

百宏實業控股有限公司 BILLION INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2299



BILLION



2022

Environmental, Social and
Governance Report

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Environmental, Social and Governance Report

Billion Industrial Holdings Limited (the “**Company**” or the “**Group**”) continuously places importance on ESG management issues. The board (“**Board**”) of directors of the Company is ultimately responsible for the overall ESG related management of the Company, and is responsible for monitoring and coordinating the management of ESG related risks. The ESG strategy and reporting of the Company are also the sole responsibility of the Board of Directors.

Through the ongoing assessment, the Board of Directors of the Company came to understand the potential impact and opportunities of ESG issues on the Company’s overall strategies, and reviewed the results of the materiality assessment of the ESG issues, and confirmed the current ESG related management policies and ESG management concepts. The specific assessment process and results are set out below in this report. Details of the Company’s key ESG issues including sustainable development, green production, safe operation, quality assurance and responsible operation have been disclosed in this report. In 2022, the Company had made continuous improvements and set relevant environmental goals, and the establishment and progress of such goals have been reviewed and discussed by the Board of Directors.

1. ABOUT THIS REPORT

This report is the 2022 Environmental, Social and Governance Report published by Billion Industrial Holdings Limited, which aims to disclose the Group’s annual ESG performance in response to stakeholders’ expectations for disclosure of information about the Group and to understand our performance and direction of our sustainability strategies. The Board of the Company has reviewed this report and undertaken that there are no false records, misleading statements or material omissions. The Board is responsible for the truthfulness, accuracy and completeness of the contents.

1.1 Reporting Reference

This report is prepared with reference to the “comply or explain” provision (as amended) as set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) published by the Hong Kong Stock Exchange in December 2015 and all of the recommended discloses under the Guide as well as the actual operations of the Company.

1.2 Scope of Report

This report covers the period from 1 January 2022 to 31 December 2022, which covers the Group’s two major businesses of polyester filament yarns and polyester thin films. Information disclosed in this report comes from the official files, archived reports and internal statistics within the Group and relevant publicly available information records.

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1.3 Reporting Principles

The reporting principles of “materiality,” “balance,” “quantitative” and “consistency” of this report as set out in the Stock Exchange’s guidance is the basis for the preparation of this report, which defines its content and presentation of the information.

- Principle of Materiality. We have identified material issues, and defined the content and scope of this report with reference to our identified results in compliance with the requirements of the Environmental, Social and Governance Reporting Guideline of the Stock Exchange. For specific details, please refer to the “Stakeholder Engagement” of this report.
- Principle of Balance. This report includes the disclosures of both positive and negative information, which ensures the impartial report on the ESG performance of the Company during the reporting period in its content.
- Principle of Quantitative. The scope of data and the calculation methods employed in this report have been indicated herein.
- Principles of Consistency. Unless otherwise specified, the extent of disclosures of this report has not been materially adjusted as compared with that of the ESG reports of the previous year, and consistent disclosure and statistical methods have been used.

1.4 Feedback

You are welcome to contact the Company at any time if you would like to make further inquiries or have any opinions or suggestions. The contact information is as follows:

Billion Industrial Holdings Limited

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Tel: 852-3171-9999

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2. SUSTAINABILITY GOVERNANCE

The year 2022 is the third year under global pressure of Covid-19 pandemic, which produced certain impact on the general environment of the industry and brought new challenges and opportunities to the Group as policies continued to be liberalised. The Company has always adhered to the principle of sustainable development, attached great importance to product quality and safety, and continuously innovated and optimized through the application of high-tech equipment. With a people-oriented philosophy, we have comprehensively promoted the development and improvement of staff remuneration and welfare systems to fully attract and nurture talents and enhance the competitiveness of sustainable talents.

We continue to stress on the importance on creating eco-friendly and green low carbon development model while proactively carrying out green operations and fulfilling environmental commitments. We are committed to achieving a recycling economy model through innovative means so as to play a leading role in the industry. We always pay attention to control upstream resources, track and keep the technologies for upstream raw materials, as well as raising the proportion of recyclable products. At the same time, we achieve the online recycling of wasted filament and wasted film, speed up the resource recycling process and improve recycling efficiency.

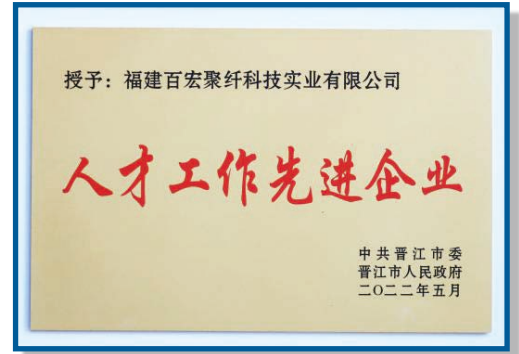
While constantly exploring the sustainable operation model, the Group insists on independent research and development and innovation, and forges a first class technology research and development team to reach both the domestic and the world's leading standards in terms of various products and technologies development achievements. The Group will facilitate its industry to achieve high-end upgrading from manufacturing to "intelligent manufacturing" by relying on technology innovation and by virtue of the automatic equipment.

The Group has always been committed to the mission of "quality products and good customer experience". We attach great importance to the experience and satisfaction of customers and other stakeholders on the Group's products, collect information on product usage and feedback from all parties, combined with market research and analysis results, and timely communicate with the technology research and development and production center of the Group, continue to improve and provide better products and services to our customers.

In recent years, the Group has thoroughly studied and implemented General Secretary Xi Jinping's new concepts, new strategies and new measures on talent work in the new era, implemented the work arrangements of the Central, Provincial and Municipal Party Committees on talents, improved the mechanism of "selecting, educating, using and retaining talents," and built a high-quality talent team of Billion, which provided strong talent support for promoting the digital transformation of the enterprise and the high-quality development of Jinjiang.

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The Group focuses on the corporate talent strategy with multiple incentives to “attract talents”. We improve the mechanism of “nurturing and employing” and build a high-quality talent team. We will strengthen the construction of corporate culture and create a soft environment to retain talents in the heart. In 2022, the Group has achieved remarkable results in talent introduction and cultivation, gathering and retention and has won the title of “Advanced Enterprise (Leading Enterprise) in Talent Work” in Jinjiang City, making significant contributions to the sustainable economic development of Jinjiang City.



The Group will never forget its original aspiration, look forward to the future, continuously improve its sustainable competitiveness, and is committed to becoming an excellent global supplier of polyester filament yarns and a flagship enterprise in the domestic polyester new material industry.

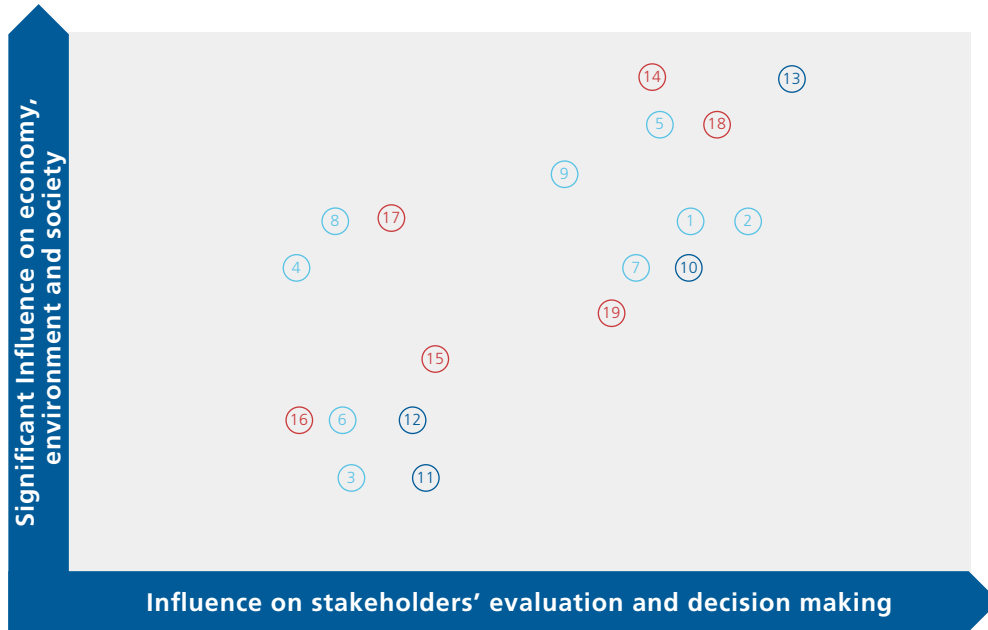
2.1 Stakeholder Engagement

Through internal and external communication and by keeping abreast of the internal and external information trends on a timely basis, we enable the Group’s policies and management models to match with its internal demand, industry and regional industry development. In respect of sustainability governance, we communicate with stakeholders to review our own environmental and social performance and identify those topics that need to be highlighted or improved.

During the year, according to the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, we summarized 26 topics relevant to corporate environmental and social performance and conducted the relevant questionnaire research and communication meeting works in the Group with a view to understand our internally focused sustainable development topics.

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According to this research, the Company still believes that all investigation topics are vital for the Company and the stakeholders, among which a total of 4 topics including talent management, environmental protection, patents and product quality have gained more prominent attention. Based on the results of this research, we shall disclose as much management methods and performance in related topics as possible in the report, so that each stakeholder can observe our efforts in sustainable development.



