementioned standards, and proceeded through identifying and ranking major stakeholders, identifying and ranking important ESG-related issues, defining the scope of the ESG Report, collecting relevant materials and data, preparing reports based on the information collected, and the report reviewing process by the Board, so as to ensure the materiality, quantification, balance and consistency of the content in the Report.

1.3 Reporting Scope and Boundaries

The policies and relevant information provided in the Report cover the head office of Labixiaoxin Snacks Group Limited (stock code 1262) and its three subsidiaries in Fujian, Sichuan and Anhui, and the scope of the Report is consistent with that of the annual report. Unless otherwise stated, the currency used in the Report is RMB.

1.4 Statement about Information and Assurance of Reliability

All information and data used in the Report are extracted from the Company’s formal documents, statistics reports and financial statements. Information of the Report are provided by the Group’s employees and partners, intended solely to disclose environmental, social and governance affairs of the Group, but not for commercial use. The Board of the Company undertakes that the Report does not contain any false records or misleading statements and is responsible for the truthfulness, accuracy and completeness of its contents.



Environmental, Social and Governance Report

1.5 Reporting Specification

"Labixiaoxin", "the Group", "the Company" and "we" in the Report all represent Labixiaoxin Snacks Group Limited.

1.6 Report Languages Available

The Report is publicly available in English and Chinese. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

1.7 Confirmation and Approval

The Report was confirmed by management and approved by the Board on 10 May 2022.

1.8 Feedback on the Report

If you have any questions or suggestions on the content of the Report, please contact the Administrative Department of Labixiaoxin Snacks Group Limited through the following means.

Address: Unit 8, 21/F, Island Place Tower, 510 King's Road, North Point, Hong Kong

Tel: 2536 9669

Fax: 2536 0960

E-mail: admin@lbxxgroup.com

Website: www.lbxxgroup.com



Environmental, Social and Governance Report



2. INFORMATION OF LABIXIAOXIN

2.1 Company Introduction

Labixiaoxin (Fujian) Food Stuff Industry Co., Ltd. was established in 2000, and is a leading snack food producer in China. The Company’s products primarily include jelly, puddings, popsicles, candies, cooked food, and others. In 2011, the Company was listed on the main board of the Hong Kong Stock Exchange (stock code: HK.01262). In a history of over two decades, the Company has adhered to the product philosophy of “health and nutrition” to insist in using high-quality raw materials. We have three production bases in Fujian, Anhui and Sichuan, and the standard plants of these production bases together with their supporting facilities cover over 300 mu. We have over 1,100 employees.

Labixiaoxin has been improving its equipment level, manufacturing capability, sound supply chain management capability and strict quality assurance system. In terms of products, Labixiaoxin continues to introduce new products in line with the trend of food industry. It successively introduced new snack foods such as boneless duck feet, charcoal-grilled meat balls, and crispy lotus root slices with marinade, which brought consumers more choices of premium products and formed a diversified product portfolio. Through a mature distribution network, Labixiaoxin’s high-quality products are widely available at home and abroad, forming a strong brand communication and influence.

During the Reporting Period, the revenue from principal activities of Labixiaoxin was RMB640 million.

2.2 Corporate Culture and Philosophy

Labixiaoxin is committed to providing consumers with healthy and nutritious products by embracing the corporate vision of “a leading brand in China’s snack industry”, upholding the corporate mission of “creating a great health undertaking and building a century-old brand”, establishing the value of “hard working and struggle, innovation-driven, rigorous and self-disciplined, co-creation and co-sharing”, enriching its brand concept of “stick to high-quality snacks, every bite is carefully selected” and adhering to the operation philosophy of “reaching and understanding customers’ needs is the origin of our management”.

Corporate core values:

- Hard working and struggle (new concept): Represent second entrepreneurial concept of establishing the culture of hard working and struggle for all employees; struggle concept of integrating the diligent culture into the organizations; benchmarking concept of forward-looking , down-to-earth and being practical.
- Innovation-driven (new model): Develop new channels to accelerate channel structural reforms; optimize product categories to expand presence of products; adopt innovative sales models to accelerate the exploration of e-commerce marketing methods; enhance brand image and lead the trend of health; improve mechanism construction and adopt innovative ways for system reform.



Environmental, Social and Governance Report



- Rigorous and self-disciplined (new motivation): Strengthen the building of leadership among senior management with “top ten key rules”; establish a scientific and rigorous management style for middle management with military management; optimize work methodology and behavioral models with code of conduct.
- Co-creation and co-sharing (new value): Adopt equity co-sharing and undertaking co-creation for senior management; implement platform co-creation and wealth sharing for distributors; implement quality symbiosis and benefit sharing for suppliers; implement project partnership and results sharing for management; implement all staff co-creation and platform fission for marketing.

2.3 Diverse Products

2.3.1 Product Portfolio

Labixiaoxin constantly focuses on the consumers to innovate and, on the basis of ensuring food safety and quality, launch diverse products to satisfy demands of various consumers. We have established a product portfolio of basic dessert, new snack foods and future categories, including jelly, puddings, popsicles, candies, cooked food, fast food, yogurt and others. The featured product series of 2021 were as follows:

- Jelly series: fiber fruit pulp jelly, lactic acid bacteria jelly, fruit-flavored jelly, drinkable jelly, pudding jelly, yoghurt jelly;
- Pudding series: lactic acid bacteria pudding, cheese pudding, yoghurt pudding, milk pudding;
- Popsicle series: lactic acid bacteria smoothie popsicle, baking soda popsicle, lactic acid bacteria popsicle, lactic acid bacteria small milk stick;
- Candy series: Mylikes (麥麗素), chocolate, snowflake flaky pastry, nougat, lollipop, gummy candy, floral flavored mints, oat chocolate;
- Cooked food: boneless duck feet, charcoal-grilled squid, charcoal-grilled meat balls, crispy lotus root slices with marinade, low-fat chicken breast;
- Fast food: oden, scallop vermicelli, instant hotpot;
- Yogurt series: Calcium Baobao (鈣飽飽), Zinc Baobao (鋅飽飽).



Environmental, Social and Governance Report



2.3.2 Product Innovation

In 2021, Labixiaoxin kept the growing gene since its establishment and innovation has become its core competitiveness, exploring and launching products that are more in line with current social needs and consumer preferences. On top of ensuring and improving product quality, we focus on the research and development of product health and nutrition to meet new demands of today’s consumers for food quality. During the Reporting Period, Labixiaoxin launched new products such as Lactic Acid Bacteria Konjac Jelly, One Cup Pudding and Ice Cream Flavored Pudding. With new technologies, Labixiaoxin achieved breakthroughs in new product taste, nutritional content and proportioning, so as to meet different needs of the “Z” generation for food quality.

Ice Cream Flavored Pudding



Enabling pudding a breakthrough in the taste of soft and glutinous ice cream with frozen crystallization technology

Lactic Acid Bacteria Konjac Jelly



Realizing zero fat content in food through new technology

One Cup Pudding



Providing consumers with a more balanced nutritional intake by innovatively adopting a double protein formula

In addition, Labixiaoxin pays attention to the impact of product nutrition on children’s growth. Calcium Baobao and Zinc Baobao yogurt drinks specially designed for children aged 3-12 was launched. On the basis of protein content reaching 2.0%, calcium and zinc nutrients that help growth are specially added to the product to match quality lactic acid bacteria. In addition to providing more nutrition, the product has also achieved innovation in packaging: the use of building block bottle caps can lead children to assemble puzzles and reach the goal of edutainment, while fully exercising their manipulative ability and three-dimensional thinking ability.



Environmental, Social and Governance Report



Calcium and Zinc Baobao yogurt drink



Labixiaoxin’s innovations in product taste, nutritional health and functionality have been widely recognized and welcomed by consumers. In the increasingly competitive snack food market, Lactic Acid Bacteria Konjac Jelly, One Cup Pudding and Ice Cream Flavored Pudding have become popular new products in 2021.

2.3.3 Product Operation

Labixiaoxin further optimized the “online + offline” operation and sales strategy in 2021, improving communication and cooperation with offline distributors, and successfully organizing a number of investment exhibitions, which were widely recognized by distributors. Meanwhile, Labixiaoxin cooperated with major e-commerce platforms to conduct online publicity and marketing in various forms, thus accurately reached target customers in a wider range and at a lower cost to promote product sales, and further expanded brand influence. During Labixiaoxin’s special live streaming of Spring Festival goods held in January 2021, with the theme of “CEO Selected Goods” as a gimmick, a total of 160,000 distributors participated and more than 30,000 interactions in total were obtained. Under such product operation and sales strategy, Labixiaoxin achieved a new high in sales in 2021, which maintained its leading market position in jelly products, and achieved a new breakthrough in market share and brand influence.

2.4 Patents, Innovations and Honors

2.4.1 Labixiaoxin’s Patents and Innovations

On the way to the innovation and promotion of Chinese snack foods, Labixiaoxin never stops the pace of self-reform. By relying on the National Health and Production Commission Functional Food Research Institute (全國健產委功能食品研究院) and the Enterprise Technology Research and Development Center, we have set up a sound technology research and innovation system, establish a think-tank integrating National Health and Production Commission and the Secretariat of the Functional Food Association, adopt the human resources development model which “introducing high-tech talents, cultivating and enhancing the level of corporate technological personnel” on the basis of “cooperation with universities and scientific research institutes” to launch high-quality and diversified new products with innovation.

Patent certificates and awards in recent five years:

- March 2015: Patent for Invention “Two-layer Mousse Jelly and Preparation Process”;
- March 2016: Patent for Invention “A Preparation Process for Vitamin Jelly”;
- December 2016: Second Class Prize of The State Scientific and Technological Progress Award;
- September 2019: First Class Prize of Fujian Provincial Technological Progress Award 2018.

