



2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

This is the annual Social Responsibility Report/ Corporate Environmental, Social and Governance (hereinafter referred to as “**ESG**”) Report of Huazhong In-Vehicle Holdings Company Limited (the “**Company**”), which fully discloses the work and achievements of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**we**” or “**us**”) in respect of environmental and social issues in 2023. For information on our corporate governance, please refer to the section headed “Corporate Governance Report” in the Group’s 2023 Annual Report.

REPORTING PERIOD AND SCOPE OF THE REPORT

The reporting period is from 1 January to 31 December 2023 (the “**Year**”). The scope of the Report is consistent with that of last year, primarily covering the business of Ningbo Huazhong Plastic Products Co., Ltd. (“**Ningbo Huazhong Plastics**”), the main subsidiary of the Group. Its revenue accounted for 44.1% of the Group’s total revenue.

Reporting Standard and Principles

The ESG Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guidance” under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The report follows the four reporting principles of materiality, quantitative, balance and consistency.

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 (“ KPIs ”) in the report shall be measurable.	Presentation and disclosure of its environmental and social KPIs are presented 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

As the Group strives for excellence, the Group welcomes stakeholders’ feedback and advice on the improvement of our 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

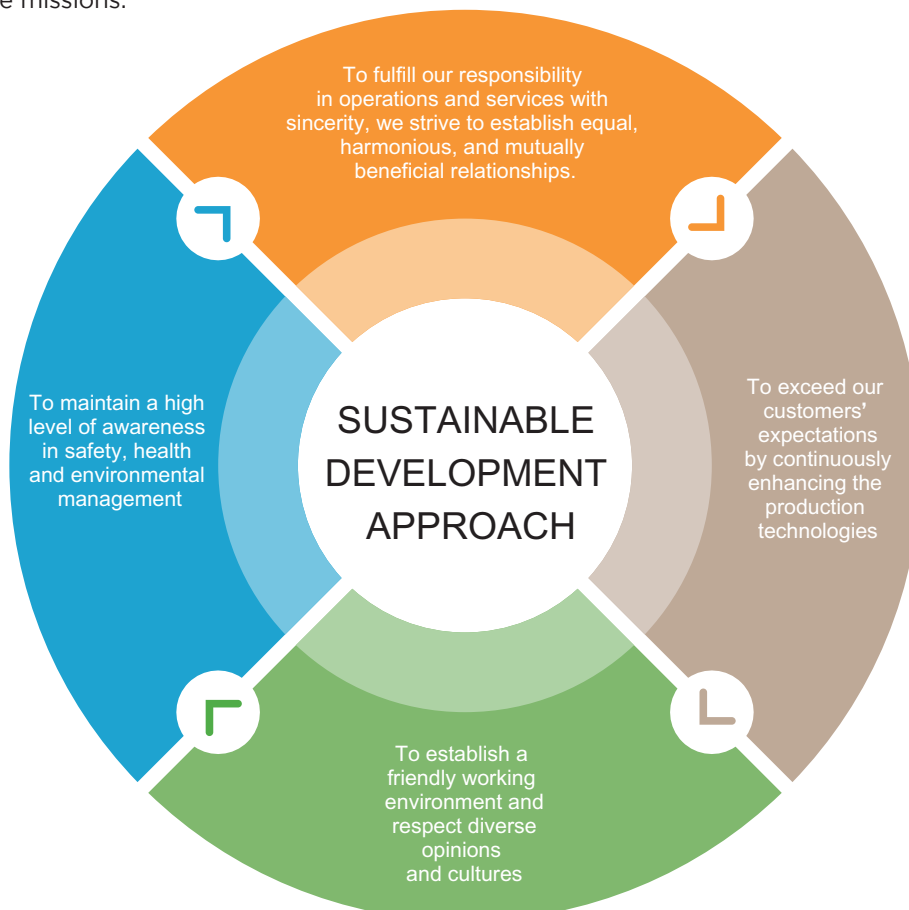
VISION OF SUSTAINABILITY

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; and
- 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 normalize the implementation of sustainable development 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 by strictly complying with regulatory requirements, reviewing our ESG measures, and annually disclosing 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. By doing so, we aim to create values for our stakeholders and further minimise the Group’s impact on the environment.

