

# Huazhong In-Vehicle Holdings Company Limited 華眾車載控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock code: 6830



# 2022

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

## ABOUT THE REPORT

Huazhong In-Vehicle Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**” or “**we**” or “**us**”) are pleased to present the 2022 Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) to stakeholders, which aims at disclosing the philosophy, management methods, implemented work and achievements of the Company in its operations on the environmental, social and governance (“**Environmental, Social and Governance**”/ESG) issues to stakeholders such as investors. The Group is gradually implementing sustainable development management in the Environmental, Social and Governance aspects to enhance the effectiveness of daily operations and governance, minimise the impact of production and operation activities on the environment, and assist the Group in formulating more targeted Environmental, Social and Governance plans to cope with the changing social environment and climate change.

## Reporting Period and Scope of the Report

The Report illustrates the results of the environmental and social data from 1 January 2022 to 31 December 2022 (the “**Year**”). The scope of the Report is consistent with that of last year, covering the business of Ningbo Huazhong Plastic Products Co., Ltd. (“**Ningbo Huazhong Plastics**”), the main subsidiary of the Group, and its revenue accounted for 46.2% of the Group’s total revenue.

## Reporting Standard and Principles

The Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guidance” under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and followed the four reporting principles of materiality, quantitative, balance and consistency. The Report contains a content index of the guidance to facilitate easy reading for various stakeholders. For information on our corporate governance, please refer to the section headed “Corporate Governance Report” in our 2022 Annual Report.

The Group adheres to the following four reporting principles in the preparation process:

Principle	Meaning	Response of the Group
Materiality	The report should disclose matters that have a significant economic, environmental and social impact, or that materially affect the assessments and decisions of the Group’s stakeholders.	Material Environmental, Social and Governance factors and the criteria for the selection of these factors, as well as the description of key stakeholders and the process and results of stakeholder engagement are identified by and disclosed in the Report.
Quantitative	The key performance indicators (“ <b>KPIs</b> ”) in the report shall be measurable.	Presentation and disclosure of its environmental and social KPIs should be made in a quantitative manner.
Balance	Both positive and negative information shall be presented in the report to provide an unbiased presentation of the Group’s performance.	The achievements and challenges faced by the Group are presented in the Report to fully reflect the sustainability performance of the Group.
Consistency	The report shall adopt a consistent approach to information disclosure to allow stakeholders to analyse and assess the performance of the Group over time. The Group should state either the revised reporting approach or other relevant factors that will affect a meaningful comparison.	The statistical methods used to disclose data in the Report are consistent for stakeholders to make meaningful comparisons. Changes will be clearly explained in the corresponding sections of the Report.

## Feedback

The Group values and actively pays attention to the expectations and demands of the stakeholders for our ESG approach and performance. We welcome any opinions and inquiries on the ESG approach and performance via the following channels.

Principal place of business in Hong Kong: Room 907B, 9th Floor, Empire Centre, 68 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong

Headquarters in China: No. 104 Zhenan Road, Xizhou Town, Xiangshan County, Zhejiang Province, China

Email: volenhe@cn-huazhong.com

## VISION OF SUSTAINABILITY

The Group incorporates the sustainable development principles into all aspects of its business and continues to make its best efforts to meet the challenges of global sustainable development. Being one of the leading global automotive parts companies, we strive to fulfill our three corporate missions, namely:

- Providing customers with high value products and services;
- Allowing employees to work happily, develop healthily, and create value for shareholders;
- Committing to sustainable development and social responsibility, and ensure that our business operations are operated around the four core concepts of “Integrity, Responsibility, Creativity and Sharing” to uphold our corporate missions.

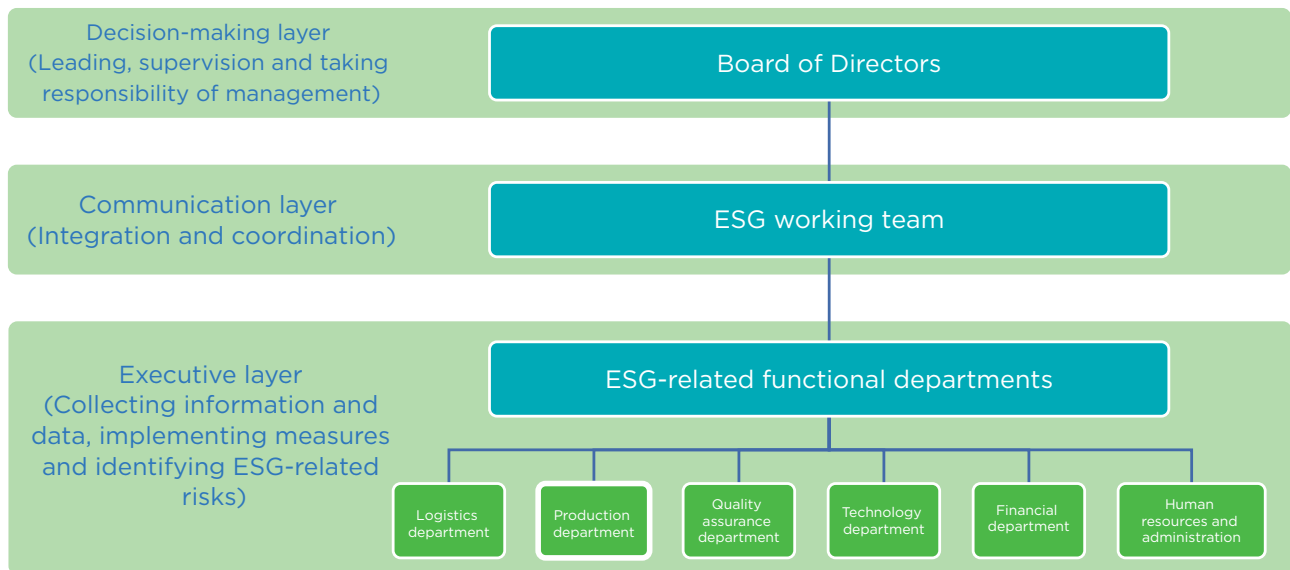
In addition, we are committed to implementing sustainable development practices and incorporating them into our business operations, and believe that promoting sustainable development can lay a good foundation for the Group’s future business development. The Group is committed to fulfilling its social responsibilities as a corporate citizen and has formulated sustainable development strategies to integrate environmental and social factors into every stage of its daily production and operation. We hope to identify, determine and monitor the risks and opportunities of sustainable development through strict compliance of regulatory requirements, reviewing our ESG measures and annual disclosure of our performance. We also actively listen to the opinions of different stakeholders, so that we can review the Group’s sustainable development approach more effectively, thus to create values for our stakeholders and further minimise the Group’s impact on the environment.

Adhering to the above visions, concepts and missions, we have formulated the following sustainable development approach:



## ESG GOVERNANCE













Under the supervision and guidance of the Board, the Group has adopted a systemic risk management method, establishing a risk management and internal control organisation with clearly defined duties and reporting procedures in realising the risk controls, as well as setting ESG goals. We have established comprehensive policies, standards and procedures to standardise internal control procedures to prevent the occurrence of unauthorised use or disposition of assets. Meanwhile, we have also established an ESG governance structure, for which the ESG working group will be authorised by the Board. It consists of the heads of major functional departments of the Group. They are responsible for overseeing the management, development and practice of the Group’s sustainable development. The ESG working group also regularly reviews the progress of achieving ESG goals and targets, guiding the functional departments thereunder to formulate and implement relevant measures and plans to promote the sustainable development of the Group.



