



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



REPORTING PRINCIPLES

»Scope

Established in 1995, the Group is a world-renowned modernized group engaged in recovered paper-based environmentally-friendly paper making with principal business focusing in the production and sales of a broad variety of quality packaging paper products, including linerboard (kraftlinerboard, testlinerboard, white top linerboard and coated linerboard), high performance corrugating medium, coated duplex board, recycled printing and writing paper, specialty paper and pulp. Adhering to the philosophy of “No Environmental Management, No Paper Making”, the Group uses recyclable paper as its raw materials, committing itself to environmental protection, energy conservation and emission reduction.

In determining the scope of disclosure in the Group’s Environmental, Social and Governance Report (the “Report”) for FY2020, the Board of the Group mainly considered the proportion of production capacity of, and revenue from, each production base respectively of the Group. The Board of the Group believes that major impacts of the Group imposed on environmental, social and governance related issues, investors and other stakeholders are properly reflected in the sustainable development initiatives and performance of the eight production bases of the Group in mainland China (namely Dongguan, Taicang, Chongqing, Tianjin, Quanzhou, Shenyang, Leshan and Hebei bases) and one base in Vietnam during the period from 1 July 2019 to 30 June 2020 (the “Year”). This scope is consistent with that in the previous year’s Report.

Unless otherwise indicated, the Report does not cover the relevant data on the downstream packaging factories and the Malaysia base acquired in the second half of 2019 because such data cannot reflect their full-year operations. In addition, the Group’s mills in the United States are not disclosed in the Report because they only account for approximately 8% of the Group’s overall total annual production capacities. The Board will continue to review the importance of such data and consider covering the relevant full-year data in our future reports.

No Environmental Management No Paper Making



»Reference Guideline

The Group has been disclosing its performance regarding environment, health and safety, human resources, corporate governance and social responsibility annually since FY2014. The preparation of the Report was with reference to the ESG Reporting Guide in Appendix 27 of the Main Board Listing Rules. Disclosures in the Report were prepared with reference to the information commonly disclosed in paper manufacturing industry and have complied with the mandatory disclosure requirement and the “comply or explain” provisions under the ESG Reporting Guide.

»Working Group

The Board of the Group and its five Board Committees (Executive Committee, Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee) regularly monitor and review the Company’s overall strategy, risk management, financial position, corporate governance, governance on environmental protection and other sustainability initiatives, etc.

The data and information in the Report was derived from the Group’s internal documents, records and statistics. The Group’s Environmental Protection & Energy Saving Department, Human Resources Department, Information Technology Department, General Management Department, Sales Department, Finance Department, Public Relations Department and Investor Relations Department have formed an inter-department working group to be responsible for the collection, statistics and consolidation of the data and information disclosed in the Report.

»Stakeholder Groups and Engagement

The Group values the engagement of and respects the sustainable relationship with each of our stakeholders including business partners, suppliers, clients, investors, regulators, employees and communities. All stakeholders may express their opinions to the Group through a variety of channels listed below to assist in identifying the existing room for improvement by the Group in environmental, social and governance. The opinions and information provided by all parties will be kept confidential and will not be disclosed to any third party.

Stakeholders		Engagement Channels
Employees		<ul style="list-style-type: none"> • “Chairlady Mailbox (董事長信箱)” established in each of the production bases • The Company’s internal specific email box for complaints • Management biweekly meetings, quarterly meetings, half-yearly meetings and annual meetings, etc.
Customers		<ul style="list-style-type: none"> • Customer visits by customer service team on a regular basis • Customer satisfaction investigation carried out quarterly • Sales hotline and email
Suppliers and business partners		<ul style="list-style-type: none"> • Service satisfaction survey conducted on a regular basis • “Complaint Handling Guidelines (投訴處理指引)” attached in the commercial contracts entered into with external parties • Notice board about the method of complaints placed at the loading and unloading site in respective production bases
Investors and Shareholders		<ul style="list-style-type: none"> • Investor enquiry email • Annual General Meeting and Special General Meeting • Investor meetings and conference calls with Investor Relations representatives
Governments and regulators		<ul style="list-style-type: none"> • Regular communication with the relevant departments of the Company
Media		<ul style="list-style-type: none"> • Media enquiry email
Public		<ul style="list-style-type: none"> • General enquiry email



»Materiality Identification

Environment and sustainability:		Safety, security and health:	
Environmental friendly production		Product safety and quality	
Waste treatment		Production and fire safety	
Greenhouse gas and wastewater emission		Occupational health and safety	
Utilization of energy and water resources			
Corporate governance:			
Staff development, salaries and benefits		Risk management	
Supply chain management system		Anti-corruption policy	
Platform for consumer complaint		Governance structure and transparency	
Privacy protection			
Social issues:			
Poverty alleviation in the community		Disaster aid and relief	
Poverty alleviation through industry development			

»Environment

The Group recognizes the national concept of ecological civilization of “Clear waters and green mountains are as valuable as mountains of gold and silver” and advocates the recycled economic development model of “Reduce, Reuse and Resource”. Adhering to the philosophy of “No Environmental Management, No Paper Making”, we not only use recyclable paper as our raw materials, but also continuously step up the efforts on environmental protection by implementing various environmental protection regulations and introducing environmental protection facilities in different production stages so as to ensure our various emission and energy consumption indices outperform government standards.

A1. EMISSIONS

Upholding the principle of green development, energy conservation and emission reduction, the Group monitors its emission in strict compliance with regulations such as “Air Pollution Prevention and Control Law of the People’s Republic of China” (《中華人民共和國大氣污染防治法》), “Emission Standard of Air Pollutants for Thermal Power Plants” (《火電廠大氣污染物排放標準》), “Water Pollution Prevention and Control Law of the People’s Republic of China” (《中華人民共和國水污染防治法》), “Discharge Standard of Water Pollutants for Pulp and Paper Industry” (《製漿造紙工業水污染物排放標準》) and “Law on the Prevention and Control of Environmental Pollution By Solid Waste of the People’s Republic of China” (《中華人民共和國固體廢物污染環境防治法》). The Group has well-established emission monitoring and management system, including 24-hour online monitoring, or commissions third party institutions with China Metrology Accreditation (CMA) to regularly collect data for statistical analysis.

»Internationally Leading Gas Treatment Facilities and Enclosed Coal Storage Domes

Each of the production bases of the Group has its own heat and electricity boiler to provide steam and electricity for production lines. Currently, coal serves as its major energy source. The adoption of circulating fluidized bed boilers enables reduction in nitrogen oxide at source. For the treatment of exhaust gas, the Group adopts the state-of-the-art and highly efficient desulfurization process (limestone injection and oxidized magnesium wet scrubber at the end), ‘two-tier dust removal process (electrostatic bag filter), low-nitrogen combustion and SCR/SNCR denitrification’ processes. Through these processes, we have achieved a desulfurization efficiency ratio of over 95%, a denitrification efficiency ratio of over 85% and a dust removal efficiency ratio of over 99.95%. This reduces the generation and emission of pollutants in the flue gas, ensuring various indicators of flue gas outperforming the relevant national emission standards.

Since 2016, the Group has been gradually adding and upgrading ultra-clean facilities, such as the adoption of the latest wet electrostatic precipitating technology to the boilers in an active approach, so as to further reduce dust emission. Currently, the Group has met the national standard of ultra-low emission (with the size of dust smaller than 10mg/m³), thus effectively improving the quality of the environment.

The Group is the pioneer in the industry in constructing fully automatic and enclosed coal storage domes, which can effectively avoid fugitive dust pollution during the loading, transportation and storage of coal, thereby offering better protection for the surroundings and further improvements to the working and living environment of our staff.

During the Year, each emission indicator of the Group’s emissions and greenhouse gases outperformed national or regional standards. Desulfurization, denitrification and dust removal facilities upgraded during the previous financial year for higher emission standards resulted in a year-on-year decrease of 11.3%, 14.0% and 20.0% in SO₂ intensity, NO_x intensity and dust intensity, respectively. The total greenhouse gas emission recorded a year-on-year increase of 5.5%, which was mainly attributable to an increase in production capacity and production volume during the Year. However, the greenhouse gas intensity recorded a year-on-year decrease of 0.1%.