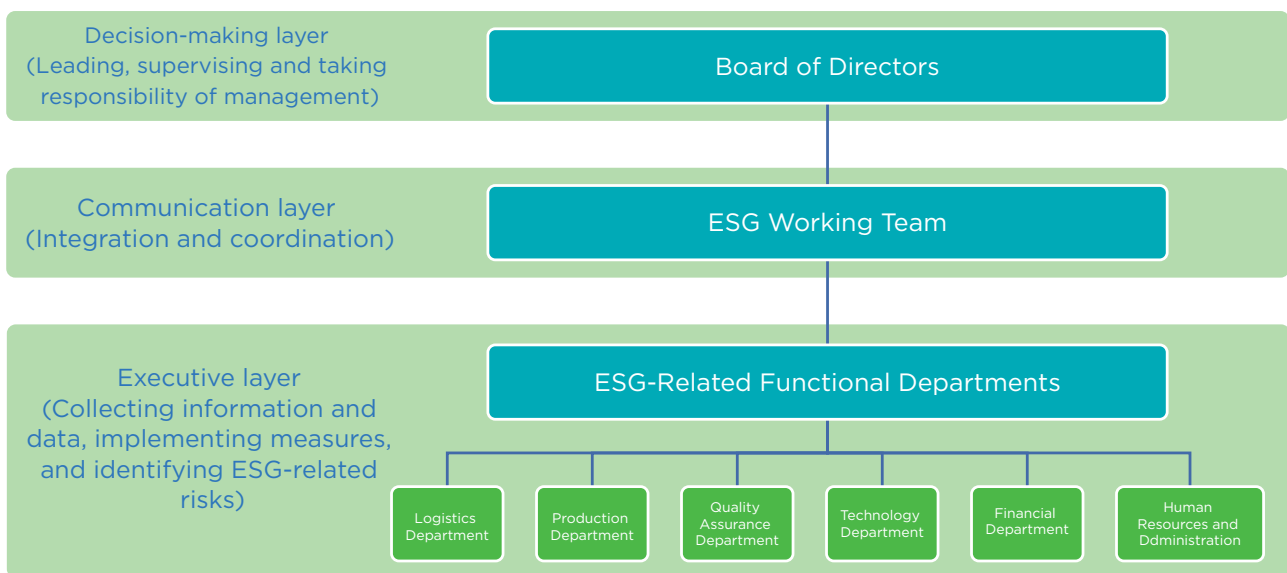
Adhering to the above visions, concepts, and missions, we have formulated the following sustainable development approach:



ESG GOVERNANCE













The Group is well aware that the Board has a pivotal role to play in leading and managing the sustainable business development of the Group in the long run. The Group's Board is responsible for monitoring the sustainable issues of the Group, which includes strategies, management and disclosure. They also assess and determine the Group's related ESG risks to ensure that the Group has established appropriate and effective ESG risk management and internal control system. The Board shall regularly review and approve the goals of the Group, incorporate ESG-related social responsibility and corporate governance issues in the pursuit of business development, and make recommendations for improvement.

To implement ESG-related management work, we have established an ESG governance structure, wherein the ESG working group is authorised by the Board. This group comprises of the heads of major functional departments of the Group. Their responsibilities include 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 fully support the global initiative of the UN Sustainable Development Goals (“**UNSDGs**”) to create long-term value for sustainable communities. We have selected the following 12 sustainable development goals that are most relevant and allow us to contribute, and integrated these goals into the Group's sustainability strategy to create positive outcomes for communities and the environment.