## VISION OF SUSTAINABILITY

We are committed to becoming a responsible corporate citizen. We endeavor to make positive contribution to the establishment of a sustainable community and fully support the UN Sustainable Development Goals (“**UNSDGs**”). The United Nations proposed 17 sustainable development goals in the 2030 Agenda for Sustainable Development, calling on countries to take action to eliminate poverty, protect the environment, and ensure that people share peace and prosperity for a better future. In view of this, the Group has also selected the following 12 sustainable development goals that are most relevant and allow us to contribute. We have integrated the identified sustainable development goals into our sustainable development approach and set corresponding corporate goals to enable us to drive sustainable development with clearer directions. For our contribution to each of the sustainable development goals, please refer to the relevant sections of the Report.

“Vision 2030” is in close coordination with the UN Sustainable Development Goals. It prioritises the concentration of areas which are pivotal to our business and stakeholders, and contributes to the selected sustainable development goals by using resources properly. Our sustainability committee is responsible for supervising the progress of sustainable development, and tracking our performance in achieving our ESG goals.

Relevant UNSDGs	Focus on the Areas of Contribution	Strategies and Goals
  	<b>Environment Protection</b>	<p><b>Strategy: To maintain high level of safety, health and environmental management</b></p> <p>Goal: To reduce the environmental footprint of our operations by reducing greenhouse gas emissions, waste production and improving energy and water efficiency</p>
  	<b>Fair and Ideal Working Environment</b>	<p><b>Strategy: To establish a friendly working environment, and respect diverse opinions and cultures</b></p> <p>Goal: To provide employees with different communication platforms, strengthen vocational training and care for their physical and mental health, so that they can work happily and develop healthily</p>
 	<b>Fulfillment of Product Responsibility</b>	<p><b>Strategy: To fulfil our responsibility in operation, service with sincerity, establish an equal, harmonious and mutually benefiting relationships</b></p> <p>Goal: To commit to responsible operations by ensuring product safety and quality, and responsible sourcing</p>
 	<b>Technological Innovation</b>	<p><b>Strategy: To exceed our customers’ expectations by continuously enhancing the production technologies</b></p> <p>Goal: To provide customers with sustainable and quality products by keeping abreast of the ever-changing production technologies in the industry</p>
 	<b>Care for the Society</b>	<p><b>Strategy: To fulfill our social responsibility and take care of our neighbouring communities</b></p> <p>Goal: To listen carefully to the needs of the community and formulate appropriate community investment areas, and strive to provide more community resources and assistance to people in need</p>

## STAKEHOLDERS ENGAGEMENT AND COMMUNICATION

The Group always welcomes the opinions of various stakeholders. Therefore, the Group has gathered opinions from internal and external stakeholders through multiple channels, increased the chances of reaching out to them and adopted diversified opinions and suggestions.

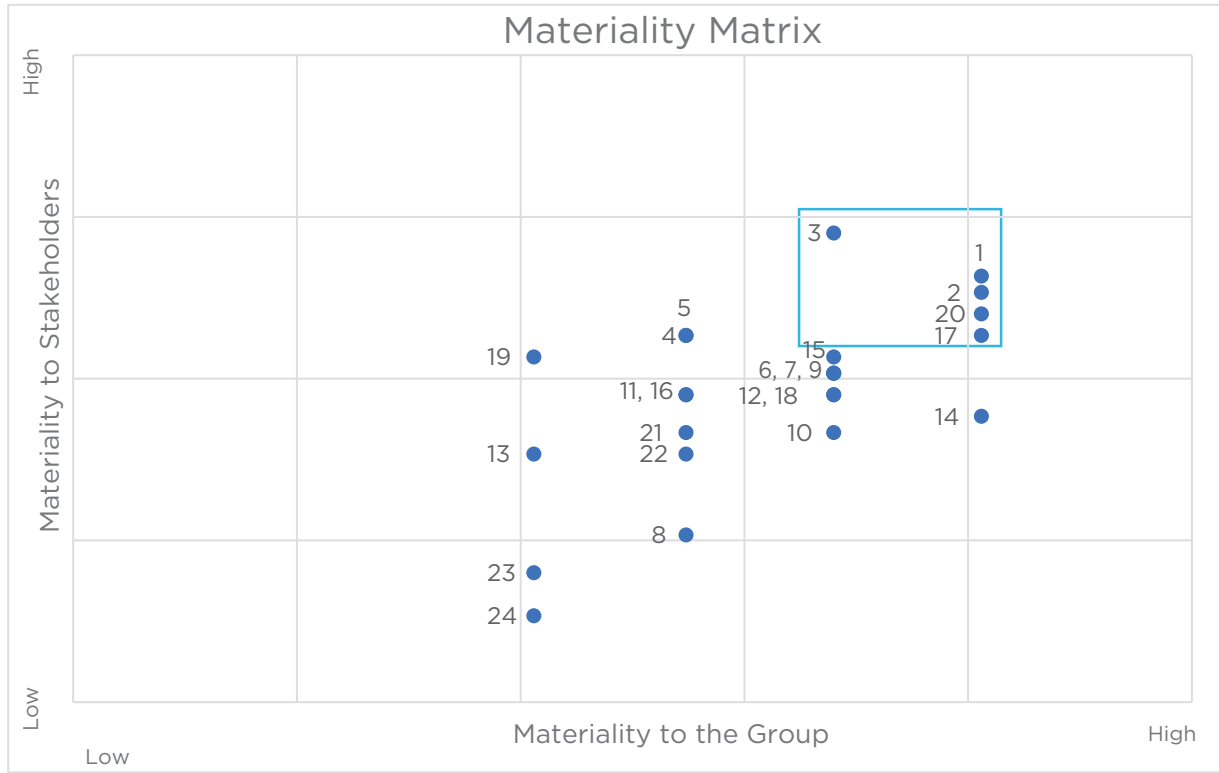
Stakeholders Group	Communication Channels
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employees' performance appraisal</li> <li>• Internal meetings</li> <li>• Diversified training</li> <li>• Team building activities</li> <li>• Recreational games</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Communication through WeChat/Weibo/Telephone</li> <li>• Factory field inspection</li> <li>• Customer satisfaction survey</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Suppliers assessment process</li> <li>• Meetings</li> <li>• Site visit</li> <li>• Questionnaire</li> </ul>
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Other shareholders meetings</li> <li>• Corporate communications</li> <li>• Annual reports and interim reports</li> <li>• Company website</li> </ul>
<b>Government and authorities</b>	<ul style="list-style-type: none"> <li>• Communication during daily operations</li> <li>• Visits and inspection</li> <li>• Regular statutory reporting</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Social public welfare activities</li> <li>• Face-to-face communications</li> </ul>
<b>Other business partners</b>	<ul style="list-style-type: none"> <li>• Communication during daily operations</li> <li>• Meetings</li> </ul>

## PROCESS OF MATERIALITY ASSESSMENT

A materiality assessment is required to identify the most material issues or relevant KPIs of the Group. During the preparation process of this report, the Group distributed questionnaires to internal and external stakeholders and invited them to rate the ESG issues.