- | | | |
|--------------------------------------|---|-------------------------------------|
| ① Waste gas emission | ⑩ Occupational safety and health | ⑭ Product quality |
| ② Wastewater treatment | ⑪ Prohibition of child labour and forced labour | ⑮ Customer's information protection |
| ③ General waste management | ⑫ Equal recruitment | ⑯ Community investments |
| ④ Water resources consumption | ⑬ Talent management | ⑰ Supply chain management |
| ⑤ Environmental protection | | ⑱ Invention patent |
| ⑥ Greenhouse gas emissions reduction | | ⑲ Anti-corruption |
| ⑦ Hazardous waste management | | |
| ⑧ Energy consumption | | |
| ⑨ Recyclable materials utilization | | |

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3. GREEN PRODUCTION MODEL

In order to adapt to the relevant national safety and environmental protection regulations, adhere to the development concept of “one hand on safety and the other on environmental protection, both hands must be strong (安全、環保兩手抓，兩手都要硬)” and integrate the Company’s resources, based on both the actual operation of the Group in 2022 and the characteristics of the spinning industry, after the Group’s research, it decided to establish the Safety and Environmental Protection Department of Billion Industrial Holdings Limited (hereinafter referred to as “**Billion Industrial**” or the “**Group**”) for further establishment and improvement of the Group’s green environmental protection management system on 12 February.

The Group strictly complies with national laws and regulations such as the Law of the People’s Republic of China on Environmental Protection (《中華人民共和國環境保護法》), the Law of the People’s Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) and the Law of the People’s Republic of China on Energy Conservation (《中華人民共和國節約能源法》), and continuously strengthens its environmental risk management to ensure that the Group’s production and operations comply with relevant laws and regulations.

In September 2020, our country promised to the world: “China will increase its nationally determined contribution, adopt stronger policies and measures, strive to peak carbon dioxide emissions by 2030, and strive to achieve carbon neutrality by 2060.” The Group focuses on national environmental policies and global climate change trends and is committed to taking strong measures to implement its social duties.

In 2022, the Group conscientiously implemented the emission permit system and the total volume control system for major pollutants, and the internal production wastewater discharge port and boiler waste gas discharge port were connected to the monitoring system of the Jinjiang Ecological and Environmental Protection Bureau (晉江市生態環保局) for implementing environmental protection regulations and standards. The Company actively promoted clean production and encouraged employees to put forward clean production plans through “reasonable proposals”, and also through continuous optimization of the internal energy structure, gradually increased the use of solar energy as a percentage, strengthened internal water and energy management, improved environmental protection efforts for environmental protection transformation projects, to achieve the Group’s “energy saving, consumption reduction, pollution reduction and efficiency increase (節能、降耗、減污、增效)”, thus ensuring that the Group operates in compliance with the law and is determined to follow the path of green development.

3.1 Optimize the Management Model

The Group pays very close attention to environmental performance during the production process. We take strict precautionary measures against all occurrences of environmental breaches through a range of management and precautionary control methods, and commit ourselves to improving the manufacturing process and the quality of factory environment to lower the environmental impact of the Group’s operation. With our unremitting efforts, our factory in China passed the ISO14001 environmental management system certification in 2010, and passed certification reviews conducted regularly. During the year, the ISO14001 system operated normally.

During the year, the Environmental Protection Management Committee of the Group redeployed the relevant members of the Environmental Protection Management Committee in accordance with the internal position responsibility changes, updated and amended part of the rules and regulations of our environmental protection and modified part of the operation specification in light of local relevant environmental standards. At the same time, the Group arranged every district to conduct regular examinations on environmental equipment and set up a laboratory team to take samples and test periodically. The Group established environmental emergency plans, conducted regular training and drills and improved emergency measures to enhance the ability to handle emergency.



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3.2 Pollutant Emission Reduction

The Group controls stringently the emission of “three wastes (三廢)” in factories by conducting systematic control on the treatment and disposal of waste water, waste gas and solid hazardous wastes, so as to strictly comply with the laws and regulations related to emissions. At the same time, the Group requires its internal departments to conduct real-time monitoring and periodic maintenance on environmental protection treatment equipment, so as to ensure all the environmental protection treatment equipment are under normal operation and meet the discharge standards.

The Group insists on being guided by the local government’s environmental protection policies and standards and adopts advanced pollution prevention and control and treatment technologies to control the discharge of pollutants in the production process, and strives to fully complete its internal emission reduction plan.

3.2.1 Wastewater Treatment

The Group adopts various measures to conduct an all-round treatment on waste water and domestic water in the factories during its production. Wastewater segregation collection systems have been installed at our production sites to adopt segregated treatment measures for various wastewater. Waste water treatment sites are set up inside the factories to ensure the standard drainage of waste water after treatment.

The Group actively responded to the policy of energy conservation and emission reduction, and set up an advanced treatment system of “multi-media filtration+UF+RO” of 2400 m³/d in the Jinnan plant to realize the recycling of wastewater, reduce the discharge of sewage and increase the reuse rate of wastewater, creating economic, environmental and social benefits for the Group. In 2022, the discharge of wastewater pollutants in the Jinjiang plant included 0.06 ton of ammonia nitrogen and 1.489 tons of chemical oxygen demand. 0.42 ton of chemical oxygen demand was emitted from the Vietnam plant. During the year, the total wastewater drainage outlets in the Jinjiang plant of the Group were connected.

In 2022, the Group organized the heads of various departments to investigate the potential wastewater hazard, so as to find out the volume and whereabouts of wastewater discharge by each workshop. We inspected the main rain drainage and detected the COD concentration of well water, and strengthened the education and training of employees to ensure that the main production wastewater in the plant would not be directly discharged; The anaerobic tank was covered and waste gas was collected and treated in the Jinnan plant, which reduced the influence of odor in sewage station on surrounding community. At the same time, the Company built a new accident pool of 8,000 cubic meters, and set shut-off valves at the outside outlet, and set 100 cubic meters pool at the main outlet, lift pump and accident pipe network as the Company’s last line of defense.

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3.2.2 Waste Gas Treatment

The organized waste gas generated by the Group's factories mainly includes boiler waste gas, polyester production waste gas, spinning waste gas, and the main pollution factors are particulate matter, sulfur dioxide, nitrogen oxides and volatile organic pollutants. For boiler waste gas, we have taken corresponding treatment measures for coal-fired flue gas, and established a system connected with local environmental protection bureau to monitor the data of waste gas in real time, to ensure the emission of exhaust will eventually comply with the respective requirements of Emission Standards of Boiler Air Pollutants (《鍋爐大氣污染物排放標準》). We strictly abide by the relevant regulations and requirements of the local government departments on waste gas emissions and treatment through various prevention and control measures for the standard discharge. The polyester production waste gas and spinning waste gas are treated with supporting environmental protection facilities, and Fujian Tianan Environmental Monitoring and Evaluation Co., Ltd. (福建天安環境監測評價有限公司) is entrusted to regularly monitor the Company's waste gas to ensure that the waste gas is discharged according to the standard.

The Group constructed a flue gas online monitoring system to conduct real-time detection and analysis of different factors to monitor emissions and ensure compliance with discharge standards. In 2022, the waste gas pollutant emissions from Jinjiang factory and Vietnam factory were as below:

130.844 tons of nitrogen oxides (increased by 8.81% from 120.25 tons in 2021), 72.256 tons of sulfur dioxide (increased by 10.77% from 65.23 tons in 2021) and 8.838 tons of soot and dust (decreased by 74.93% from 35.26 tons in 2021).

The Vietnam factory's pollutant emissions included 0.42 tons of nitrogen oxides, 13.1 tons of sulfur dioxide and 6.31 tons of soot and dust.

The increase in the Group's nitrogen oxides emissions in 2022 was due to the increase in production and coal consumption. In 2022, the Group gradually promoted the change of the location of boiler waste gas online monitoring equipment from the public chimney monitoring location to the flue behind each boiler waste gas treatment facility, and renovated 6 SCR denitrification facilities. The Group pays attention to the treatment of volatile organic pollutants. By addition of 6 sets of fume purification devices to treat spinning waste gas, the Group strives to improve the impact on the surrounding environment, residents and employees' health, and bears the social responsibility of the enterprise.

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3.2.3 Waste Disposal

The waste produced in the factories of the Group mainly includes hazardous waste, general industrial solid waste and domestic waste. We established the aim to minimise emissions annually and set up applicable storage and disposal systems for different kinds of waste, aiming to achieve reduction, recycling and harmless disposal.

For hazardous waste, the Group requires every department to strictly control their production process to minimize its hazardous waste output at the source. The Group has built a 350-cubic metre hazardous waste storage facility, which has been equipped with a diversion tank, a collection well, a sewage network and an accident switching valve, all of which are managed by dedicated staff. We entered into a hazardous waste entrusted treatment agreement with a third party entity who satisfies the environmental requirements and possesses the relevant qualifications.

For general industrial solid waste generated in the factories of the Group, which includes wasted filament, boiler ashes and wasted packing bags and so on, we conduct internal recycling and reuse or sell them to downstream manufacturers as raw materials. The Company added a new refuse transfer station in 2022. We collect domestic waste at designated locations in accordance with the sanitary requirements and entrust local sanitation department for clearing, transportation and disposal. In 2022, our Jinjiang factory's production generated a total of 10,913 tons of general waste.

3.3 Resources Conservation

The Group formulated the aim of energy saving for 2022 and reviewed the achievement of objectives on a regular basis and strongly promoted clean production as well as attaches great importance in controlling resources utilization, conserves resources from the source as far as possible and achieves resources reuse at the same time. The factories of the Group planned and constructed systems of centralized gas supply, heat supply and water supply and achieved efficient utilization of resources through unified allocation to minimize energy consumption.

By virtue of the ongoing cooperation with a third-party photovoltaic power generation company, our factories have the priority to use photovoltaic clean electricity to reduce carbon dioxide emissions and make a contribution to local energy-saving and emission reduction. In 2022, 23,853.58 MW of clean energy was used at the Jinjiang plant (an increase of 68.04% from 14,194.84 MW in 2021), effectively reducing traditional energy consumption as well as the pollutants and greenhouse gas emissions caused by it.

