

# Kimou Environmental Holding Limited 金茂源環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6805



# 2019

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

# CONTENTS

<b>1. About the Report</b>	<b>2</b>
<b>2. About the Group</b>	<b>3</b>
<b>3. Sustainable Development Strategies</b>	<b>3</b>
3.1. Stakeholder Engagement	<b>4</b>
3.2. Materiality Assessment	<b>5</b>
<b>4. Promoting Green Development</b>	<b>6</b>
4.1. Emission Management	<b>6</b>
4.1.1. Wastewater Management	<b>7</b>
4.1.2. Exhaust Gas Management	<b>7</b>
4.1.3. Waste Management	<b>8</b>
4.1.4. Greenhouse Gas Emissions Management	<b>8</b>
4.2. Optimization of Resource Use	<b>9</b>
4.2.1. Energy Management	<b>9</b>
4.2.2. Water Resources Management	<b>10</b>
4.2.3. Paperless Office	<b>10</b>
4.2.4. Methods to Optimize the Resource Use	<b>10</b>
<b>5. Working with Partners</b>	<b>12</b>
5.1. Protecting the Legitimate Rights and Interests of Employees	<b>13</b>
5.2. Attracting Talents	<b>13</b>
5.3. Listening to Employees	<b>14</b>
5.4. Promoting Career Development of Employees	<b>14</b>
5.5. Promoting Physical and Mental Health of Employees	<b>16</b>
<b>6. Creating Responsible Operation</b>	<b>18</b>
6.1. Supply Chain Management	<b>18</b>
6.2. Quality Control	<b>19</b>
6.3. Customer Satisfaction	<b>20</b>
6.4. Intellectual Property Protection	<b>20</b>
6.5. Customer Privacy Protection	<b>21</b>
6.6. Anti-corruption	<b>21</b>
<b>7. Establishing Harmonious Community</b>	<b>22</b>
<b>Appendix I: Sustainability Data Statements</b>	<b>24</b>
<b>Appendix II: Hong Kong Stock Exchange ESG Reporting Guide Index</b>	<b>27</b>



# 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1. ABOUT THE REPORT

Kimou Environmental Holding Limited (hereinafter referred to as “**Kimou**” or the “**Company**”) and its subsidiaries (hereinafter referred to as the “**Group**” or “**we**”) are pleased to announce our first Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”). The Report aims to describe the Group’s sustainable development work and how the Group fulfilled the commitment to corporate social responsibility from 1 January 2019 to 31 December 2019 (hereinafter referred to as the “**Year**” or the “**Reporting Period**”).

### Reporting Standards

The Report is prepared in accordance with the ESG Reporting Guide (hereinafter referred to as the “**Guide**”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its contents also comply with the reporting principles required in the Guide.

### Reporting Scope

The contents covered in the Report focus on the Group’s core business. Unless otherwise stated, the Report covers the business directly controlled by the Group. The key performance indicators (hereinafter referred to as the “**KPIs**”) relating to the environmental subject area presented in this Report cover the Group’s Guangdong Huizou Park and Tianjin Bingang Park (hereinafter referred to as “**Parks**”). Please refer to the section headed “Corporate Governance Report” in the annual report or the Group’s official website ([www.platingbase.com](http://www.platingbase.com)) for detailed information about the corporate governance of the Group.

### Reporting Language

The Report is prepared in both traditional Chinese and English. In case of discrepancy, the traditional Chinese version shall prevail.

### Feedback on the Report

We value your feedback with regards to the Report. Your valuable feedback is of great importance for the Group to determine our short-term and long-term sustainable development strategies. Please contact us for any inquiries or suggestions.

## 2. ABOUT THE GROUP

The Group develops and operates large-scale industrial parks in the People's Republic of China ("**China**" or the "**PRC**") which are specifically designed for the electroplating industry. The Company's shares have been successfully listed on the Stock Exchange since 16 July 2019.

The Group currently operates two electroplating industrial parks, namely the Guangdong Huizhou Park which commenced operation in 2007 and the Tianjin Bingang Park which commenced operation in 2016, which are strategically located in Guangdong Province and Tianjin where most of the PRC electroplating enterprises are located in order to enjoy convenient transportation network and to have close proximity to its customers. As at 31 December 2019, the total leasable area of Guangdong Huizhou Park and Tianjin Bingang Park attained approximately 347,000 sq.m and 256,000 sq.m respectively while the daily capacity of handling wastewater treatment capacity of the Group's electroplating industrial parks reached 16,000 tonnes in total.

With the Group's extensive experience and expertise in developing and operating large scale electroplating industrial parks and in-depth understanding of the electroplating industry, the Group actively advocates energy saving, and emission reduction as well as strengthens environmental education to build a sustainable green environment.

## 3. SUSTAINABLE DEVELOPMENT STRATEGIES

With the mission of "Protecting the Environment and Benefiting the Mankind" (「保護環境造福人類」), the Group strengthens environmental protection with solid technologies and a down-to-earth attitude, develops a low-carbon economy, treats the material issues concerned by various stakeholders as references for its own development direction, and formulates our sustainable development strategies. To further enhance ESG management, setting up an internal team to monitor our ESG issues (hereinafter referred to as the "**ESG Group**") is one of our plans in the coming year. ESG Group will build good communication with the Group's board of directors to ensure their responsibilities on ESG strategies and disclosures.





# 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3.1. Stakeholder Engagement

Stakeholders of the Group include customers, shareholders/investors, employees, business partners, regulatory authorities, media, community/non-governmental organizations, peers, suppliers, etc. The Group highly values the engagement of various stakeholders.

The following table provides an overview of the Group's key stakeholders and various platforms and methods of communications are used.

Key Stakeholders	Key Engagement Methods
Customers	<ul style="list-style-type: none"> <li>• Customer service centers</li> <li>• Daily operation/interaction</li> <li>• Customer satisfaction surveys</li> </ul>
Shareholders/Investors	<ul style="list-style-type: none"> <li>• Annual general meetings and other general meetings</li> <li>• Interim reports and annual reports</li> <li>• Corporate communications, such as letters/circulars to shareholders and notices of meetings</li> <li>• Results announcements</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Conferences/workshops/seminars</li> <li>• Channels for employees to express opinions (forms, suggestion boxes, interviews etc.),</li> <li>• Work performance assessments/appraisal</li> <li>• Business briefings</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Visits</li> </ul>
Regulatory Authorities	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Written responses to public consultation</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Results announcements</li> </ul>
Community/Non-Governmental Organizations	<ul style="list-style-type: none"> <li>• Donations</li> </ul>
Peers	<ul style="list-style-type: none"> <li>• Meetings for communication</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Supplier management procedures</li> <li>• Meetings</li> <li>• Suppliers/contractors appraisal system</li> <li>• On-site inspection</li> </ul>

### 3.2. Materiality Assessment

We invited internal and external stakeholders to conduct the online survey with reference to the Guide and the Global Reporting Initiative (GRI). Material ESG issues are listed on the survey, we could understand the stakeholders' concerns about the Group's economic performance and operation, labour compliance, environmental and social aspects. According to the survey results, the Group sorted out a total of 30 material ESG issues. Taking into account the materiality priority of the issues, we categorised them into four major categories: "Promoting Green Development", "Creating Responsible Operation", "Working with Partners" and "Establishing Harmonious Community". This report will focus on responding to these issues.