Environmental, Social and Governance Report



2.4.2 Labixiaoxin's Major Honors in Recent Five Years

Social recognition:

- July 2016: Provincial-level Key Leading Enterprise of Fujian's 8th Agricultural Industrialization;
- December 2016: Second Class Prize of The State Scientific and Technological Progress Award;
- May 2018: MIIT Certification for the Integration of Informatization and Industrialization Management System;
- May 2019: "Outstanding Enterprise" of Bakery & Confectionery Industry at the 40th Anniversary of China's Reform and Opening-up;
- September 2019: Outstanding Enterprise at the 40th Anniversary of China's Reform and Opening-up;
- October 2019: Municipal-level Key Leading Enterprise of Quanzhou's 9th Agricultural Industrialization.

Brand reputation:

- May 2014: 2013 CIEBC Top 100 Companies;
- November 2014: Well-known Trademark of Fujian Province (November 2014 to November 2017);
- June 2015: China Association of Bakery & Confectionery Industry Top 10 Companies (Jelly);
- May 2020: "Labixiaoxin" brand value amounting to RMB2.941 billion based on the evaluation of China Council for Brand Development;
- January 2021: Provincial-level Key Leading Enterprise of Fujian's Agricultural Industrialization appraised by the Fujian Provincial Department of Agriculture and Rural Affairs.

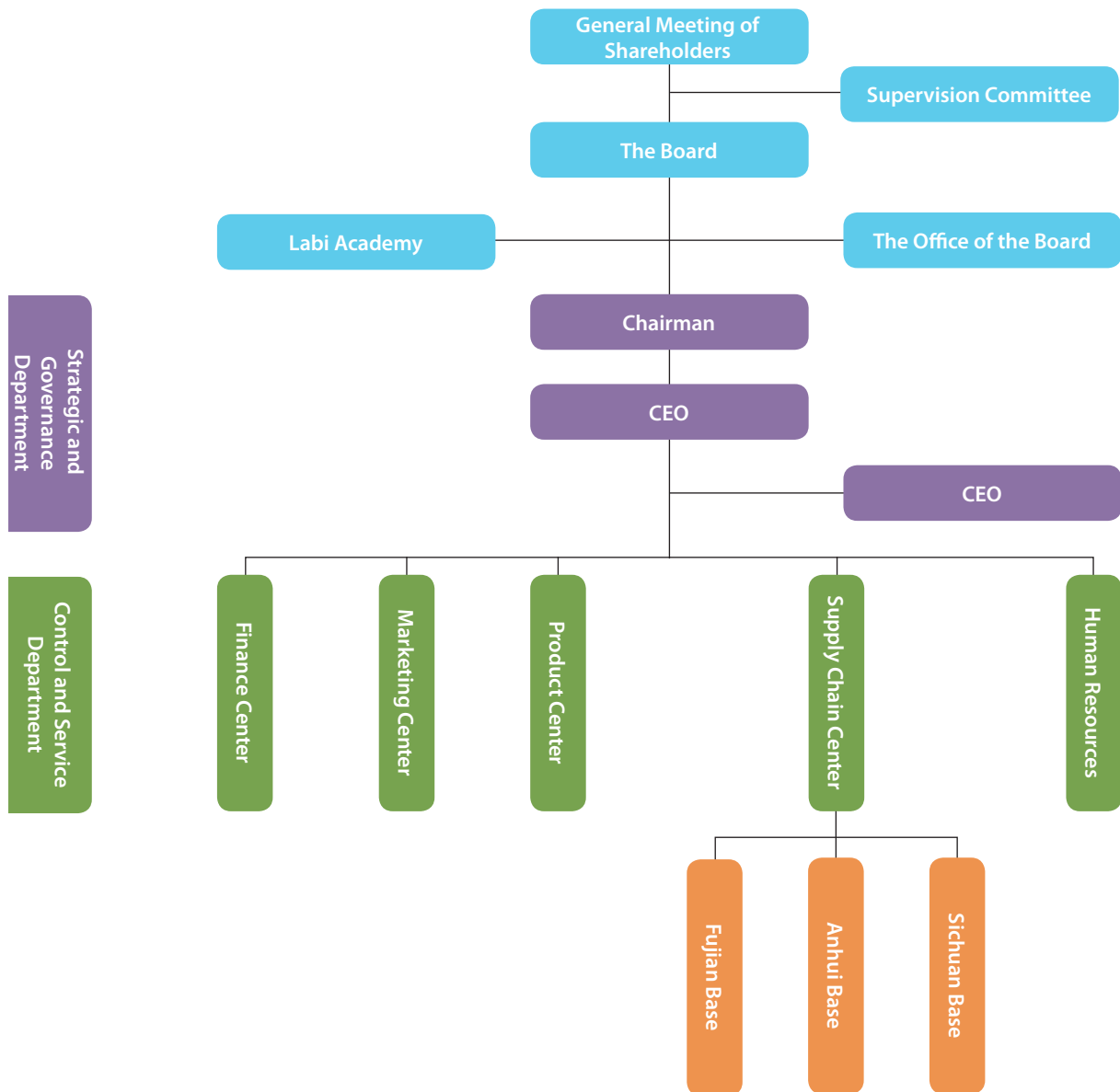


Environmental, Social and Governance Report

2.5 Corporate Governance

2.5.1 Corporate Governance Structure

The Group is committed to maintaining a high-standard governance structure. The Board is the highest authority of the Group, responsible for the Group’s strategic planning and the daily operational management, so that the healthy development of the Company and the win-win situation with all stakeholders can be guaranteed.



Environmental, Social and Governance Report



The Board of the Group currently comprises 7 members, including 3 executive directors, 1 non-executive director and 3 independent non-executive directors.

Executive Directors:

- Mr. Zheng Yu Huan (*chairman*)
- Mr. Zheng Yu Shuang (*chief executive officer*)
- Mr. Zheng Yu Long

Non-executive Director:

- Mr. Li Hung Kong (*vice chairman*)

Independent Non-executive Directors:

- Mr. Li Biao
- Ms. Sun Kam Ching
- Mr. Chung Yau Tong

The Board has set up three specific committees, namely the audit committee, the nomination committee and the remuneration committee.



Environmental, Social and Governance Report



2.5.2 Integrity Management

Labixiaoxin strictly complies with the Criminal Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other relevant laws and regulations, resolutely eradicates bribery, extortion, fraud and money laundering acts, values the integrity culture education and construction and adopts the zero-tolerance attitude toward any act that will violate any professional codes or business ethics. During the Reporting Period, there was no lawsuit due to the violation of laws and regulations in relation to anti-corruption, anti-bribery, anti-fraud and anti-money laundering.

To guarantee the realization of operating objectives and sustainable and sound development of the Company, enhance corporate governance and internal control, Labixiaoxin has established a series of effective antifraud mechanisms, with focus on procurement, marketing and other high-risk areas, so as to prevent and discover fraud practices in time. In the meantime, we further improve employees' integrity awareness through the promotion of integrity culture.

Improvement of supervision mechanism:

- The Group establishes the corruption monitoring point, which imposes punishments including warning, removal and termination of labor contract based on the seriousness of relevant cases when it discovers employees' violation of business ethics and labor discipline;
- Supervision and reporting channels are established, including whistleblowing hotline, general manager suggestion boxes, and letters and petitions;
- Confidentiality agreements and anti-corruption agreements are signed with suppliers and distributors to increase the cost of upstream and downstream bribery, and the head of the procurement department and the chairman of the Group directly manage relevant information, so that the fraud risk can be controlled at source;
- The Group has set up a digitalized intelligent procurement system, which automatically evaluated and rated the evaluation factors such as price, quality and delivery provided by suppliers, effectively reducing human intervention, so as to improve the transparency and fairness of procurement;
- In 2021, the Group strengthened its integrity control. With the exception of the procurement department, gifts received with a value of RMB100 or above shall be reported to the Group, and gifts received by the procurement department shall be submitted as hospitality supplies.

Creation of integrity culture:

- New employees are required to sign the Letter of Integrity and Self-discipline, which regulates the behaviors of employees and clarifies employees' responsibility of conducting honest business practices;
- The Group realized visual management of employees' field affairs, and required all employees to carry out various tasks with fairness, integrity and honesty;
- The Group values the corruption risk education to employees, organizes corruption risk warning education activities, invites experts from the judicial system and the public security system to give lectures on integrity, so as to improve employees' integrity awareness;
- Legal departments are regularly invited to offer training on legal knowledge to the Board and middle and senior management members of the Group, thereby creating a clean and honest corporate environment.



Environmental, Social and Governance Report



2.5.3 Internal Audit Standards

Labixiaoxin strictly complies with the Company Law of the People’s Republic of China, the Corporate Internal Control Audit Guidelines (《企業內部控制審計指引》) and relevant laws and regulations of the State. In accordance with the said laws and regulations, it has set up the internal control audit standards, and ensures the smooth and effective business operation, the reliability of financial reports and the compliance with relevant laws and regulations through monitoring the operation of internal control system, checking accounting records and relevant assets, monitoring the execution of preliminary and actual budgets and financial income and expenditures, and assessing benefits of major economic activities. Labixiaoxin also carries out special audit projects on a regular basis, gives full play to the supervision function of audit works, and effectively monitors the rectification of relevant issues, so as to ensure that the internal operation of the Group complies with laws and regulations.

2.6 Focus: Encourage Innovation and Grow Together

In order to stimulate the innovative spirit of employees, in 2021, the Group held the “President’s Special Award” activity for its large supply chain system. With the two specific improvement indicators of “labour efficiency” and “quality” as the competition targets, the awards were set up to mobilise employees’ creativity and motivation, resulting in a number of outstanding innovations and improvement solutions, which also provided a guarantee for achieving the Group’s annual targets.