UNSDGs	Focus on the Areas of Contribution	Strategies and Goals
  	<p>Environment Protection</p>	<p>Strategies: To maintain a high level of safety, health, and environmental management Goals: To reduce the environmental footprint of our operations by reducing greenhouse gas emissions, waste production, and improving energy and water efficiency</p>
  	<p>Fair and Ideal Working Environment</p>	<p>Strategies: To establish a friendly working environment, and respect diverse opinions and cultures Goals: 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>
 	<p>Fulfillment of Product Responsibility</p>	<p>Strategies: To fulfill our responsibility in operations and services with sincerity, we strive to establish equal, harmonious, and mutually beneficial relationships. Goals: To commit to responsible operations by ensuring product safety and quality, and responsible sourcing</p>
 	<p>Technological Innovation</p>	<p>Strategies: To exceed our customers' expectations by continuously enhancing the production technologies Goals: To provide customers with sustainable and quality products by keeping abreast of the ever-changing production technologies in the industry</p>
 	<p>Care for the Society</p>	<p>Strategies: To fulfill our social responsibility and take care of our neighbouring communities Goals: To listen carefully to the needs of the community, formulate appropriate community investment areas, and strive to provide more community resources and assistance to people in need</p>

STAKEHOLDERS ENGAGEMENT

The Group attaches great importance to communication with stakeholders, and takes into account their views in formulating and implementing its short-term and long-term sustainability strategy. In order to establish strong relationships with key stakeholders and to conduct a comprehensive materiality assessment, the Group collects external and internal stakeholder feedback through various channels as set out in the table below.

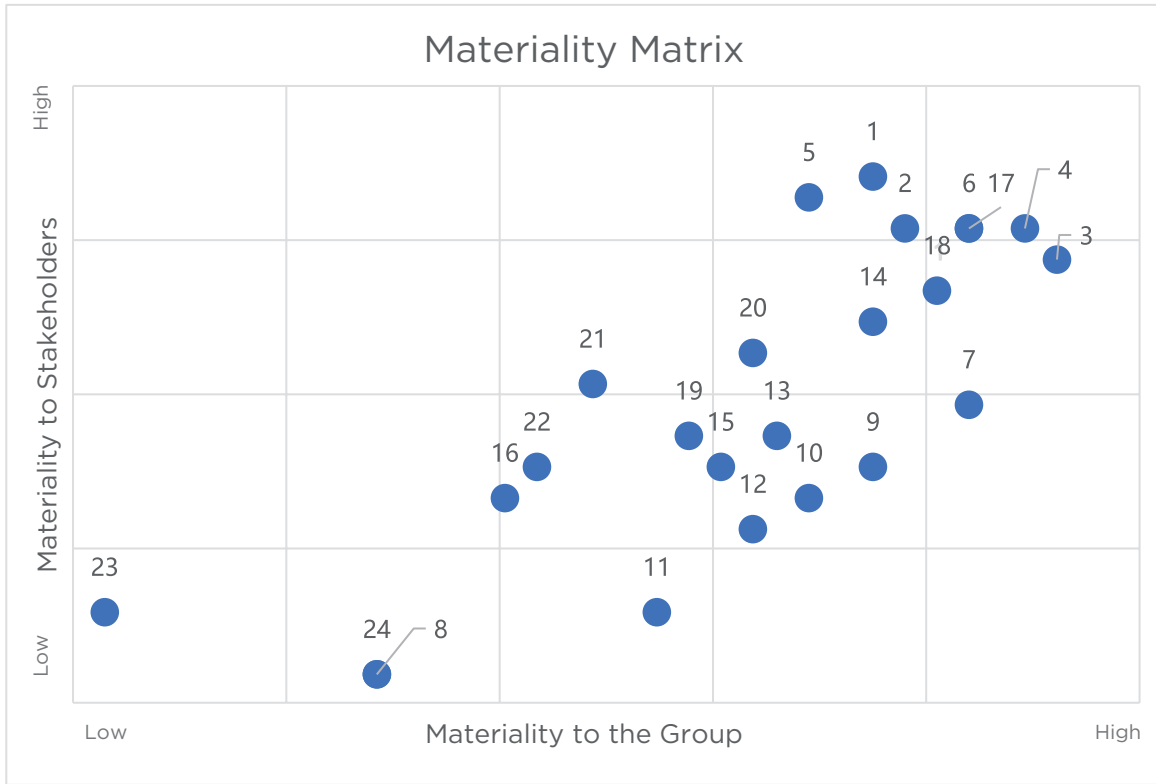
Stakeholders Group	Communication Channels
Employees	<ul style="list-style-type: none"> • Employees' performance appraisal • Internal meetings • Diversified training • Team building activities • Recreational games
Customers	<ul style="list-style-type: none"> • Meetings • Communication through WeChat/Weibo/Telephone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