Steps	Description
<b>Step 1: To identify relevant issues</b>	A series of material issues were determined preliminarily through industry analysis and market trend, and were used as a basis for the assessment by stakeholders.
<b>Step 2: Assessment by stakeholders</b>	Online questionnaires were prepared and distributed to each internal and external stakeholder, to obtain their views on the ESG-related material issues.
<b>Step 3: To identify material issues and rank in priority</b>	The most material issues were identified and determined by analysing and ranking them in priority with two parameters, the material rating of the issue by stakeholders and the material rating of the issue by the Group, and expressing them in the following materiality matrix.
<b>Step 4: To identify material issues</b>	Senior management reviews a list of the most material issues to identify those that should be prioritised and highlighted.





Product and Service Responsibility	Operation Practices	Quality of Working Environment	Environmental Protection and Green Operation	Contribution to the Community
1 Product and service quality	9 Supply chain management	13 Equality, diversity and anti-discrimination	19 Exhaust and greenhouse gas emission and control	24 Participation in public welfare activities and charity donations
2 Product safety and health	10 Suppliers' environment and social risks	14 Occupational safety and health	20 Sewage and waste management	
3 Customer communication and satisfaction	11 Anti-bribery and corruption	15 Employee training and development	21 Use of resources	
4 Complaint handling	12 Crisis and contingency response and management	16 Prevention of child and forced labour	22 Green procurement and packaging	
5 Customer information and privacy protection		17 Recruitment of talent and retention of employees	23 Climate change	
6 Intellectual property rights protection		18 Employee benefits		
7 Research and development				
8 Advertising and labelling management				

The Report will describe in the corresponding sections below regarding the most critical sustainability issues in the upper right corner of the materiality matrix, which will be the key direction of the Group's future sustainability strategy.

Section	ESG issues
<b>PRODUCT RESPONSIBILITY</b>	<ul style="list-style-type: none"> <li>Product and Service Quality</li> <li>Product Safety and Health</li> <li>Customer Communication and Satisfaction</li> </ul>
<b>PEOPLE-ORIENTED</b>	<ul style="list-style-type: none"> <li>Recruitment of Talent and Retention of Employees</li> </ul>
<b>ENVIRONMENTAL-FRIENDLY PRODUCTION</b>	<ul style="list-style-type: none"> <li>Sewage and waste management</li> </ul>

## PRODUCT RESPONSIBILITY

Response to UN Sustainable Development Goals in this chapter:



## PRODUCT AND SERVICE QUALITY

We adhere to the quality approach of “customer-orientated and exceeding their expectation”. We implement quality monitoring procedures to select and examine (on a sample basis) raw materials, semi-finished and finished products during the production process, to ensure the quality of our products. We have established an independent quality monitoring department, which is responsible for inspecting and checking, on a sample basis, raw materials and products. We have used certain quality monitoring equipments and machineries for inspection and examination to test various properties of our products, to ensure that our products can meet quality standards during various stages from procurement, production to completion. The scopes of the tests include physical and chemical tests such as robust performance, flame resistant, thermal ageing and formaldehyde tests, to ensure that product quality meets

international requirements. In addition, to ensure the reliability of product quality, we have engaged an independent testing agency to conduct testing on product samples. We also conduct regular product quality assessment, and the assessment results are associated with the performance of production, and departments and teams with excellent performance will be awarded according to their performance. We strictly comply with the Product Quality Law of the People's Republic of China and other applicable laws and regulations, and have obtained the external certification of ISO 14001:2015 Environmental Management System and IATF 16949:2016 Automotive Quality Management System recognised by the international automotive industry based on ISO 9001. We audit and file relevant data and documents in accordance with the above international standards, and ensure that the products pass the production part approval process (PPAP) and the PPAP cycle is shortened.

## CUSTOMER COMMUNICATION

We collect our customer's feedback on our products through hotlines, emails, customer satisfaction investigation, WeChat official account and website, with the results being analysed for the formulation of improvement measures. The Group has also formulated the Customer Service Control Procedures to understand customers' opinions on our product quality, service attitude, price, delivery time, after-sales support, and other aspects by questionnaire survey, so that we can understand the shortcomings of products and services and make improvement as soon as possible. In addition, we will communicate with the quality control department to follow up potential problems of relevant products and explore ways to improve its quality. In terms of handling customer complaints, we have established the Customer Complaint Handling Control Procedures to systematically classify customer complaints and deeply understand the causes of the problems, so as to maintain the quality of after-sales services.

During the Year, the Group was not aware of the occurrence of any material complaints of products or services. The Group will continue to regard customers' long-term trust and support as the driving force, and leverage on our expertise and rich experience in "replacing steel with plastic" to find the best solutions for customers and strive for customer satisfaction.

## RESEARCH AND DEVELOPMENT

With our product development and production capabilities and refined manufacturing and tooling techniques, we are able to maintain relationships with our clients, as well as satisfying their needs with our flexibility, competitive pricing and reliable quality standards. The Group aims to raise the quality of its products through consistent innovation and technological development. We adopted the technology of ultrasonic-assisted precision injection molding in automotive parts and components, which has been listed in the major project of "Science, Technology and Innovation 2025" in Ningbo. Meanwhile, the Group was awarded the title of "Provincial Enterprise Institute" by the Department of Science and Technology of Zhejiang Province. The following conditions should be satisfied to gain this achievement:

- The ratio of R&D expense of an enterprise to its revenue should not be lower than 3%; the enterprise should possess domestic and foreign valid invention patents authorisation or software copyright, and have over 50 personnel dedicated in R&D, over 1,000 square meters of relatively concentrated R&D site and scientific research equipment originally valued at over 10 million yuan;
- The main industrial field belongs to the high and new technology industry and the strategic emerging industry, or the pillar industry for key development and the leading industry, with the objectives of overcoming constraints and strengthening the core key technology of the industrial chain, developing strategic products and iconic products and which will be significant to improve the weakness and enhance the overall quality of the industrial chain; and
- The enterprise have no law violation records in the aspects of environment, safety, intellectual property rights and taxation in the recent three years.

## PRODUCT RECALLS

The Group has formulated the “Control Procedures for Defective Products” and the “Regulations on the Disposition of Defective Products” to implement product recalls, conduct detailed checks on defective products. We will carry out investigations in various aspects such as customer handling, production environment and process, internal audit, etc., to clearly identify the causes of errors, so as to review and improve the monitoring of each production stage and prevent the recurrence of similar problems. During the Year, the Group was not aware of any circumstances regarding the recalls of products due to safety or health reasons.

## SUPPLY CHAIN MANAGEMENT

The Group endeavours to incorporate the concept of environmental protection into our supply chain management and procurement, and strictly control the quality of raw materials. Our operation requires the procurement of different raw materials, mainly including various types of resin, such as polycarbonate/acrylonitrile butadiene styrene (“**PC/ABS**”) and polypropylene (“**PP**”), accessories (such as metal clamps and screws) and fabrics. We source most of the fabrics through our jointly controlled company, Ningbo Roekona-Zoeppritex-Tex-Line Co., Ltd.(“**Ningbo Hualete**”). Due to different quality standards of resins and accessories, we procure these raw materials from different suppliers to avoid relying on a specific supplier. During the Year, the Group procured from suppliers from all over the world, including 136 from China, 5 from Germany, 3 from the United States and 1 from Austria.