Environmental, Social and Governance Report

Under the direction of the President, the “President’s Special Award” for 2021 was a dual competition among the three manufacturing bases on two specific improvement indicators, namely “labour efficiency” and “quality”, with the aim of achieving the annual sales and supply efficiency and quality output targets, further improving customer satisfaction, reducing customer complaints, and effectively enhancing the core competitiveness of the brand.



Commendation Conference
at Fujian Base



Commendation Conference
at Anhui Base



Commendation Conference
at Sichuan Base

Environmental, Social and Governance Report



The “President’s Special Award” received enthusiastic participation from the three bases, resulting in a number of innovations and production improvement solutions, which positively contributed to the enhancement of “labour efficiency” and “quality”.

EXCELLENT ACHIEVEMENT DISPLAY

Improvement of automatic can opener for canned fruit



Before improvement: manual opening of cans resulted in metal scraps falling into the pulp, causing six customer complaints of metal black spots in 2020



After improvement: the automatic can opener opens cans in one go, and the metal scraps are less likely to fall into the cans, resulting in 80% reduction of similar complaints in 2021

Production improvement by automatic pipe pressing machine



Before improvement: manual pipe pressing was adopted, with intensive labour and low production efficiency



After improvement: the automatic pipe pressing machine was adopted, with production efficiency increased by 15%

Environmental, Social and Governance Report

Folding technological improvement of suckable jelly paper cards



Before improvement: manual folding of cartons and wrapping paper was labour-intensive and inefficient



After improvement: the automatic folding of cartons and packaging by machine saved labour and increase efficiency by 240%

Efficiency improvement and cost reduction of corn sugar inline packaging



Before improvement: manual handling and packing was costly and labour-intensive

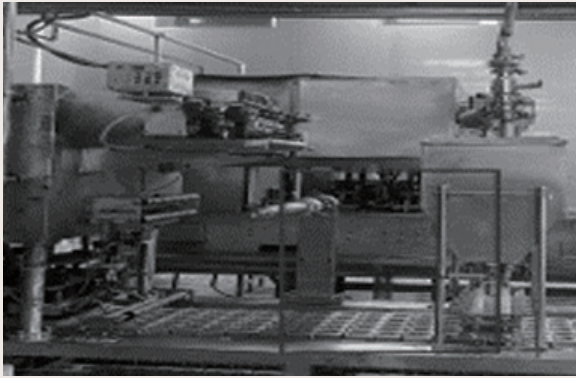


After improvement: the inline automatic packaging and weighing saved 3 workers

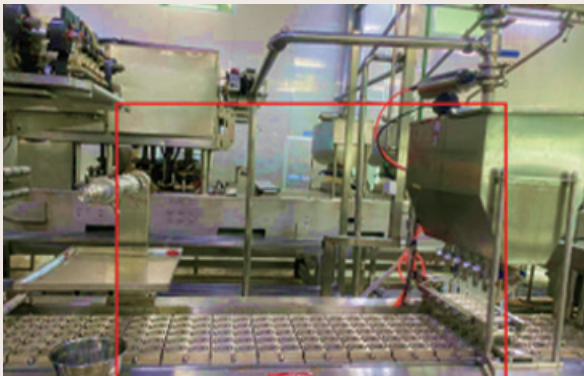
Environmental, Social and Governance Report



Improvement of liquid leakage caused by pulp covering film at Anhui Base



Before improvement: due to the large space occupied by the jar, it was inconvenient for the staff to add pulp, and the pulp was added by deviation from the edge of the cups, resulting in customer complaints of liquid leakage from the pulp covering film



After improvement: the cans were moved to provide convenience for staff to add pulp, increasing the accuracy of adding pulp and reducing customer complaints of liquid leakage

Improvement of vacuum filling machine at Sichuan Base



Before improvement: the use of force-filling for suckable products resulted in many customer complaints of black spots, low production yield and low capacity



After improvement: through change to vacuum filling, there was zero customer complaint of black spots in 2021 as compared to 2020, with the yield increased by 10% and the production capacity increased by 2 tons per shift

Environmental, Social and Governance Report

Improvement of packaging efficiency of 500g schoolbags at Sichuan base



Before improvement: manual packing was labor-intensive and inefficient



After improvement: the old packaging machine was transformed into an integrated packaging and weighing system, which increased the efficiency by 45% and guaranteed the output

Improvement of cooling water recycling



Before improvement: jelly cooling water was not recycled



After improvement: through installation of recycling device, water consumption per ton was 1.2 ton

Environmental, Social and Governance Report



3. ESG MANAGEMENT

3.1 ESG Management Principle

While focusing on production, Labixiaoxin always makes repaying society as the shared core value for its management and employees. We incorporate the concept of sustainable development into the gene of corporate culture, fulfill social responsibilities actively, stay dedicated to the health of consumers and the win-win cooperation with shareholders and partners, and play a part in the development of the society.



Since the establishment of Labixiaoxin, the Group has always adhered to the principles of “Four Persistences”:

- The Group sticks to the “green food” management principle to guarantee the safety, quality, healthiness, and nutritiousness of the products it offers;
- The Group never stops offering care and support to its employees to enhance their sense of recognition and belongings to the Group. It resolutely safeguards employees’ benefits, and builds a working atmosphere that is harmonious and proactive;
- The Group strictly follows low-carbon and environmental friendliness rules in every aspect. It works hard to achieve energy conservation and emission reduction by increasing efficiency, minimize the impact on the environment, and promote sustainable development;
- The Group makes relentless devotion to charity cause, actively fulfills corporate social responsibility, delivers care and health to communities and the public and contributes to the healthy development of communities and the public.



Environmental, Social and Governance Report



3.2 ESG Management System (ESG Management Department)

To further integrate ESG management into the daily operation and management of Labixiaoxin, and promote the implementation of the Group’s ESG management strategies, the Group establishes a three-tier ESG management system, the core of which consists of the Board, the ESG Management Group and the ESG Working Group.



The Board: It is the top decision maker of the ESG management system of the Group and is responsible for identifying and assessing ESG related risks, ensuring that the Group has set up appropriate and effective ESG risk management system and internal control system, and reviewing the annual ESG report and work plan.

The ESG Management Group: It is composed of the management of the Group, and mainly serves as the supervision function in the ESG management system. It is responsible for monitoring and managing the daily operation of ESG risk management and internal control systems, coordinating the daily work of the ESG Working Group and reporting the operation of the systems to the Board on a regular basis.

The ESG Working Group: The ESG Reporting Group is formed by core departments including the Sales Department, the Human Resources Department, the Procurement Department, the Quality Inspection Department and production bases of the Group. It is responsible for executing all ESG related works, including collecting data, preparing report, communicating with stakeholders, arranging exchange and training activities, and at the same time, it leads the implementation of ESG work to help the Board and the ESG Management Group to assess whether the Group’s ESG management system is appropriate and effective.

3.3 Communication with Stakeholders

Based on its business scope and nature of production and operation, Labixiaoxin identified stakeholders who have decision-making power and influence on the Group, including its employees, customers, suppliers, investors, local communities, government and non-government organisations. Effective engagement of the stakeholders is crucial to Labixiaoxin’s ESG governance. Therefore, Labixiaoxin attaches great importance to the communication with stakeholders, setting up a normalized, open and transparent communication mechanism for stakeholders is a key measure for Labixiaoxin to fulfill and promote social responsibility. By keeping close communication and information sharing with the stakeholders, the Group can further understand stakeholders’ expectations and demands on Labixiaoxin’s assuming social responsibility. While striving to fulfill the basic social responsibility, the Group endeavors to integrate the demands and concerns of stakeholders into the operation and decision-making process, thereby enhancing brand value and reducing operational risks.

Environmental, Social and Governance Report



Table 1: Communication Mechanism for Stakeholders

Stakeholders	Shared Targets	Communication and Feedback Channels
Shareholders and investors	<ul style="list-style-type: none"> • Assets preservation and appreciation • Steady growth in return on investment • Risk and crisis management • Development of new markets and new opportunities 	<ul style="list-style-type: none"> • Annual report • Special meetings • News and announcements published on the Company's website
Government and regulatory authorities	<ul style="list-style-type: none"> • Operation compliance • Tax compliance • Contribution to local economic development 	<ul style="list-style-type: none"> • Supervision and performance evaluation • Voluntary tax payment • Special meetings
Consumers	<ul style="list-style-type: none"> • Product safety and quality • Smooth feedback channels • Customer satisfaction • Diverse product choices 	<ul style="list-style-type: none"> • "Green food" management principle • Customer service hotline • WeChat official account/official Weibo • Online mall • Product quality management system
Suppliers	<ul style="list-style-type: none"> • Fair, open and impartial procurement • Supply chain management • Code of business conduct and anti-corruption • Long-term and stable cooperative relationship 	<ul style="list-style-type: none"> • Supplier site visits • Supplier tendering • Supplier meetings • Distributor training
Environment	<ul style="list-style-type: none"> • Environmental protection • Energy conservation and emission reduction 	<ul style="list-style-type: none"> • Regular environmental assessment • Technology upgrading • Environmental management plan
Employees	<ul style="list-style-type: none"> • Occupational health and safety • Wages, benefits and security • Employees' rights • Occupational growth platform 	<ul style="list-style-type: none"> • Occupational health and safety management system • Employment and employees' rights • Employee training and development • Labi Academy
Communities	<ul style="list-style-type: none"> • Public charities • Activities for repaying the community • Contribution to local economic development 	<ul style="list-style-type: none"> • Support development of education industry • Products donation • Be warmhearted to public service • Stimulation of local industrial development



Environmental, Social and Governance Report

3.4 Analysis of Material Issues

Since its establishment, Labixiaoxin has been keeping sound communication with stakeholders, timely understanding and actively responding to stakeholders' requirements and constantly improving the Group's sustainable development ability. On the basis of requirements of the ESG Guide of the Hong Kong Stock Exchange and with reference to practices of leading enterprises at home and abroad, Labixiaoxin analyzes, classifies, selects and ranks issues that reflect the Group's economy, the significant environmental and social impact and those have material impact on stakeholders' assessment and decision making, which is taken as the important basis of managing and disclosing ESG information.