**Materiality Matrix on ESG issues**



Creating Responsible Operation		Working with Partners		Promoting Green Development		Establishing Harmonious Community	
1	Economic Performance	13	Employees' Rights	20	Energy Consumption and Efficiency	30	Attention to Community
2	Market Competitiveness	14	Labour Relations	21	Greenhouse Gas Emissions		
3	Compliance with Laws and Regulations	15	Occupational Health and Safety	22	Water Consumption and Efficiency		
4	Responsible Procurement	16	Workforce Diversity, Non-discrimination, and Equal Opportunity	23	Exhaust Gas Emissions		
5	Quality Control	17	Prohibition of Child Labour and Forced Labour	24	Wastewater Discharge and Treatment		
6	Technology Development and Application	18	Employee Training and Development	25	Waste Disposal and Treatment		
7	Privacy Protection	19	Qualifications and Professional Ethics	26	Use of Materials/Resources		
8	Anti-fraud and Anti-corruption			27	Climate Change		
9	Whistle-blowing Mechanism			28	Environmental Education		
10	Complaint and Response Mechanism			29	Employee Environmental Awareness		
11	Protection of Intellectual Property Rights						
12	Promotion and Labelling of Product Services						



## 4. PROMOTING GREEN DEVELOPMENT

The Group adheres to the principle of “Creating Industry Benchmark and Building a Model for Water Control” (「創行業標杆·樹治水典範」) in pioneering the operation and management of the electroplating industrial parks. As the electroplating industrial park demonstration base of China, we are committed to promoting green environmental protection industry, controlling the pollutant concentration, recycling and reusing resources as well as conducting research and development and applying the high and new treatment and processing technologies. Our Huizhou Park and Tianjin Park have obtained GB/T 24001-2016/ISO 14001:2015 environmental management system certification.

The Group strictly complies with relevant laws and regulations such as the “Environmental Protection Law of the People’s Republic of China” (《中國人民共和國環境保護法》), the “Cleaner Production Promotion Law of the People’s Republic of China” (《中華人民共和國清潔生產促進法》), the “Circular Economy Promotion Law of the People’s Republic of China” (《中華人民共和國循環經濟促進法》), the “Cleaner Production Standard — Plating & Surface Finishing Industry” (HJ/T314-2006) (《電鍍行業清潔生產標準》(HJ/T314-2006)) and the “Standard Conditions for the Electroplating Industry” (《電鍍行業規範條件》), and continues to explore innovative environmental protection treatment technologies on this basis so as to reduce emissions and energy consumption, and enhance resource utilization efficiency. Since 2016, we have obtained 44 patents related to the treatment and supervision of exhaust gas and wastewater, as well as distributed solar photovoltaic power generation systems in electroplating parks.

We provide clean production premises, pollutant treatment and environment protection license application services to various enterprises, and assist them in environmental protection declaration, acceptance and other related environmental protection matters. We formulate a series of strict electroplating pollutant discharge policies, regularly conduct clean production reviews, assessments and inspections on the enterprises entering the Parks, in order to achieve an overall improvement in the clean production level of each Park and meet all pollution discharge standards. We also ensure that the electroplating enterprises within each Park are developed in accordance with the principles in favor of the industrial structure adjustment, orderly competition, energy conservation, resource recycling, environmental protection and safety production.

During the Reporting Period, the Group did not violate any regulations on environmental protection nor cause any major accidents affecting the environment and natural resources, nor receive any environmental-related punishments or litigation.

### 4.1. Emission Management

To achieve harmonious coexistence between man and nature, we must reduce emissions as much as possible. We comply with the “Emission Standard of Pollutants for Electroplating” (GB21900-2008) (《電鍍污染物排放標準》(GB21900-2008)) as well as other emission standards promulgated by the government authorities from time to time, and strictly control the generation, treatment and discharge of various toxic substances. On the other hand, we strive to facilitate resource recycling and reuse to create economic benefits while achieving environmental benefits.

## 4.1.1. Wastewater Management

The Group formulates policies such as the "Source Wastewater Standard" (《源頭廢水標準》), the "Measures to Ensure Stable Compliance with Wastewater Treatment" (《保證廢水處理穩定達標的措施》), the "Wastewater Treatment Process" (《廢水處理工藝流程》) and the "Safety Protection for Wastewater System Pipeline Transportation" (《廢水系統管道輸送安全保障》). We ensure that the wastewater treatment reaches the standards regarding the source water quality management, treatment process technology and emergency protection system. In addition, we set up and optimize the process of recycling treatment continuously, so that the wastewater meets the reuse standard after treatment by the wastewater treatment facilities, which can be reused for the production of various electroplating enterprises. The total annual average of utilisation rate of wastewater treatment capacity is 51.2%.

We introduce automated wastewater treatment management and formulate the "Raw Water Quality Monitoring and Management System of Production and Operation Department" (《生產運行部原水水質監測管理制度》). We require park administrators to conduct random spot checks on corporate wastewater every day so as to ensure that the wastewater discharge meets the standards; wastewater treatment technicians to conduct inspections and supervisions on the collected water quality every 2 hours so as to ensure that all equipment is operating in good condition.

At the same time, we signed "Environmental Protection Technical Services Agreement" (《環保技術服務協議》) with enterprises entering the Park. The term of this agreement will be the same as the respective tenancy agreement. Accordingly, this agreement will terminate alongside with the tenancy agreement should a tenant discharge wastewater improperly.

During the Reporting Period, the wastewater discharge quality met the standards<sup>#</sup>. The wastewater performance can be found in Appendix I.

## 4.1.2. Exhaust Gas Management

To enhance the exhaust gas management in the Parks, reduce air pollution, promote electroplating process innovation, we established "Exhaust Gases Management System" (《廢氣管理制度》). We categorize exhaust gas treatment towers into five categories, which are cyanide-containing exhaust gas towers, chromium-containing exhaust gas towers, acid-base exhaust gas towers, dust exhaust gas towers and organic exhaust gas towers, and require every enterprise to design exhaust gas systems according to their respective production processes on this basis. After the installation of all exhaust gas treatment facilities, the technicians at the base are required to conduct preliminary engineering inspection, and the final inspection shall be performed by the environmental protection department. If any treatment facility fails to meet the standards, the Parks have the rights to request that enterprise to suspend production for rectification and resume production until the facilities meet the standards. At the same time, we also conduct regular assessments on designated emissions to ensure that their concentration and emission rate do not exceed the most stringent emission standards. During the Reporting Period, the Group's gas pollutant emissions met the standards<sup>\*</sup>. The exhaust gas emission can be found in Appendix I.

<sup>#</sup>: "Wastewater Comprehensive Discharge Standard DB12/356-2018" (《污水綜合排放標準》DB12/356-2018), "Electroplating Contaminants Discharge Standard" 《電鍍污染物排放標準》GB21900-2008, The IV type standard of the "Environmental Quality Standard for Surface Water" (GB3838-2002) (《地表水環境品質標準》(GB3838-2002)中IV類水排放標準) and Table 3 standard as well as table 1 standard of Pearl River Delta Region of "Guangdong Discharge Standard of Water Pollutants for Electroplating" (DB44/1597-2015)(《廣東省電鍍水污染物排放標準》(DB44/1597-2015)表3排放標準). The wastewater discharge performance can be found in Appendix I.