### SUPPLIERS' ENVIRONMENT AND SOCIAL RISKS

We have formulated the Supplier Development and Assessment Control Procedure and relevant procurement system to strictly standardise supplier management process and selection procedure for the purpose of identifying the environmental and social risks on supply chain, and promoting environmental-friendly products and services in the selection of suppliers. The Group requires all suppliers to obtain the internationally recognised standard ISO/TS 16949 Quality System, which includes ISO 9001 and additional requirements for specific categories of automotive industry certification to ensure high quality of raw materials and products. We also conduct supplier evaluation based on evaluation factors such as background, qualification, price, technology, production capacity, delivery time, product and service quality, as well as performance in environmental protection, ethical behaviour and social responsibility. Qualified suppliers will be included in our list of approved suppliers only after passing the evaluation. Our quality control department also closely tracks the product return rate and collects feedback from the production lines to ensure that the suppliers are in compliance with our requirements.

We are committed to jointly pursuing sustainable development with our suppliers and maintaining consistent environmental protection philosophy. We sign the Environmental/Occupational Health and Safety Agreement with our suppliers to guarantee that they will shoulder their social responsibilities and reduce pollution to the environment and waste of resources in the course of providing products and services. The following summarises our requirements in the agreement:

**In terms of quality and environment:** People-oriented, pay attention to environmental protection and emphasise social responsibility, abide by laws and regulations, adhere to market orientation, persist in continuous improvement, and meet customers' expectation.

**In terms of occupational health and safety**

**management:** To put safety in the first priority and focus on prevention, carry out risk management at all levels, improve the environment and protect health, pursue development in a scientific way and continuous improvement to ensure no material occupational health and safety accident nor significant environmental pollution will occur.

We hope to maintain the suppliers' product quality and pricing stability through long-term cooperation. We also strictly monitor their performance in the areas of responsible production, labour rights, environmental protection and anti-corruption, so as to develop a stable and sustainable supply chain. We have the Environmental Safety Questionnaire in place, requiring our suppliers to report their working status related to environmental protection and propose their improvement action plans in the aspect of environmental safety. If a supplier's business model is found to be contrary to the Group's philosophy of sustainable development, we may terminate our cooperation with such supplier. During the Year, the Group was not aware of any material adverse impact from our major suppliers on areas such as business ethics, environmental protection or labour practices.

## PEOPLE-ORIENTED

Response to UN Sustainable Development Goals in this chapter:



The Group regards employees as its most valuable asset, and firmly believes that its success shall arise from the joint efforts and contribution of its employees. We have adopted a people-oriented human resources management principle to conduct control over the working environment which may affect the work quality, emotion and personal safety of employees. We also attach importance to personal development of our employees and provide them with various training opportunities, so as to retain talents. We have set up two-way communication channels to obtain employees' opinions to the Group, including employee opinion survey and employee discussion meetings, with the expectation of understanding their satisfaction towards the Company and challenges frontline workers are facing.

## LABOUR STANDARDS

During the Year, the Group was not aware of any material non-compliance with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), and the Regulations on Prohibition of the Use of Child Labour (《禁止使用童工規定》) as well as other laws and regulations related to employment and labour practices. In addition, the Group also prohibits child labour or forced labour in any form, and strictly abides by laws and regulations of relevant regions in relation to the prevention of child labour or forced labour. With regard to the prohibition of child labour, the Group has implemented proper procedures in the process of recruitment such as: checking identification documents to ensure that employees comply with the minimum age requirement prescribed by applicable laws. With regard to the prohibition of forced labour, we have already formulated a complete overtime management policy, requiring department heads to check and approve the Overtime Application Forms filled in by employees, so as to ensure that none of them shall work overtime against their will. In the event that child labour or forced labour is found, we will take the matter seriously and discipline the staff involved. During the Year, the Group did not find any violation of using child labour or forced labour.

## EQUAL OPPORTUNITY

As an employer who offers equal opportunities, the Group promotes the principles of anti-discrimination and equal opportunities throughout all the decision-making process regarding human resources and employment, and strive to establish a working environment with fairness, mutual respect and diversity, to ensure fairness in hiring, training, career development, remuneration, promotion, termination as well as other processes related to employment, and that they are not affected by other factors such as gender, age, marital status, religion, race, nationality and disability. The Group recruits staff through various types of recruitment channels including HR agencies, campus recruitment and job advertisement, employing candidates on merit and fair basis. We regularly compare our remuneration and benefits with market level and industry standards and conduct adjustment according to employees' qualifications and positions, so as to promote our competitiveness in the labour market of our industry. In addition, we conduct regular employee performance appraisals, and grant awards or promotion opportunities to outstanding employees based on criteria including qualification, competency and performance. With regard to employment termination, when we receive a resignation from an employee, our Human Resources Department conducts an exit interview with the employee to understand the reason behind the resignation and his/her suggestions for the Group, which serves as a reference for continuous improvement of the Group.

## EMPLOYEE BENEFITS

The Group cares for employee's physical and mental health. For this end, we have frequently organised various team building activities such as ball games, hiking and birthday parties to promote their sense of belonging and safeguard their physical and mental health. Furthermore, the Group also provides various additional benefits to its employees such as medical checkups for employees, birthday banquets and birthday coupons for employees from time to time, and gifts on traditional festivals. We also held an annual commendation ceremony for the year 2022 to encourage and recognise employees with outstanding performances.

## EMPLOYEE DEMOGRAPHICS

	2022	2021
Total numbers of employees	747	802
<b>BY GENDER</b>		
Male	386	416
Female	361	386
<b>BY EMPLOYMENT TYPE</b>		
Full-time	713	791
Part-time	34	11
<b>BY EMPLOYMENT CATEGORY</b>		
Senior management	1	4
Middle management	15	34
General employees and technicians	731	764
<b>BY AGE</b>		
20 or below	13	15
21-30	100	92
31-40	228	245
41-50	248	273
51-60	141	158
61 or above	17	19
<b>BY REGION</b>		
Mainland China	747	802



## EMPLOYEE TURNOVER ANALYSIS

	2022	2021
Total employee turnover rate	<b>32.40%</b>	25.06%
<b>BY GENDER</b>		
Male	<b>40.67%</b>	29.09%
Female	<b>23.55%</b>	20.73%
<b>BY AGE</b>		
20 or above	<b>353.85%</b>	173.33%
21-30	<b>52.00%</b>	61.96%
31-40	<b>27.63%</b>	22.45%
41-50	<b>25.40%</b>	16.85%
51-60	<b>11.35%</b>	10.13%
61 or above	<b>11.76%</b>	5.26%
<b>BY REGION</b>		
Mainland China	<b>32.40%</b>	25.06%

## EMPLOYEE DEVELOPMENT

The Group is committed to providing appropriate training to employees based on the business needs of different departments. The courses of the training include the scopes related to professional skills, administrative management, production safety and product quality, so as to improve their skills and working ability, allowing each employee to master the constantly updated production technology of the industry instantly, and make full use of their potential and creativity to achieve the common growth of employees and the Company.