MATERIALITY ASSESSMENT

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

The process of materiality assessment is as follows:

Steps	Description
Step 1: Identify relevant issues	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.
Step 2: Assessment by stakeholders	Online questionnaires were prepared and distributed to each internal and external stakeholder, to obtain their views on the ESG-related material issues.
Step 3: Identify material issues and rank in priority	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.
Step 4: Identify material issues	Senior management reviews the 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 talents and retention of employees	23 Climate change	
6 Intellectual property rights protection		18 Employee benefits		
7 Research and development				
8 Advertising and labelling management				

Based on the upper right corner of the materiality matrix, the sustainability issues that the Board considers to be most relevant and important to the Group and its stakeholders include complaint handling, protection of intellectual property rights, recruitment of talents and retention of employees, and customer communication and satisfaction. The Group's future sustainable development approach will be formulated with reference to the significant ESG issues identified.

PRODUCT RESPONSIBILITY

Response to UN Sustainable Development Goals in this chapter:



PRODUCT AND SERVICE QUALITY

We continue to pursue excellent craftsmanship and provide our customers with high-quality products. We examine raw materials, semi-finished, and finished products on a sample basis during the production process, to ensure the quality of our products. We have established an independent quality monitoring department that is responsible for inspecting and checking raw materials and products on a sample basis. We have used certain quality monitoring equipments and machineries for inspection and examination to test various properties of raw materials and product samples, to ensure that our products can meet quality standards during various stages from procurement, to production and completion. The test services 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. 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" (《中華人民共和國產品質量法》) and other relevant 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.

PRODUCT SAFETY AND HEALTH

The Group has established sound standards and procedures to safeguard product safety. We arrange our quality control department to conduct sample testing on our automotive components and raw materials at our in-house laboratory to ensure the quality and passing rate of our production process. 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. Departments and teams with excellent performance will be awarded according to their performance.

CUSTOMER COMMUNICATION AND SATISFACTION

We collect our customer's feedback on our products through hotlines, emails, customer satisfaction survey, WeChat official account, and website. The results are analysed to formulate 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 our 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 products and production capabilities, as well as refined manufacturing and tooling techniques, we are able to maintain relationships with our clients, as well as satisfy 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 has been recognized as the "Specialized, Fine, Unique and Innovative Small and Medium-sized Enterprises" (專精特新中小企業) of the year 2023 in Ningbo. This recognition shows that we are an enterprise with four major advantages: professionalism, refinement, specialization, and innovation. The Group's recognition as the "Specialized, Fine, Unique and Innovative Small and Medium-sized Enterprises" is a testament and affirmation of the Group's technological innovation, quality and efficiency as well as future development prospect by the State, which is conducive to the enhancement of the Group's brand awareness and core competitiveness.

PRODUCT RECALLS

The Group has established the “Control Procedures for Corrective and Preventive Measures”, the “Customer Complaint Handling Control Procedures”, the “Control Procedures for Defective Products”, and the “Regulations on the Disposition of Defective Products”, to effectively implement product recall and conduct detailed investigation on defective products. In order to continuously optimize our product safety policy and control measures in our production facilities, we have put in place stringent inspection procedures, from the procurement of materials, production, packaging process to finished product inspection, to ensure that the quality of production can be carefully controlled. In order to formulate appropriate improvement measures, 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 has not recalled any products due to safety or health reasons.

SUPPLY CHAIN MANAGEMENT

Supply chain management is an essential component of the Group’s sustainability development. 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 to ensure product quality. In our operations, we procure 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-ZoeppritexTex-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.