<sup>\*</sup>: "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》), "Technical Specification of Air Duct" (JGJ141-2004) (《通風管道技術規程》(JGJ141-2004)), "Emission Standard of Air Pollutants For Boiler" (GB13271-2014) (《鍋爐大氣污染物排放標準》(GB13271-2014)) and "Emission Standard of Air Pollutants For Boiler" DB12/151-2016 (《鍋爐大氣污染物排放標準》DB12/151-2016).



### 4.1.3. Waste Management

Our hazardous wastes are mainly derived from the large amount of electroplating sludge generated in the electroplating wastewater treatment process. We comply with the laws and regulations such as the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" (《中華人民共和國固體廢物污染環境防治法》), the "National Hazardous Waste Inventory" (《國家危險廢物名錄》) and "Standard for Pollution Control on Hazardous Waste Storage" (GB18597) (《危險廢物貯存污染控制標準》) (GB18597)). We set up standardized collection containers to conduct classification and collection and handover the electroplating sludge to specific disposal vendors who have obtained "Permit for Operation of Dangerous Wastes License" (《危險廢物經營許可證》) in accordance with the requirements under the "Multi-Copy Receipt-Based Management Measures for Hazardous Wastes Movement" (《危險廢物轉移聯單管理辦法》). Then, rotary kiln incineration technology will be used for decontamination treatment. During the Reporting Period, through the above measures and the below sludge treatment project, our Parks generated 21.86 metric tonnes hazardous wastes and resulted with an intensity of 0.02 kg per square meter.

#### *Case 1: Sludge treatment*

The Group cooperates with the national "Thirteenth Five-Year Plan" (「十三五規劃」) and uses the advantages of its business to create a system for the electroplating sludge treatment to achieve "reduction, harmlessness and stabilization" (「減量化·無害化和穩定化」) and to achieve a balanced corporate development and protection of the ecological environment. The Group extracts and sells heavy metal from sludge generated for the wastewater treatment process. During the treatment process, the Group will strictly control the system process parameters and standardize personnel operations.

Our non-hazardous wastes are mainly derived from office waste and domestic waste. We conduct strict garbage classification during our daily work in order to recycle paper, metal and plastic, and encourage employees to reuse stationery and reduce the use of disposable and non-recyclable products, and reduce product packaging. We also regularly review and evaluate materials usage to avoid overstocking. During the Year, through the above measures, the Group generated 729.69 metric tonnes non-hazardous wastes and resulted with an intensity of 1.80 metric tonnes per capita.

### 4.1.4. Greenhouse Gas Emissions Management

China raises environmental protection to a national strategic level, advocates the formulation of scientific development plans for low-carbon economy, improves the level of technological innovation, cultivates new industries, and innovates institutional mechanisms.

As an environmental-friendly manufacturer, we actively cooperate with national policies and goals as well as strive to reduce greenhouse gas emissions from all aspects. In addition to strictly complying with relevant laws and regulations such as the "Emission Standard of Air Pollutants For Boiler" (《鍋爐大氣污染物排放標準》), "Integrated Emission Standard of Air Pollutants" (《大氣污染物綜合排放標準》) and "Emission Standard of Pollutants for Electroplating" (《電鍍污染物排放標準》), we require employees to select direct flights for unavoidable business trips in our daily work. Furthermore, the Company selects electric vehicles or hybrid vehicles and performs regular maintenance, regular inspections and keep their tires inflated to ensure that there are no idling engines. The vehicle emissions of the Group reach the Phase V National Pollutant Emission Standard for Motor Vehicles (國家第五階段機動車污染物排放標準). In our everyday lives, we encourage employees to select low-carbon ingredients or locally grown and produced food as much as possible to reduce carbon emissions during food deliveries.

## 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

According to the "Greenhouse Gas Protocol" (《溫室氣體盤查議定書》) developed by the World Resources Institute and the World Business Council for Sustainable Development and "ISO14064-1" formulated by the International Organization for Standardization, we conduct greenhouse gas inventory. During the Reporting Period, the Group's greenhouse gas emissions were as follows:

Greenhouse Gas Emissions Performance	Unit	2019
<b>Greenhouse Gas Emissions</b>		
Direct Greenhouse Gas Emissions (Scope 1)	tonne of CO <sub>2</sub> e	<b>38,333.95</b>
Indirect Greenhouse Gas Emissions (Scope 2)	tonne of CO <sub>2</sub> e	<b>26,483.97</b>
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e	<b>64,817.92</b>
<b>Greenhouse Gas Emissions Intensity</b>		
Per square meter (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e/m <sup>2</sup>	<b>0.07</b>

Scope 1: Direct greenhouse gas emissions from sources that are owned or controlled by the Group.

Scope 2: Indirect greenhouse gas emissions resulting from the generation of electricity, heating and cooling, or steam generated off site but purchased by the Group.

The Group's direct greenhouse gas emissions (Scope 1) mainly come from fuel consumption during the Group's operations and fuel consumption of vehicles, while indirect greenhouse gas emissions (Scope 2) come from electricity consumption during business operations. In the coming years, the Group will continue to monitor and manage greenhouse gas emissions and strive to reduce greenhouse gas emissions through energy management.

### 4.2. Optimization of Resource Use

Natural resources are the major materialized foundation of economic growth and social transformation. The Group builds Parks to attract electroplating enterprises to locate, and uses environmental methods to manage the significant impacts of activities on the environment and natural resources during business operation. The Group reduces natural resources consumption, saves energy and reduces emissions through various methods. The Group implements intensive and intelligent management in every Park and continues to meet increasingly stringent environmental standards. In line with the belief of achieving harmonious co-existence of human and nature and sustainable economic development, we actively promote energy conservation, emission reduction, and circularity, and make significant contributions to local environmental protection and economic green development. We insist in incorporating environmental protection concepts to every detail of daily management, encourage our employees to live green, which not only saves energy, improves energy efficiency, reduces pollution, but also benefits health and efficiency.

#### 4.2.1. Energy Management

We actively implement energy management and formulate a series of measures to reduce daily energy consumption. In terms of lighting, we divide multiple different lighting areas in the office and use independent control lighting switches in each area, install dynamic sensors in places that are not frequently used, and require our employees' to use daylighting as much as possible. In terms of refrigeration, we avoid installing air conditioners in direct sunlight, and regularly clean its filter and coil fan. We encourage employees to use staircases as much as possible to save power as well as do exercise.

During the Year, through taking the above initiatives, the Group achieved that the total electricity consumption during the operation by the Group is 30,771,279.58 kWh, and the average electricity consumption intensity is 32.36 kWh per square meter. In the future, we will continue to monitor power usage and fuel consumption.



### 4.2.2. Water Resources Management

Water resources are increasingly scarce, and we are fully committed to protecting water resources. We have no issue in sourcing water that is fit for purpose and require the electroplating enterprises to take no more than 0.03 tonnes per square meter while cleaning their products.

In day-to-day work, we post water saving reminder stickers in each washrooms, arrange regular testing of hidden water pipe leaks, check the full tank and water meter readings for hidden leaks. Once the problem is found, we would arrange maintenance works immediately. At the same time, we promote water conservation and hope that employees will develop the habit of cherishing water.

During the Year, with the steps mentioned above, the Group achieved that the total water consumption in the operation process is 868,238.00 metric tonnes, and the average intensity of water consumption is 0.91 metric tonnes per square meter.