During the Year, the types of training we provide include:

### NEW ENTRANTS TRAINING

- Rules and regulations training
- Quality training
- Production safety training

### COMPANY-LEVEL TRAINING

- Manager leadership and management skill enhancement training
- Comprehensive skill training for administrative personnel
- Production management training

### WORK SITE TRAINING

- Equipment repair and maintenance training
- Product defect identification and avoidance training
- Safety and quality training

## EMPLOYEE TRAINING RATIO AND HOURS<sup>1</sup>

	2022	2021	Unit
<b>Employee training analysis</b>			
Total number of training hours	<b>11,522.10</b>	19,463.50	hours
Average number of training hours of employees	<b>11.65</b>	19.41	hours/person
Percentage of total trained employees	<b>64.51</b>	64.81	%
<b>Percentage of employees trained by gender</b>			
Male	<b>46.71</b>	44.77	%
Female	<b>53.29</b>	55.23	%
<b>Percentage of employees trained by employment category</b>			
Senior management	<b>0.31</b>	0.31	%
Middle management	<b>3.92</b>	5.54	%
General employees and technicians	<b>95.77</b>	94.15	%
<b>Average number of training hours of employees trained by gender</b>			
Male	<b>9.74</b>	17.55	hours/person
Female	<b>13.98</b>	21.54	hours/person
<b>Average number of training hours of employees trained by employment category</b>			
Senior management	<b>9.00</b>	7.25	hours/person
Middle management	<b>27.21</b>	13.07	hours/person
General employees and technicians	<b>11.35</b>	19.73	hours/person

<sup>1</sup> Percentage of total trained employees and average training hours of employees are calculated by the inclusion of resigned employees.

## OCCUPATIONAL SAFETY

The Group takes the safety of every employee seriously. We have established a comprehensive safety management system to strengthen the supervision and administration of production safety. We have been granted the OHSAS 18001-Certification for Occupational Health and Safety Management, as well as the Safe Production Standardisation Certificate awarded by the State Administration of Work Safety. We also provide employees with various safety training and conduct regular safety inspections to enhance their safety awareness. In order to fully implement safe production and avoid the occurrence of work-related accidents. We continue to improve the work process management system and strengthen the risk control of black points of work-related injuries. Upholding the principle of safety-first to minimise the production risks, we also strictly follow the following five major policies in our safety work:

### INVOLVEMENT OF ALL EMPLOYEES

- Senior management promises to adhere to our occupational health and safety policies
- All employees participate in the implementation of occupational health and safety management measures

### FOCUS ON PREVENTION

- The launch of every process, position, workplace, equipment, facilities, and projects are subject to risk identification and assessments, so that corresponding safety measures can be formulated to reduce risk
- Potential safety hazards are regularly inspected, corrective and preventive measures are adopted to prevent any potential accidents

### HEALTH AND SAFETY

- Top priorities are given to employees' lives and safety, ensuring the conditions for safe production, and providing training on safe production
- Comprehensive safety and health management systems are formulated
- Employees are taught about safety, health and hygiene knowledge
- Regular occupational disease checks are arranged for employees

### LAW-ABIDING

- We promise to abide to relevant laws and regulations, rules, systems and standards of occupational safety and health

### CONTINUOUS IMPROVEMENT

- Our occupational health and safety management is continuously improved in order to comply with constantly updated laws and regulations standards
- The Plan-Do-Check-Action Management Model is implemented

During the Year, the Group was not aware of any material non-compliance with the laws, regulations and industry standards on occupational safety and health, such as the Labour Law of the People's Republic of China, the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Special Equipment Safety Law of the People's Republic of China and the Fire Protection Law of the People's Republic of China, and the Provisions on the Supervision and Administration of Labor Protection. We ensure the health and safety of our employees mainly by implementing the following measures.

- A medical kit is provided at every workplace to ensure any individual who is injured or sick can be immediately taken care of;
  - At least one employee with first-aid certificate is allocated in every workshop who can provide timely assistance in case of an incident;
  - Prohibit anyone from smoking in all enclosed areas of the factories and offices and have installed fire-fighting devices;
  - Annual occupational disease check-ups are arranged for employees to prevent occupational diseases among workers in high-risks operations;
  - Provide our employees with trainings on safety awareness regularly;
  - An emergency response leadership team is established to be responsible for arranging other personnel to respond to incidents, coordinating the use of equipment, and ensuring that emergency response plans are implemented in an effective and timely manner. Training for the required members of the emergency response leadership team are provided, especially for firefighters and paramedics, ensuring that they are capable of handling emergencies with calm; and
- Fire drills are conducted to enhance employees' awareness of fire safety and emergency response capabilities in the event of a fire in the factory premises.

In addition, in order to prevent employees from heatstroke in hot weather, we have installed cooling fans to reduce the temperature of the workshops, and provide employees with heatstroke prevention supplies in summer.

The Group did not have any work-related fatalities during the Year, while there were a total of 4 (2021: 7) work-related injuries, and the number of lost days due to work injury was 87 days in total (2021: 143 days), all of which were attributed to human error. We classify work-related injuries into four categories, including minor injury incidents, serious injury incidents, incidents of major casualties and fatal incidents of extremely major casualties. Based on their severity levels, each category is provided with corresponding handling measures. We will also carefully analyse the cause of the accident and formulate effective preventive measures in a timely manner to prevent the recurrence of the accident.

## PANDEMIC PREVENTION AND CONTROL

It has been three years since the outbreak of the COVID-19 epidemic, and the Group has always maintained a high degree of vigilance. We have formulated the Emergency Plan for the Prevention and Control of the COVID-19 Epidemic, and established an emergency leading group for epidemic prevention, and implemented the following epidemic prevention measures to ensure the health and safety of our employees, including:

- Enhancing staff's awareness on pandemic prevention and control, e.g. daily personal cleaning and disinfection and the proper way to wear masks;
- Distributing necessary protective gears such as masks and gloves to employees;
- Each department is required to report to the human resources and administration department on a daily basis regarding employees' leave application, specific travel and health conditions of business travelers and visiting customers to avoid the spread of the virus;
- Staff entering the factory must undergo body temperature check, show health code and wear masks; and
- Increasing the frequency and scope of cleaning and disinfection, and increasing the duration and frequency of indoor ventilation.

In order to continue to achieve green production, we will continue to look for opportunities to reduce emissions and waste in the production process through innovation and research and development efforts, with an aim to reduce the burden of the Group's business on the environment and natural resources.

## ENVIRONMENTAL-FRIENDLY PRODUCTION

Response to UN Sustainable Development Goals in this chapter:



Environmental Protection is an important element of corporate social responsibility, as well as a global trend. For achieving environmental-friendly production, the Group has already achieved the following results:

- We have obtained the international certification of ISO 14001 Environmental Management System. We use low-pressure plastic injection mold (“LPIM”) process to produce motor vehicle interior decorative parts. As this production technology does not require the gluing process, it does not require glue or other chemical substances. It also enables the interior decorative parts to be firmly attached to plastic and reduce the use of resources
- We have developed the production technology of “replacing steel with plastic”. By reducing the weight of the engine cooling system, the weight of the vehicle can be reduced by four to six kilograms, reducing the fuel use and greenhouse gas emissions of the vehicle
- The energy consumption during installation can be reduced because the welding process is eliminated in the production process

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition, the Group has established the following environmental goals to continuously improve our environmental performance and create an environmental-friendly and low-carbon future. We have also implemented corresponding environmental protection measures. For details, please refer to the section “Exhaust Gas Emission and Energy Conservation”, “Water Resources Management” and “Waste Discharge”.