Identification of Issues

Labixiaoxin focuses on characteristics of its business and key areas of the industry. The Board is responsible for identifying and assessing the impact and possible risks the Group's businesses may bring to the environment, the society, and the corporate governance, identifying material environmental, social and operational issues after the consolidation in accordance with the ESG Guide, and taking such identification and assessment as the basis to analyze material issues.

Surveys and Research

The ESG Working Group conducts group discussion and personal interviews with stakeholders for communication and exchange, so as to understand the issues stakeholders prioritize and assess the materiality of various issues.

Questionnaire Surveys

The ESG Working Group invites stakeholders to evaluate the materiality of all issues by way of questionnaire, so as to collect accurate and specific data, and further measure and analyze stakeholders' judgments on importance to material issues.

Screening and Assessments

Based on the results of surveys and research, the ESG Working Group assesses different material issues from two perspectives, i.e. the importance of the impact on corporate internal development and the importance of the impact on stakeholders, and prioritizes the importance of respective issue in order to obtain the materiality matrix. The relative importance of various issues is identified through matrix analysis.

Review and Confirmation

Through the abovementioned assessing process, 15 key ESG issues are identified; by the review of the Board and the ESG Management Group, they become the core part of the Report, which means that Labixiaoxin should focus on the monitoring and management of such issues and disclose relevant information.

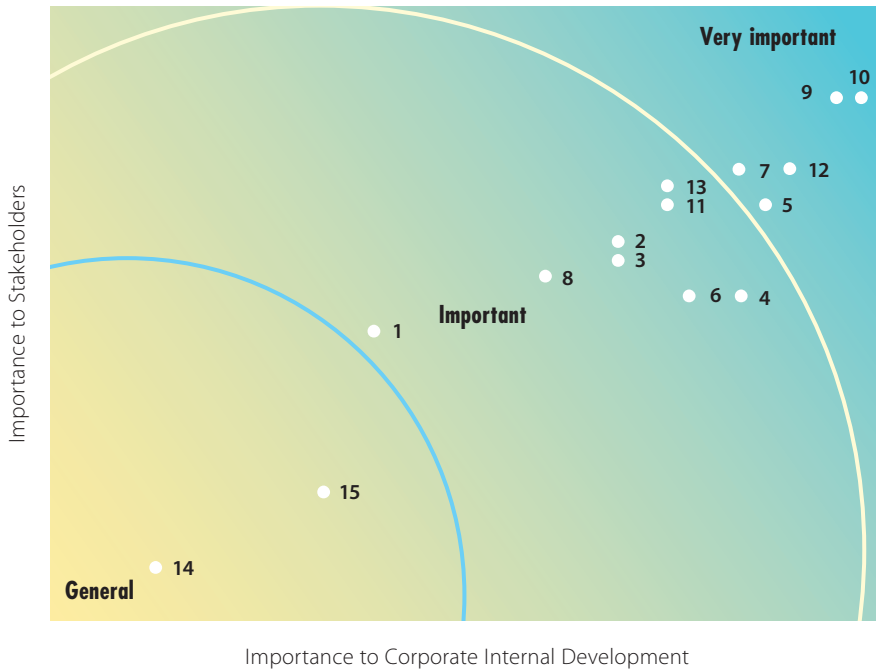
Environmental, Social and Governance Report



Environmental issues:	Social issues:	Operational issues:
1 Environmental protection	4 Employees' salary and benefits	7 Supply chain risk management
2 Use of resource	5 Employees' occupational health and safety	8 Promote supply chain to perform social responsibility
3 Waste treatment	6 Employee development and training	9 Product safety and nutritiousness
		10 Product quality management
		11 Customer service
		12 Intellectual property protection
		13 Anti-corruption
		14 Community activity
		15 Public welfare undertaking

Matrix of Labixiaoxin's ESG Material Issues

Materiality Matrix of Material Issues



Environmental, Social and Governance Report

4. GUARANTEEING FOOD QUALITY WITH HEALTH AND NUTRITION

Labixiaoxin consistently adheres to the “green food” management principle, stays consumer-centric, aims to provide consumers with high-quality, safe and nutritious foods and strives to make contribution to people’s healthy lifestyle. Labixiaoxin strictly complies with a series of laws and regulations on food production and operation, food package, food safety and utilization of food additives, including the Food Safety Law of the People’s Republic of China, GB14881-2013 National Standard of Food Safety – General Hygienic Regulation for Food Production (《GB14881-2013食品安全國家標準食品生產通用衛生規範》), Food Hygiene Supervision Procedures (《食品衛生監督程序》), GB12695-2016 National Standard of Food Safety– Hygienic Regulation for Beverages Production (《GB12695-2016食品安全國家標準飲料生產衛生規範》) and GB7100-2015 National Standard of Food Safety – Cookies (《GB7100-2015食品安全國家標準餅乾》), so as to ensure strict compliance with relevant laws and regulation during the process of production and processing, product packaging, product storage and transportation and to effectively guarantee the product quality and safety. During the Reporting Period, Labixiaoxin recorded no violation of laws and regulations related to food safety.

4.1 Product Quality Management System

Labixiaoxin regards quality as the lifeline of brand, executes strict quality control from the source of supply chain to the marketing terminal, and makes every product with “craftsmanship spirit” that relentlessly seeks for ever greater perfection. Labixiaoxin actively promotes the certification of quality and safety systems, which is subject to review of experienced experts designated by third-party professional certification institutions. During the Reporting Period, Labixiaoxin continuously passed GB/T19001/ISO9001 Quality Management System Certification, ISO22000 Food Safety Management System Certification, and BRC Food Safety Global Standard Certification. At the same time, in order to better meet the demands of customers, Labixiaoxin passed the halal certification in 2021. Labixiaoxin set up a series of quality management regulations and operation manuals that fit for its own products in accordance with the said standardized management systems. Labixiaoxin conducts regular internal review and self-inspection in respect of relevant systems every year, organizes system training, legal and regulatory training, quality inspection training and other trainings for the management and all staff and convenes quality risk meeting every week, so as to ensure that Labixiaoxin has fully guaranteed the quality of our products throughout their life cycle. With years of development and experience accumulation, Labixiaoxin has established a set of mature and effective product quality control system.



Environmental, Social and Governance Report



4.2 Supply Chain Management

Labixiaoxin has been adhering to the faithfulness and win-win philosophy in operation and continuously improving the supply chain management. Through the scientific and strict supplier selection and assessment system, the complete supplier performance appraisal mechanism and the fair and square evaluation system, Labixiaoxin creates a favorable competition environment for suppliers and guarantees the quality of products from source.

In accordance with the Procurement Management Regulations and the Supplier Management System of Labixiaoxin, we made procurement by the way of Group's centralized procurement based on the principle of the "80/20 Rule" and selected high-quality suppliers through tendering. In 2021, Labixiaoxin's procurement department was divided into a supplier management group and a procurement execution group. The management group was responsible for supplier development, new product testing, standard assessment and bargaining; the execution group was responsible for order, order chasing and quality control. Through the form of separation of power and responsibility management, procurement costs and risks were effectively reduced and the stability of procurement quality was guaranteed.

In order to ensure the quality of procurement, the Group implements a comprehensive supplier site visit policy to conduct a thorough and comprehensive multi-dimensional investigation into the suppliers' technical standards, proof of qualifications, enterprise scale, equipment status, reputation, brand awareness and other aspects. Meanwhile, the Group also includes suppliers' production environment, packaging materials, staff management and other social benefit factors into the scope of inspection to ensure that the qualifications of our approved suppliers meet Labixiaoxin's requirements while urging them to make continuous progress in fulfilling their social responsibility.

In 2021, the epidemic caused special circumstances such as the rise in the price of raw materials, and Labixiaoxin's procurement and supply department was under greater pressure. Therefore, Labixiaoxin actively tried to find substitutes for raw materials that had risen at a more significant rate, in order to reduce the costs of the relevant raw materials, while meeting the relevant requirements of quality, taste, health and nutrition. In addition, we controlled raw material costs and ensured production requirements by stocking up in advance and purchasing raw material futures.

In terms of supplier selection, Labixiaoxin adopts a multi-supplier joint supply model. The Group assesses and grades suppliers based on the four dimensions of quality, price, delivery and service, and manage suppliers in a hierarchical manner based on performance assessment results, thereby establishing stable partnerships with excellent and responsible A-grade suppliers and providing coaching and support to potential B-grade suppliers. We ensure the high quality of raw materials for products at all times by eliminating unqualified suppliers. For each product, Labixiaoxin requires two to three suppliers as much as possible, and purchases are made according to the supplier's rating in accordance with the "3-7" or "5-3-2" purchasing ratio, which not only establishes a long-term strategic partnership with each supplier, but also ensures that the Group is in control of the purchasing initiative and reduces purchasing risks.



Environmental, Social and Governance Report



Regional Distribution of Suppliers

Region	Number of suppliers in 2021	Percentage
North China	20	8.06%
Northeast China	3	1.21%
Eastern China	152	61.29%
Central China	34	13.71%
Northwest China	1	0.40%
Southern China	36	14.52%
Overseas	2	0.81%
Total	248	100.00%

4.3 Production Control and Management

To maintain better quality control in each production process, Labixiaoxin strictly implements a series of system and regulations for the production control and management, including the HACCP Program and the Hygiene Standard Operation Procedures (《衛生標準操作程序》), in accordance with relevant laws, regulations and the requirements of respective quality management systems and by taking into consideration the actual development, so that it can ensure the standardization and professionalism of production procedures, production process and operation.