Type of Emission	FY2020	FY2019	Change
Sulfur dioxide (SO ₂) intensity (tonnes/ten thousand tonnes of paper)	0.94	1.06	-11.3%
Nitrogen oxides (NO _x) intensity (tonnes/ten thousand tonnes of paper)	2.76	3.21	-14.0%
Dust intensity (tonnes/ten thousand tonnes of paper)	0.16	0.20	-20.0%

Greenhouse gas emission	FY2020	FY2019	Change
Total emission (tonnes in CO ₂ equivalent)	13,547,004	12,839,410	+5.5%
Intensity (tonnes in CO ₂ equivalent/ten thousand tonnes of paper)	9,330	9,339	-0.1%

»Advanced Wastewater Treatment Facilities

The Group adopts internationally leading production technologies for paper making to control the volume of wastewater generated at source. Each of the production lines is installed with an advanced water recycling system which can effectively reduce a large amount of wastewater generated and discharged.

At the end of the wastewater treatment process, we adopt a “four-stage water treatment process (physical + IC anaerobic + aerobic + Fenton advanced treatment)”, such that our processed wastewater outperforms the industrial standard, the “Discharge Standard of Water Pollutants for Pulp and Paper Industry” (《製漿造紙工業水污染物排放標準》) (GB3544-2008) and the discharge standards of regions where our production bases are located. A large amount of methane produced during the anaerobic biological treatment of wastewater is transmitted to the boiler for heat and electricity generation as a clean energy after biological desulfurization.

During the Year, various indicators of the Group's discharged water outperformed national or regional standards. Due to the fact that China continued to narrow the quota of imported recovered paper, the Group adjusted the raw material mix accordingly and increased consumption of domestic recovered paper, resulting in an increase of 4.5% in intensity of chemical oxygen demand (COD). Besides, most of the other indicators showed improvements. Among these, intensity of suspended solids (SS) decreased by 13.4% on a year-on-year basis, demonstrating the Group's efficiency and capability in waste water treatment. In addition, the denitrification facilities newly added in the previous year enabled an effective year-on-year decrease of 4.8% and 3.7% in ammonia nitrogen intensity and total nitrogen intensity, respectively.

Discharged water indicators	FY2020	FY2019	Change
Chemical oxygen demand (COD) (tonnes/ten thousand tonnes of paper)	3.05*	2.92	+4.5%
Ammonia nitrogen (tonnes/ten thousand tonnes of paper)	0.10	0.105	-4.8%
Suspended solids (SS) (tonnes/ten thousand tonnes of paper)	0.58	0.67	-13.4%
Total nitrogen (tonnes/ten thousand tonnes of paper)	0.52	0.54	-3.7%
Chromaticity (times)	9.97	9.67	+3.1%
Biological oxygen demand (BOD) (mg/L)	10.53	10.98	-4.1%
pH value	6.71	6.82	-1.6%

*Note: Given the higher COD of domestic recovered paper, the increase in the proportion of consumption of domestic recovered paper during the Year has resulted in a corresponding increase in COD

While the Group sets the annual emission target, it shall be in compliance with the standards set forth by the authorities governing the ecological environment and maintain the optimal level that it has achieved so as to further foster a year-on-year emission reduction.

The emission target for the next financial year of the Group is an intensity level of greenhouse gases decreased to approximately 9,300 tonnes/ten thousand tonnes of paper. To achieve this, in addition to the implementation of upgrading the environmental protection and treatment facilities for higher emission standards in accordance with the national and provincial requirements, the Group will also optimize the operation of the pollution control facilities in order to further reduce the emission of pollutants.

»Solid Waste Disposal

The hazardous wastes and non-hazardous wastes generated by the Group should be in compliance with the "Solid Waste Pollution Prevention and Control Law of the People's Republic of China" (《中華人民共和國固體廢物污染環境防治法》). For hazardous wastes, we carry out standardized management in strict compliance with the national management requirements in relation to hazardous waste, with measures including identifying hazardous waste in our plant area in accordance with the "Directory of National Hazardous Wastes" (《危險廢物名錄》), setting up standardized warehouses in plant area for the storage of hazardous waste and commissioning qualified companies with the operating license for disposal of hazardous waste to conduct detoxification treatment.

Since as early as 2003, being the first of its kind, the Group has developed in-house environmentally friendly industrial waste incinerators and sludge drying equipment, to effectively manage its solid wastes. Advanced exhaust gas treatment facilities, bag dust removal unit and semi-dry desulfurization facilities are utilized in incinerators, while emission monitoring units have been installed to ensure real-time online monitoring of gas emission.

In order to enhance our overall utilization rate of solid wastes, we reuse all pulp wastes generated in paper manufacturing in the paper-making workshops and incinerate all solid wastes generated in paper manufacturing after selection, which can generate steam and electricity for production. The water content in sludge is less than 40%, which is an achievement from our research and development as well as continuous promotion and application of the overall utilization techniques of paper making, sludge drying and incineration. We have successfully incinerated sludge generated from wastewater treatment through the frame membrane filter drying process, which does not only reduce secondary pollution, but also turns all dried sludge into renewable fuel, thus saving a large amount of coal and realizing recycling and zero discharge of sludge.

We also sell other solid wastes such as waste coal ashes in the power plants and boiler slag to qualified companies which use such wastes as construction materials.

During the Year, both hazardous wastes and non-hazardous wastes discharge by the Group outperformed national or regional standards. Attributable to the government's intensified management and control over the impurity rate of recovered paper from the source as well as the Group's effective control over solid wastes, which included the addition of two-stage bag dust removal and the identification of hazardous characteristics of ashes which allowed the overall utilization of ashes identified as non-hazardous wastes after converting them into general solid wastes, despite an increase in production volume during the Year, total volume and intensity of hazardous wastes registered a year-on-year decrease of 3.6% and 8.8% respectively; while total volume of non-hazardous wastes only slightly increased by 1.7% and their intensity registered a year-on-year decrease of 3.7%.

Solid Wastes	FY2020	FY2019	Change
Total volume			
Hazardous wastes (tonnes)	5,711	5,923	-3.6%
Non-hazardous wastes (tonnes)	2,781,322	2,734,613	+1.7%
Intensity			
Hazardous wastes (tonnes/ten thousand tonnes of paper)	3.93	4.31	-8.8%
Non-hazardous wastes (tonnes/ten thousand tonnes of paper)	1,915	1,989	-3.7%

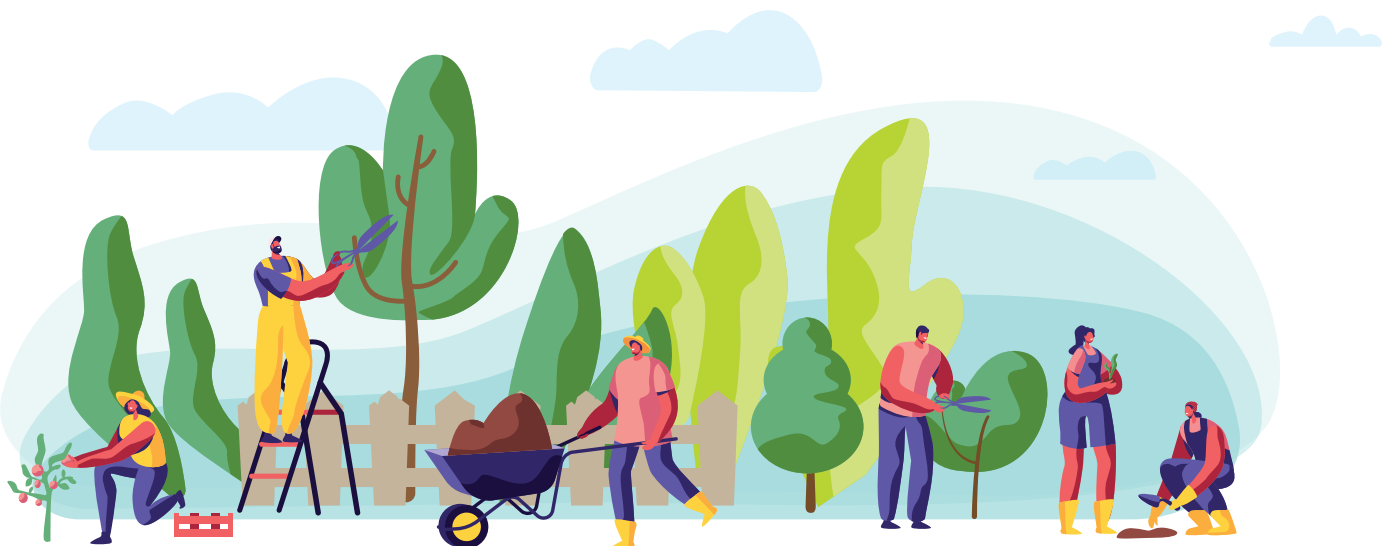
The targeted intensity of hazardous wastes for the next financial year of the Group is to be maintained below 4.0 tonnes/ten thousand tonnes of paper; the targeted intensity of non-hazardous wastes is at a level not higher than 1,920 tonnes/ten thousand tonnes of paper. To achieve this, the Group will put efforts from the source to reduce the purchase of raw materials and supporting materials which would produce large amount of hazardous wastes. In addition, the Group plans to enhance the overall utilization of hazardous wastes such as de-inked slag and mineral oil in order to reuse any recyclable resources whenever possible.