Environmental Aspects	Environmental Goals
<b>Exhaust gas emission</b>	We are committed to implementing energy-saving and emission-reduction measures in workplace to reduce carbon emissions generated during operations.
<b>Energy utilisation</b>	We are committed to reducing energy consumption in our operations by improving energy efficiency.
<b>Water resources management</b>	We are committed to promoting the secondary use and recycling of water resources through environmental-friendly technologies to save water.
<b>Waste discharge</b>	We strive to reduce waste by reducing, recycling and recovering waste.

## COMPLIANCE

During the Year, the Group was not aware of any material non-compliance with various environmental laws and regulations, including but not limited to the “Environmental Protection Law of the People’s Republic of China” (《中華人民共和國環境保護法》), the “Energy Conservation Law of the People’s Republic of China” (《中華人民共和國節約能源法》), the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution” (《中華人民共和國大氣污染防治法》), the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes” (《中華人民共和國固體廢物污染環境防治法》), the “Law of the People’s Republic of China on the Prevention and Control of Environmental Noise” (《中華人民共和國環境噪聲污染防治法》), the “Marine Environment Protection Law” (《海洋環境保護法》) and the “Law of the People’s Republic of China on Prevention and Control of Water Pollution” (《中華人民共和國水污染防治法》).

## CLIMATE CHANGE

The Group is aware of the potential risks on the Group’s operation brought about by impacts related to climate change, including the physical risks (e.g. staff injuries and facilities damage, supply chain disruptions, etc.) and transition risks (e.g. rising cost due to more stringent regulatory requirements on carbon reduction, etc.) on the Group caused by extreme weather events. Therefore, we have formulated different environmental protection measures to reduce energy consumption and control greenhouse gas emissions generated in our operations, including establishing a working group for energy conservation and emission reduction, regularly monitoring energy efficiency and making suggestions for improvement, and considering the use of renewable energy to replace traditional energy consumption. In response to extreme weather, the Group has formulated the “Emergency Plan for Typhoon and Flood Prevention” and the “Emergency Plan for Human Resources and Administration Department”, and set up an emergency leading group, which is responsible for monitoring the national weather forecast for flood and typhoon prevention, and comprehensively responding to

the situation. We also provide appropriate training and drills for emergency leading team members to ensure that they can properly implement emergency plans. In the future, the Group will continue to monitor the potential impact of climate change on its business and strengthen its efforts to cope with climate change.

## EXHAUST GAS EMISSION AND ENERGY CONSERVATION

The Group is committed to maintaining an harmless emission environment, trying to minimise all unnecessary harmless emissions. The greenhouse gases emitted by the Group during the production process are mainly generated from the combustion of fuel and oil by vehicles, forklifts and canteens, as well as the use of liquefied natural gas and electricity for plant equipment. In view of this, we have formulated the Administrative Regulations on Energy and Resources Control and other systems to strictly monitor energy consumption and exhaust gas emissions during the production process, and adopted methods such as activated carbon adsorption and water spray to purify exhaust gas emitted during the operation, so as to reduce our impact on the environment. In addition, we have also adopted newer models of plastic injection moulding machines, which reduce power consumption by increasing plastic injection speed and shortening production time. We also maintain a constant temperature in the spraying workshops to avoid repeated temperature adjustments to reduce power consumption. Meanwhile, we have also implemented the following measures for energy conservation and environmental benefits facilitation, while reducing operating costs and raising the environmental awareness of our employees.

- Air conditioning of the office is maintained at above 25°C;
- Employees are required to switch off electrical devices before leaving the workplace;

- Energy-saving lightings are installed and natural light is used as much as possible to reduce energy consumption in the factory premises and offices;
- An energy-saving and emission reduction working group is set up to regularly monitor energy efficiency and provide improvement advice.

The Group always abides by the principle of sustainability, and upholds the concept of reducing the use of traditional energy as much as possible, and shifting to the utilisation of renewable energy. During this Year, we used a total of 1,169 MWh (2021: 1,202 MWh) of solar energy. Although renewable energy only accounts for a small proportion of our energy consumption, we will continue to increase our investment in renewable energy to reduce the use and proportion of traditional energy. In addition, in terms of exhaust gas emissions, we have strictly complied with the requirements of the “Emission Standard of Air Pollutants for Industrial Coating Process” 《(工業塗裝工序大氣污染物排放標準)》 (DB33/2146-2018) to monitor the exhaust gas emissions at each production stage, and engaged a third-party independent inspection agency to conduct monthly assessments of the Group’s exhaust gas emissions to ensure compliance. The inspection report shows that the densities and emission rates of our organised air emissions including toluene, xylene, non-methane total hydrocarbons and ethyl acetate are all in compliance with the emission requirements. The unorganised air emission, such as methane density, is also in compliance with the emission requirements.



## WATER RESOURCES MANAGEMENT

We promote the reuse and recycling of water resources and achieve the objective of saving water by advanced environmental protection technologies. Our production water is mainly used for cooling process, while domestic water is mainly used for cooking in the canteen and for toilet facilities. We have taken the following measures to effectively reduce water resource consumption:

- Recycling cooling water to reduce overall water consumption;
- Assigning dedicated personnel to manage water facilities and regularly repair faulty equipment to avoid water leakage;
- Adjusting the water consumption of flower sprinklers for flower irrigation according to different seasons and weather to improve water efficiency; and
- Paying close attention to monitor water resource consumption by conducting monthly water consumption statistics.

When treating wastewater, we firstly filter the wastewater by a screen filter to remove larger solid wastes, then it is discharged into a sedimentation compartment for sedimentation to separate fine-grained sediments such as sand and soil, then oil floating on water is removed by using the grease trap, and finally, water is discharged after water purification is completed in the separation compartment. We have entrusted a qualified third-party agency to inspect our wastewater discharge. The results show that we are in compliance with the "Integrated Wastewater Discharge Standard" (《污水綜合排放標準》) (GB 8978-1996). The Group's water is sourced from the municipal water system, and thus the Group does not have any difficulty in sourcing water.

## WASTE DISCHARGE

The Group concerns the impact of its business on the environment, striving to reduce, reuse and recycle wastes. Hazardous and non-hazardous wastes are produced during our production process, where hazardous wastes are mainly paint residues, whereas non-hazardous wastes are mainly plastic scraps, metal scraps and paper boxes. The Group strictly complies with the laws, regulations and standards related to waste disposal, and properly disposes of all waste to prevent pollution to nearby communities. We have also engaged a qualified third-party solid waste treatment company to periodically collect and treat our hazardous wastes, while non-hazardous wastes will be treated with the appropriate recycling procedures. To reduce the generation of non-hazardous wastes, we have taken the following measures:

- Used packaging materials are recycled and reused to enhance the use of packaging materials;
- Crushed plastic scraps are reused in the production lines;
- Qualified resource recycling companies are invited to treat metal scraps which are properly collected;
- Employees are encouraged to use electronic channels, such as: replace paper with emails and electronic workflow system to achieve paperless office;
- Place memos with environmental-friendly messages and tips on office equipment;
- Recycle boxes for paper and printer cartridges are set up in office; and employees are encouraged to replace disposable tableware with reusable tableware.