Type of resources	Unit	2021	2021	2022	2022
		Jinjiang factory	Vietnam factory	Jinjiang factory	Vietnam factory
Jinjiang power grid electricity consumption (indirect energy)	kWh/MWh	1,707,858.43	168,100.40	1,634,112.00	469,627.58
Solar photovoltaic electricity consumption	kWh/MWh	14,194.84	/	23,853.58	/
Coal (direct energy)	0'000 tons	25.15	3.47	26.92	4.98
Diesel (direct energy)	Litres	/	/	225,792.00	/

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The power, coal (direct energy) and diesel (direct energy) consumption of the Group's factories in 2022 are:

Jinjiang factory: Power consumption of 1,634,112.00 MW, coal consumption of 269,200 tons, diesel consumption of 225,792.00 litres.

Vietnam factory: Power consumption of 469,627.58 MW, coal consumption of 49,800 tons.

			2021	2021	2022	2022
		Unit	Jinjiang factory	Vietnam factory	Jinjiang factory	Vietnam factory
Greenhouse gases	Total emissions	T CO2 eq	1,505,842.00	90,397.00	1,465,050.420	184,020.000
	Scope 1	T CO2 eq	141,850.32	34,032.00	151,775.172	58,820.300
	Scope 2	T CO2 eq	1,363,991.68	56,365.00	1,313,275.248	125,199.700

Pursuant to GHG Protocol, in translating the greenhouse gas emission resulted from energy consumption, the following is the total greenhouse gas emission of Jinjiang factory and Vietnam factory of the Group in 2022:

Jinjiang factory's emission was approximately 1,465,050.42 tons of carbon dioxide equivalent (decreased by 2.71% from 1,505,842.00 tons in 2021), of which direct energy (Scope 1) of 151,775.17 tons accounted for 10.36% and the indirect energy (Scope 2) of 1,313,275.25 tons accounted for 89.64%.

Vietnam factory's emission was approximately 184,020 tons of carbon dioxide equivalent (increased by 103.57% from 90,397.00 tons in 2021) during the year, of which direct energy (Scope 1) of 58,820.3 tons accounted for 31.96% and the indirect energy (Scope 2) of 125,199.7 tons accounted for 68.04%.

Taking a comprehensive consideration of each factory's situation, we have installed circulating cooling water system and water reuse system in the factories to achieve the cyclical utilization of water resources in the factories. And we utilize local wastewater treatment facility to improve the treatment capacity and measures outside the factories.

Purified water from the water reuse system and strong brine from the soft water system of the factories will be reused as waste gas dust removal water, while the effluent from the sewage station will be used for greening irrigation inside the factories. Through cyclical regeneration and secondary recycling, the consumption of municipal water resources by our factories has been significantly reduced.

			2021	2021	2022	2022
		Unit	Jinjiang factory	Vietnam factory	Jinjiang factory	Vietnam factory
Energy consumption						
Municipal water		0'000 tons	289.58	50.31	171.30	89.36

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In 2022, the municipal water resources consumed by the Group were as follows:

Jinjiang factory consumed approximately 1,713,000 tons (decreased by 40.85% from 2,895,800 tons in 2021).

Vietnam factory consumed approximately 893,600 tons (increased by 77.65% from 503,100 tons in 2021).

3.4 Packing Materials Consumed

In 2022, the Group continuously promoted the recycling of packing materials which will be disposed of as general industrial waste only until their functions are damaged. Through reducing the use of disposable packing materials and reusing packing materials, we reduced the waste of resources and protect environment effectively.

The main packaging materials for the Group's polyester filament yarns products include: plastics, foam boards and carton boxes; the main packaging materials for polyester film products include: PE films, bubble films and pearl pads; moreover, pallets, wooden supports and iron trays used for product storage and auxiliary transportation.

The Group keeps an eye on regulations of packaging usage in regions and optimizes the design of packaging that shall comply with environmental requirements, so as to strive to minimize the consumption volume of packaging materials. During the year, the consumption volume of packaging materials was as follows:

Packaging material types	Unit	2021	2021	2022	2022
		Jinjiang factory	Vietnam factory	Jinjiang factory	Vietnam factory
Paper rolls	0'000 pieces	16,264.07	1,392.86	16,165.11	24,439,289.00
Paper boxes	0'000	1,840.97	190.36	1,830.48	2,760,095.00
Foam boards	0'000 pieces	797.34	\	586.96	52,962.00
HD bags	Kg	752,792.00	\	636,805.00	21,403.00
Pearl pads (Foam boards)	0'000 pieces	30.89	\	35.12	\
Bubble films	Kg	91,297.20	\	92,774.50	107,387.00
Composite bubble films	Kg	363,300.80	\	424,832.70	\
Compound bubble film dome	0'000 pieces	146.76	\	158.87	\
Plywood	PC	487,450.00	106,127.00	862,663.00	144,246.00
Wood	PC	334,985.00	\	341,131.00	\
Wooden frames	PC	681,782.00	\	319,111.00	\
Slice bag	0'000	13.80	15.78	20.43	216,968.00

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3.5 Environment-friendly Industry

The Group actively identifies the possible major impacts of climate change on the Company, including the potential risks to the production and operation of the Company caused by the intensity, frequency and timing of extreme weather. The relevant department of the Company has formulated the Contingency Plans for Production Safety Accidents and set up emergency measures for extreme weather such as typhoons and rainstorms, formulated an emergency special plan for typhoon with greater potential impact in order to ensure the rapid trigger and performance of emergency measures in the event of sudden extreme weather events and to improve the emergency response capability to climate change crisis events, and established an emergency command system, clarified the personnel and responsibilities of the emergency organization structure, and strengthened interaction and management, to minimize the casualties and property losses caused by climate issues in the events of accidents.

The Group focuses its works on resources recycling. We strive to arrange reasonable recycling for all recyclable industrial resources through conducting internal recycling on production materials and leftover materials of product or selling to downstream manufacturers for recycling, collecting packaging materials of raw materials and assigning manufacturers for recycling, and have significantly reduced the produce of industrial wastes.

In 2022, the Group's Jinjiang factory and Vietnam factory made continuous recycling of wasted filaments and wasted films, with the reuse as follows:

Jinjiang factory: 10,446.00 tons of wasted filament reuse (a decrease of 18.0% as compared to 12,732 tons in 2021); 111.14 tons of wasted film reuse (a decrease of 68.1% as compared to 347.94 tons in 2021); sales volume for wasted films was 9,731.40 tons (an increase of 38.5% as compared to 7,027.85 tons in 2021).

Vietnam factory: 3,767,100 pieces of recycled paper rolls (a decrease of 51.9% as compared to 2,480,000 pieces in 2021).

Indicators	Unit	2021	2021	2022	2022
		Jinjiang factory	Vietnam factory	Jinjiang factory	Vietnam factory
Internally recycled wasted filaments	Ton	12,732.00	\	10,446.00	\
Recycled wasted films	Ton	347.94	\	111.14	\
Wasted film sales	Ton	7,027.85	\	9,731.40	\
Recycled paper rolls	0'000 pieces	3,306.24	248.00	\	376.71

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4. HUMAN-BASED MANAGEMENT

A quality talent pipeline and a harmonious employment relationship are the cornerstone of a company's core competitiveness. We adhere to the principle of "Human oriented Philosophy, Factory-based Family and Co-development (以人為本，以廠為家，與員工共同發展)", actively advocate a diverse and inclusive working environment, formulate long-term incentive plans to retain outstanding talents, and persistently safeguard staff's lawful rights and health and safety, are committed to growing together with our employees.

Compliance with national and local government laws and regulations is the company's due social duties. The Group strictly abides by laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law of the People's Republic of China on Mediation and Arbitration of Labor Disputes (《中華人民共和國勞動爭議調解仲裁法》) and local labor laws and industry codes. And we fully respect the diversity of employees, follow the principle of equal opportunities, and there is no situation in which the employment, benefits and promotion of employees are affected by nationalities, religious beliefs, political factions, living and eating. In addition to providing good promotion opportunities, the Group provides a series of facilities and benefits to its employees and their families, so that our employees can enjoy family harmony and progress together with the Group.

Human-based management is the foundation of the long-term development of enterprises. In mid-March, an epidemic raided Quanzhou, and the city-wide control was implemented. The Group actively responded to the government's call. The Jinjiang factory adopted closed management, and the President's Office issued the "COVID-19 Related Epidemic Prevention Measures" overnight. A series of human-based management measures in respect of staff accommodation & commuting, living materials supply, and emergency handling were produced. At the same time, the epidemic prevention and control management team was established, and the Company's human resources and administrative department led more than 100 volunteers in various factories and departments to passionately participate in anti-epidemic activities.



In 2022, all employees of Billion Group fighting the epidemic together

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During the period of closed management, the Group took multiple measures: cross-district management and factory bus shuttle for on-the-job employees; free temporary dormitories for on-the-job employees who live outside factory; establishment of a health management center, for isolating and observing those with abnormal health codes; uniformed meals arrangement for the front-line employees of the workshop by the administrative department; nucleic acid testing (NAT) for all on-the-job employees and their families; free mask, protective screen for on-the-job staff, required to wear at work; strict supervision for the prices of daily necessities such as vegetables, meat and rice sold in canteens and supermarkets; special arrangements by the administrative department for any special circumstances such as unexpected emergencies in the work or life of staff.

With the efforts of all Billion people, during the nearly forty days of epidemic prevention and control, all employees had zero infection, enjoyed normal life and commuted to work as usual before we finally won the war against the epidemic. The city and the Jinjiang factory had fully implemented the normalized epidemic prevention and control.