A2. USE OF RESOURCES

»Forest in the City

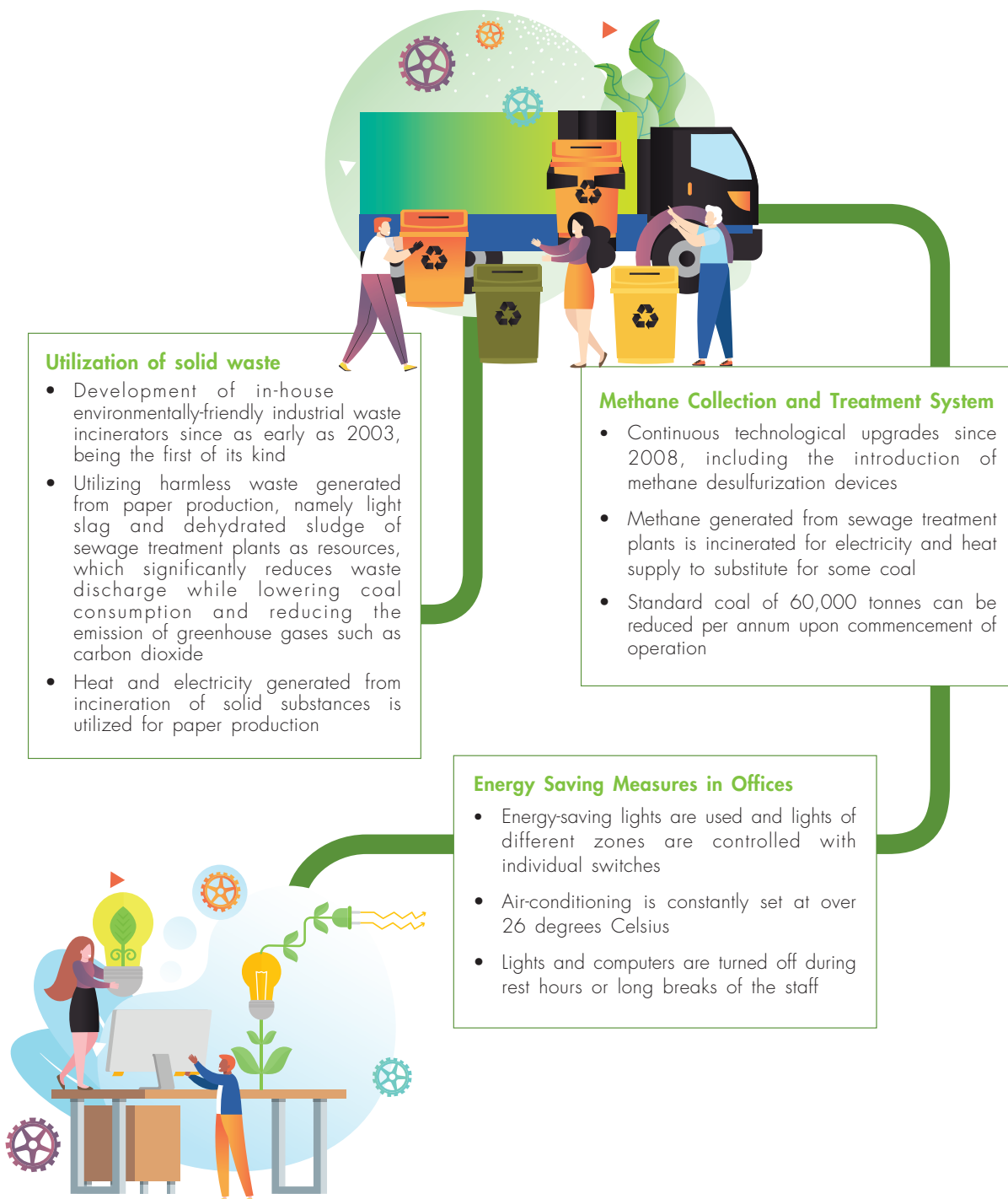
"There is no waste on this planet, only misplaced resources". The Group has established its general approach to upholding scientific development, green development and using recovered paper for paper making since its establishment.

Among all raw material we used in our products, recovered paper accounted for over 95% of the total fiber, and over 14.7 million tonnes of recovered paper have been recycled and reused through our production every year. With the completion of the large-scale recovered paper recycling in paper manufacturing, we also recycled and reused various wastes generated during our production processes through research and development, technology upgrades as well as equipment enhancement.



»Energy conservation

For energy consumption, each production base of the Group has heat and electricity boiler in place to generate electricity and steam for its production lines with coal as the major energy source. In order to reduce coal consumption, we carry out research, development and upgrade of energy-saving technologies, formulate energy saving and upgrading plans and enhance or eliminate equipment with high energy consumption, including replacing less efficient motors with variable-frequency motors, upgrading drum pulpers and wind turbines and eliminating certain lightings and refrigerating equipment.



During the Year, each of the Group's energy consumption indices outperformed national or regional standards. Affected by the increase in the Group's production volume with new production capacities for commissioning work, the consumption of coal, steam and electricity increased. However, with its constant efforts in the upgrade with energy-saving motors, the Group has eliminated a batch of equipment with high power consumption and low efficiency. Coupled with effective energy-saving measures, the Group registered a year-on-year decrease of 4.4% in electricity intensity.

Energy	FY2020	FY2019	Change
Total consumption			
Coal (tonnes of standard coal)	4,471,894	4,329,977	+3.3%
Steam (tonnes)	22,389,831	22,130,897	+1.2%
Electricity (kWh)	8,608,312,893	8,525,442,867	+1.0%
Intensity			
Coal (tonnes of standard coal/tonnes of paper)	0.308	0.315	-2.2%
Steam (tonnes/tonnes of paper)	1.54	1.61	-4.3%
Electricity (kWh/tonnes of paper)	593	620	-4.4%

The targeted level of coal consumption intensity of the Group for the next financial year is no more than 0.32 tonnes of standard coal/tonnes of paper. To achieve this, the Group will carry out the upgrade for lowering carbon emission and energy conservation, eliminate less efficient equipment with high energy consumption, as well as enhance its overall utilization of solid wastes and utilization rate of solid waste from incineration.

»Water Conservation

The Group attaches great importance to water resources and has devoted itself into the enhancement of water recycling rate during the production process. Each of our paper machines is installed with an advanced water recycling system to reuse the processed wastewater at the source of production, so as to reduce water resources consumption.

During the Year, the Group improved the utilization rate of the water recycling system and continued to increase the recycling of wastewater to the manufacturing workshops. The total water consumption and average water consumption recorded a year-on-year decrease of 6.4% and 6.6% respectively. The recycling rate of wastewater maintained at over 97% during the Year.

Water resources	FY2020	FY2019	Change
Total water consumption (tonnes)	82,329,938	87,985,066	-6.4%
Average water consumption (tonnes/tonnes of paper)	5.7	6.1	-6.6%
Recycling rate of wastewater (%) [*]	97.2	97.1	+0.1 percentage point

^{*} Estimated value

The targeted water efficiency of the Group for the next financial year is expected to be maintained at an average water consumption of approximately 6.0 tonnes per tonne of paper. To achieve this, the Group will enhance the utilization rate of water recycling by carrying out the upgrade of its water-saving facilities, and optimize the operation of wastewater treatment facilities with a view to enhancing the recycling rate of wastewater, thereby reducing the clean water consumption with this two-pronged approach.

»Packaging Materials

Plastics and paper are the Group's major packaging materials. Due to the increase in production capacity and volume during the Year as well as the increase in moist proof packaging in response to the market and customer demand, the total consumption and intensity of major packaging materials both increased.