Suppliers' Distribution	2023	2022
Mainland China	149	136
OVERSEAS		
Germany	4	5
The United States	3	3
Austria	-	1
Portugal	1	-
Total	157	145

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 sustainable development. 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 emphasis on 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 as the first priority and focus on prevention, carry out risk management at all levels, staff participation, 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 for Stakeholders” 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. Therefore, we strive to create a better working and living environment for our 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

The Group strives to uphold human rights and strictly abides by 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 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 in relation to employment and labour practices. The Group prohibits child labour or forced labour in any form. With regard to the prohibition of child labour, we require applicants to provide identification documents in the process of recruitment to eliminate child labour. 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 strives 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 trend 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 the criteria including qualification, competency and performance. We also formulated the "Internal Competition Management Regulations", which aims to encourage employees to love their jobs, dedicate themselves to their work and actively seek advancement, and to cultivate the enthusiasm, initiative and creativity of all employees through equal competition and employing candidates on merit and fair basis. 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 birthday parties, ball games and hiking 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, and gifts on traditional festivals.



Birthday Parties



Thanksgiving Events

EMPLOYEE DEMOGRAPHICS

	2023	2022
Total number of employees	700	747
BY GENDER		
Male	387	386
Female	313	361
BY EMPLOYMENT TYPE		
Full-time	647	713
Part-time	53	34
BY EMPLOYEE CATEGORY		
Senior management	1	1
Middle management	15	15
General employees and technicians	684	731
BY AGE		
20 or below	32	13
21-30	114	100
31-40	184	228
41-50	209	248
51-60	147	141
61 or above	14	17
BY REGION		
Mainland China	700	747

EMPLOYEE TURNOVER ANALYSIS

	2023	2022
Total employee turnover rate	27.29%	32.40%
BY GENDER		
Male	29.97%	40.67%
Female	23.96%	23.55%
BY AGE		
20 or below	65.63%	353.85%
21-30	42.11%	52.00%
31-40	26.09%	27.63%
41-50	19.14%	25.40%
51-60	17.69%	11.35%
61 or above	57.14%	11.76%
BY REGION		
Mainland China	27.29%	32.40%

EMPLOYEE DEVELOPMENT

The Group endeavors to help its employees to improve their skills and working ability, thereby strengthening their competitiveness. 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 in relation to professional skills, administrative management, production safety and product quality. During the Year, the types of training we have provided include corporate culture promotion, problem-solving skills, production quality management and induction training.



Workshop Management and Improvement of 6S



Fire Drills



13MR Regulations



Excerpts from the
“Nonviolent Communication” Reading Club

EMPLOYEE TRAINING RATIO AND HOURS¹

	2023	2022	Unit
Employee training analysis			
Total number of training hours	8,263.50	11,522.10	hours
Average number of training hours of employees	9.27	11.65	hours/person
Percentage of total trained employees	75.98	64.51	%
Percentage of employees trained by gender			
Male	48.89	46.71	%
Female	51.11	53.29	%
Percentage of employees trained by employee category			
Senior management	0.44	0.31	%
Middle management	2.96	3.92	%
General employees and technicians	96.60	95.77	%
Average number of training hours of employees trained by gender			
Male	6.70	9.74	hours/person
Female	12.62	13.98	hours/person
Average number of training hours of employees trained by employee category			
Senior management	21.00	9.00	hours/person
Middle management	50.19	27.21	hours/person
General employees and technicians	8.51	11.35	hours/person

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

OCCUPATIONAL SAFETY

The Group is committed to providing a safe and healthy working environment for all employees. We have established a comprehensive safety management system to strengthen the supervision and administration of Production Safety. We have been granted the ISO45001:2018 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 is committed to adhering 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 risks
- 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 educated about safety, health and hygiene knowledge
- Regular occupational disease check-ups 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 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” (《中華人民共和國勞動法》), “the Production Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), “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》), “the Special Equipment Safety Law of the People’s Republic of China” (《中華人民共和國特種設備安全法》), “the Fire Protection Law of the People’s Republic of China” (《中華人民共和國消防法》), and the “Provisions on the Supervision and Administration of Labor Protection” (《勞動防護用品規定》).

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 calmly; 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 lower the temperature of the workshops, and provide employees with heatstroke prevention supplies in summer.

The Group follows a safety and health approach, top priorities are given to employees’ lives and safety, ensuring the conditions for safe production, and providing training on safe production. The training we provided to our employees in 2023 included new employee training, quality and safety training, and induction training for various positions, so that our employees will be able to perform production procedures in a safe environment.