A series of rationalised and human-based management of our staff has protected the lives and health of tens of thousands of our employees and ensured an orderly work life. The Group will continue to improve and provide a better employment system and a beautiful working environment for our employees.

4.1 Employment Compliance

In 2022, the human resources department of the Group was fully responsible for external recruitment and strengthening school-enterprise cooperation; implementing the strategy of "talent building enterprise and talent strengthening enterprise (人才興企·人才強企)"; signing school-enterprise cooperation and party building agreements with a number of undergraduate and tertiary institutions and vocational and technical schools in the province; establishing the "Billion Class (百宏班)", a school-enterprise partnership to educate people together; developing talent introduction standards and keeping abreast of talent reserves; actively creating more employment opportunities for local residents of the partner colleges and Jinjiang factory; insisting on the principle of promoting those who are capable and removing those who are not.



2022 Billion Group's "School-Enterprise Cooperation" Signing Ceremony

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In order to ensure that all aspects of the employment process comply with laws and regulations and avoid the occurrence of the use of child labor or forced labor incidents, the Group strictly abides by the relevant laws and regulations and the corresponding clauses in the human resources management system. At the time of recruitment, truthfully inform the worker of the work content, requirements, place, remuneration and other situations that the worker needs to know, and strictly review the worker's valid certificates, education certificates, social activities and other real situations, so as to meet the Company's recruitment requirements. The Group prohibits the use of child labor. Once verified and found, it is not allowed to hire the relevant individuals.

A labor contract will be entered into between the Group and all of its employees. The staff salary of the Group will be set in accordance with relevant local state regulations. We ensure new staff will receive their respective salary in accordance with the minimum salary standard which is not less than those required by the local government during the probation period. We will determine staff salary by reference to the importance, technical requirements and skills level of the position.

All employees of the Group are full-time and there are no part-time employees. As of December 31, 2022, there were 6,379 employees in China and 1,809 employees in Vietnam. The breakdown of employees by age, gender, education and position is as follows:

The Group engaged 6,379 staff in China, of which, 4,493 are male staff and 1,886 are female staff, representing approximately 70.43% and approximately 29.57% respectively. In respect of ages, 2,592 of our employees are below 30 years old, 2,717 of our work-force are between 30 to 50 years old and 1,070 are over 50 years old, representing approximately 40.63%, 42.59% and 16.77%, respectively. As for education background, about 597 staff hold a junior college degree or higher, accounted for 9.36% of the total staff. In terms of positions, we have 232 managerial staff, representing about 3.64% of the total staff.

The Group engaged 1,809 staff in Vietnam, of which, 1,206 are male staff and 603 are female staff, representing approximately 66.267% and approximately 33.33% respectively. In respect of ages, 912 of our employees are below 30 years old, 843 of our work-force are between 30 to 50 years old and 54 are over 50 years old, representing approximately 50.41%, 46.6% and 2.99%, respectively. As for education background, about 62 staff hold a junior college degree or higher, accounted for 3.43% of the total staff. In terms of positions, we have 348 managerial staff, representing about 12.24% of the total staff.

The Group is a relatively labor-intensive company with high turnover. The Company's turnover rate decreased to 14.77% in 2022 from 28.00% in 2021 through a series of talent attraction policies and benefits in China. Employee turnover rates by gender, age group, and geographic region in China and Vietnam for the reporting period are as follows:

Turnover rate indicators	Units	China		Vietnam	
		in 2022	Percentage	in 2022	Percentage
Gender: male	person	975	72.44%	1,132	66.01%
Gender: female	person	371	27.56%	583	33.99%
Age group: less than 30 years old	person	806	59.88%	1,049	61.17%
Age group: between 30 years old – 50 years old	person	383	28.46%	644	37.55%
Age group: more than 50 years old	person	157	11.66%	22	1.28%
Geographical region	person	1,346	14.77%	1,715	45.00%

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4.2 Employee Benefits

The corporate culture of “Billion as My Home (百宏我家園)” has always penetrated into the hearts and minds of all Billion employees, and the Group strives to create a friendly home-like working environment for staff and attaches great importance to staff’s welfare treatment. Apart from providing social insurance, mutual medical care insurance and work-related injury insurance, we also provide group commercial insurance coverage for enterprise’s staff. Every year, the Group’s “Charitable Fund” helps to resolve the financial difficulties of our staff in need.

Since 2022, the Company has been optimising its hardware facilities, creating a more harmonious home culture and improving the logistical support mechanism, which has greatly enhanced the happiness and sense of belonging of our employees and enabled every employee to live and work in peace and happiness. Our employees have a happy and harmonious family, a relaxed and affluent life, a comfortable living environment, good education for their children, rich cohesion building, an equal and transparent communication environment and information feedback channels, etc., all of which are undoubtedly the guarantee for employees to do their jobs well.

4.2.1 Comfortable Living Environment

The Group provides a series of benefits for each employee in four areas, including “clothing, food, housing and transportation”, to provide a comfortable living and working environment for the employees, and the specific measures are as follows:

- **Clothing:** The Group provides all frontline staff with work uniforms, safety shoes and protective clothing, etc. During working hours, staff wear the corresponding uniforms according to their positions and levels. The simple and unified uniform ensures safety at work and facilitates effective communication between staff and their superiors and different positions.
- **Food:** During the year, in order to provide work meals for staff on duty and improve the food quality, the Group set up Jinjiang Kangqiao Catering Co., Ltd. (晉江市康橋餐飲有限公司), which is responsible for all matters in relation to staff meals, from the safety of ingredients, restaurant environment and hygiene, nutrition and health of dishes and affordable prices to free meals and other aspects.

Safety of ingredients. The Company strictly controls the source of ingredients, and purchases rice, noodles, oil, meat, vegetables and eggs in bulk from proper channels. With the “One Product, One Code (一品一碼)” system, each batch of products has a unique “identity card” that can be easily traced through the entire process, ensuring food safety at a technical level.

Environment and hygiene. The Company has invested in renovating the restaurant environment in each factory, installed central air-conditioning and implemented a regional management responsibility system, with dedicated staff in each region responsible for environmental hygiene. All restaurant staff have regular medical check-ups and are licensed to work in the restaurant.

Nutrition and health. “To retain our staff, we should first attract their stomachs.” At Billion, we employ chefs with years of experience in the hotel industry to select the freshest ingredients and cook the most nutritious dishes for our staff and their families.

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Affordable prices. The restaurant serves breakfast, lunch and dinner. Breakfast is on demand, and lunch and dinner are buffet-style, with unlimited dishes and a choice of meat and vegetables, and the Company's staff and family members can all dine at RMB10 for adults and RMB5 for children. Each person helps themselves to a choice of more than 10 dishes with nutritious food and affordable prices.

Free meals. Since 1 January 2022, the Company has been providing free working meals (lunch, dinner and evening meal) to all workshop frontline staff in the production department who work in the operating shift and day shift. Fix meal standard, one choice of meat dish and two choices of veggie dishes and adequate rice.

- **Housing:** The Group provides free accommodations for employees. Such accommodations feature separate balconies and separate washrooms, and are equipped with beds, desks, air conditioners, water heaters, televisions and other facilities. The Company also attaches great importance to staff's privacy, offering separate dormitory for married couple workers. Employees from the same family will be allocated to a separate dormitory or suite where children and elderly can stay together to effectively resolve the problem of staff's left-behind children and empty nesters in hometowns, thus creating a harmonious family atmosphere for reunion. The Group strives to provide a complete family-like environment for our staff.
- **Transportation:** In order to meet the actual needs of employees in work and life, and motivate staff to love and respect his/her position, commuter cars are provided between each of the Group's factories and dormitories to transport employees to and from work in different factories on a daily basis with no charge. The Group arranged special bus lines to and from Billion and Yongchun, where employees and their family members can take a free ride and check in their luggage. The Group has dedicated hundreds of parking spaces for cars and electric vehicles, as well as electric charging piles and sockets, which are also free for employees.

4.2.2 Employees' Children Education

The Group's "husband-and-wife workers" and "family workers" are absolutely a beautiful scenery in the Company, who also account for the biggest share among thousands of employees, because the Group has solved a lot of concerns for all husband-and-wife workers and family workers, especially child care and schooling issues.

The Group runs a kindergarten inside the factories or contacts with local preschool institutions, and professional teachers and caregivers are also employed to look after the young children of the husband-and-wife workers. The kindergarten strictly complies with the establishment standards required by national regulations to provide care and education for pre-school children of our staff. The Group actively seeks government policy support, pays attention to local school enrollment requirements and timely communicates with employees. The Group helps handling enrollment or transfer application procedures from schools for children of our staff, for purpose of solving their concerns on children education.

In addition to helping to arrange schools for the children of our staff, the Group owns school buses that meet national standards and provides free pick-up services for the children of our staff from different factories to our in-house kindergarten and primary schools and secondary schools in town for classes. We also recruited security personnel in school buses to make sure the safety of our staff's children on their way to and from school.

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Since 2022, the Group has been cooperating with social worker organizations to set up Billion Children's Home "4 o'clock" school and summer camps and winter camps successively for children from Grade 1 to Grade 6 of Billion's staff. We have also invited full-time social workers and volunteer teachers to organize various activities such as singing, dancing, painting, handicraft, homework counselling and calligraphy to enrich the children's extra-curricular knowledge and talents.



On January 17, 2022, the winter camp "Safeguard our children in warm winter (温暖冬季•守护成长)", held by Longhu Town Federation Union and Billion Labor Union, was officially opened, which had been lasting for 4 weeks. The winter camp boasted diversified activities, fully satisfied the children's interests and needs, cultivated the innovative spirit and the practical ability, which let the children have knowledge to learn, have games to play, have folk customs to learn, have delicious food to enjoy. With the interesting experience of new year, the children enjoyed a safe, happy, meaningful holiday.