1) HACCP Program (Hazard Analysis and Critical Control Point)

The HACCP Program stipulates the organizational structure of the food safety team of Labixiaoxin, product description, production process flow chart, production process description, hazard analysis worksheet, HACCP plan table, corrective procedures and verification procedures. It defines the process composition, the process sequence, and the interaction between processes necessary for the HACCP Program, and the guidelines and methods for effective control of critical control points. Through monitoring, measurement and analysis, it takes necessary improvement measures to ensure the implementation of Labixiaoxin's food safety policies and objectives.



Environmental, Social and Governance Report



2) *Hygiene Standard Operation Procedures*

Hygiene Standard Operation Procedures set out the details of performing cleaning, disinfection and hygiene procedures in the course of food processing, and clarifies the monitoring of eight key production elements, i.e. water quality monitoring, food contact surface monitoring, cross contamination monitoring, disinfection and hygiene monitoring, pollutant monitoring, toxic chemical monitoring, employee health and hygiene monitoring, and insect pest monitoring, therefore further ensuring the healthiness and hygiene of products.

Through high, medium and low risk grading, the risk of product quality is controlled in an informatized way from four dimensions, namely raw material inspection, production process, product delivery and SOP testing, with each functional department controlling different risk levels. Through the display of quantitative indicators of the system, Labixiaoxin is possible to get real and fast feedback and focus on catching the key points. The 8D quality improvement project is implemented during the implementation process. In response to the problems found, Labixiaoxin will make inter-departmental information sharing and set up a quality improvement team as soon as possible according to the procedures, and the task force will work together to analyze and investigate the causes of the problems found, and then develop countermeasures to solve the problems.

4.4 Quality Inspection

Labixiaoxin continuously improves the product quality inspection system and strictly complies with the Regulations on Management of Annual Quality Objectives (《年度質量目標管理規定》) to ensure the high quality of products. After years of development, Labixiaoxin has currently established a stable product quality inspection system:

1) *Inspection on raw materials*

Materials must be delivered to the Company together with a delivery inspection report provided by relevant vendor. Labixiaoxin collects samples in accordance with relevant requirements and conducts inspections, and substandard materials shall be returned. The quality inspection department shall arrange a third-party professional inspection institution to carry out inspection on key materials such as milk powder in accordance with relevant requirements.

2) *Inspection in the production process*

QC staff carry out a series of inspections before production in accordance with relevant requirements, including the inspections on billboards, equipment, machine hygiene, water, electricity and gas, as well as ingredient mixing, parameter, main materials, auxiliary materials and filtering devices, so as to ensure that ingredients are prepared according to standard recipes.

In the production process, QC staff are in charge of providing respective positions with inspection guidelines. According to relevant requirements, in the building and filling positions, operators perform self-inspections, while team leaders, workshop directors and QC staff conduct tour inspections and the sterilization workers are responsible for real-time supervision of the fully automated sterilization process, so as to ensure all products are produced and sterilized in accordance with process standards.



Environmental, Social and Governance Report



3) Final product inspection

Labixiaoxin has formulated the “Product Delivery Inspection Management System”. The process team or finished product inspector is responsible for taking samples according to the specified requirements and filling in the sampling registration form. The testing lab then performs random sampling inspections on each batch of finished products, which generally include microorganism inspection, the appearance of raw materials, special physical and chemical inspection, and issues relevant inspection reports as required. In addition, the soluble solid, PH value, the degree of coagulation, the color, aroma and taste, water quality (sent for external inspection every year), appearance and labeling of packaging materials, etc. of finished products produced in the workshop are also within the scope of Labixiaoxin’s quality inspections.

In order to ensure that Labixiaoxin is able to maintain the production of high-quality products, except for regular quality inspections, the Group also regularly organizes its subordinate production bases to launch special quality improvement activities by applying new processes and new technologies to upgrade our technologies of product quality.

Online selection of semi-finished Konjac products

Implementation measures: use the idle conveyor belt from the workshop to transform it into a suitable conveyor belt, and connect it with the konjac dryer to implement online selection



Before the renovation: the offline selection of semi-finished Konjac products could not be completed on the same day, and the box was occupied



After the renovation: online selection is implemented to ensure the quality of the selection and avoid leaving it for the next day and using it directly without selection

Improvement effect: selection quality is guaranteed, work intensity is reduced and the production efficiency is improved.

Environmental, Social and Governance Report



4.5 Warehousing and Logistics

Labixiaoxin adopts strict management for the warehousing and logistics of products to ensure that the protection of products can be guaranteed in these two parts, so as to guarantee the quality of products:

- When finished products are rated as qualified, they are sorted and stored by product category and production date in strict compliance with Labixiaoxin’s warehousing management requirements. The principles “keeping away from the ground and the wall” and “avoiding mouse and guarding against damp” must be strictly implemented, and products must be stored in an environment with appropriate temperature. In addition, external professional teams are engaged every month to identify potential hygiene and safety risks in the warehouse and offer relevant solutions;
- The logistics department is responsible for checking the hygiene conditions of vehicles delivering products and the qualification of drivers to ensure that the goods are transported by qualified vehicles and drivers. Meanwhile, Labixiaoxin checks the qualifications of logistics companies every year and launches receivers’ satisfaction survey to collect feedbacks. If there is any issue in the logistics process, the Group will coordinate with relevant logistics company to deal with such issues.
- By adjusting the radius of delivery region and reducing its turnaround times, the logistics department effectively reduced freight costs, transport time and the risk of loss of goods.
- In 2021, Labixiaoxin regularly issued logistics satisfaction questionnaires to distributors, scoring points on logistics speed, logistics freight and logistics breakage feedback to promote logistics departments to improve service quality and efficiency.

4.6 Product Traceability Management

Labixiaoxin establishes the digitalized traceability system and renders all products “ID card”. Relying on the “one product, one code” information traceability system, the Company realizes the informatization, visualization and precision of product traceability management and further improves the quality management system. With the relating code, information about the whole product lifecycle from production, processing, logistics and consumption is available. In addition, the function of “point inspection through code scanning” can enable customers to check the quality inspection Labixiaoxin has performed in each key production process, meet the basic requirement that “the source can be traced back, the production can be visualized, the circulation can be tracking, the risk can be controlled, and the public can get involved”, and achieve the end-to-end and informatized trace of the whole chain.

Labixiaoxin also formulates the Quality Issues Management Standards (《質量事故管理標準》) and Recall and Withdrawal Control Procedures (《召回和撤回控制程序》) internally, which provides details of the definition of quality issues, the classification standards, the countermeasures for each category of quality issues and the product recall and withdrawal procedures. Once the product recall is necessary, Labixiaoxin will implement hierarchical recall management in accordance with relevant requirements, and disclose information such as the batch of products recalled, the time when the recall commences and the work procedures. During the Reporting Period, Labixiaoxin did not record any product recall.



Environmental, Social and Governance Report

4.7 Product Quality

The comprehensive product quality management system is the fundamental guarantee of the high quality of Labixiaoxin’s products. During the Reporting Period, Labixiaoxin’s products maintained consistently high quality and realized 100% food safety qualification, and the total number of products sold or shipped subject to recalls for safety and health reasons was zero.

Product Quality Data for 2019-2021

Year	Product qualification ratio	Food safety compliance ratio	Percentage of products sold or shipped subject to recalls for safety and health reasons
2019	99.79%	100%	0%
2020	99.79%	100%	0%
2021	99.77%	100%	0%

4.8 Customer Service System

Labixiaoxin has always adhered to the operation philosophy of “being close to our customers and understanding their needs as the origin of our management”, and is committed to creating superior and complete consumption experience for consumers by implementing a customer-focused service attitude. Labixiaoxin has formulated the Customer Complaint Management System (《顧客投訴管理制度》) in accordance with the Consumer Protection Law of the People’s Republic of China and other laws and regulations to specify responsibility scope of customer service management, relevant work procedures and accountability and rectification measures, thus ensuring proper response to customer complaints.

Currently, Labixiaoxin has established multiple channels for consumers to express their opinions and feedbacks. Consumers can express their opinions and feedbacks by the national customer service hotline, the WeChat official account or the official Weibo, or adopt the offline channel and directly communicate with local business teams. Labixiaoxin is equipped with professionally trained customer complaints specialists who are responsible for communicating with customers in the first instance to ensure that consumer complaints and feedbacks are handled appropriately.

Environmental, Social and Governance Report



Labixiaoxin fully protects customers' rights and interests, properly deals with customers' private information received through shopping channels, and requires all employees to keep customer information strictly confidential. The Group currently adopts the decentralized and authorized management, under which, relevant personnel can only get access to information and data within their authority scope. In the meantime, Labixiaoxin requires all personnel who have access to key information to sign confidentiality agreements, and encourages employees to transmit data via the Group's internal information platform as far as possible, thereby preventing the unauthorized disclosure of customer information to the greatest extent.

During the Reporting Period, the complaints were mainly about minor damage to the external packaging of the products during transportation, such as broken packages caused by crushing of jelly products. There were no complaints about the health of the food of the products, nor any complaints about the infringement of customers' privacy and loss of customer information, and all complaints were handled properly during the Reporting Period.

4.9 Intellectual Property Management System

4.9.1 Intellectual Property Protection

Labixiaoxin attaches great importance to the protection and management of intellectual property, strictly abides by relevant laws and regulations including the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and the Copyright Law of the People's Republic of China, and has developed and implemented strategies for new product research and development and patent application by taking account of its own conditions. Labixiaoxin believes that the protection of intellectual property rights is to protect innovation, which in turn can better support innovation-driven development. In order to strengthen the management of intellectual property rights, Labixiaoxin has established an intellectual property management system in accordance with the requirements of the Standards for the Management of Corporate Intellectual Property Rights (《企業知識產權管理規範》) GB/T29490: 2013 for the purpose of improving the Group's overall intellectual property management. During the Reporting Period, Labixiaoxin did not record any lawsuit caused by intellectual property infringement.