Upholding the production principle of safety-first, the Group did not have any work-related fatalities over the last three years (including the Year), while there were a total of 1 (2022: 4) work-related injuries, and the number of lost days due to work injury was 65 days in total (2022: 87 days), which were caused by slipping and falling during rainy days. We also 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. During the Year, to the best knowledge of the Directors, the Group did not aware of any major administrative sanctions or penalties for violating any laws and regulations in relation to the provision of safe working environment and the protection of employees against occupational hazards.

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. We endeavour to provide safer and greener automobile parts solutions to our customers. 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 any 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, thus reducing the fuel use and greenhouse gas emissions of the vehicle; and
- The energy consumption during installation can be reduced because the welding process is eliminated in the production process

In order to continue to achieve green production, we strive to reduce emissions and waste in the production process through promoting technological innovation. Our proactive environmental protection efforts have led to our successful inclusion in the List of Green Factory of Ningbo Municipal for the year 2023 (2023年度寧波市級綠色工廠名單).

In order to reduce emissions, we have been actively promoting technological innovations in magnalium, high-voltage wiring, bottom panel covers (底護板), high-end automobile fabrics, etc., with a view to reducing the weight of automobile parts and components, thereby minimising the burden of the Group's business on the environment and natural resources. To encourage and recognise the bold innovations of our employees, we also held an annual commendation ceremony for the year 2023 to encourage and recognise employees with outstanding performances.



Annual Commendation Ceremony for the year 2023

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 sections “Exhaust Gas Emission and Energy Conservation”, “Water Resources Management” and “Waste Discharge”.

Environmental Aspects	Environmental Goals
Waste discharge	We are committed to implementing energy-saving and emission-reduction measures in workplaces to reduce carbon emissions generated during operations.
Energy utilisation	We are committed to reducing energy consumption in our operations by raising energy efficiency.
Water resources management	We are committed to promoting the secondary use and recycling of water resources through environmental-friendly technologies to save water.
Waste discharge	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 Environmental Impact Assessment Law of the People’s Republic of China (《中華人民共和國環境影響評價法》), 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

One of the important aspects of climate change is global warming, which leads to an imbalance in nature and triggers more frequent or intense natural disasters, such as flooding and heavy rainfall and snowfall. This will bring different risks to the Group’s operations. Physical risks include injuries to staff, damage to plant facilities, delays or interruptions in the distribution of purchased parts caused by adverse weather, which will affect the operational efficiency and the rate of on-time delivery, and thereby affecting the sales performance. Transition risks include rising cost due to more stringent regulatory requirements on carbon reduction or implementation of carbon pricing.

To reduce energy consumption and control greenhouse gas emissions generated in our operations, we have formulated different environmental protection measures, including establishing a working group for energy conservation and emission reduction, regularly monitoring energy efficiency, 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 effectively responding to the situation. We also provide appropriate training and drills for emergency leading team members to ensure that they can implement emergency plans properly. In the future, the Group will actively respond to and implement the government’s policies and requirements on climate change, and actively participate in community-wide actions to address climate change.

EXHAUST GAS EMISSION AND ENERGY CONSERVATION

The exhaust gas and the greenhouse gas 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 natural 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. Other energy-saving and emission-reduction measures adopted by us are also listed below:

- Air conditioning of the office is maintained at above 25°C;
- Turn off all idle lights, air conditioners, computers and other electrical appliances;