Major packaging materials	FY2020	FY2019	Change
Total consumption (tonnes)	10,259	8,922	+15.0%
Intensity (tonnes/ten thousand tonnes of paper)	7.07	6.53	+8.3%

A3. ENVIRONMENT AND NATURAL RESOURCES

»Green products

The Group always encourages technological innovation as well as the research and development of green products. We continuously innovate and upgrade our products and support the research and development of lightweighted and high-performance products, including testlinerboard, light weight high performance corrugating medium, recycled printing and writing paper, recycled corrugating medium, unbleached linerboard, white top linerboard, coated duplex board and coated white top linerboard. This series of environmentally friendly product with strong edge in resource conservation is leading the development of light-weighted paper packaging.



»Environmental Certifications




The Group obtained the certification of "China Environmental Labelling Product" and was successively granted various certifications under international standardized management systems, including ISO9001 certification for quality management systems, ISO14001 certification for environmental management systems, OHSAS18001 certification for occupational health and safety management systems and FSC™ certification for forest environmental protection systems.

»Impact on Natural Resources and the Environment

The Group produces paper with recovered paper, which accounts for over 95% of total raw materials for production. It is estimated that 1 tonne of recovered paper produces approximately 0.8 tonne of finished product of paper. Therefore, in comparison with paper-making solely with kraft pulp, it can save wood of approximately 3 to 4 cubic meters, standard coal of approximately 1.2 tonnes, electricity of 600 kWh and water of over 100 tonnes. Recovered paper recycled by the Group amounted to over 14.70 million tonnes per annum, which significantly reduced logging and consumption of water resources and energy, thereby reducing waste discharge and relieving the burden of the environment.

The Group proactively solves the problem of odour in the plant area. We have adopted the advanced anaerobic IC treatment technology in the treatment of wastewater generated from paper production, through which the organic substances in wastewater can be decomposed by anaerobic microorganisms. We collect the methane generated from the process as clean energy to be incinerated in boilers. Concerning the odor generated from various pools in sewage treatment plants, including acidification pools and thickening pools, we implement tank topped-out and ventilation to the odor source, and carry out biological treatment and alkaline sprinkling cleaning treatment of the odor, or send it to boilers for incineration.

The Group is highly concerned about its noise emission, and ensure compliance with the national "Emission Standard of Noise for Industrial Enterprises at Boundary" (《工業企業廠界環境噪音排放標準》) (GB12348-2008). We have installed acoustic insulation panels and mufflers for equipment that produce heavy noise, and set up noise-insulated control rooms in the workshops at paper manufacturing bases and packaging bases to prevent staff from working under high noise levels for prolonged hours. In addition, noise protection devices, such as earplugs, are provided and employees are required to wear them during inspection around the workshops. We also conduct noise monitoring around the plant area on a regular basis, and actively communicate with local residents, so as to minimize the impact on their daily life.

Advocacy of Transparent Management		Construction of Environmental Protection Management System	
To ensure open and transparent environmental information, we have set up an LED display screen at the main entrance of our plant area and displayed key environmental data for the paper manufacturing industry to the public, such as sulphur dioxide and COD, which is monitored in real time by local environmental authorities via intranet		A range of systems including a centralized control system on environmental protection, an operational management ledger, and a ledger for facilities and equipment inspection and maintenance	
		The centralized control system on environmental protection incorporates the core environmental protection equipment, process operation parameters and online monitoring data into the environmental protection SMS alarm platform, so as to maintain 24-hour online monitoring of the environmental protection operation condition of all bases of the Group	

A4. CLIMATE CHANGE

Extreme weather becomes more prevalent every year as a result of climate change. The frequent occurrence of high temperature, chilly conditions, typhoons and rainstorms may affect the procurement of recovered paper, as well as the operation of production facilities, and pollution prevention and treatment facilities in the paper industry, while bringing about certain impact on the transportation of raw materials, auxiliary materials and finished goods.

In response to a wide range of possibilities, the Group will keep abreast of the changes in weather conditions in advance, so that we can activate the emergency response mechanism under extreme weather. We will make reasonable adjustments to the production plan to secure normal transportation of raw materials and supplementary materials, as well as normal operation of our facilities, thereby mitigating the adverse impacts arising from climate change.

»»Employment and Labor Practices

Employees are the cornerstone of the Company's success, and "Respect and care for our staff" is one of the core values of the Group. It would be impossible for the Group to have the current sustainable and stable development without the support of its employees. We not only care about our employees' well-being but also their personal and career development.

B1. EMPLOYMENT

»»Employment and Benefits

The Group ensures compliance with regulations and contracts in relation to employment in the jurisdiction where it operates by conducting its recruitment in a fair, open and impartial manner, and providing its employees with competitive remuneration and benefits. For instance, our employee recruitment in Mainland China is in strict compliance with regulations such as the "Labor Law of the People's Republic of China" (《中華人民共和國勞動法》) and the "Labor Contract Law of the People's Republic of China" (《中華人民共和國勞動合同法》). Meanwhile, we have formulated comprehensive internal systems, namely the "Recruitment Management System" (《招聘管理制度》) and the "Professional Title Evaluation System" (《職稱評審制度》), to ensure equality in the workplace, regardless of the employees' gender, age (except for minors), region and ethnicity. Candidates who meet the job requirements will be able to obtain equal working opportunities. All recruited employees will enter into labor contracts in writing with the Company once they join and report to the Company, which adequately protect the rights of labors.

Upholding the mission of “Taking a leading position in the industry in terms of production output and efficiency, quality management of employees and software management as well as employees’ benefits and remuneration”, we provide employees with competitive remuneration and benefits among its peers in accordance with the “Remuneration and Benefits Management System” (《薪酬福利管理制度》), and offer attendance bonus to encourage high-caliber staff. In addition to contributions to retirement insurance, work injury insurance, medical insurance, maternity insurance, unemployment insurance and housing provident fund as required by the government, we also offer other benefits, including meal allowance, shift allowance, high temperature allowance, subsidies for environment protection, phone bill allowance and business travel allowance.

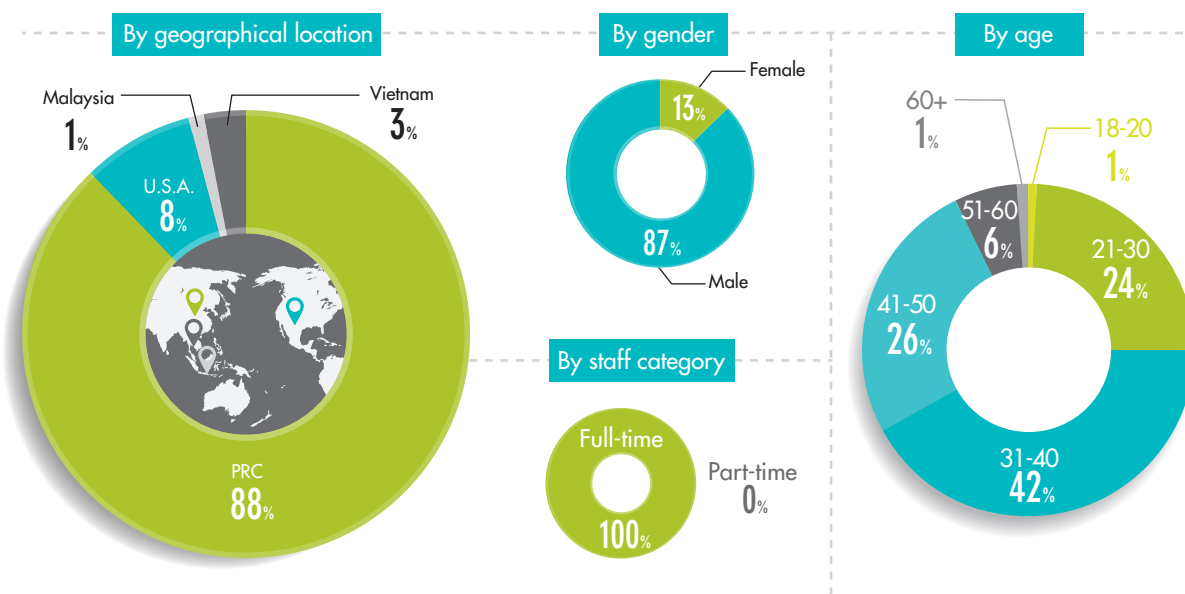
The Group has built its own housing complexes with pleasant environment to provide dormitories to all employees. Besides, with a view to enriching employees’ life after work, the Group also provides various living and entertainment facilities, such as gym rooms, swimming pools, basketball courts, football fields and badminton courts. We attach great importance to the meal quality and nutrition in staff canteens, for example, the canteen in Dongguan base uses fresh ingredients supplied by our own ecological park. During the hot summer season, our plants in different areas will arrange the delivery of some cooling refreshments to employees.