### 4.2.3. Paperless Office

We actively transform our office into a paperless one. During the transformation process, we implemented electronic office system instead of paper-based office administrative system, used electronic communication technology for transmission of information and encouraged employees to use hand dryer instead of tissues. We also formulated various solutions to reduce paper consumption, including reuse or use paper on both sides as much as possible, purchase recycled paper and regularly count paper consumption to monitor the condition of paper consumption and make appropriate adjustments.

Through the above actions, the Group achieved that the total paper consumption of the Group for the Year is 4,067.33 kg, and the paper consumption per capita is 10.04 kg.

### 4.2.4 Methods to optimize the resource use

Since 2019, Huizhou Jinmaoyuan Environmental Technology Co., Ltd. has been included in Huizhou "Qianjia" "Wanjia" Major Energy-Consumption Enterprises (「千家」「萬家」重點用能監管單位). To fulfill the energy conservation requirements and further increase the energy efficiency, we optimize our operation process and facilities via following steps.

#### *Case 2: Establishing Energy Management System*

We established an energy management group to promote energy-saving work in systematized, normalized and institutionalized manners to respond to the State Certification and the National Development and Reform Commission on "Strengthening Million Enterprises Energy Management System Construction Work of the Notice" (國家發展改革委國家認監委《關於加強萬家企業能源管理體系建設工作的通知》). The main duties of the energy management group are to refine our energy management system standard according to the requirement of "The Energy Management System" (GB/T2331-2012) (《能源管理體系要求》(GB/T2331-2012)), promote and manage advanced energy-saving technologies, as well as provide training to our staff on The Energy Management System (GB/T2331-2012) (《能源管理體系要求》(GB/T2331-2012)) to ensure its implementation can increase our energy efficiency.

Besides, we introduce “Energy-Saving Promotion and Education System” (《節能宣傳教育制度》) to develop the “Resource-Saving” enterprise. Promotion and education activities are organized regularly to make the concept widespread and deeply rooted into our staff’s mind. Those who are responsible for energy-saving management, energy statistics, energy-consumption equipment operation must be educated regularly and be certificated.

Furthermore, we set up “Energy-Saving Award and Punishment System” (《節能減排獎懲措施》) to encourage our staff to bring innovation ideas on energy-saving and improving energy efficiency, as well as reducing energy wasting.

### *Case 3: Recycling System of Condensed Steam Water*

Condensed steam water is not contaminated by heavy metal and the quality is much higher than demineralized water, the recycling of the condensed steam water can provide the following:

- Apply for heat source water supply;
- Reduce the consumption of boiler fuel;
- Increase the boiler feed temperature;
- Reduce the demineralized water volume;
- Save the cost of steam generation;
- Improve the water quality of the boiler;
- Decrease the heat loss during boiler blowdown; and
- Improve the boiler operation efficiency.

For the purpose of economizing water and energy, we built a recycling system of condensed steam water in our Guangdong Huizhou Park during the Reporting Period.

### *Case 4: Real-Time Energy Monitoring System*

To better evaluate and compare the energy consumption of the equipment and use of facilities, we set up real-time energy monitoring system in Guangdong Huizhou Park to achieve delicacy energy management. Such system provides us an overview of the energy consumption with detailed analysis, understand our energy consumption, and follow the implementation effect of our energy saving policy in time. We submit the real-time energy consumption data to the energy monitoring department in Huizhou, and adjust our operation strategies and process to save energy, decrease energy consumption, reduce pollution, and improve efficiency based on the monitoring results.

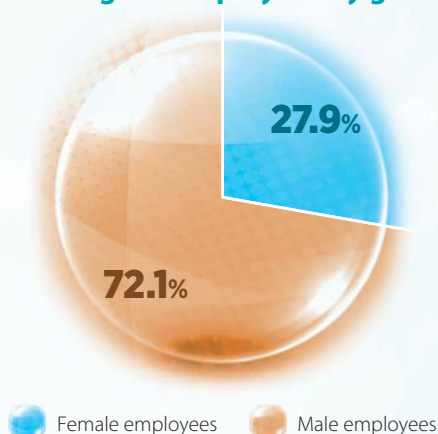


## 5. WORKING WITH PARTNERS

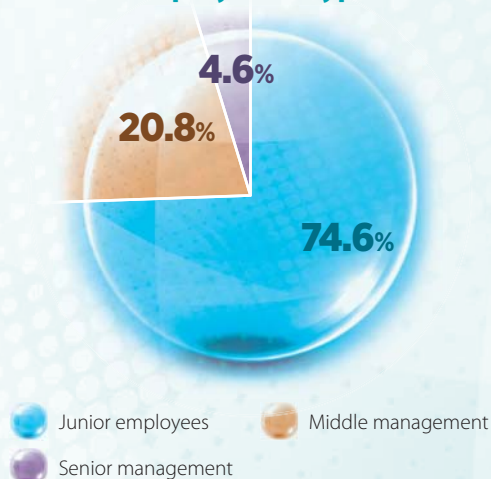
The Group provides a satisfying and mutually supportive working environment to employees, protects employees' rights and interests, and is committed to providing employees with a good development platform and building a high-quality talent team. Therefore, we deploy resources to establish a working environment in which employees are actively involved, valued, and motivated. We lay out a clear and distinct career development path to employees to help them grow. At the same time, we organize different leisure activities and charity activities to strengthen the Company's culture. During the Year, the Group has 519 employees.

The following graphs provide a percentage of our employees by gender, employment type, age and geographical region of the Group:

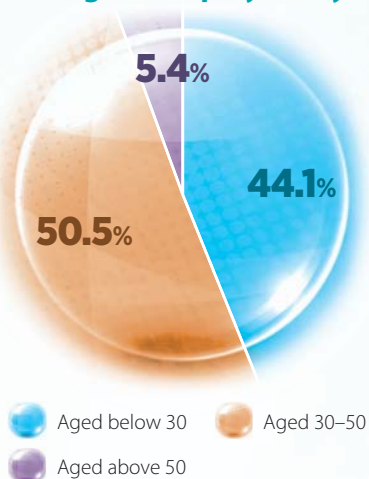
**Percentage of employees by gender**



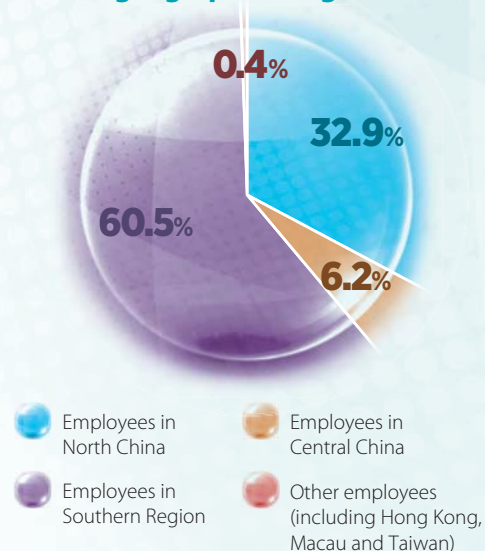
**Percentage of employees by employment type**



**Percentage of employees by age**



**Percentage of employees by geographical region**



## 5.1. Protecting the Legitimate Rights and Interests of Employees

The Group attaches great importance to protecting the legal rights and interests of all employees and strictly abides by the national laws and regulations such as “Labour Law of the People’s Republic of China” (《中華人民共和國勞動法》), “Labour Contract Law of the People’s Republic of China” (《中華人民共和國勞動合同法》), signs labour contracts with all employees, eliminates all forms of discrimination on the basis of gender, ethnicity, religion, age and political position related to recruitment, salary, training and promotion, prohibit employment of child labour and forced labour, to ensure that all employees enjoy fair, justice and open job opportunities. During the Reporting Period, the Group has not committed any violations of discrimination, employment of child labour and forced labour.