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

The Group always abides by the principle of sustainability, and upholds the concept of reducing the use of traditional energy as much as possible, shifting towards the utilisation of renewable energy. During this Year, we used a total of 1,038 MWh (2022: 1,169 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), the “Emission Standard of Atmospheric Pollution of Industrial Furnace (《工業爐窯大氣污染物排放標準》) (GB 9078-1996) and “Volatile Organic Compounds Unorganised Emission Control Standard” (《揮發性有機物無組織排放控制標準》) (GB37822-2019), to monitor the exhaust gas emissions at each production stage. We have also engaged a third-party independent inspection agency to conduct monthly assessments of the Group’s exhaust gas emissions to ensure compliance. The inspection reports showed that the densities and emission rates of our organised gas emissions including toluene, xylene, non-methane total hydrocarbons and ethyl acetate are all in compliance with the emission requirements. The unorganised gas 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. We comply with the “Standards and Requirements for the Establishment of Ningbo Water-Saving Enterprises” (《寧波市節水型企業創建標準和要求》) and have been successfully listed as a Ningbo water-saving Enterprise in recognition of our good water management foundation and water-saving work. 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, afterwards 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 and we are in compliance with the national and local sewage discharge standards such as 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》) and “Water Quality Standards for Sewage Discharge into Urban Sewers” (《污水排入城鎮下水道水質標準》). 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 encounter any problems in sourcing water.

WASTE DISCHARGE

The Group shares deep concern for the environmental impact of its operations with many external stakeholders and has continued to reduce waste at source by adopting a number of emission reduction measures. We strive to reduce waste generation by reducing, reusing, and recycling waste. Hazardous and non-hazardous wastes are produced during our production process. 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 in relation to waste disposal, and properly disposes of all wastes 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 generation of non-hazardous wastes, we have taken the following measures:

- Used packaging cartons are recycled and reused to increase the utilization rate of packaging;
- Crushed plastic scraps are reused in the production lines;
- Qualified resource recycling companies are engaged to treat metal scraps which are properly collected;
- Employees are encouraged to use electronic channels, such as: replace paper with emails and electronic workflow to achieve paperless office;
- Place memos with environmental-friendly messages and tips on office equipments;
- 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 appointed 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 showed 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

	2023	2022	Unit
Air emissions			
Nitrogen oxides (NO _x)	235.92	306.28	Tonnes
Sulphur oxides (SO _x)	3.87	5.03	Tonnes
Particulate matter (PM)	8.80	11.43	Tonnes
Greenhouse gases emissions			
Total greenhouse gas emissions ²	97,665.27	126,101.75	Tonnes of CO ₂ e
Direct emission (Scope 1) – Use of liquefied natural gas, unleaded petrol and diesel	91,180.69	118,345.61	Tonnes of CO ₂ e
Indirect emission (Scope 2) – Purchased electricity	6,484.58	7,756.14	Tonnes of CO ₂ e
Greenhouse gas emissions intensity	4.23	4.60	Tonnes of CO ₂ e/ '000 production unit
Hazardous waste			
Amount of hazardous waste produced and disposed	36.90	49.13	Tonnes
Intensity of hazardous waste produced and disposed	1.60	1.79	Kg/'000 production unit
Non-hazardous waste			
Total amount of non-hazardous waste produced	764.19	488.96	Tonnes
Total amount of non-hazardous waste disposed	2.41	2.96	Tonnes
Total amount of non-hazardous waste recycled	761.78	486.00	Tonnes
Recycled volume — metal	314.84	205.96	Tonnes
Recycled volume — paper	183.09	73.69	Tonnes
Recycled volume — plastic	263.85	206.35	Tonnes
Intensity of non-hazardous waste produced	33.10	17.83	Kg/'000 production unit

² 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).

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	2023	2022	Unit
Packaging materials			
Amount of paper packaging materials used	1,141.98	1,545.13	Tonnes
Intensity of paper packaging materials used	49.47	56.33	Kg/'000 production unit
Energy consumption			
Total energy consumption	421,374.55	545,695.97	MWh
Purchased electricity	10,628.72	12,712.91	MWh
Liquefied natural gas	409,397.83	531,560.50	MWh
Unleaded petrol	275.04	240.32	MWh
Diesel	35.23	13.21	MWh
Renewable energy — solar photovoltaic power generation	1,037.73	1,169.03	MWh
Energy consumption intensity	18.25	19.90	MWh/'000 production unit
Water consumption			
Total water consumption	137,189.00	77,408.00	m ³
Water consumption intensity	5.94	2.82	m ³ /'000 production unit