## NOISE

In order to prevent noise nuisance produced in the production process to our employees and the surrounding environment, we have entrusted a qualified institution to measure the noise generated by the Group during daytime and night respectively to ensure that the noise emission meets the “Emission Standard for Industrial Enterprises Noise at Boundary” (《工業企業廠界環境噪聲排放標準》) (GB 12348-2008). The inspection result shows that our environmental noise generation during the day and night are both below the standard requirements, which complies with regulations. In addition, we also provide earplugs to the employees working in the production workshops to minimise the impact of noise on the employees.

## ENVIRONMENTAL KPIs

	2022	2021	Unit
<b>Air emissions</b>			
Nitrogen oxides (NO <sub>x</sub> )	306.28	275.32	Tonnes
Sulphur oxides (SO <sub>x</sub> )	5.03	4.52	Tonnes
Particulate matter (PM)	11.43	10.27	Tonnes
<b>Greenhouse gases emissions</b>			
Total greenhouse gas emissions <sup>2</sup>	126,101.75	114,272.02	Tonnes of CO <sub>2</sub> e
Direct emission (Scope 1)	118,345.61	106,364.27	Tonnes of CO <sub>2</sub> e
Indirect emission (Scope 2)	7,756.14	7,907.75	Tonnes of CO <sub>2</sub> e
Greenhouse gas emissions intensity	4.60	3.25	Tonnes of CO <sub>2</sub> e/'000 production unit
<b>Hazardous waste</b>			
Amount of hazardous waste produced and disposed	49.13	46.38	Tonnes
Intensity of hazardous waste produced and disposed	1.79	1.32	Kg/'000 production unit
<b>Non-hazardous waste</b>			
Total amount of non-hazardous waste produced <sup>3</sup>	488.96	811.59	Tonnes
Total amount of non-hazardous waste disposed	2.96	3.81	Tonnes
Total amount of non-hazardous waste recycled	486.00	807.78	Tonnes
Recycled volume — metal	205.96	207.43	Tonnes
Recycled volume — paper	73.69	225.78	Tonnes
Recycled volume — plastic	206.35	374.57	Tonnes
Intensity of non-hazardous waste produced	17.83	23.10	Kg/'000 production unit

<sup>2</sup> Our disclosures on air and greenhouse gases (GHG) emissions have been prepared based on the requirements stipulated in “How to prepare an ESG report” published by the Stock Exchange and “GHG Protocol: Corporate Accounting and Reporting Standard (Revised Edition)” published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

<sup>3</sup> Domestic waste generated in offices and dormitories was not included as it was collected by local environmental sanitation team.

	2022	2021	Unit
<b>Packaging materials</b>			
Amount of paper packaging materials used	1,545.13	2,048.40	Tonnes
Intensity of paper packaging materials used	56.33	58.31	Kg/'000 production unit
<b>Energy consumption</b>			
Total energy consumption	545,695.97	492,097.74	MWh
Purchased electricity	12,712.91	12,961.41	MWh
Liquefied natural gas	531,560.50	477,565.41	MWh
Unleaded petrol	240.32	291.54	MWh
Diesel	13.21	77.60	MWh
Renewable energy – solar photovoltaic power generation	1,169.03	1,201.78	MWh
Energy consumption intensity	19.90	14.01	MWh/'000 production unit
<b>Water consumption</b>			
Total water consumption	77,408.00	85,192.00	m <sup>3</sup>
Water consumption intensity	2.82	2.43	m <sup>3</sup> '000 production unit

### PROTECTION OF DATA PRIVACY

The Group recognises stakeholders' concerns towards data privacy, thus strives to protect data privacy in order to safeguard corporate interests and comply with relevant laws and regulations, including: the "Personal Information Protection Law of the People's Republic of China" (《中華人民共和國個人信息保護法》), the "Data Security Law of the People's Republic of China" (《中華人民共和國數據安全法》). We have already taken measures to protect various information, and set up a confidentiality system, so as to strictly require employees not to disclose any business secrets or confidential information of the Group in any forms, including drawings and customer's personal information. All employees of the Group are required to sign a confidentiality agreement for the purpose of preventing them from disclosing confidential information of the Group to third parties. In addition, we also set up systemic access rights according to employees' positions to ensure that their access are limited to the information within their functional areas. If our employees need to access information or data outside their granted access rights, they must submit a written request and go through the relevant approval process to prevent privacy leakage arising from unauthorised use. To the Directors' knowledge, the Group has not received any circumstances on violation of the personal privacy regulations during the Year.

### PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The intellectual property rights of the Group is necessary for its business development. Therefore, we strictly abide by relevant laws and regulations such as the "Patent Law of the People's Republic of China", and have formulated our Patent Management System to support product R&D work. We have patent awards and special funds for patent to boost employees to pursue technological innovation and encourage R&D personnel. In the aspect of patent application, we require each department that involved intellectual property rights to prepare an annual plan for patent application and improve patent application and technical documents writing skills. In addition, prior to a patent application, we will sign a confidentiality agreement with relevant employees to prevent leakage of business secrets and ensure confidentiality. In case that the patent rights of the Group are violated, we will report to the R&D center in time, and hand the case over to the Intellectual Property Rights Department for handling. During the Year, there were no cases that our patent rights were infringed.

## COMBAT CORRUPTION AND UPHOLD INTEGRITY

Corporate image depends on integrity management. In order to protect the reputation and interests of the Group, all staffs of the Group are required to strictly abide by the anti-corruption and anti-bribery laws applicable to its business location, including but not limited to the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Anti-Corruption and Bribery Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. It is clearly stipulated in the "Employee Handbook" that any employee shall not give or receive any kind of illegal benefits, nor attempt to influence business decisions. We also enter into the "Anti-corruption Agreement" with customers and suppliers, putting into writing the responsibilities of both parties in safeguarding anti-corruption with agreements, preventing improper conduct and fostering a fair and corruption-free business environment. Meanwhile, the Group has set up a reporting channel and once such violations are spotted, employees may report to the Group anonymously, thereby protecting the identity and rights of whistleblowers. Upon receiving a reported case, we will carry on a detailed investigation, and strictly deal with the verified violation. The parties involved will be subject to disciplinary actions, or even dismissal, and submission to judiciary authorities for investigation and punishments. During the Year, the Group was not aware of the occurrence of any bribery, extortion, fraud and money laundering. Considering the epidemic during the Year, the Group provided Directors and employees with anti-corruption tips prepared by the Corruption Prevention Department of the Hong Kong ICAC, aiming at helping our Directors and employees to understand the basic knowledge of the anti-corruption law and maintain a high level of integrity.

## CARE FOR THE SOCIETY

Response to UN Sustainable Development Goals in this chapter:



The Group deeply understands that it can not seek development without the support of the people from all walks of society. We carefully listen to the voice and opinions of the community, and try to jointly drive community development with the people from all walks of society.