The Group has formulated the “Employee Handbook” (《員工手冊》) and “Standard Process for Recruitment and Onboarding Management” (《招聘與入職管理標準流程》) to regulate the aspects of salary, recruitment and promotion, working hours, vacations, equal opportunities, diversity, anti-discrimination, standardizing human resources planning, recruitment and hiring. The weekly working hours are fixed to prevent force labour and ensure that our employees have regular rest, such as lunch hour, weekend holiday and etc. If employees have to work overtime, they get the overtime pay in accordance to our “Salary Management System” (《薪資管理制度》). For prevention of child labour recruitment, the applicants are required to present their identity card during the recruitment process to ensure that the applicants reach the legal working age. Once the Group finds any case against labour standards, the Group will deal with the issue according to the “Employee Handbook” and local laws.

According to the “Employee Handbook” (《員工手冊》), to those who violate the Group’s policy or have a poor working attitude/skill, the Group has the right to dismiss the employee. The dismissal application should be submitted by the head of department with the reasons for dismissal and the employee’s identification document, and then verified by our administration department and reported to the head of the Parks for approval. A notification of termination of employment contract will be issued to notify employees to terminate the employment relationship, subject to labour regulations and the Company’s system if labour disputes are involved. As for employees in management level who are dismissed, the application must be approved by the Group. The resigned employee will receive a notification of termination of employment contract, and must go through the formalities and then leave within the notification period.

## 5.2. Attracting Talents

Pursuant to “Labour Law of the People’s Republic of China” (《中華人民共和國勞動法》), in addition to enjoying statutory holidays prescribed by the state, employees can also enjoy paid leave such as marriage leave, funeral leave, maternity leave, breastfeeding leave and annual leave. The Group has formulated the “Salary Management System” (《薪資管理制度》) to provide employees with various benefits such as subsidies, insurance and other benefits, as well as birthday holiday care and other benefits.

To further standardize and improve the appraisal mechanism, we have formulated the “Appraisal Management System” (《績效考核管理制度》) to encourage employees to focus on the Group’s business objectives and improve their work quality and efficiency and maximize their potentials. Appraisal evaluation are on monthly basis, each department conducts evaluation in accordance with various assessment items, to reflect the employees’ performance objectively and comprehensively, and reflect the impartiality of the assessment. The result of appraisal evaluation serves as the basis for employees’ monthly performance bonuses and also forms part of the basis for improving human resources management.

## 5.3. Listening to Employees

The Group establishes comprehensive employee complaint and communication channels, by encouraging employee to reflect, share and exchange any problems they encountered at work. We have been striving to establish an open communication channel between employees and management, and analyze and discuss on matters related to safety and corporate operation such as corporate business objectives, revenue increment and expenses reduction, engineering construction, material procurement, production technology and establishment of talent teams. The management of our Company interacts directly with colleagues at all levels from time to time, establishing a constructive working relationship.



## 5.4. Promoting Career Development of Employees

The Group offers our employees with the required occupational skills and knowledge. Investing resources in talent development will not only help us provide better services but also help our employees continue to grow.

We provide various learning and development schemes, including:

- Regular training
- On job training
- Internal training
- Outsourcing training



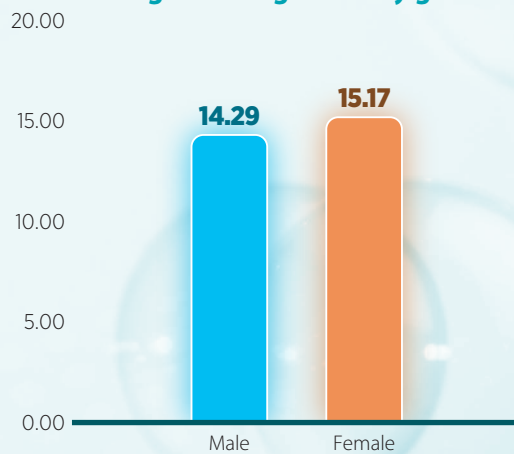
## 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have held various workshop in 2019, aimed at improving employees' leadership and practical skills, cultivating strategic thinking and promoting teamwork and management performance, to equip employees with required skills and bring the Group forward.

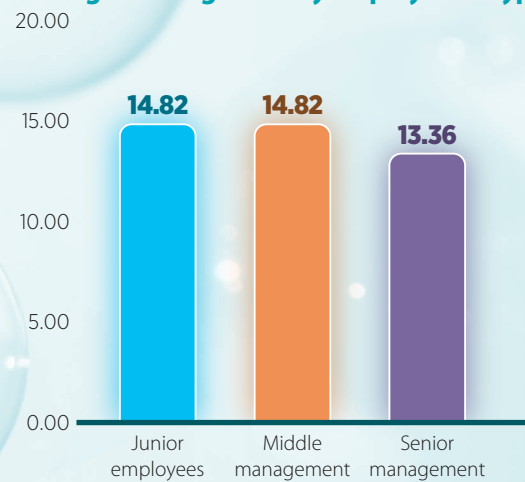
- New employee training: assisting new employees to understand corporate history and culture, learn corporate business and related laws and regulations, and grasp Kimou's business philosophy.
- Business training: Aimed at various business areas, providing key safety operation education, improving the professional safety standards of business departments, and assisting employees in understanding the importance of occupational safety management to the business.

In 2019, the rate of employees trained of the Group reached 100%.

**Average training hours by gender**



**Average training hours by employment type**



## 5.5. Promoting Physical and Mental Health of Employees

We strictly abide by "Production Safety Law of the PRC" (《中華人民共和國安全生產法》) and "Fire Protection Regulation of the PRC" (《中華人民共和國消防法》). The Group has much wider scope of employee health and safety management. We have obtained occupational health and safety management system certificate (GB/T 28001-2011 idt QHSAS 18001:2007). In 2019, we set up the goal "Five Zeros" (「五個零」) (i.e. death and serious injuries, fire accidents, major equipment accidents, accidents and employee occupational disease outbreak rate) and achieved practical results of "Five Zeros" (「五個零」). The Group formulated "EHS Target Indicator Management Plan" (《EHS 目標指標管理方案》) and strengthened on-site safety management and control, formulated safety production management system, to ensure management and control of employee occupational health and safety risk. Our employees of the Group are required to conduct safety production regulation system and operation procedures, learn the necessary first-aid knowledge and receive the necessary safety production education and training. To enhance overall safety of equipment and optimize working procedures, we have implemented a number of measures and safety audits, and provided regular training for employees. In the meantime, we also conduct safety knowledge training, fire emergency drills, hazardous chemical spills and first aid exercises to test our ability to respond to emergencies. The Group also distributes safety helmets, uniforms, shoes to engineering employees, regularly organizes fire drills, and strictly prevents occupational diseases and accidents. During the Reporting Period, the Group had no work-related deaths and the loss of working days due to work-related injuries is 97 days.