In respect of working hours and holidays, the Group, in strict compliance with laws and regulations, ensures that employees can at least have one day off after six days of work. Pursuant to the “Regulation on Public Holidays for National Annual Festivals and Memorial Days” (《全國年節及紀念日放假辦法》), we arrange day offs for employees on national statutory holidays and give overtime pay to those who are unable to take day off in accordance with the regulation. Pursuant to the “Regulation on Paid Annual Leave for Employees” (《職工帶薪年休假條例》), we provide paid annual leaves to all employees. Pursuant to the “Special Rules on Labor Protection for Female Employees” (《女職工勞動保護特別規定》), we provide maternity leave and breastfeeding leave to female employees. Advocating work-life balance, the Group encourages employees to enhance work efficiency and avoid overtime. During the Year, the average overtime hours of employees was 34 hours, representing a year on-year decrease of 10.5%.

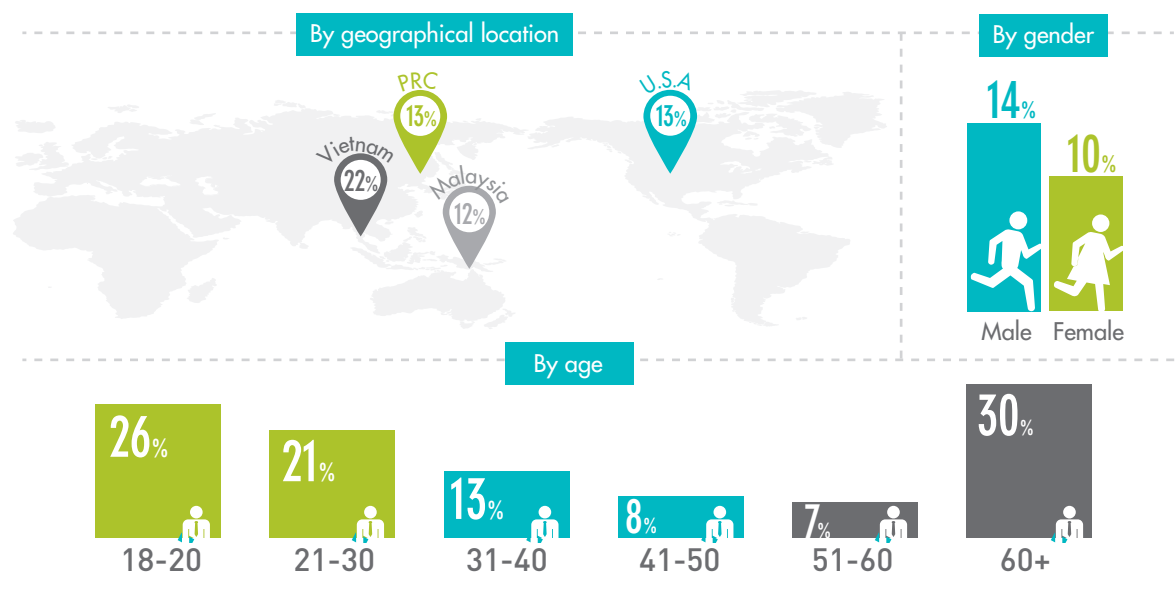
With an aim to further foster the sense of belonging and team spirit, the Group has formed various leisure and recreation clubs, including photography club, badminton club, dance club and volunteer club. Diverse recreational and cultural events have also been held, such as various sports events, Chinese New Year banquets, Lantern Festival Fun Fair and Mid-autumn Festival barbeque gatherings.

As at 30 June 2020, the Group employed a total of 18,740 full-time staff, 16,481 are from the PRC (including Hong Kong), 602 from Vietnam, 164 from Malaysia and 1,493 are from the United States.

»The breakdown of staff



»The staff turnover rate



B2. HEALTH AND SAFETY

Upholding the principles of "Safety first" (「安全第一」) and "No fire, No injury" (「不輕傷一個人、不着一把火」), the Group strives to reduce the health and safety risks in its production sites and workplaces.

The Group maintains social insurance, including work injury insurance, for all employees pursuant to regulations such as the Prevention and Control of Occupational Diseases of the People's Republic of China (《中華人民共和國職業病防治法》) and the Regulation on Work-related Injury Insurance (《工傷保險條例》). Furthermore, the Group sets up a fire safety management department, and strictly implements relevant safety regulations and practices formulated by the Group, including Safety Incidents Reporting Management Practices (《集團安全事故匯報管理規範》), Material Stacking Management Practices (《集團物料堆垛管理規範》), Fire Safety Management Practices (《集團消防安全管理規範》), Proposal for Handling of Hazardous Chemical Incidents (《危險化學品事故處置方案》), and Hazardous Waste Stacking Management Practices (《集團危廢物料堆垛管理規範》), amongst others.

The Group provides a broad range of safety protection supplies for all workers, including safety helmets, safety shoes, earplugs, earmuffs, gloves and heat insulation gear, and organizes physical examination in respect of occupational health for staff every year.

Fire safety is a key integral part of corporate governance, particularly the top priority for the paper manufacturing industry. In addition to demanding for strictly complying with the Fire Safety Management Practices by our employees, we have also formed a firefighting team. We highly value the physical training and responsiveness of the team and regular fire drills for coping with fire emergency.

In order to improve employees' capability to deal with emergencies, we organize a large number of emergency drills every year. The Group held over 1,303 emergency drills during the Year.

In response to the outbreak of the COVID-19 pandemic, we have immediately formed a COVID-19 pandemic prevention and control team, establishing various pandemic prevention and control mechanisms as well as safety measures, including: requesting staff from severely infected areas not to return to office temporarily during the pandemic; setting up a dedicated quarantine area for conducting quarantine and observation of employees from or having bypassed severely infected areas; requiring employees to report and register their travel history; regularly disinfecting the plant area, office buildings and employees' dormitories; measuring and registering the body temperatures of employees when entering the plant area, office buildings and employees' dormitories; distributing face masks and providing hand sanitizers to the staff; giving priority

to those staff who are responsible for pandemic prevention and control, and waste paper inspection when providing safety protection supplies such as protective gear, N95 face masks and protective gloves; employees are required to wear face masks and maintain safe distancing during the pandemic; requiring employees to abide by alternated shifts and dining time while also dining isolated, and conducting specialized training on the knowledge on prevention and control of COVID-19 for employees.

During the Year, the total working days lost due to work injuries were 4,961 days (FY2019: 10,014 days), which were mainly attributable from minor work injuries. Regarding the management and control of work injury of the Group, our next focused task will integrate with innovation. We strive to accomplish the goal of “No fire, No injury” fundamentally by eliminating the potential risks with innovative means and reformed safe work practices.

B3. DEVELOPMENT AND TRAINING

The Group values each of its employees. Attaching importance to the human resources power, our personnel management focuses on enhancing staff morale, rendering staff members with hope, momentum, vibrancy and the caring and warmth in the big family of Nine Dragons Paper.

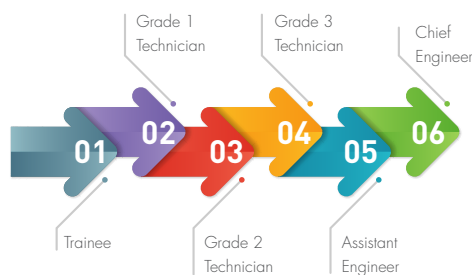
»Staff Development

The Group has established a management path and a technology path for employees' selection, encouraging them to take both paths for career development. Employees in positions requiring professional techniques can achieve promotion and development by following the professional technique path. With their positions remaining unchanged, they can realize improvement in their position rank and remuneration package in the enterprise.

Management Path



Professional Technique Path



»Staff Training

The Group provides a continuous learning environment for its employees by offering various internal and external trainings, which enable them to acquire the latest industry knowledge and techniques, thereby staying abreast of industry standards and market trends. It also provides related training programs to all employees.

External trainings include special operations training and certification, middle-level executive reserve cultivation, Nine Dragons Class student cultivation, professional skills training, etc. During the Year, a total of 2,241 participants (FY2019: 2,529) from the Group joined the external trainings. Total funding provided by the Company was approximately RMB3.56 million (FY2019: RMB3.68 million).

During the Year, the Group organized a total of 7,495 (FY2019: 8,296) internal trainings, and a total of 178,024 participants (FY2019: 218,843) joined such trainings, among which 415 (FY2019: 460) were senior management; 10,630 (FY2019: 10,219) were middle-level management.