We donated RMB100,000 to Xiangshan County People's Education Fund to boost the development of inland education with the expectation of motivating and promoting local education development.

In the future, we will continue to invest more social resources for creating a better future for communities. Meanwhile, we also encourage our employees to participate in public welfare activities in their spare time, and voluntarily participate in community activities in neighboring communities, so as to cement the relationship with communities and assist communities in creating more value.

## HKEX ESG REPORTING GUIDE INDEX

Subject areas, aspects, general disclosures and KPIs		Section/remarks
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
A1 General disclosure	About the emission of exhaust gas and greenhouse gas, pollution discharge to water and land, and the generation of hazardous and non-hazardous wastes: (a) Policy; and (b) Details on compliance with relevant laws and regulations with material impacts on the issuer.	Environmental-friendly production
A1.1	Types of emissions and related emissions data.	Environmental KPIs
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emission and intensity.	Environmental KPIs
A1.3	The total amount of hazardous waste produced and intensity.	Environmental KPIs
A1.4	The total amount of non-hazardous waste produced and intensity.	Environmental KPIs
A1.5	Describe the set emission goal and steps taken to achieve the goal.	Environmental-friendly production Exhaust gas emission and energy conservation
A1.6	Describe ways of dealing with hazardous and non-hazardous wastes, and the set waste reduction goal as well as steps taken to achieve the goal.	Environmental-friendly production Waste discharge
<b>Aspect A2: Use of resources</b>		
A2 General disclosure	Policies for the effective use of resources.	Environmental-friendly production
A2.1	The total consumption and intensity of direct and/or indirect energy by type.	Environmental KPIs
A2.2	Total water consumption and intensity.	Environmental KPIs
A2.3	Describe the set goal of energy utilisation efficiency and steps taken to achieve the goal.	Environmental-friendly production Exhaust gas emission and energy conservation
A2.4	Describe any problems that can be found in sourcing water that is fit for purpose, the set goal of water utilisation efficiency as well as steps taken to achieve the goal.	Environmental-friendly production Water resources management
A2.5	The total amount of packaging materials used in finished products and per unit of production.	Environmental KPIs

Subject areas, aspects, general disclosures and KPIs		Section/remarks
<b>Aspect A3: Environment and natural resources</b>		
A3 General disclosure	Policies to reduce the issuer's significant impact on the environment and natural resources.	Environmental-friendly production
A3.1	Describe the significant impact of business activities on the environment and natural resources and the actions that have been taken to manage the impact.	Environmental-friendly production
<b>Aspect A4: Climate change</b>		
A4 General disclosure	Identify and respond to policies on major climate-related events that have posed and possibly pose impacts on the issuer.	Climate change
A4.1	Describe major climate-related events that have posed and possibly pose impacts on the issuer, as well as response actions.	Climate change
<b>B. Society</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
B1 General disclosure	About remuneration and dismissal, recruitment and promotion, work time, holidays, equal opportunities, diversity, anti-discrimination and other treatment and benefits: (a) Policy; and (b) Details on compliance with relevant laws and regulations with material impacts on the issuer.	People-oriented Labour standards
B1.1	The total number of employees by gender, employment type (full time or part time), age group and region.	Employee demographics
B1.2	The rate of employee turnover by gender, age group and region.	Employee turnover analysis
<b>Aspect B2: Health and safety</b>		
B2 General disclosure	About providing a safe working environment and protecting employees from occupational hazards: (a) Policy; and (b) Details on compliance with relevant laws and regulations with material impacts on the issuer.	Occupational safety
B2.1	The annual number and rate of work-related deaths during the past three years (including the reporting year).	No work-related deaths during the past three years (including the reporting year).
B2.2	Lost work days due to work-related injuries.	Occupational safety
B2.3	Describe the occupational health and safety measures adopted, as well as the relevant implementation and monitoring methods.	Occupational safety



Subject areas, aspects, general disclosures and KPIs		Section/remarks
<b>Aspect B3: Development and training</b>		
B3 General disclosure	Policies on improving employees' knowledge and skills in performing job duties. Describe training activities.	Employee development
B3.1	Percentage of employees trained by gender and employee category.	Employee training ratio and hours
B3.2	The average number of training hours completed per employee by gender and employee category.	Employee training ratio and hours
<b>Aspect B4: Labour standards</b>		
B4 General disclosure	About the prevention of child or forced labour: (a) Policy; and (b) Details on compliance with relevant laws and regulations with material impacts on the issuer.	Labour standards
B4.1	Describe measures to review recruitment practices to avoid child labour and forced labour.	Labour standards
B4.2	Describe the steps taken to eliminate the situation when a violation is found.	Labour standards
<b>Operation Practices</b>		
<b>Aspect B5: Supply chain management</b>		
B5 General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by region.	Supply Chain Management
B5.2	Describe the practice of appointing suppliers, the number of suppliers subject to relevant practices, and the implementation and monitoring methods of relevant practices.	Supply Chain Management
B5.3	Describe the practice of identifying the environment and social risks of each link of the supply chain, and relevant implementation and monitoring methods.	Supply Chain Management
B5.4	Describe the practice of selecting suppliers for the purpose of promoting the use of environmental-friendly products and services, and relevant implementation and monitoring methods.	Supply Chain Management

Subject areas, aspects, general disclosures and KPIs		Section/remarks
<b>Aspect B6: Product responsibility</b>		
B6 General disclosure	About the health and safety of provided products and services, advertisement, label and privacy matters, and remedies: (a) Policy; and (b) Details on compliance with relevant laws and regulations with material impacts on the issuer.	Product safety and health
B6.1	Percentage of products to be recalled of the total products sold or shipped for safety and health reasons.	Product recalls
B6.2	Number of complaints about products and services received and response actions.	Customer communication
B6.3	Describe the practices related to the observation and protection of intellectual property rights.	Protection of intellectual property rights
B6.4	Describe the quality verification process and product recall procedures.	Product recalls
B6.5	Describe consumer data protection and privacy policies, and related implementation and monitoring methods.	Information management
<b>Aspect B7: Anti-corruption</b>		
B7 General disclosure	About the prevention of bribery, extortion, fraud and money laundering: (a) Policy; and (b) Details on compliance with relevant laws and regulations with material impacts on the issuer.	Combat corruption and uphold integrity
B7.1	The number of concluded corruption lawsuits filed against the issuer or its employees during the reporting period and the outcomes of the lawsuits.	To the Directors' knowledge, during the reporting period, the Group was not aware of receiving any complaint from anyone in respect of bribery, extortion, fraud and money laundering, and was not aware of any corruption lawsuits.
B7.2	Describe preventive measures and whistleblowing procedures, as well as related implementation and monitoring methods.	Combat corruption and uphold integrity
B7.3	Describe the anti-corruption training provided for Directors and employees.	Combat corruption and uphold integrity

Subject areas, aspects, general disclosures and KPIs		Section/remarks
<b>Community</b>		
<b>Aspect B8: Community investment</b>		
B8 General disclosure	The policy on community participation to understand the needs of the communities in which they operate and to ensure that their business activities take into account the interests of the community.	Care for the society
B8.1	Focus on the areas of contribution.	Care for the society
B8.2	Use resources in the focus areas.	Care for the society