Safety training



Safety production knowledge training



Fire drill

Occupational disease prevention knowledge training

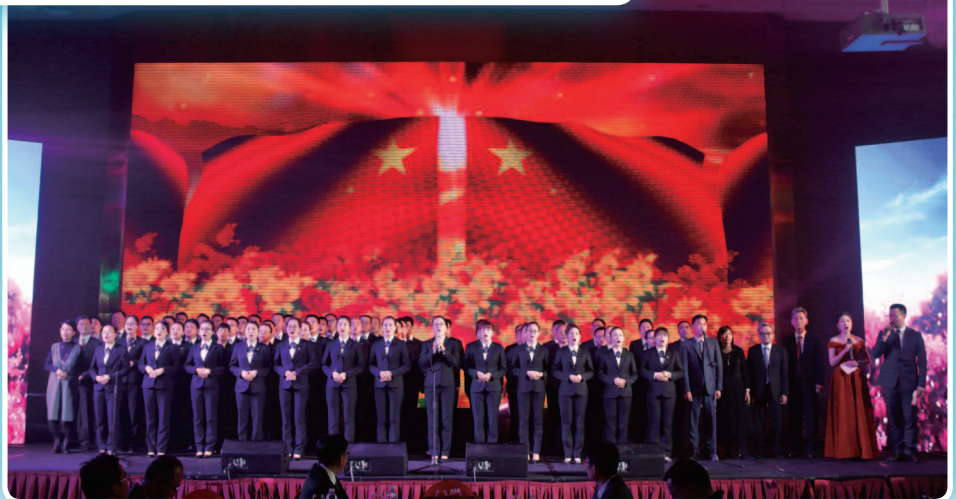




## 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group also provides body check for employees, organizes health talks for employees and provides various medical benefits such as social insurance, cares for employees' physical and mental health, and promotes healthy lifestyles. To enhance the cohesion and solidarity of employees, we organized a series of activities for employees, such as travel, birthday party and annual dinner. There are also group activities for employees in different traditional festivals, such as joyful meeting, fishing moon game during Mid-Autumn Festival, to enhance the employees' sense of belonging and solidarity, and encourage the Group and its employees work towards the future.

Staff Birthday Party



Annual Dinner





"Love and Fortune in Mid-Autumn Festival"  
Mid-Autumn Festival Joyful Meeting

## 6. CREATING RESPONSIBLE OPERATION

### 6.1. Supply Chain Management

We strive to set up a sustainable supply chain system, to drive the mutual improvement of upper and lower stream of supply chain enterprises. There are risk management and control throughout the procurement process, optimizing procurement resources, ensuring procurement quality, controlling procurement cost, and maintaining good partnership with suppliers to achieve long-term cooperation and responsible cooperation.

Through the formulation and implementation of the "Material Management System" (《物资管理制度》) and "Procurement Management System" (《採購管理制度》), we standardize the entire process of supplier development, screening, evaluation and auditing, and management; and adhere to strict supplier selection standards and open bidding procurement procedures. We conduct regular and irregular audits of the selected suppliers. The suppliers' enterprise qualifications, technology and quality, delivery capabilities, after-sales service and system certification are our main considerations. The result of review of the suppliers is recorded on "Supplier Comprehensive Evaluation Form" (《供應商綜合評價表》). Unqualified suppliers will be deleted on the "Qualified Supplier List" (《合格供應商名單》) to ensure that our supplier management system is maintained at a high level and the quality of raw materials is guaranteed.

The material categories purchased by the Group for the Year were mainly chemical (such as sodium hydroxide, natural gas and lime), construction, equipment, instrumentation, pipe (such as PVC pipe straight joint, PVC-U pipe), A4 printing paper, the distribution of major suppliers is as follows:



## 6.2. Quality Control

The Group has always adhered to the sustainable development strategies of its overall business, requiring all departments and enterprises in the Parks to strictly abide by the laws and regulations such as the "Production Safety Law of the People's Republic of China" 《中華人民共和國安全生產法》 and the "China Occupational Safety and Health Management System" (AQ/T9006-2010) 《企業安全生產標準化基本規範》 (AQ/T9006-2010). We have established medium and long-term strategic planning on the two pillars of management improvement and technological progress. We continuously improve the quality of technology and services, and establish and maintain long-term stable partnerships with customers. We have obtained quality management system (GB/T 19001-2016/ISO 9001:2015), and insist on safe production, and implemented safety standardization management. Therefore, the Group's policies and goals can be effectively implemented in the process of production and can be successfully completed. The Group sets up safety management institutions as well as safety management personnel to organize and conduct safety check and hidden risks inspection and supervision and rectification; on-site supervision on the implementation of the special construction plan for construction safety with greater risk. It has the rights to correct or investigate regarding the violation of rules and regulations of the operating employees. To report safety production accidents in a timely and honest manner, signing rate of safety responsibility confirmation, hidden trouble detection rate, hidden trouble rectification rate, etc are required to reach 100%. We have also prepared emergency rescue plans for production safety accidents and organized drills, organized and complied with special safety construction plans for projects with greater risk, conducted safety education training and established safety production management files.

The Group did not aware of any violation of laws and regulations related to product liability during the Reporting Period.

### 6.3. Customer Satisfaction

The Group is committed to providing profound services for the enterprises in the Parks and solid protection and assistance of the development of electroplating industry. We believe that high quality management and services are the basic protection of enterprise's development. We strive to build up an electroplating industry park with industry integration, industry structure adjustment and environmental integrated management. We establish a thorough and healthy system by setting up supporting services for public utilities such as wastewater treatment system, solid waste collection and storage, municipal water supply system, electric system, gas supply system, hazardous items inspection system, e-commerce communication information system and intelligent management platform system in the Parks, to ensure compliance with the production requirement of enterprises. To enhance the overall image of the base, provide a profound investment environment and platform for the enterprises in the Parks and also make the base management order more humanized and standardized, we strengthened the communication with the enterprises. We have established a set of procedures for handling complaints from tenants, and we have assigned a staff for each building inside our industrial park to maintain regular communication with our tenants. Hence, we can better understand the demands of enterprises, effectively solve practical difficulties for enterprises in the Parks, and establish long-term partnership, and achieve a win-win situation.

We are pleased to receive comments and suggestions on our services by letter, telephone and in-person from the enterprises at the Parks and promised to reply within certain period, as well as arrange a visit in person if necessary. All affairs are recorded as "one enterprise one file" (「一企一檔」) from receiving to processing and settlement, as well as visit, to summarize the pattern and improve techniques and services in a timely manner and eliminate various risks as soon as possible.

### 6.4. Intellectual Property Protection

We protect our intellectual property in accordance with "Patent Law of the People's Republic of China" (《中華人民共和國專利法》), "Rules for Implementation of the Patent Law of the People's Republic of China" (《中華人民共和國專利法實施細則》), "Trademark Law of the People's Republic of China" (《中華人民共和國商標法》), "Intellectual Property Law of the People's Republic of China" (《中華人民共和國知識產權法》) and "Regulation of the People's Republic of China on the Customs Protection of Intellectual Property Rights" (《中華人民共和國知識產權海關保護條例》) and other relevant laws and regulations, as well as relevant laws and regulations in other jurisdictions and applying for patents.

We strictly comply with "Advertising Law of the People's Republic of China" (《中華人民共和國廣告法》) to ensure that our advertisements are free from errors and misleading information.