In terms of training hours, the Group carried out 208,256 hours (FY2019: 267,066 hours) of training in total during the Year, with average training hours of 12.2 hours (FY2019: 15.2 hours) per employee, among which average training hours of male employees were 11.8 hours, average training hours of female employees were 14.5 hours; 816 hours (FY2019: 935 hours) were attended by senior management; 11,540 hours (FY2019: 13,620 hours) were attended by middle-level management.

In terms of the types of training carried out by the Group, 54,584 participants (FY2019: 57,560) joined professional skills training; 86,383 participants (FY2019: 117,413) joined safety training; 4,137 participants (FY2019: 5,857) joined clean and civilized production training; 16,202 participants (FY2019: 21,723) joined conceptual guidance and professional ethics training; and 16,718 participants (FY2019: 16,291) joined other types of training during the Year.

Overall, many training programs were cancelled by reason of the pandemic outbreak during the Year, and hence the number and hours of training has decreased as compared to the previous year.

B4. LABOR STANDARDS

The Group strictly complies with the minimum age requirement as stipulated by laws and regulations of the places in which it operates and prohibits itself from recruiting children under age of 16. The youngest among the existing employees in the Group are over 18. In the event of any discovery of child labor or use of forced labor, the Group will cease the breach immediately and review the vulnerabilities so as to improve the relevant management systems.

The Group has a staff union in place with members from different departments, who can represent the interests of grass-roots employees. The Company attaches importance to organizing staff union activities and demonstrating its roles so as to put our humanized management concepts into practice.

The Group has been at the forefront of the industry in fulfilling its social responsibilities. Nine Dragons Paper Industries (Dongguan) Co., Ltd. has taken the lead in introducing SA8000 Social Responsibility Management System in the industry since 2013, and passed the certification and was awarded the certificate in February 2015. Nine Dragons Paper Industries (Taicang) Co., Ltd. has also passed the SA8000 Social Responsibility Management System certification and was awarded the certificate in September 2016.

B5. SUPPLY CHAIN MANAGEMENT

The Group has a series of rigorous selection criteria for the evaluation of qualified suppliers. A comprehensive evaluation is conducted on suppliers in terms of company qualification (including time of inception, registered capital, shareholders of the company, scope of operation, necessary qualifications and certificates of the industry, etc.), entities of the company, manufacturing capability (including main products and production capacity, production equipment, inventory, etc.), technical competence (including patents, number of technicians, etc.), aftersale service ability, ISO certification, the capability of quality management and control, honour(s) awarded to the company, business relationships among the suppliers, corporate reputation, geographical advantages of the suppliers, etc. The suppliers are required to provide all information for filing and evaluation in accordance with the Group's requirements. Suppliers evaluated as qualified are recorded into the system as qualified suppliers and the failed are listed as unqualified suppliers.

The Group identifies whether the supplier is in normal operating condition by tracking the business and enterprise information of suppliers on a regular basis. Re-evaluation is made for suppliers with abnormal operating condition. Meanwhile, the suppliers will be tracked regularly to identify any breach of fiduciary duties, and suppliers with such acts of breach will be frozen.

As at 30 June 2020, the number of suppliers of the Group totaled 8,236 (FY2019: 7,819), among which the suppliers of the China bases amounted to 6,994 (FY2019: 6,674) and the suppliers of the Vietnam base amounted to 1,242 (FY2019: 1,145).

B6. PRODUCT RESPONSIBILITY

The packaging paper products of the Group are applicable to various consumer goods. As an enterprise that shouldered its social responsibility, product safety and quality is one of our key commitments to customers.

»»Quality assurance

Quality is the core competitiveness of manufacturing industry, and an intrinsic support for perpetuating a brand that thrives for a century. All bases of the Group are making proactive efforts in facilitating works in relation to ISO9000 quality management system, ISO14000 environmental management system, OHSAS18001 occupational health and safety management system and FSC™ certification for forest environmental protection systems. We add no environmentally and physically harmful substances during the process of production. In addition, we carry out precise management and control through domestically and internationally advanced online monitoring and production and quality management system, i.e. DCS, QCS and other systems, and regularly inspect the substances of papers, which are concerns of the customers, through authoritative testing organizations such as SGS.

»»Follow-up of complaints and recall of products

Benefited from its professional customer service team and well-established workflow of customer service, the Group is able to carry out all-direction works, including pre-sale, sale and after-sale works. We highly value the feedback of customers, and hence actively visit our customers on a regular basis and actively and professionally answer the questions raised by them. Also, we convene analysis meeting periodically and carry out customer satisfaction investigation works quarterly, so as to continue to improve the quality of products and level of service to the satisfaction of customers genuinely.

For each complaint, the Group designates sales personnel and aftersale service personnel to follow up, conduct onsite handling and provide solutions, so as to reach a consensus between the customers and the Group. The Group responds to the complaints promptly. After verification, complaints within the province, and complaints in remote areas within the province or in other provinces will be handled and closed in 3 working days and 5 working days, respectively. The Group is also committed to achieving the response rate of 100% for complaints from all clients. The Group stipulates that all evidences such as vouchers and records in relation to the complaints must be filed to ensure there are relevant records and evidences available for inspection or for reference.

The Group has a set of comprehensive product traceability management system, under which each product has an independent barcode and label (qualification certificate) that are accurately traceable with SAP, PIMS system, etc. Furthermore, the Group has a stringent product recall management system in place.

During the Year, the complaint rate, calculated based on the number of complaints received for every 10,000 tonnes of products sold, was 0.029% (FY2019: 0.037%), mainly involving minor quality issue, while none of any cases of recall of sold or shipped products for safety and health reasons has occurred.



»Safeguarding and protecting intellectual property rights

The Group has specifically established the Internal Audit Department, contract review personnel and external legal team which have comprehensive study in the relevant practices and legal knowledge involving intellectual property rights. In addition, the Group has various well-established management and regulations and systems. It also makes reference to the local laws and regulations in relation to intellectual property rights in the places of business when drafting various external documents including purchase/sales contracts, supply agreements and quotations. In order to enhance protection on intellectual property rights of the Group, the related management of the Company receives the corresponding training on a regular basis.

»Consumer data protection and privacy policies

The Group develops a stringent information confidential system (e.g. "The Group's Internal Information Confidential Management Practices" (集團內部信息保密管理規範)). For the purpose of ensuring that customer data and privacy are given adequate protection, and as required by the Information Confidential Management Practices, the related responsible persons must keep complete secrecy of all the confidential materials and confidential information, and shall never spread them without authorization. Meanwhile, the responsible persons shall keep confidential of the data and information, and confidential materials and confidential information leak resulting from mismanagement is not allowed. The responsible persons shall not photograph, copy and make private copies of any confidential documents and data without authorization, and shall not discuss the secret matters in public places and refer to any secret matters in private communication. The copies of confidential materials shall be regarded and managed as if they are the original, and the waste pages generated during the process of copying shall be destroyed in a timely manner. The passing of confidential materials, for which personal service is required, shall be performed in compliance with secrecy measures. We shall implement classified management for documents and shall manage and control the limits of authority of the responsible persons to browse and download such documents in accordance with secrecy requirements.

During the Year, the Group has no such case regarding the leakage of personal information of any customers.

B7. SOUND CORPORATE GOVERNANCE

The Group firmly believes that sound and effective corporate governance, which is a fundamental element in the development of all enterprises, is essential for safeguarding the interests of all stakeholders. In order to maintain the highest level of corporate governance, the Group has adopted a set of comprehensive corporate governance principle, emphasizing the need for an excellent Board, effective internal management and control and stringent disclosure practices, as well as the transparency and accountability for all stakeholders. In addition, the Group constantly updates such practices with a view to fostering a corporate culture with high standards of integrity.



ANTI-CORRUPTION

The Group has specifically established a specialized "Group Audit Regulatory Department" (集團審計監管部) to prevent corruption and investigate corruption cases. Appointed by the Group, the Group Audit Regulatory Department is independent from the management and capable of maintaining objectivity and independence in its governance structure and practical work. Regular operating management audits and special audits are conducted by the Group Audit Regulatory Department quarterly to each of the production bases, while the "Regulatory Commission (監管會)" is also set up in each of the production bases respectively to supervise and manage daily works. Technically, the Group applies the SAP and OA (office automation) systems to achieve routinization and standardization of all businesses, and makes continuous revision and improvement based on feedbacks to minimize the practicability of corruption and related loopholes. In addition, the Group Audit Regulatory Department shall maintain all whistle-blowing of corruption and bribery by any employees in confidentiality and make relevant investigations. During the Year, no outstanding and concluded litigation in relation to corruption was brought against the Group and its employees.