4.9.2 Eradication of False Publicity

Labixiaoxin strictly complies with the Advertising Law of the People's Republic of China and other relevant laws and regulations. Holding the attitude of being responsible to consumers, Labixiaoxin follows the internal review procedures strictly and obtains the approval before releasing advertisement and other information through official channels.



Environmental, Social and Governance Report

5. GREEN PRODUCTION AND ENVIRONMENTAL PROTECTION

Labixiaoxin actively responds to the national goal of “Achieving Carbon Neutrality before 2060” by promoting the development concept of “green production, green consumption, and green development”, and it is committed to building a healthy food company being in harmony with the environment. The Group strictly abides by the Environmental Protection Law of the People’s Republic of China, the Atmospheric Pollution Prevention and Control Law of the People’s Republic of China, the Water Pollution Prevention and Control Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes and other relevant laws, regulations and standards for emission management requirements. It has also strictly implemented the Environmental Management Plan and continuously strengthened the control and management of greenhouse gas, waste gas, waste water and wastes, therefore making contribution to the development of national green ecological construction. During the Reporting Period, Labixiaoxin did not record any violation of laws and regulations related to environmental protection.

5.1 Emissions

In 2021, Labixiaoxin continued to optimize process technology, updated high-performance environment-friendly production facilities, and upgraded and maintained facilities for disposing of emissions including waste water and waste gas, thereby effectively ensuring that wastes were disposed in a way that complied with laws and regulations and controlling the environmental impact from production and operation.

Waste Gas

- In strict compliance with requirements of the local environmental protection bureau, the Group designates professionals every year to measure the emission of waste gas, and therefore ensures that the emission of waste gas meets national emission standards.

Waste Water

- Wastes and waste water produced during the production are mixed and grinded first, and then automatically gathered in the waste water treatment system through the pipeline, and discharged after reaching the emission standard;
- The rain and sewage diversion pipe network are regularly maintained to meet the relevant requirements.

Solid Wastes

- Solid wastes are disposed in strict compliance with local requirements;
- Domestic wastes are collected and handled by city sanitation departments in compliance with local requirements;
- Recyclable wastes are collected by specialized plants in compliance with relevant requirements;
- Other solid wastes including used batteries and luminous tubes are sorted and stored as required and then collectively collected and treated by third parties.



Environmental, Social and Governance Report



During the Reporting Period, emissions of Labixiaoxin mainly included greenhouse gas generated by energy consumption and waste gas, waste water and solid wastes produced in the course of production and operation. As the total number of Labixiaoxin's products increased from the level of prior reporting period, the overall data of waste gas emissions, cartons, and waste water recorded certain increase. In 2021, as the industrial park began to provide steam centrally and Labixiaoxin reduced its use of natural gas, the emission data of carbon dioxide from the combustion of natural gas dropped significantly year-on-year. Details of which are set out below:

Emission of Greenhouse Gas and Waste Gas

Emission type	Emission in 2021 ¹
Nitrogen oxides (NO _x)	3,940.15 kg
Scope 1 ² Carbon dioxide (CO ₂)	69,533.51 ton
Scope 2 ³ Carbon dioxide (CO ₂)	29,022.45 ton
Density of carbon dioxide (CO ₂)	1.32 tons (CO ₂ e) /ton _{product}

Discharge of Waste Water and Solid Wastes

Name of waste	Total discharge in 2021 (ton)	Density of discharge for 2021
Cartons	123.5	0.002 tons/ton _{product}
Packing scrap wastes	146.44	0.002 tons/ton _{product}
Cans	120.36	0.002 tons/ton _{product}
Waste water	351,605	4.702 tons/ton _{product}

¹ The data cover the emission of the Group's headquarters in Fujian and subsidiaries in Anhui and Sichuan

² Scope 1: Covers the carbon dioxide emissions from the Group's use of gasoline and natural gas combustion

³ Scope 2: Covers the carbon dioxide emissions generated indirectly from the Group's outsourcing power and steam



Environmental, Social and Governance Report

5.2 Use of Resources

Labixiaoxin has been strictly abiding by the Energy Conservation Law of the People's Republic of China, actively adjusting its own energy structure, constantly integrating the environment and the expectations from the society and the government in its core operation practices, and put efforts in achieving social sustainability. Labixiaoxin vigorously promotes the measures for energy conservation and emission reduction, continuously improves the resource management regulations and system, develops employees' awareness of resource conservation, and improves energy utilization as well as plans to gradually develop more detailed quantitative targets for key production resources, such as electricity, water, and packaging materials in the future.

Set out below are measures Labixiaoxin promoted in 2021 to improve energy and resource efficiency:

Electricity saving:

- We vigorously respond to the call of the state and local governments to implement off-peak production to ease the pressure on regional power supply and reduce production costs;
- We upgrade machines such as product packaging and label filling automatically to optimize production processes and improve production efficiency;
- Production units are subject to monthly energy use assessment, which strictly assesses each workshop's use of energy and identifies exceptional use of energy in a timely manner by analyzing energy consumption, so as to prevent wasting energy;

Water saving:

- More labels for saving water are added in the factory to strengthen the promotion and education of water saving;
- The recycling efficiency of domestic water is further improved by dredging the water pipes and optimizing the water treatment process. The recycled water is used in restrooms and for cleaning the plant site;
- We regularly inspect and repair steam pipelines and drain valves, upgrade and optimize key components to improve overall efficiency, effectively prevent steam leakage and reduce steam loss.

Environmental, Social and Governance Report



Packaging material saving:

- Upgrade and integrate the packaging process and introduce rolling film equipment to reduce packaging material losses and lower packaging costs.
- Use laser coding instead of ink coding to improve the environmental protection level and save consumables.
- Change the inside aluminum-plated packaging to PVC material to save packaging costs and improve the overall environmental protection level.

During the Reporting Period, Labixiaoxin promoted measures to improve energy and resource efficiency in all aspects, but due to the total number of products increased, the primary resources (other than natural gas and gasoline¹) recorded increase slightly from the level of prior reporting period. Details of the data are set out below:

Table of Resource Consumption and Density

Resource category	Total resource consumption in 2021	Density
Electricity	12,097,112.21 kWh	161.76 kWh/ton _{product}
Natural gas	21,656.00 m ³	2.04 m ³ /ton _{product}
Steam	64,107.59 tons	0.86 ton _{steam} /ton _{product}
Water	630,306.85 tons	8.43 ton _{water} /ton _{product}
Gasoline	21,213.61 tons	0.28 ton _{gasoline} /ton _{product}
Packaging materials	12,662.01 tons	0.17 ton _{packaging material} /ton _{product}

5.3 Environmental Impact Management

Labixiaoxin consistently sticks to the sustainable development concept that highlights the green development and environmental friendliness. We attach great importance to environmental protection and resource conservation, incorporate the concept of energy conservation and emission reduction into production, operation and management, make every effort to minimize the impact of our businesses bring on the environment, and strive to solve practical or potential environmental problems. In view of its business nature, Labixiaoxin had not brought significant impact on the environment and natural resources because of the emission of slight nitrogen oxides and carbon dioxide generated from the combustion of natural gas for production and the discharge of waste water and solid wastes produced in production. For emissions generated, Labixiaoxin has adopted appropriate treatment procedures, and the emission meets the requirements of national laws, regulations and policies on environmental protection. In addition, we have developed the Environmental Protection Management System, the Environmental and Occupational Health and Safety Management, Operation and Control Procedures, the Emergency Plans for Environmental Pollution and Damage Incidents, the Environmental and Occupational Health and Safety Emergency Response and Control Procedures and other system documents, so as to prevent the occurrence of risk events that may have a significant impact on the environment and natural resources, and clarify the emergency plans and procedures in case of such incidents.

¹ The decrease in natural gas use was mainly due to Group starting to use steam provided centrally by the industrial park, while the decrease in gasoline consumption was mainly due to the reduction in the use of buses by the Group



Environmental, Social and Governance Report

5.4 Tackling Climate Change

Labixiaoxin is profoundly aware that climate change will have a great impact on the natural environment and corporate development. Although there is no formulated management regulations that are directly related to climate change yet, Labixiaoxin strictly implements regulations and arrangements on extreme weather stipulated by local government and has formulated the Flood Control and Typhoon Prevention Emergency Plan (《防汛防颱風應急預案》) according to possible unexpected weather conditions. According to the Plan, an emergency team leader for flood control and fire prevention is set up. When faced with a flood and fire situation, the team leader will promptly organize the team members to take safety measures for important locations such as warehouses, workshops, dormitories and boiler rooms. In addition, Labixiaoxin regularly organizes relevant drills and rectifies any possible problems in order to ensure the life and health of employees and the safety and stability of corporate assets. Labixiaoxin will also constantly pay attention to the risks and opportunities brought by climate change and formulate effective and feasible management guidelines and mechanisms in the future.

6. PEOPLE-ORIENTED AND CARING FOR EMPLOYEES

6.1 Our Values

Labixiaoxin firmly believes that employees are our most valuable asset and that “people” are the primary resources of enterprises. We place people first and strive to achieve mutual respect, candid communication, fair evaluation and common development. Labixiaoxin endeavors to create a more suitable working environment for our employees, continually improves the living conditions for them, provides them with a broader platform to give full play, and strives together with our employees to achieve the long-term goals of the Company.