### 6.5. Customer Privacy Protection

The Group strictly abide by “Cybersecurity Law of the People’s Republic of China” (《中華人民共和國網絡安全法》), and endeavors to protect the rights and privacy of customers, and has established file management system and job responsibility system. All contracts are signed in person according to the established approval permission. Transmission of external information is subject to the Company’s third-level audit before it can be operated, confidential files are strictly managed by special personnel and computer registration is implemented. During the cooperation with assisting manufacturers, we made detailed regulations on the ownership, scope of use, duration and allocation of subsequent R&D achievements of the intellectual rights involved and required to sign related legal documents.

### 6.6. Anti-Corruption

The Group strictly complies with the laws and regulations such as the “Anti-Money Laundering Law of the People’s Republic of China” (《中華人民共和國反洗錢法》), “Contract Law of the People’s Republic of China” (《中華人民共和國合同法》), and “Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法》). We are committed to abide by high ethical standards in operations and business activities and applied zero tolerance policy for engaging any type of corruption or bribery.

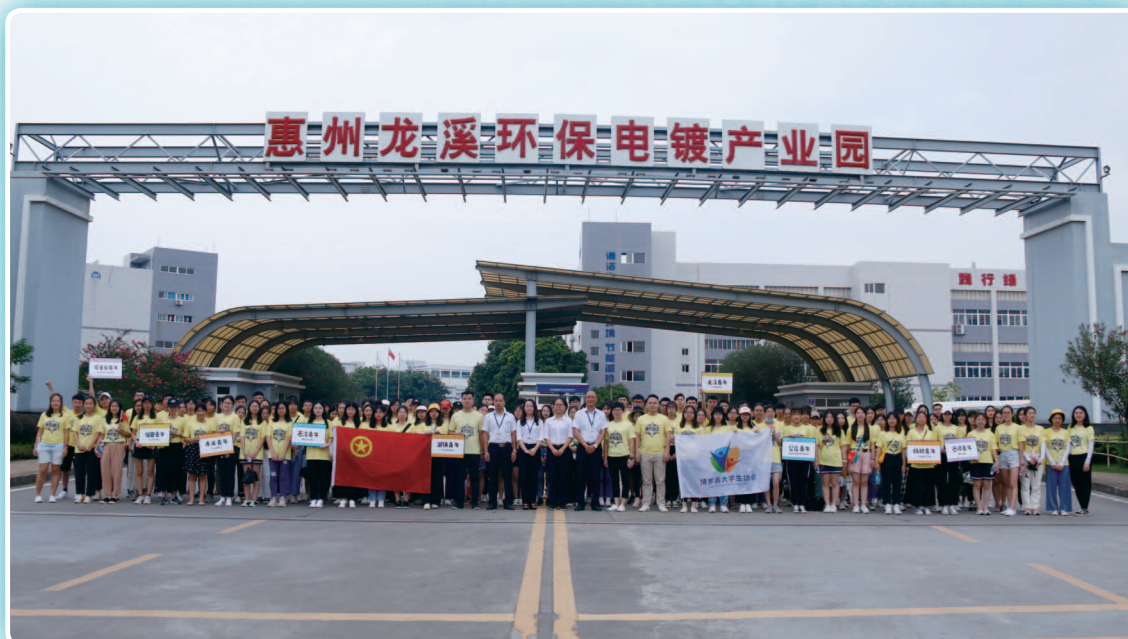
To eliminate corruption such as bribery, extortion, fraud and money laundering to the greatest extent, the Group requires all departments to report the required materials as needed and abide by the strict material reporting and review process regulations. We have set up a monitoring system to implement anti-bribery and anti-corruption measures. Our Directors and senior management are responsible for conducting a fraud and bribery risk assessment on an annual basis and our audit committee reviews and approves the annual risk assessment results and policies. According to our internal anti-bribery and anti-corruption policies, conducts that are forbidden include, among others, (i) acceptance or payment of bribes or rebates and, (ii) illegal use, embezzlement or misappropriation of assets. Mandatory training courses will be offered to existing and new staff to enhance their knowledge and awareness of relevant rules and regulations, as well as their personal and professional conduct. Besides, the Group has set up a reporting mechanism via email and phone as well as relevant investigation procedures to facilitate the implementation of the rules and policies. The Group has established an effective reward and punishment mechanism to maintain the prestige of the system, and grievance mechanism to protect the whistle-blowers from unfair dismissal or victimisation. Where criminality is suspected, we will deal with the issue according to the laws and regulation. During the Reporting Period, the Group has not received or discovered any corruption lawsuits or reported incidents concerning the Group or its employees.

## 7. ESTABLISHING HARMONIOUS COMMUNITY

We believe that an enterprise's success relies on the support of stakeholders and community. We attach great importance to sustainability, actively bear social responsibility, encourage employees to participate in various community activities and penetrate local community culture, with an expectation to create a mutual beneficial environment. During the Year, the Group made charitable contributions amounting to RMB1,000,000.

As an environmental enterprise, it is our responsibility and obligation to enhance community's awareness of environmental protection. Therefore, we actively participate in various types of environmental protection activities and expect to promote the concept of sustainability in daily life. In Huizhou, we actively cope with local government 2019 environmental protection popularizing law program "A Battle Fight for Pollution Prevention Protecting a Healthy and Sound Development of Enterprises" (「打好污染防治攻堅戰護企健康良好發展」) organized by Huizhou Ecological and Environmental Protection Bureau and Environmental Protection Day program "Fight for the Tough Battle of Pollution Prevention" (「堅決打好污染防治攻堅戰」) to promote environmental protection related knowledge and deepen the public understanding of the hazards of electroplating industry pollutants and corresponding ways to deal with them.

We also support "Student Homecoming, Youth Trip of Charming Boluo" (「學子歸巢·魅力博羅青年行」) event organized by Boluo County University Students Homecoming Service Association. We lead over 150 local university students to visit our Huizhou Park Zone and explain what is electroplating industry and the treatment and skills of pollutants produced, as well as encourage them to protect the environment and treasure the natural resources.



"Student Homecoming, Youth Trip of Charming Boluo"

To promote the tradition of the Chinese nation to respect, love and help the elderly, the Trade Union of Tianjin Bingang Electroplating Enterprises Management Co., Ltd. organized an activity "Caring for the Elderly, Passing Warmth" (「關愛老人 傳遞溫暖」) to visit the nursing home in Zhongwang Town, Jinghai District with gifts like milk and mixed congee. During the event, the Chairman of Trade Union, Mr. Ling Shengqi (凌生奇), worked with employees to talk with the elderly with care and wished them good health and longevity. All elders' faces lit up with pleasure.