4.2.3 Cohesion Building

In order to provide more choices for the staff's fitness and recreation, the Group is equipped with a library, internet cafe, game hall, cinema, gymnasium, basketball court, swimming pool and other popular recreational facilities. For the convenience of the staff to gather after work for dinner and other daily needs, the shop fronts and vacant areas are leased to outside vendors, including restaurants, hairdressers, medicine, supermarkets, barbecue stalls, sidewalk food stall, fruit and vegetable stalls, snack stalls and small goods stalls. This makes it more convenient for staff to meet and trade during their leisure time, and enhances their sense of well-being.

The Group, the Federation Union and Billion labor union hold various activities from time to time to celebrate festivals like Chinese New Year and Women's Day. The Group also organizes physical and recreational activities which included staff travel, outdoor hiking and team building trainings, aiming at providing a balanced living and working environment for our staff and building cohesion.

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On March 8, 2022, the Billion labor union organized a “very perfect (非常完美)” celebration of “Women’s Day,” invited senior makeup artists to teach professional makeup painting skills and other courses to female employees, encouraging them to become a lady of beauty, health and intelligence in the new era. The head of the Billion labor union offered the blessing of the festival to the female employees, hoping that they love life and work and embrace vitality to become a charismatic lady. Through this activity, the female employees of the Company have mastered the knowledge of health and beauty, and relaxed their moods, showing the positive and good image of Billion Group women.

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During the year, the Group offers all-expense-covered vacations for honorary staff with over 10-year services and over 15-year services, advanced management and outstanding employees regularly, and gives out exquisite gifts and honorary certificates.

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4.3 Employee Communication

Effective communication is the foundation and guarantee for optimizing the company's management environment, improving relations between management and employees, overcoming management obstacles, and is also a powerful tool to improve staff loyalty, satisfaction, creativity and effectiveness of the Company. The Group employs a range of motivational mechanisms to enable employees to take initiative and be creative, and through continuous communication, it can better understand the actual needs of employees and satisfy those needs to enhance their enthusiasm for working for the Company.

The Group implements the practice of "open communication," through which all employees can open their hearts and express their views completely about both their work and life. Through the combination of online and offline, the Company has established a good communication mechanism with employees, listened to employees' opinions and demands from work and life, and made timely adjustments in respect of employees' problems and opinions.

In order to better communicate with our staff, the Group has taken a series of measures:

1. Each area of the Company sets up a suggestion box for employees, who can submit their opinions freely;
2. Various departments and workshops establish various types of working WeChat groups, and everyone can feedback things quickly and in real time;
3. Through labor union and other organizations, employees' symposiums and conversations on different subjects are held from time to time, for purpose of listening to the opinions of employees;
4. Open the Group's official accounts at WeChat and Douyin, through articles and videos to showcase the Company's image and soft and hard strength, thus promoting the Company's positive energy;
5. Establish a "Daily Caretaker (生活管家)" account at WeChat by human resource department, releasing current affairs and recruitment information of the Company from time to time, so that employees can better understand the Company;

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6. Formulate a rationalization proposal management system, advocate employees to participate in the management, encourage employees to provide constructive ideas for improvement to the Company's business, management, technology, safety, environmental protection, etc. according to their work experiences or researches; the Company will reward the employee regardless of whether the rationalization proposal is adopted;
7. Issue the Company's newspaper – Billion Newspaper, including tracking of the Company's internal activities, honors and awards received, reports on government meetings and external large-scale meetings participated by the Company, information on the Company's development status and cooperation, advanced employees for good deeds display, the Company's various cultural construction, articles contributions by internal employees, etc..



5. TALENT DEVELOPMENT

5.1 Comprehensive Training System

Sufficient training resources are necessary to realize the development of employees. The Group continuously improves the training system and supporting resources, standardizes the training management work, makes the training of employees systematic and institutionalized, and ensures the effective implementation of the Group's talent strategy. It establishes a comprehensive hierarchical human resources training mechanism, assists employees to tailor their own career plans and encourages them to improve and hone their educational backgrounds and professional skills through various measures to enhance competitiveness.

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The Group has established a diversified and comprehensive education and training system, including basic skills, job skills, management skills and continuing education. It has enhanced the enthusiasm and initiative of employees' learning, enhanced the sense of belonging of employees, fully and comprehensively developed the human resources, and equipped the Company with stronger competitiveness in terms of talent reserves.

According to the Company's strategic needs and talent classification, the Group adopts a diversified learning method that combines online and offline, and encourages employees to pursue further education with on-the-job degrees, obtain professional qualifications and management or post-related skills certificates, continuing education, and cooperates with relevant universities to open workshops, provides new staff training and three-level safety education training, and holds operational skills competitions from time to time within the Company.

In 2022, the Group enhanced cooperation with local universities and colleges. The Party building by school-enterprise was well paired. Billion classes for various skills were opened, so as to achieve win-win cooperation between the school and enterprise, thus introducing more high-quality talents to the Group.



In 2022, the Group held and participated in various trainings, lectures and skills competitions including Quanzhou Industrial Practice and Intelligent Manufacturing Training Course (泉州產業實訓智能製造培訓班), 2022 Textile and Garment Scientific and Technological Achievement Exhibition and Industry High-end Forum (2022紡織服裝科技成果展暨產業高端論壇), "Five Small" Innovation Competition for Millions of Workers in the Province (福建省百萬職工「五小」創新大賽), the Third Electrician Skills Competition 2022 of Jinjiang City (2022年晉江市第三屆電工職業技能競賽), the "Zou Shuping Craftsman Studio" Operational Skills Competition (「鄒叔平工匠工作室」操作技能競賽) within power department, Skills Teaching by Fan Xiaoyuan Model Labor Innovation Studio (樊孝園勞模創新工作室), training on spinning equipment skills in the E area of Quanzhou City's artisanal team, seminar on "executive improvement" in the Polymerisation Department, and training on improving the quality of workers in Jinjiang City.

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In 2022, the Group organized 82,898 staff to attend trainings by batches. Training coverage rates of both male and female staff were above 90%, with per capita training hours of more than 18.19 hours. By functionalities, the number of general staff who attended trainings was 62,775 with training coverage rate of 90.65% and per capita training hours of 10.21 hours, and the number of managerial personnel who attended trainings was 14,578 with training coverage rate of 95.83% and per capita training hours of 62 hours.

5.2 Equal Development Opportunity

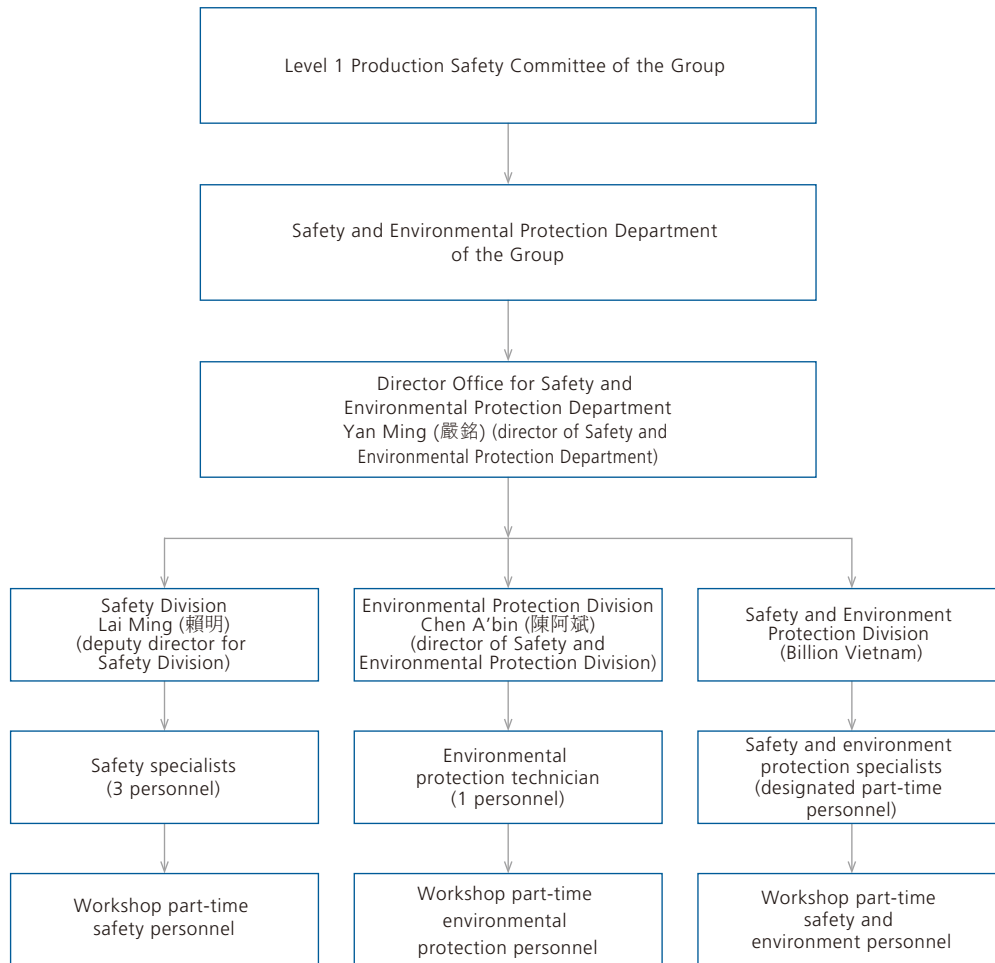
The Group has defined the duties and responsibilities of all departments and positions and formulated the “Regulations on the Upward Adjustment of Salaries and Staff Promotion (《員工晉升薪資上調標準的規定》)” and “Regulations on the Management of Staff Promotion (《員工晉升管理規定》)” in order to meet the management needs of the Group’s strategic development. The Company follows the principle of fair competition, values the talents of each employee, fully recognises the value created by each employee in different positions for the Company, and provides a platform for employees to give full play to their talents, and adopts a series of comprehensive assessments to select the most talented and ethical employees for promotion.