The Group provides anti-corruption education and training for the staff holding key positions on a regular basis. Specialized anti-corruption education and training were arranged for new employees during orientation. The legal department of the Group provides anti-corruption education and training to relevant employees on a quarterly basis. In addition to group-wide anti-corruption trainings, each functional department also promotes anti-corruption education at their department meetings. Further, the "Letter of Undertaking of Integrity (廉潔承諾書)" shall be signed by all the purchasing, sales and supervision personnel and employees holding positions related to economic activities in all other departments of the Group and each of its production bases. The Group and each of its production bases enter into the "Non-improper Commercial Practices Agreement (禁止不正當商業行為協議)" concurrently while entering into commercial contracts with external parties.

All the in-service staff of the Group are strictly prohibited from taking part-time jobs or participating in the operation of business in relation to the Group's activities without permission. Any in-service personnel, whose families (including his/her immediate relatives, spouse and children) establish a company by themselves, is required to file registration with the regulatory department. In the event that the organizations, in which the relatives and friends of the in-service personnel (including his/her immediate relatives, spouse, children, classmates, friends, etc.) work, are doing business with the Group, such personnel shall submit a list of those relatives and friends to the Group and avoid contact with them during the course of business. It is strictly prohibited from divulging any information of the Group to the ex-service personnel.

The Group has communication channels in place for accepting opinions and processing complaints. Internally, we collect the employees' complaints and suggestions through a specific email box for complaints, i.e. the "集團投訴 claim_group/NDDG/ndpaper" and "Chairlady Mailbox (董事長信箱)" established in each of the production bases. Externally, we conduct a service satisfaction survey with customers and suppliers on a regular basis by issuing questionnaires to collect their advice, complaints and suggestions. The commercial contracts entered into with external parties are attached with the "Complaint Handling Guidelines (投訴處理指引)" and there is a notice board about the method of complaints being placed at the loading and unloading site in respective production bases. Among all the matters complained about, those related to each production base will be investigated and handled by the Regulatory Commission thereof, and for those with more significant influence or covering a wider range, a special investigation will be conducted and handled by the Group Audit Department.



COMMUNITY

The Group has been proactively performing its social responsibility and participating in national and local economic development, thereby sparing no efforts in poverty alleviation in the community. In addition to assistance to the poor and vulnerable groups, we support education and poverty alleviation through industry development in poverty-stricken areas, aiming to boost local economic development and create long-term job opportunities. Besides, we are committed to improving the infrastructures in rural areas and improving the living environment of the villagers. During the Year, we also endeavoured to support the prevention and control efforts in fighting the COVID-19 pandemic.

During the current financial year, the Group donated money and materials worth over RMB100 million in various public welfare activities, including:

- Proactively supporting the national initiatives to combat the COVID-19 pandemic: RMB31 million was donated in cash and urgently needed medical supplies worth about RMB2.4 million were procured from various overseas regions and transported back to Mainland China. A Hubei-aid transportation team comprising members of our staff was dispatched to Wuhan with the medical supplies;
- Enthusiastically supporting efforts against the pandemic overseas: medical supplies worth over RMB1.6 million in aggregate were donated to the United States (including over ten thousand medical protective gears and over 100,000 medical face masks); 50,000 medical face masks worth over RMB100,000 in aggregate were donated to Brazil; and supplies worth approximately RMB170,000 in aggregate were donated to Malaysia;
- The Group has always insisted on targeted poverty alleviation and consistently participated in "Guangdong Poverty Alleviation Day" with accumulated donations of over RMB230 million. With these donations for the poverty-stricken areas, the Group focused on supporting the local education, poverty alleviation through industry development, providing assistance to the poor and underprivileged groups, improving the infrastructures in rural areas and improvement of the living environment of villagers, benefitting various underdeveloped areas, including western and northern Guangdong;
- The Group has established the "Nine Dragons Class" with persistence for many years. Poverty alleviation was achieved by way of vocational education with over 1,000 students trained to date. The program provided funding for higher education as well as job opportunities for underprivileged students in remote regions, which served as a sound platform for children from poor families, encouraging them to make positive changes to the future of themselves and their families through their own diligent efforts. This also cultivates for the nation and the industry workers of the new era with consciousness and skills for sustainable development, while keeping a heart of gratitude and love towards the society;
- The Group has established a number of "Caring Bases" to care for poor children staying in mountain regions;
- A total amount of over RMB7 million was donated to support the "A Piece of Caring Paper" activity of China Charity Federation, helping children with congenital heart disease while actively promoting waste paper recycling;
- The Group has actively engaged in poverty alleviation work for ethnic minorities in poverty-stricken areas by donating RMB5 million to improve the education facilities at Ga-la Middle School in Ganzi Yajiang, as well as donating RMB1 million to "Lighting Life in Tibet", a charity project initiated by overseas Chinese;
- The Group proactively participated in disaster relief and made donation for the construction of "Heart Resettling Houses" in disaster-stricken areas several times and donated RMB37 million in aggregate for earthquake disaster relief in Wenchuan, Yushu and Ya'an to assist people in those areas to rebuild their homes;
- The Group has actively supported the nation for successfully hosting the 2022 Beijing Winter Olympic Games and donated RMB20 million for the construction of the Overseas Chinese Ice-Snow Museum;
- The Group has been awarded a number of honors such as "National Poverty Alleviation Award", "China Charity Prize", Advanced Private Enterprise among "Ten thousand enterprises assisting ten thousand villages across the nation", "Chinese Merchants Contribution Award" and "Guangdong Poverty Alleviation Cotton Tree Golden Cup";
- In Hong Kong, a total of over HK\$8.6 million have been donated to various organizations, including New Home Association, Our Hong Kong Foundation and Hong Kong Federation of Women in an effort to build a loving community.



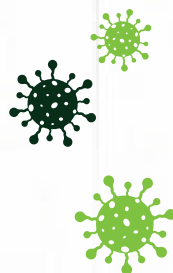
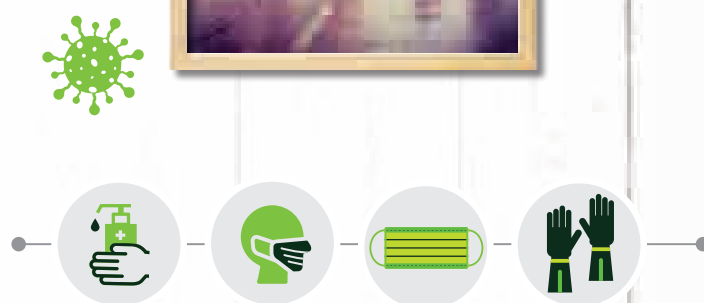
MAJOR COMMUNITY ACTIVITIES PARTICIPATED IN FY2020

1. SUPPORT DURING THE COVID-19 PANDEMIC

Since the outbreak of the COVID-19 Pandemic, the Group actively donated RMB31 million in cash to China Charity Federation to support the hardest-hit Hubei province. Given the practical difficulties of critical shortage of materials for pandemic prevention and control in domestic affected areas, the Group mobilized all its forces to purchase the relevant medical supplies in the United States and Brazil urgently. Eventually, with the tremendous efforts from its management and teams, the Company successfully purchased tens of thousands of protective suits and N95 masks valuing approximately RMB2.4 million in total.

Due to continuous spreading of the pandemic, traffic restrictions have been in place in various cities. In order to relieve the pressure on domestic logistics and deliver materials as quickly as possible, our vehicle fleet from Dongguan base undertook the tough task of domestic transportation by establishing the "Aiding-Hubei Pandemic Materials Transporter" (捐助物資馳援湖北運輸隊) to deliver protective suits and other medical supplies to Hubei immediately and give them to various major hospitals receiving critical patients. In addition, we donated a lot of medical masks for the pandemic prevention work in various places, including Liaoning, Tianjin, Beijing, Dongguan.

Funded by the Group, China Charity Federation provided a special disinfection fund to the Blue Sky Rescue to purchase professional disinfectant sprayers and disinfection drugs used for the disinfection work in mobile cabin hospitals, communities, large-scale public transit hubs and other areas in Wuhan with high-density traffic flows. In collaboration with China Charity Federation, we also provided 60 blood purification devices to Hubei for critical patients.