6.2 Employment and Interests of Employees

6.2.1 Employment

While strictly following the requirements stipulated in the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, Law of the People’s Republic of China on the Protection of Disabled Persons, Regulation on the Employment of the Disabled and relevant laws and regulations, Labixiaoxin standardizes recruitment procedures and criteria based on the actual development of the Group, establishes a comprehensive remuneration and benefit system, improves the employee promotion mechanism, prohibits the recruitment of child labor and forced labor, actively explores the new methods for supporting the works of disabled employees, respects the culture and religious belief of different ethnic groups, ensures employees of different genders, ages, skills, educational background enjoy equal rights, and protects employees’ rights and interests in recruitment, promotion, dismissal, working hours, holidays and other aspects. Labixiaoxin also establishes feedback channels in respect of labor relationship, remuneration and benefits, and performance appraisal results to further safeguard employees’ rights and interests. During the Reporting Period, Labixiaoxin did not record any violation of relevant labor laws and regulations.

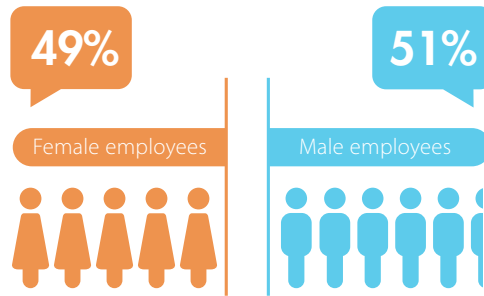
As at the end of 2021, the employees of Labixiaoxin were mainly based in Fujian, Sichuan and Anhui. We currently have a total of 1144 employees (including 5 disabled employees), among which:



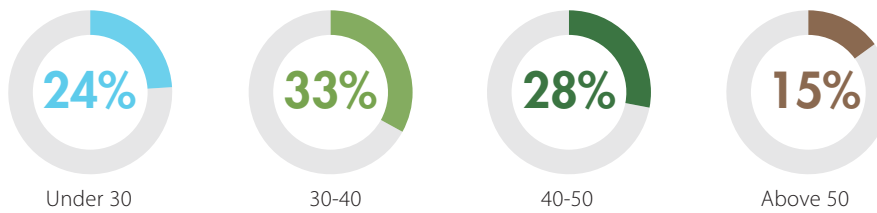
Environmental, Social and Governance Report



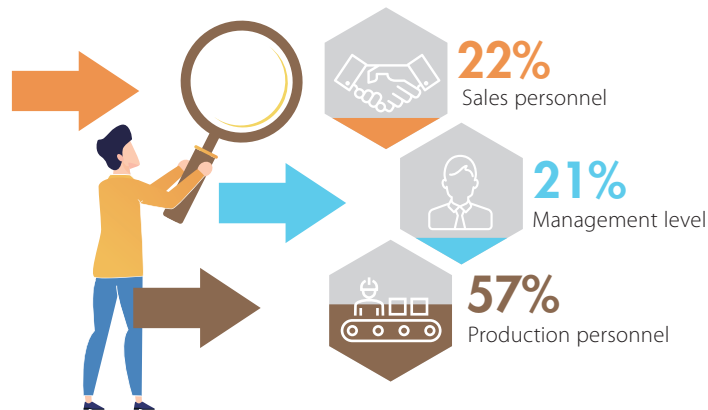
In terms of gender, there is a relative balance between male and female employees, with a total of 580 male employees and 564 female employees:



In terms of age, most employees fall in the age group of 31-40:



In terms of employment type, production personnel of the Group account for the largest proportion:

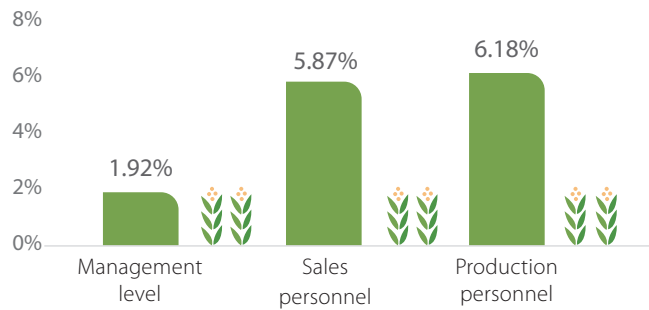


Environmental, Social and Governance Report

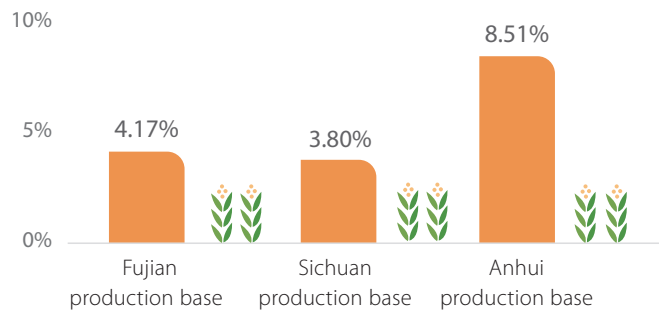


In 2021, the average turnover rate of management level, sales personnel and production personnel was 1.92%, 5.87% and 6.18%, respectively, among which, the turnover rate of Anhui factory was relatively higher. However, the overall turnover rate of Labixiaoxin was within the average range of traditionally labor-intensive industries.

Turnover rate (by employment type)



Turnover rate (by production base)



6.2.2 Employees' Rights and Interests

Labixiaoxin attaches great importance to improving the employees' sense of happiness, cares about their work and life and ensures that employees enjoy the benefits they are entitled to. Labixiaoxin values the establishment of its talent echelon and divides its employees into those with outstanding business volume, those at middle level and those in need of improvement based on their performance. Leveraging on a remuneration system that is based on employees' ability and performance, the Group effectively motivates employees' initiative.

Labixiaoxin strictly follows national regulations and ensures that employees enjoy statutory holidays, annual leave, marriage leave and other holidays and benefits. At the same time, as the industry Labixiaoxin operates in is a labor-intensive industry, a large number of manpower are needed to maintain the stable operation of the production line every day. The Group are committed to providing our employees with a safe and comfortable working environment. In 2021, Labixiaoxin had built a new staff canteen and improved and upgraded the staff dormitory, aiming to create a comfortable and harmonious work and life environment for our employees. Besides, one more set of working suits was offered for our employees and a new industrial washing machine was placed to lighten their stress of laundry.



Environmental, Social and Governance Report



Newly-built Staff Canteen (Built in 2021)



Industrial Washing Machine

Upgrades of Facilities in Staff Dormitory



The headquarters and subsidiaries of Labixiaoxin organize various activities every year to promote communication and exchange among employees, which include basketball matches, outdoor activities, employee birthday party and other sports and cultural activities. With these multi-level and multi-dimensional collective activities, we greatly enrich employees' life and strengthen the cohesion within the Company. For each festival, Labixiaoxin organizes relevant activities and provides financial support for such activities to send holiday gifts and blessings to employees.

Chinese New Year Kickoff Celebration



Environmental, Social and Governance Report



Celebrating Activities on the Women's Day (8 March)



Passion Dragon Boat Festival, Celebrating for Health with Rice Dumplings (濃情端午，「粽」享安康活動)



6.3 Health and Safety

Labixiaoxin strictly observes the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Measures for the Administration of Contingency Plans for Work Safety Accidents and other relevant national laws and regulations, and ensures that works related to work safety and prevention and control of occupational diseases are effectively carried out. Labixiaoxin has adopted GB/T 28000 Occupational Health and Safety Management System (GB/T 28000 《職業健康安全管理體系》) to effectively control occupational health and safety risks, eliminate or reduce occupational health and safety risks that employees of Labixiaoxin and other parties may be exposed to because of production activities organized by the Group, and implement its people-oriented management concept, striving to provide a safe and healthy working environment.

Environmental, Social and Governance Report



Labixiaoxin provides all employees with training on occupational safety, through which, employees are equipped with work safety knowledge that is necessary to their work, their operational skills are improved, and their capabilities of accident prevention and emergency response are enhanced. All frontline production personnel are required to take pre-job trainings every day before they commence work, so as to further improve the awareness of occupational safety risk prevention. Labixiaoxin organizes fire-fighting exercises every year, for the purpose of improving employees' safety awareness and relevant fire-fighting skills. In 2021, we renovated certain production lines to further improve the level of automation of our facilities, with an aim to reduce the health risk of employees brought by operating environment from the source. Labixiaoxin also conducts safety inspections and facilities inspection and maintenance monthly to thoroughly check the conditions of production facilities, the working environment in workshops and safety/health protecting facilities, and asks employees to rectify any unqualified areas in the first instance. In addition, Labixiaoxin regularly inspects various safety hazards in the production areas, records the problems identified, and prepares the Standing Book on Inspection and Removal of Potential Safety Risks (《安全隱患排查治理工作台账》) to ensure that safety hazards can be removed in time.

Meanwhile, for every year, Labixiaoxin accepts regular inspections of the safety management office of local government on fire-fighting, labor protection and hygiene and other aspects in our offices, and regular inspections of the environmental protection bureau in respect of organic gas, noise, waste gas and waste water of our workshops. In our daily work life, we implement "5S" inspection and advocate our employees to consciously organize, tidy, sweep and clean their work and living areas and help them develop good hygiene habits. In addition, in 2021, Labixiaoxin provided additional physical examination to all employees to further guarantee their health and production safety.

From 2019 to 2021 (including the Reporting Period), Labixiaoxin had no work-related injury or death, nor did it record violation of laws and regulations in relation to occupational health and safety.