The salary structure of the Group’s employees consists of fixed income and variable income, and the salary level is performance- and job-value-oriented, taking into account the value of the job, performance and skill level, so as to ensure that employees’ personal value is maximised. The Company adjusts the salary and welfare income levels of its employees annually in accordance with market salary levels and performance results, enriching the remuneration and benefits of its employees and demonstrating both external competitiveness and internal fairness.

6. IMPLEMENTATION OF SAFETY OPERATION

In order to comply with the national safety and environmental protection laws and regulations, implement the Group’s annual safety and environmental protection work and integrate the Company’s resources, the Company has decided to establish the safety and environmental protection department (安全環保部) (“**Safety and Environmental Protection Department**”) of Billion Industrial Holdings Limited in February 2022, with a Safety Division and Environmental Protection Division, which is fully responsible for all safety and environmental protection matters of the Group.

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Organizational structure and personnel chart of the Safety and Environmental Protection Department of Billion Industrial Holdings Limited

6.1 Occupational Health and Safety

The Group attaches great importance to the occupational health and safety of its employees and the working environment, and has established a comprehensive occupational health management system in conjunction with relevant national and local government laws and regulations. An occupational health manager was appointed to be responsible for all occupational health related matters of the Company.

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The Company conducts regular reviews and assessments of the performance of its management system on an annual basis, through which opportunities for continuous improvement are identified. In 2022, the Company provided sufficient resources to clarify the responsibilities of staff at all levels and to effectively implement various occupational health and safety policies. Specific measures are as follows:

1. Establish a sound occupational health management ledger, daily maintenance records and ledger of protective facilities, and develop a system for the Occupational Disease Prevention And Control System (《職業病危害防治制度》), the Occupational Health Management System (《職業健康管理制度》) and other systems as required;
2. According to the requirements of superior and relevant laws and regulations, hire a qualified third party to complete the “Occupational Hazard Factor Test Report (《職業危害因素檢測報告》)”;
3. According to the requirements of superior, improve the intranet information and the hanging of occupational health warning signs and occupational hazard notice boards on site;
4. Supervise employees to strictly abide by the occupational health management system, correctly use protective equipment, and provide occupational health and safety education;
5. Cooperate with the local government and third parties to inspect the Company’s occupational health, assist in the collection of relevant information;
6. Obtained internationally-recognized Occupational Health and Safety Management System Certification (《職業健康安全管理体系認證》).

In 2022, the Group did not have any occupational disease hazards. The Company’s occupational health management system covers a comprehensive range, including occupational health and safety education for employees, production safety management, emergency prevention and handling, etc. Since the introduction of the system, the Company has effective elimination of or reduction in hazards in the operation, activities and production process, and managed occupational health and safety risks that employees and other stakeholders might face during business operations. We will continue to improve the system to the satisfaction of all parties.



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6.2 Stringent Safety Management

The Group's safety and environmental protection work is carried out under the responsibility system of the Director of Safety and Environmental Protection Department, who is directly responsible to the Company, and fully complies with the requirements of national laws and regulations such as the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) and Environmental Protection Law of the PRC (《環境保護法》). The Company adheres to the production safety policy of "safety first, prevention as focus and comprehensive management".

Since the establishment of the Group's Safety and Environmental Protection Department, with the concern and support of the leaders at all levels of the Company and the full cooperation of various departments and units, the Group has basically completed the various safety and environmental protection management targets for 2022. The Safety and Environmental Protection Department has also taken the lead in updating and revising the "Post Safety Operation Procedures (《崗位安全操作規程》)", "Safety Production Management System (《安全生產管理制度》)", "Annual Safety and Environmental Protection Production Guidelines, Targets and Indicators (《年度安全環保生產方針、目標和指標》)" and "Safety Management Manual for Special Equipment (《特種設備安全管理手冊》)", and issued and implemented them, requiring all departments and workshop staff to strictly follow, so as to ensure the safety of the production process.

The Company's production area is fully staffed to implement the "Team Safety Independent Management Ledger (《班組安全自主管理台賬》)", which covers identification of post risk factors, safety education and training for new staff, record of unsafe behaviors, emergency drills, rectification of hidden dangers, inspection and repair safety, team safety learning activities and other contents. Each department and workshop record the actual safety work completed in the account, so that each employee can keep safety in mind, and also further strengthen the safety management objectives at all levels to better implement the safety production management requirements.



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6.2.1 Efficient Safety Management Structure

In the year 2022, according to the latest situation of the Company, responsibilities and personnel of the former Safety Management Department and Brand Management Department related to safety, environmental protection, are incorporated into the newly established Safety and Environmental Protection Department, in which post settings, staffing and responsible areas are as follows:

1. The Safety and Environmental Protection Department is responsible for the safety and environmental matters in ABCDEFGHI areas of Billion Jinjiang (百宏晉江), Billion Vietnam and other related areas.
2. The Safety and Environmental Protection Department has a director, who is also the manager of the Safety and Environment Protection Department and is directly responsible to the principal in charge of the Company.
3. It has the Safety Division and Environmental Protection Division. The Safety Division has a director or deputy director and three safety specialists; while the Environmental Protection Division has a director and an environmental protection technician.

In 2022, the Group further adjusted the organizational structure of the Production Safety Committee and related management personnel. The executive body of the former first-level production safety committee office was changed from the Safety Management Department to the Safety and Environmental Protection Department, and the list of members of the safety committee at all levels was adjusted and took effect from the date of the announcement signed by the President, and the duties of the safety committee at all levels and safety management personnel and safety commissioners at all levels were defined.

6.2.2 Implementation of the “Three Simultaneities (三同時)” system

At the beginning of 2022, the Group’s annual production capacity of 720,000 tons of functional polyester film project and annual production capacity of 330,000 tons of differential chemical fiber project were founded in Jinjiang Textile Weaving (Longhu) Industrial Park (晉江紡織織造(龍湖)工業園), with a total investment of RMB6.713 billion, covering an area of 820 mu, the project is divided into three phases and is scheduled to be completed and put into operation by December 2025. The first phase Zone I started construction, the 330,000-ton differential chemical fiber project introduces melt-direct spinning polyester plant, spinning production line, texturing machine, automatic bobbin dropping equipment, automatic packaging line, three-dimensional warehouses and its auxiliary equipment projects with a total investment of RMB1.717 billion.

The Group strictly implements the “Three Simultaneities” regulations, and the safety facilities and occupational disease protection measures for the expansion of the 330,000-ton differential chemical fiber project in Zone I are designed, constructed and accepted for production and use at the same time as the main construction of the project, so as to ensure that the project meets the relevant safety requirements during both construction and operation.

At the end of 2022, all major production departments in Zone B and Zone D of the Company were shut down for safety maintenance, and a total of 14 safety plans were made before the maintenance. And according to the new Production Safety Law (《安全生產法》) and relevant policies, we signed safety agreements and construction site safety disclosure with 10 companies, including the outsourced constructor, equipment installer and each maintenance unit, and both the outsourced constructor and the Company’s Safety and Environment Protection Department sent full-time safety officers to supervise the site to ensure the safety of the construction site.

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6.2.3 Emergency Response

At the beginning of the year, the Company's Safety and Environmental Protection Department prepared the "Comprehensive Emergency Plan for Production Safety Accidents (《生產安全事故綜合應急預案》)", "Special Emergency Plan for Production Safety Accidents (《生產安全事故應急專項預案》)" and "Site Disposal Plan for Production Safety Accidents (《生產安全事故現場處置方案》)", which passed the internal review of the Company and met the preparation requirements of emergency plan and the actual situation of the Company, and have been formally implemented within the Company since April 10, 2022, and required all departments of the Company to strictly implement them.

In June 2022, according to the requirements of the safety month activity program, the Company's Safety And Environmental Protection Department instructed all departments and workshops to organize emergency evacuation drills respectively, explained the causes and prevention of common fires, fire escape & self-rescue methods and the use of fire-fighting equipment, practiced fire extinguishers and fire hydrants to improve everyone's self- and mutual-rescue ability.



In 2022, the Safety and Environmental Protection Department has conducted special inspections on the emergency equipment, emergency facilities, emergency passages, fire-fighting equipment and check records of various units, workshops, warehouses and public areas for many times. If anything unusual discovered, they will immediately urge the local management to rectify to ensure the stable operation of production devices and safety facilities.

The Group also set up micro fire station and voluntary fire department, equipped with professional firefighting suits and firefighting equipment such as water guns and water belts, etc. On October 21, Jinjiang Longhu fire squadron, together with the personnel of the Group's micro fire station, carried out the activities of production safety inspection, comprehensive fire safety improvement action and high-pressure water gun simulation firefighting practice for the Company. Through this safety inspection and fire drill, not only the safety hazards were investigated, but also the fire safety awareness of the staff and the ability to deal with emergency incidents were further enhanced, which provided a guarantee for the prevention and containment of various fire accidents.

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In the year of 2022, with the care and support from the leaders of the Group and the joint efforts of all the Billion people, the Company basically completed the tasks of safety production and achieved the safety production management target of no major casualties, no fire accidents, no environmental pollution incidents and no occupational diseases for the whole year, and no work-related fatal accidents happened in the past three years including this reporting year. In 2022, the number of days lost due to work-related injuries is 1,350 days.