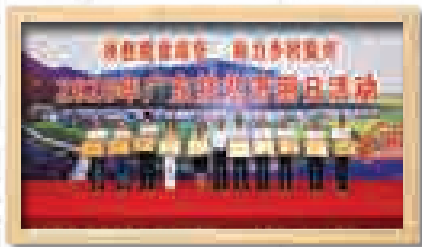


2. TARGETED POVERTY ALLEVIATION PROJECTS

In poverty-stricken areas, Nine Dragons Paper focuses on education, poverty alleviation through industry development, support to the underprivileged groups, improving the infrastructure in rural areas and improvement of the living environment of villagers, benefitting various underdeveloped areas in China.

• Guangdong Poverty Alleviation Day

In June 2020, the Group donated RMB42 million during the activity of Guangdong Poverty Alleviation Day (廣東扶貧濟困日) to support the targeted poverty alleviation and rural revitalization in Guangdong and was awarded the "Guangdong Poverty Alleviation Cotton Tree Golden Cup" (廣東扶貧濟困紅棉杯金杯) and was honoured as an Outstanding Contributing and Caring Enterprise in the event of the 10th anniversary of Guangdong Poverty Alleviation Day (廣東扶貧濟困日10周年突出貢獻愛心企業) at both the provincial and municipal levels.



• Ten Thousand Enterprises Assisting Ten Thousand Villages

In October 2019, the Group was honoured as an Advanced Private Enterprise in "Ten Thousand Enterprises Assisting Ten Thousand Villages" targeted poverty alleviation programme (全國萬企幫萬村精準扶貧行動先進民營企業).



• "A Piece of Caring Paper" campaign

The Group financed "A Piece of Caring Paper" campaign (一張紙獻愛心行動) organized by China Charity Federation with accumulated donations of over RMB7 million to help many children with congenital heart disease and patients with echinococcosis from the poverty-stricken families in Tibet, Xinjiang, Gansu and Qinghai.



• Great Love in Small City

Great Love in Small City (小城大愛), a project of the Group to help the needy children in neighboring district, has been lasted for five years and helped more than 170 persons.



• Support Guangdong rural revitalization

Rural roads rebuilding

Before



After



School construction

Before



After



Construction of public service center

Before



After



Financing new home construction for low-income families

Old dilapidated home



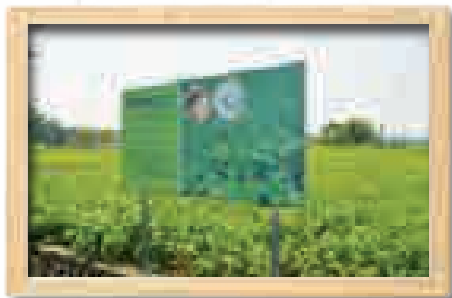
New home



Village road rebuilding and road lamp installation



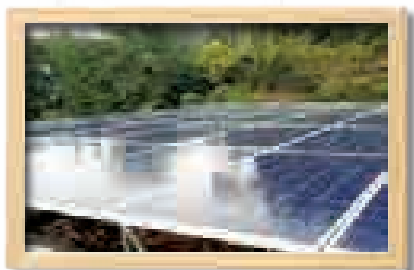
Financing construction of mulberry growing and silkworm raising base



Financing water channel construction



Financing construction of photovoltaic power generation project



Financing primary school campus improvement



Financing construction of pearl cultivation base and providing unemployment solutions to low-income families



• Funding Caring for Poverty-stricken Mother Program in Guangdong rural areas

The Group helped 164 mothers suffered from severe diseases among the poverty-stricken population in the rural areas in 14 prefecture-level cities in Guangdong.



3. ASSISTING LEARNING AND TEACHING & SCHOOL-ENTERPRISE COOPERATION PROGRAM

• Continuing to open Nine Dragons Class

The 15th Nine Dragons Class was opened in September 2019, providing two majors, i.e. pulp & paper and equipment, to 85 students. The project has been launched for 15 years and provided trainings to 1,025 persons, which not only realized education-oriented poverty alleviation but also developed modern industrial workers with environmental awareness and advanced technological skills for the country.



• Other education-oriented poverty alleviation projects

The Group subsidized several middle and primary schools and communities for the improvement of school facilities, establishment of various education funds and scholarships and financed various teaching and research activities.

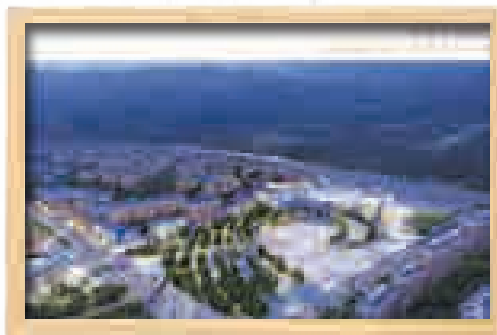


4. CARING FOR THE ELDERLY



5. FINANCING CONSTRUCTION OF OVERSEAS CHINESE ICE-SNOW MUSEUM

- In order to support the 2022 Winter Olympic Games to be organized in Beijing, China, the Group donated RMB20 million in January 2020 for the construction of Overseas Chinese Ice-Snow Museum (華僑冰雪博物館).



A. Environmental	Key Performance Indicator	
Aspect A1: Emissions		
Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	A1	✓
The types of emissions and respective emissions data	A1.1	✓
Greenhouse gas emissions (in tonnes) and intensity	A1.2	✓
Total hazardous waste produced and intensity	A1.3	✓
Total non-hazardous waste produced and intensity	A1.4	✓
Emissions targets set and steps taken to achieve them	A1.5	✓
How hazardous and non-hazardous wastes are handled, waste reduction targets set and steps taken to achieve them	A1.6	✓
Aspect A2: Use of Resources		
Policies on the efficient use of resources, including energy, water and other raw materials	A2	✓
Direct and/or indirect energy consumption by type in total and intensity	A2.1	✓
Water consumption in total and intensity	A2.2	✓
Energy use efficiency targets and steps taken to achieve them	A2.3	✓
Whether there is any issue in sourcing water that is fit for purpose, water efficiency targets and steps taken to achieve them	A2.4	✓
Total packaging material used for finished products with reference to per unit produced	A2.5	✓
Aspect A3: The Environment and Natural Resources		
Policies on minimising the issuer's significant impact on the environment and natural resources	A3	✓
Significant impacts of activities on the environment and natural resources and actions taken to manage them	A3.1	✓
Aspect A4: Climate Change		
Policies on identification and mitigation of significant climate-related issues which have or may have significant impact on the issuer	A4	✓
Significant climate-related issues which have or may have significant impact on the issuer and actions taken to manage them	A4.1	✓

B. Social	Key Performance Indicator	
Employment and Labour Practices		
Aspect B1: Employment		
Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	B1	✓
Total workforce by gender, employment type (full time or part time), age group and geographical region	B1.1	✓
Employee turnover rate by gender, age group and geographical region	B1.2	✓
Aspect B2: Health and Safety		
Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	B2	✓
Aspect B3: Development and Training		
Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities	B3	✓
The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3.1	✓
The average training hours completed per employee by gender and employee category	B3.2	✓
Aspect B4: Labour Standards		
Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	B4	✓
Description of measures to review employment practices to avoid child and forced labour	B4.1	✓
Description of steps taken to eliminate such practices when discovered	B4.2	✓
Aspect B5: Supply Chain Management		
Policies on managing environmental and social risks of the supply chain	B5	✓
Number of suppliers by geographical region	B5.1	✓
Practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	B5.2	✓
Practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	B5.3	✓
Practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	B5.4	N/A

B. Social	Key Performance Indicator	
Aspect B6: Product Responsibility		
Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6	✓
Percentage of total products sold or shipped subject to recalls for safety and health reasons	B6.1	✓
Number of products and services related complaints received and how they are dealt with	B6.2	✓
Description of practices relating to observing and protecting intellectual property rights	B6.3	✓
Quality assurance process and recall procedures	B6.4	✓
Consumer data protection and privacy policies, and how they are implemented and monitored	B6.5	✓
Aspect B7: Anti-corruption		
The policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	B7	✓
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	B7.1	✓
Preventive measures and whistle-blowing procedures, and how they are implemented and monitored	B7.2	✓
Anti-corruption training provided to directors and staff	B7.3	✓
Aspect B8: Community Investment		
Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	B8	✓
Focus areas of contribution	B8.1	✓
Resources contributed to the focus area	B8.2	✓