6.4 Development and Training

Labixiaoxin upholds the concept of staying people oriented and making everyone fully display their talent. We regard employee as one of the most important factors in achieving sustainable development and closely integrate training and education with employees' career development, and strive to offer employees diversified and multi-channel training resources. In 2021, Labixiaoxin transferred most of its training programs to the "Labi Academy (蠟筆學院)" to conduct the training online and promote knowledge accumulation and sharing. Besides, it also continually expands the trainers team and enhances the quality of the trainers. During the Reporting Period, through the "TTT Certification Conference of Internal Trainers of the Group (集團內訓師TTT認證大會)", Labixiaoxin had trained 39 certified internal trainers, with more than 40 PPTs of internal training courses and micro-courses. Meanwhile, the academy also introduced some external courses to share the experience of successful people in the industry to provide systematic learning channels for employees in different positions. Data shows that in 2021, the average training hours per new employee of Labixiaoxin were over 20 hours.



Environmental, Social and Governance Report



- Training sessions of professional case studying on “Performance Model” being offered to make the senior management of Labixiaoxin more aware of the importance of good performance management.



- “Practical workshops on operational goal implementation till comprehensive performance management” being offered to help the middle and senior management members of Labixiaoxin deepen their understanding of the logical framework of strategic management, the common tools and methods for implementing such strategies, their principal tasks and duties in advancing operation till performance management as well as their roles in overall performance management.

Environmental, Social and Governance Report



- The “overall budget” themed training session being offered to help the employees of Labixiaoxin deepen their understanding of budgeting work, understand their roles and duties therein, and develop the awareness of overall budget.



Labixiaoxin advocates the on-the-job training and performance coaching that emphasizes “growth in the practice”, adopt “training and practice integration” to help employees enhance professional knowledge, techniques and skills and corporate culture adaptability, thereby improving employees’ performance and career development potential.

In 2021, on the basis of talent reviewing work, the human resources department conducted talent-cultivation and echelon construction, formulated a talent development plan for each core position, accelerated the development of talent echelon, and accumulated certain successful experiences.

Environmental, Social and Governance Report

6.5 Labor Standards

Labixiaoxin strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labor and other relevant laws and regulations, and implements the relevant requirements of the BRC on labor guidelines. On the basis of improving employment management for years, we continually optimize the recruitment process, improve the process of recruitment information collection and the recruitment, require candidates to present identity documents in the course of recruitment, and review the information they provide to prevent employment of child labor and forced labor. Labixiaoxin signs labor contracts with all employees in accordance with laws, and makes contributions to social insurance schemes for employees according to relevant regulations. For those who do not want to pay social insurance, the Company will not sign contracts with them.

During the Reporting Period, Labixiaoxin did not record any violation of laws, regulations and international standards on child labor and forced labor.



Environmental, Social and Governance Report



7. ROOTED IN LOCAL COMMUNITY AND GIVING BACK TO THE COMMUNITY

In its 20-year history, Labixiaoxin has taken “social responsibility” as an important part of its corporate development strategy, actively participating in social construction, engaging in charity, and building an image of responsible enterprise that is ready to shoulder duties. Labixiaoxin strictly complies with the Charity Law of the People’s Republic of China and other relevant laws and regulations, focuses on the community construction, environment protection, caring for the underprivileged, education supports and other aspects through social services and charitable donations, actively participates in charity activities, to achieve the synergetic development between the enterprise and the community.

7.1 Social Services

Labixiaoxin adheres to the philosophy of rooted in local community and giving back to the community, it concerns about the needs of the community and actively participates in community building, commits to achieving synergistic development between the Company and the community as well as the environment and the society. The employees of Labixiaoxin are full of passionate and do their best to cooperate closely with local volunteer service organizations after analyzing the current needs of the community, sponsor and organize various community services and activities, so as to actively contribute to the sustainable development of the community as well as the health and living environment of the citizens in the community.

Support Activities of Jinjiang Economic Development Zone* for the Civilized City Appraisal (晉江經濟開發區文明創城支援活動)



Environmental, Social and Governance Report



Volunteer Activity of "Love and protect the river, Plant trees and build a forest" in Jinjiang Economic Development Zone* (晉江經濟開發區開展「愛河護河·植樹造林」志願者活動)



Under the special circumstances of the COVID-19 pandemic and in response to the call of the society for "Jointly Fighting the Pandemic", we organized volunteers to provide all-round support for the large scale nucleic acid testing in communities



Environmental, Social and Governance Report



7.2 Charitable Donations

Labixiaoxin donated RMB2,000,000 to establish Labixiaoxin Charity Fund in 2007, and increased donations in succession in subsequent years. Currently, Labixiaoxin Charity Fund is managed by Jinjiang Charity Federation, which is responsible for donations of the fund. Mr. Zheng Yu Long, a director of the Group, was named the “honorary president” of Jinjiang Charity Federation, which reflected the appreciation and recognition of the society to Labixiaoxin’s contribution to charitable cause.

Labixiaoxin promotes Chinese traditional virtues, keeps in mind the spirits of “Respecting, Loving and Helping the Elderly” and earnestly practises it, continually focuses on various charitable activities of caring for the elderly in the community, and finances and organizes such activities for years. In 2021, Labixiaoxin donated nearly RMB200,000 in total to the relevant social groups and charity associations, hoping that the elderly could live a healthier and happier life in their old age and calling for more public concerns and attentions in the underprivileged.

Labixiaoxin firmly believes that the next generation is the hope of our society in the future and an important driving force for sustainable development of our society. Therefore, Labixiaoxin continually regards support to education development as the key task of its public welfare undertaking, takes tangible actions to care for the children and teenagers from various dimension, such as school, family and society, etc., continuously pays emphasis on their growth. In 2021, Labixiaoxin noticed the needs for education, culture and sports facilities of local schools, and provided more educational development opportunities for the local children and teenagers through materials donations, so as to expand the possibilities of diversification of next generation. In the future, Labixiaoxin will continually pay close attention to the needs in education, provide targeted and practical assistance, and constantly promote the development of education in our country.



Environmental, Social and Governance Report

HKEX ESG INDICATOR INDEX

Disclosure Index	Relevant Section
Aspect: Environment	
A1: Emissions	
General Disclosure	
Information on	5 Green Production and Environmental Protection
a) the policies	
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.	
Note: Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations.	
Greenhouse gases include CO ₂ , methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.	
Hazardous wastes are identical to those defined by national regulations.	
A1.1 Types of emissions and respective emissions data.	5.1 Emissions
A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	5.1 Emissions
A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.1 Emissions
A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.1 Emissions
A1.5 Description of emission target(s) set and steps taken to achieve them.	5.1 Emissions
A1.6 Description of how hazardous and non-hazardous wastes are handled, a description of reduction target(s) set and steps taken to achieve them.	5.1 Emissions

Environmental, Social and Governance Report



Disclosure Index	Relevant Section
A2: Use of Resources	
General Disclosure	
Policies on the efficient use of resources, including energy, water and other raw materials.	5.2 Use of Resources
Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	
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).	5.2 Use of Resources
A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.2 Use of Resources
A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	5.2 Use of Resources
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.	5.2 Use of Resources
A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	5.2 Use of Resources
A3: The Environment and Natural Resources	
General Disclosure	
Policies on minimizing the issuer's significant impact on the environment and natural resources.	5.3 Environmental Impact Management
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.3 Environmental Impact Management
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.	5.4 Tackling Climate Change
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.	5.4 Tackling Climate Change



Environmental, Social and Governance Report



Disclosure Index	Relevant Section
Aspect: Social	
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. 	6. People-Oriented and Caring For Employees
B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	6.2 Employment and Interests of Employees
B1.2 Employee turnover rate by gender, age group and geographical region.	6.2 Employment and Interests of Employees

Environmental, Social and Governance Report



Disclosure Index	Relevant Section
B2: Health and Safety	
General Disclosure	
Information on:	6.3 Health and Safety
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.	
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6.3 Health and Safety
B2.2 Lost days due to work injury.	6.3 Health and Safety
B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.3 Health and Safety
B3: Development and Training	
General Disclosure	
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.4 Development and Training
B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.4 Development and Training
B3.2 The average training hours completed per employee by gender and employee category.	6.4 Development and Training



Environmental, Social and Governance Report



Disclosure Index	Relevant Section
B4: Labor Standards	
General Disclosure	
Information on:	6.5 Labor Standards
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 labor.	
B4.1 Description of measures to review employment practices to avoid child and forced labor.	6.5 Labor Standards
B4.2 Description of steps taken to eliminate such practices when discovered.	6.5 Labor Standards
B5: Supply Chain Management	
General Disclosure	
Policies on managing environmental and social risks of the supply chain.	4.2 Supply Chain Management
B5.1 Number of suppliers by geographical region.	4.2 Supply Chain Management
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.2 Supply Chain Management
B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.2 Supply Chain Management
B5.4 Description of practices used to promote environmental preferable products and services when selecting suppliers, and how relevant practices are implemented and monitored.	4.2 Supply Chain Management

Environmental, Social and Governance Report



Disclosure Index	Relevant Section
B6: Product Responsibility	
General Disclosure	
Information on:	4.9 Intellectual Property Management System
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.	
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.7 Product Quality
B6.2 Number of products and service related complaints received and how they are dealt with.	4.8 Customer Service System
B6.3 Description of practices relating to observing and protecting intellectual property rights.	4.9 Intellectual Property Management System
B6.4 Description of quality assurance process and recall procedures.	4.6 Product Traceability Management
B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.8 Customer Service System



Environmental, Social and Governance Report



Disclosure Index	Relevant Section
B7: Anti-corruption	
General Disclosure	
Information on:	2.5.2 Integrity Management
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.	
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.	2.5.2 Integrity Management
B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	2.5.2 Integrity Management
B7.3 Description of anti-corruption training provided to directors and staff.	2.5.2 Integrity Management
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.	7. Rooted in Local Community and Giving Back to The Community
B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	7. Rooted in Local Community and Giving Back to The Community
B8.2 Resources contributed (e.g. money or time) to the focus area.	7. Rooted in Local Community and Giving Back to The Community