6.2.4 Deploying Safety & Health Devices

The Group attaches great importance to the personal health and safety of its employees and from time to time provides them with various protective equipment including mouth masks, face masks, eye masks, gloves, ear plugs, working clothes, labor shoes, etc. In addition, the Group has a complete fire alarm system, sprinklers, smoke alarms, air conditioning system, indoor and outdoor fire hydrants and other facilities to provide a basic and comprehensive protection for the personnel working in various production processes.

The Group also has different emergency supplies in place to cope with unexpected situations, such as rescue vehicles, air breathing apparatus, fire-fighting equipment, gas masks, mouth masks, oxygen detectors, combustible gas detectors, etc. Medicine walls and emergency fire stations are set up in the workshops to provide a safe working environment for employees.

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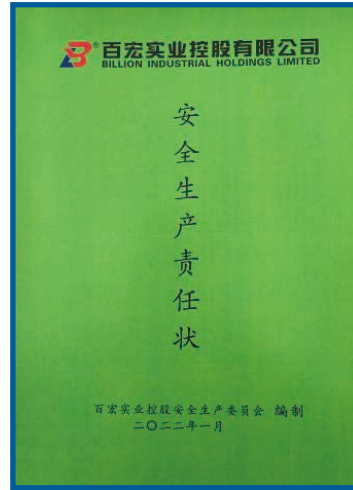
6.3 Comprehensive Safety Education

In accordance with the requirements of the Production Safety Law of the People's Republic of China, the Group holds annual companywide special meetings on production safety and subject safety education and training. In 2022, through the Human Resources Department and the Safety and Environmental Protection Department, the following measures were taken for other safety education and training:

1. The Human Resources Department is responsible for the pre-employment Company-level training for new, transferred and reemployed employees, and only those passing the assessment can work on the job.
2. Pre-operational safety briefing is implemented to special operators to ensure that they are licensed to work. Where fire work, aerial work, limited space operations and other dangerous operations are involved, the department using fire needs to issue the corresponding dangerous work sheet in advance, before the operation is performed once the safety of the site is confirmed by the responsible person and the Department of Safety and Environmental Protection.
3. The Safety and Environment Protection Department develops practical safety training materials according to the actual work content of each department, workshop and post, including: safety education warning films, safety theme training PPT, various safety management systems, staff operation manuals, staff emergency rescue knowledge manuals, etc., and supervises them to carry out targeted safety education and training.
4. The Company carries out monthly workshop-level safety education and training by its departments and workshops from time to time, weekly summary meetings and team-level safety training, and daily morning meetings for simple safe operation disclosure. Through a series of safety training such as three-level education, the Company promotes the overall improvement of all employees' safety awareness and effectively prevents the occurrence of serious accidents.
5. In order to implement the safety production responsibility system for all employees, the Company signed the "Production Safety Responsibility Commitment 2022" with the responsible person of each department, and each department signed a responsibility commitment with each workshop, shift and ordinary worker level by level, which set the annual targets and corresponding measures according to the actual situation of the Company, which is supervised and executed by the Safety and Environmental Protection Department and each department together.



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In the afternoon of May 31, on the occasion of the 21st "Safety Production Month", the Safety and Environmental Protection Department held the kick-off meeting of "Safety Production Month 2022" and the training on the month topics, which was attended by all the staff of the Safety Committee of Billion Industry and the persons in charge of each department. The topic of the meeting was "to comply with the production safety law, be the first responsible person", and the activity plan of the month was launched.



In 2022, the total number of hours of occupational health and safety education and training for all employees of the Group was 82,898 hours for Jinjiang factory and 976 hours for Vietnam factory, and the cumulative percentage of new employees participating in safety training was 100%.

Enhancing safety education and training, strengthening safety awareness, improving safety quality, and demonstrating the development direction of advanced culture, through safety training and education, we have effectively controlled all types of production safety accidents and ensured the production safety of the Company. The Group believes that only by improving the safety education and training of employees, relentlessly strengthening their safety awareness and enhancing their prevention consciousness can we build up a solid ideological line of defense for safe production and fundamentally solve the hidden dangers in safe production, and we will continue to attach importance to regular safety education, so that the alarm bell will always ring and problems will be prevented before they occur.

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6.3.1 Troubleshooting Hidden Dangers

In 2022, the Group independently established and continuously updated the standardization of production safety, implemented the main responsibility of production safety, and gradually established a long-term mechanism of self-discipline, self-improvement and continuous improvement of production safety management. We implemented the “red, orange, yellow and blue” dynamic supervision of safety risk level. A qualified third party was hired to compile the “Safety Production Risk Assessment Report”, “Guidance Manual of Hidden Danger Investigation and Management System”, “Risk Checklist” and other manuals of Billion Polymerization Fiber and Billion High-Tech Company to implement safety risk grading and control. And we drew the “red (major risk), orange (greater risk), yellow (general risk), blue (low risk)” four-color distribution diagram of safety risks, which was posted in an eye-catching location in the factory.



The Group also established the “three checklists” system of hidden danger investigation and management according to the requirements of the high-level supervision. Based on the actual situation of the Company, we compiled a list of safety inspection, a list of hidden dangers and a list of rectification, which is detailed and decomposed to each department, workshop and team to clarify the responsibility of inspection at each level, the frequency of inspection and the requirements of rectification.

As the competent department addressing hidden risks and supervision of the Group, the Safety and Environmental Protection Department has formulated a series of measures addressing hidden risks according to the requirements of the superior and the actual situation of the Company in 2022, as follows:

1. 5 inspection modes that are mainly adopted include: comprehensive inspection, special inspection, daily inspection, inspection before holidays and inspection before special weather. The production area, maintenance site, construction site and public area of the Company are under full inspection coverage, leaving no dead-end to ensure that no safety hazards are missed.
2. The hidden danger investigation strictly implements the “closed-loop” provisions, that is, from inspection notice→hidden danger notification→correction notice→hidden danger rectification→hidden danger review, forming a “closed-loop”, to ensure that the safety hidden dangers are rectified in place, leaving no future problems.
3. From January to December 2022, the Safety and Environmental Protection Department has organized 15 inspections and identified a total of 568 hidden dangers, with a 100% correction rate of usual hidden dangers.

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The Group accepts the supervision and guidance from the local government, submits the progress of hidden danger investigation and hidden danger rectification to the local government from time to time, makes continuous improvement, relentlessly improves the safety management level, ensures the safe production in the plant and creates a safe production environment for the Billion Group.

7. PRODUCT RESPONSIBILITY

The Group strives to provide quality and safe products for customers, and implements various measures for improving product quality, which include inspection and control on product quality, automatic production and raw materials safety management. The product quality management of the Group has obtained ISO9001 Quality Management System Certification, and the products manufactured have also passed the random inspection of Quality and Technical Supervision Department. Such outstanding results are the recognition of the product quality assurance of the Group.



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7.1 Improving Product Quality

Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd. and Fujian Billion High-tech Material Industry Co., Ltd. were included in the 2022 Quanzhou city-level industrial leading enterprises list once again. According to the document titled “Measures taken for Quanzhou City to Further Support the High-quality Development of Manufacturing Industry (《泉州市進一步支持製造業高質量發展的若干措施》)”, as a leading enterprise, Billion Group will receive considerable supports from Quanzhou City in four aspects, including enterprise development, technological transformation, the cloud-based operation and service-oriented manufacturing, which will provide advanced technical supports for the Company to make higher quality products.

The China Top 500 Private Enterprises Summit 2022 was convened in Beijing, and the All-China Federation of Industry and Commerce released the China Top 500 Private Enterprises list 2022 and the research and analysis report. Fujian Billion Group was listed in the “Top 500 Chinese Private Enterprises” and “Top 500 Private Enterprises in Manufacturing Industry in China 2022”. After a few years, the Group was ranked among the Top 500, and its ranking rose to 288th. In the list of “Top 500 Private Enterprises in Manufacturing Industry in China 2022”, the Group ranked 185th, up 158 places from last year.

Within a few days, the Group was ranked 287th in the “2022 China Top 500 Manufacturing Enterprises” jointly released by China Association of Enterprises and China Entrepreneurs Association, up 121 places from last year. In the list of “Top 100 Private Enterprises in Fujian Province 2022”, the Group was ranked 12th, up 14 places from last year.



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Our Group has not only won four awards, but also achieved a breakthrough and three enhancements, which also reflects the high recognition of the Company's products by the industry and consumers. We are committed to keeping on improving the quality and safety of its own products so as to provide the better quality products for customers. Hence, the Company formulates standards that are more stringent than national standards for polyester filament yarns and conducts full inspection on products. The Quality Control Department of the Company conducts stringent inspection and quality control on raw materials, semi-finished products and finished products, so as to ensure every production process is in compliance with the requirements of the Group.

2022 Analysis of Customer Complaints in Jinjiang Factory

Type of Complaints	Quantity	How to handle
Stripe/stripes discrepancy	80	Friendly negotiation
Wrong order placed	12	Friendly negotiation
Bruise	4	Friendly negotiation
Fuzzy filament	18	Friendly negotiation
Broken filament	19	Friendly negotiation
Color difference for stripes	59	Friendly negotiation
Stained filament	15	Friendly negotiation
Stiff filament	13	Friendly negotiation
Color/chroma difference	30	Friendly negotiation
Barre mark	2	Friendly negotiation
Mixed batch	7	Friendly negotiation

Note: Types of complaints subject to addition according to actual factory conditions.

The Group established an after-sales customer service team handling complaints related to our products and services and verifying customer's feedback, suggestions and complaints. At the same time, we delegated technological professionals to actively communicate with customers to jointly analyze and find out the cause, carefully verify and timely solve the problems that exist.