CUSTOMER PRIVACY

The Group attaches great importance to the personal privacy of its customers. Therefore, we have already taken measures to protect various information, and set up a confidentiality system, employees are strictly required 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 have 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 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》) and other relevant laws and regulations in relation to the personal privacy regulations during the Year.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The Group values the management of intellectual property achievements. We strictly abide by relevant laws and regulations such as the "Patent Law of the People's Republic of China" (《中華人民共和國專利法》), and have formulated our "Patent Management System" to protect the results of our efforts in product R&D work. We have set up 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. During the year, we have applied for 3 invention patents and 8 utility model patents, of which 2 utility model patents were granted while the remaining patents are still under review. Prior to a patent application, we will sign a confidentiality agreement with relevant employees to prevent leakage of business secrets and ensure confidentiality. In the event that any patent rights of the Group are infringed, we will promptly report such case to the R&D center, and hand it over to the Intellectual Property Rights Department for handling. During the Year, there were no cases that our patent rights were infringed.

ANTI-CORRUPTION

All staffs of the Group are required to strictly abide by the applicable laws in relation to corruption, bribery and money laundering in the relevant jurisdictions of the Group's business location, including but not limited to the "Criminal Law of the People's Republic of China" (《中華人民共和國刑法》), the "Anti-Money Laundering Law of the People's Republic of China" (《中國人民共和國反洗錢法》), the "Anti-Corruption and Bribery Law of the People's Republic of China" (《中華人民共和國反貪汙賄賂法》) and the "Anti-Unfair Competition Law of the People's Republic of China" (《中華人民共和國反不正當競爭法》). The Company takes a zero-tolerance approach towards all forms of corruption. It is 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 the whistleblowers. Upon receiving a reported case, we will launch a detailed investigation, and handle the verified violations strictly. The parties involved will be subject to disciplinary actions, or even dismissal, and will be handed over to the judiciary authorities for investigation. Such behaviour will not be tolerated. During the Year, the Group did not receive any complaints and cases in relation to corruption, bribery, extortion, fraud and money laundering among the Group and its employees. During the Year, the Group reminded the Directors and employees of the integrity requirements of the Group through internal emails.

CARE FOR THE SOCIETY

Response to UN Sustainable Development Goals in this chapter:



We attach importance to different community groups and carefully listen to the voice of the community and drive community development. We donated RMB1,200,000 to Xiangshan County People's Education Fund and RMB100,000 to Huaxiang Education Fund, to boost the development of inland education with the expectation of motivating and promoting local education development. Meanwhile, we proactively foster employee volunteerism and engage them in different volunteering work to honour our commitment in corporate philanthropic responsibility.

HKEX ESG REPORTING GUIDE INDEX

Subject areas, aspects, general disclosures and KPIs		Section/remarks
A. Environmental		
Aspect A1: Emissions		
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
Aspect A2: Use of resources		
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
Aspect A3: Environment and natural resources		
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
Aspect A4: Climate change		
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 the response actions.	Climate change
B. Society		
Employment and Labour Practices		
Aspect B1: Employment		
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 Equal opportunity
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
Aspect B2: Health and safety		
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
Aspect B3: Development and training		
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
Aspect B4: Labour standards		
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 and forced labour.	Labour standards
B4.2	Describe the steps taken to eliminate the situation when a violation is found.	Labour standards
Operation Practices		
Aspect B5: Supply chain management		
B5 General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management Suppliers' environmental and social risks
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 Suppliers' environmental and social risks
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.	Suppliers' environment and social risks
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.	Suppliers' environmental and social risks

Subject areas, aspects, general disclosures and KPIs		Section/remarks
Aspect B6: Product Responsibility		
B6 General disclosure	About the health and safety of products and services provided, advertisements, labels 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 and satisfaction
B6.3	Describe the practices in relation 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 and service quality Product recalls
B6.5	Describe consumer data protection and privacy policies, and the related implementation and monitoring methods.	Customer privacy
Aspect B7: Anti-corruption		
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.	Anti-corruption
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 any complaints received from any person regarding non-compliance with 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 the related implementation and monitoring methods.	Anti-corruption
B7.3	Describe the anti-corruption training provided for Directors and employees.	Anti-corruption

Subject areas, aspects, general disclosures and KPIs		Section/remarks
Community		
Aspect B8: Community investment		
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