We also regularly get information about the use of our products from our customers and provide them with relevant technical assistance. Through the above initiatives, the Company also promptly identifies the shortcomings of the project or management deficiencies and seeks practical solutions.

7.1.1 Automatic Operation

On August 19, 2022, Fujian Province held a conference on promoting the "Jinjiang Experience" and promoting the high-quality development of private economy, at which the president of the Group spoke on behalf of the Group: inheriting and carrying forward the "Jinjiang Experience" is inseparable from reform and innovation. As early as 2016, Billion invested in intelligent construction projects, from a single production line to a single workshop, and then to the entire factory, taking the lead in the industry to achieve automation and intelligent production.

At present, digitalization is the trend where development is need, not an optional but a mandatory question. The digital era has come, we will seize the opportunity brought by the digitalization, embrace transformation and upgrading, expand the blue sea market of digital economy, create a new digital future, and carry forward the "Jinjiang experience" with practical action.

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The Group will constantly invest more in the mechanic and automatic production approach, which promotes the processing system of functional differentiated products and improves labour productivity, product quality, research and development capacity of new products and energy efficiency utilization, so as to form a new model of reproducible polyester filament yarn melt-direct spinning intelligent manufacturing and promote for industry application, as well as leading the industry transformation and upgrade.

Su Qiong (粟瓊), Head of Quality Control Department of the Group, was awarded “Quanzhou City’s May 1st Labor Medal” in February 2022 and “Fujian Provincial May 1st Labor Medal” in May of the same year. She is an industrial worker who has been rooted in the production line of Jinjiang manufacturing industry for 27 years. She has grown from an ordinary operator to a technical backbone of quality management and intelligent manufacturing in Billion, and is a participant in the transformation and upgrading of traditional manufacturing industry, as well as a witness and practitioner of “Jinjiang Experience”.



The Group will continue to streamline original production lines and product packaging lines for spinning, and conduct technical reform and adopt the teaching mode of “the veteran instructs the green hand”, so that more employees can master the latest automatic operation application and safety operation technology. The Company will offer intelligent weaving training courses, invite professional technicians, visiting professors and teachers to conduct trainings, to make intelligent manufacturing deep into the minds of the Group’s employees and promote the implementation of intelligent manufacturing within the Group, so as to cultivate more talents in intelligent manufacturing and conduct technical reform and achieve automatic production, so as to satisfy the increasing demands from customers.

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7.1.2 Reliable Procurement

The stability and sustainability of our supply chain is of vital importance to the Group, and our business is closely linked to our service contractors, raw material suppliers and business partners.

Therefore, when selecting suppliers, the Group will investigate the business qualification, credit rating, criminal proceedings, and other information of the supplier to ensure the compliance of the procurement and supply process. We also conduct a comprehensive assessment of the supplier, including quality of materials, stability of supply, safety, and environmental assessment, and only those passing the assessment can become a qualified supplier of the Group, thereby reducing potential risks in the process of project bidding and implementation.

In assessing the social responsibility performance of suppliers, the Company encourages suppliers to actively participate in safety and environmental protection work and requires suppliers to comply with relevant environmental protection and energy-saving laws and regulations of the country and local government. If suppliers have any comments, they can communicate with the Group at any time through various channels to ensure that the measures and requirements are practical and feasible to further maintain a good relationship between us and suppliers.

During 2022, there will be 143 major suppliers of the Group, including suppliers from Germany, Japan, Vietnam, Taiwan, Hong Kong and Fujian Province, Guangdong Province, Jiangsu Province, and Zhejiang Province of Mainland China.

7.2 Achieving Efficient Innovation

The Group is committed to keeping on developing differentiated products in the industry to provide quality and customized product services for customers. Accordingly, we dedicate lots of efforts in research and development as well as innovation.

The Group attaches great importance to the protection of technology and intellectual property for safeguarding innovation results. We also set up the Branding and Intellectual Property Department, responsible for managing the patents of the Company. Also, the Group cooperates with intellectual property service companies and further assures the quantity and quality of future patent applications through means of independent innovation, industry-university-research cooperation and others, so as to develop a sustainable enterprise innovation model.

During the year, we obtained 2 new utility model patents. Patents obtained in 2022:

No.	Invention Item	Application	Authorization	Patent No.	Inventor	Patent Type	Patentee
		Date	Date				
1	An air-controlled logic unit for suction shear	2022.08.24	2022.11.29	ZL20222239564.3	Hong Qingqi, Lu Chuanwang	Utility model	Fujian Billion Polymerization Fiber
2	A TMT pusher modification unit	2022.08.19	2022.12.16	ZL20222197988.8	Hong Qingqi, Lu Chuanwang	Utility model	Fujian Billion Polymerization Fiber

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7.2.1 Information Privacy

Business ethics is one of the important factors leading to an enterprise's success. The Group continues to promote business ethics, maintain good ethics, sticks to the bottom line and principles, abide by laws, and continuously improves the quality of corporate ethics in order to ensure its own healthy and sustainable development.

The Group attaches great importance to information privacy and personal privacy. All employees are required to sign a non-disclosure agreement upon joining the Company. We have rules and regulations to protect the Company's trade secrets, which include customer information, customer credit limits, customer purchase quantities, prices and core technology information. All employees are strictly prohibited from using and distributing the Company's customer information without the authorization of the Group.

In terms of data security and cyber security management, the Group gives permission to connect external network for staff who have different needs according to their demand, installs antivirus software and kills virus regularly for each computer and makes backups for server data and database.

7.3 Ensure Integrity of Operations

The Group aims at keeping high transparency, probity and accountability, and strives to ensure non-occurrence of any incident that is harmful to the interests of shareholders, investors, customers and the public. We have not received any report of legal cases regarding corrupt practices from the Group or the employees in 2022.

For this, the Group formulates relevant whistleblowing management policies, to fully protect the human rights, property rights, working right, democratic rights, reputation rights and other legal rights of the whistleblowers and determine the specialized personnel to accept whistleblowing and complaints for the president of the Company or authorized persons and set up an independent investigation team according to the nature of the event, and also they will be engaged to conduct investigation or refer the incident to relevant regulatory authorities of local government.

The Company has abided by the standards of business ethics, organized all employees to conduct business ethics training on a regular basis, and specified the definitions and standards of compliance risks in each operation process of the Company. The Group has continuously improved the integrity education training system to offer employees with general business ethics standard education, and special skills training for internal control and risk management, to strengthen the business integrity awareness, enhance the study on laws and regulations on integrity for the purpose of promoting the formation of an integrity atmosphere and guaranteeing the operation integrity of the Group.

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8. HARMONIOUS COMMUNITY

8.1 Care about Community Development

The Group takes the initiative to assume social responsibility. In addition to attaching importance to the development of itself and its employees, it also cares a lot about the development of the townships and communities where it operates. When recruiting, priority is given to job seekers from local towns and communities, and those who meet the Company's entry requirements are given priority in providing them suitable jobs, contributing to local employment.

The Group not only provides financial support to those in need, but also organizes its employees to actively participate in voluntary activities such as blood donation, caring for the elderly and caring for the community from time to time, making an exemplary role in building a perfect and harmonious community together.



From time to time, the social workers of Billion Children's Home organize children to carry out charity sales. The proceeds from the charity sales are managed by the social workers and donated to charitable organizations to help children in need, and the elderly of no family. In this way, we show the children the role of social work and encourage people to pay attention to social work.

In 2022, the Group donated a total of approximately RMB164,000 to schools and social organizations in the surrounding communities, and organized employees to participate in voluntary and caring activities, accumulating a total of approximately 8,656 hours of voluntary work.

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9. CONTENT INDEX

KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Optimize the Management Model Pollutant Emission Reduction
KPI A1.1	The types of emissions and respective emissions data.	Pollutant Emission Reduction
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollutant Emission Reduction
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollutant Emission Reduction
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollutant Emission Reduction
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Pollutant Emission Reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Pollutant Emission Reduction

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resources Conservation Packing Materials Consumed
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resources Conservation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resources Conservation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resources Conservation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resources Conservation
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Packing Materials Consumed
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment-friendly Industry
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment-friendly Industry
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environment-friendly Industry
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer and the actions taken to manage them.	Environment-friendly Industry

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
B. Social		
Aspect B1		
Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Human-based Management Talent Development – Equal Development Opportunity
KPI B1.1	Total work force by gender, employment type (for example, full- or part-time), age group and geographical region.	Human-based Management
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Human-based Management
Aspect B2		
Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Implementation of Safety Operation
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	During the past three years, including the reporting period, there was no work-related fatality
KPI B2.2	Lost days due to work injury.	Emergency Response
KPI B2.3	Description of occupational health and safety measures adopted, how they are being implemented and monitored.	Implementation of Safety Operation

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect B3		
Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Development
Aspect B4		
Supply Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Human-based Management – Employment Compliance
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Human-based Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	During the reporting period, there was no recorded incident of child and forced labour
Aspect B5		
Supplier Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Reliable Procurement
KPI B5.1	Number of suppliers by geographical region.	Reliable Procurement
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Reliable Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Reliable Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Achieving Efficient Innovation

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect B6	Product Responsibility	
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the reporting period, there was no recall for safety and health reasons
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Improving Product Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Achieving Efficient Innovation
KPI B6.4	Description of quality assurance process and recall procedure.	Improving Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Privacy

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KPIs	Requirements of HKEX ESG Reporting Guide	Section/Remark
Aspect B7	Anti-corruption	
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ensure Integrity of Operations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	During the reporting period, there was no reporting of corrupt practices
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Ensure Integrity of Operations
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ensure Integrity of Operations
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Care about Community Development
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Care about Community Development
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Care about Community Development