"Caring for the Elderly, Passing Warmth"  
activity





# 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX I: SUSTAINABILITY DATA STATEMENTS

The Environmental Sustainability Data Statements for the Year:

Environmental aspect	Unit	Amount
<b>Emissions*</b>		
Nitrogen Oxide	kg	380.78
Sulfur Oxide	kg	0.76
Suspended Particulate	kg	34.88
<b>Greenhouse Gas Emissions</b>		
Direct Greenhouse Gas Emissions (Scope 1)	tonne of CO <sub>2</sub> e	38,333.95
Indirect Greenhouse Gas Emissions (Scope 2)	tonne of CO <sub>2</sub> e	26,483.97
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e	64,817.92
"Greenhouse Gas Emissions Intensity (per square meter) (Scope 1 and Scope 2)"	tonne of CO <sub>2</sub> e/m <sup>2</sup>	0.07
<b>Energy Consumption</b>		
Purchased Electricity Consumption	kWh	30,771,279.58
Purchased Electricity Consumption per square meter	kWh/m <sup>2</sup>	32.36
<b>Fixed Equipment</b>		
Natural Gas Consumption	m <sup>3</sup>	17,394,696.50
Gasoline Consumption	m <sup>3</sup>	100.00
Diesel Consumption	L	38,852.00
<b>Motor Vehicles</b>		
Gasoline Consumption	L	36,203.33
Diesel Consumption	L	14,298.45
<b>Water Consumption</b>		
Total Water Consumption	m <sup>3</sup>	868,238.00
Water Consumption Intensity (per square meter)	m <sup>3</sup> /m <sup>2</sup>	0.91
<b>Paper Consumption</b>		
Total Paper Consumption	kg	4,067.33
Paper Consumption per Capita	kg/staff	10.04
<b>Waste</b>		
Total Non-hazardous Waste Produced	tonne	729.69
Intensity of Non-hazardous Waste Produced (per staff)	tonne/capita	1.80
Total Hazardous Waste Produced	tonne	21.86
Intensity of Hazardous Waste Produced (per square meter)	kg/m <sup>2</sup>	0.02

"Note \*": The above emissions include vehicle emissions. Vehicle emissions were calculated in accordance with EMFAC-HK Vehicle Emission Calculation ([http://www.epd.gov.hk/epd/english/environmentinhk/air/guide\\_ref/emfac-hk.html](http://www.epd.gov.hk/epd/english/environmentinhk/air/guide_ref/emfac-hk.html)) (only in English) by Hong Kong Environmental Protection Department and MOBILE6.1 Particulate Emission Factor (<http://www3.epa.gov/otaq/m6.htm>) (only in English) by United States Environmental Protection Agency (not precluding changes or updated versions);"

**Wastewater Discharge**

Sewage discharge		Huizhou Park	Tianjin Park
Ammonia	mg/L	0.78	1.72
Total nitrogen	mg/L	12.40	12.20
pH	–	7.42	7.75
Total suspended solids (TSS)	mg/L	4.00	6.20
Chemical oxygen demand (COD)	mg/L	18.00	33.00

Remark \*:

1. Comprehensive Wastewater Discharge Standard (《污水綜合排放標準》) DB12/356-2018
2. Electroplating Pollutant Emission Standard (《電鍍污染物排放標準》) GB21900-2008
3. Class IV water discharge standards under Surface Water Environmental Quality Standard (《地表水環境質量標準》) (GB3838-2002)
4. Table 3 Emission Standards and Table 1 Emission Standards in the Pearl River Delta Region under Guangdong Province Electroplating Water Pollutant Discharge Standard (《廣東省電鍍水污染物排放標準》) (DB44/1597-2015)

# 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's Social Sustainability Data Statements for the Year:

Social KPI	Unit	2019
<b>Total Employees</b>		
Total Employees	No. of people	519
Total Female Employees	No. of people	145
Total Male Employees	No. of people	374
<b>Employees by Employment Type</b>		
Junior Employees	No. of people	387
Middle Management	No. of people	108
Senior Management	No. of people	24
<b>Employees by Age</b>		
Aged below 30	No. of people	229
Aged 30–50	No. of people	262
Aged above 50	No. of people	28
<b>Employees by Geographical Region</b>		
North China	No. of people	171
Central China	No. of people	32
Southern Region	No. of people	314
Others (including Hong Kong, Macau and Taiwan)	No. of people	2
<b>Employees Turnover Rate by Gender</b>		
Employees Turnover Rate	%	21.6
Turnover Rate of Male Employees	%	19.22
Turnover Rate of Female Employees	%	27.14
<b>Employees Turnover Rate by Age</b>		
Aged below 30	%	28.44
Aged 30–50	%	15.21
Aged above 50	%	15.15
<b>Employees Turnover Rate by Geographical Region</b>		
North China	%	27.85
Central China	%	28.31
Southern Region	%	18.44
Others (including Hong Kong, Macau and Taiwan)	%	0.00



# 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX II: HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE INDEX

KPI				Corresponding chapters
<b>A. Environment</b>				
A1: Emissions	General Disclosure		Information on: (a) the policies; and (b) 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.	Promoting Green Development, Emission Management, Wastewater Management, Exhaust Gas Management, Waste Management, Green House Gas Emissions Management
		A1.1	The types of emissions and respective emissions data.	Emission Management, Greenhouse Gas Emissions Management, Wastewater Management, Exhaust Gas Management, Appendix 1: Sustainability Data Statements
		A1.2	Greenhouse gas emissions in total and intensity.	Greenhouse Gas Emissions Management, Appendix 1: Sustainability Data Statements
		A1.3	Total hazardous waste produced and intensity.	Sustainability Data Statements
		A1.4	Total non-hazardous waste produced and intensity.	Waste Management, Sustainability Data Statements
		A1.5	Description of measures to mitigate emissions and results achieved.	Emission Management, Wastewater Management, Exhaust Gas Management, Greenhouse Gas Emissions Management, Waste Management
		A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management, Appendix 1: Sustainability Data Statements
A2: Use of Resources	General Disclosure		Policies on the efficient use of resources.	Optimization of Resource Use, Methods to optimize the resource use, Promotion of Green Development, Emission Management
		A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy Management, Appendix 1: Sustainability Data Statements
		A2.2	Water consumption in total and intensity.	Water Resources Management, Appendix 1: Sustainability Data Statements
		A2.3	Description of energy use efficiency initiatives and results achieved.	Energy Management, Methods to optimize the resource use, Appendix 1: Sustainability Data Statements

## 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI			Corresponding chapters
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water Resources Management, Methods to optimize the resource use, Appendix I: Sustainability Data Statements
	A2.5	Total packaging material used for finished products and per unit produced.	Not applicable to the Group as the industry does not involve packaging material
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Promoting Green Development, Emission Management, Wastewater Management, Exhaust Gas Management, Waste Management, Greenhouse Gas Emissions Management, Energy Management, Water Resources Management, Paperless Office, Methods to Optimize the Resource Use
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting Green Development, Emission Management, Wastewater Management, Exhaust Gas Management, Waste Management, Greenhouse Gas Emissions Management, Energy Management, Water Resources Management, Paperless Office, Methods to Optimize the Resource Use
<b>B. Society</b>			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Attracting Talents, Protecting the Legitimate Rights and Interests of Employees, Appendix 1: Sustainability Data Statements
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Working with Partners, Appendix 1: Sustainability Data Statements
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix 1: Sustainability Data Statements

## 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI				Corresponding chapters
B2:	Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	Promoting Physical and Mental Health of Employees
		B2.1	Number and rate of work-related fatalities.	Promoting Physical and Mental Health of Employees
		B2.2	Lost days due to work injury.	Promoting Physical and Mental Health of Employees
		B2.3	Description occupational health and safety measures adopted, how they are implemented and monitored.	Promoting Physical and Mental Health of Employees
B3:	Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Promoting Career Development of Employees
		B3.1	The percentage of employees trained by gender and employee category.	Promoting Career Development of Employees
		B3.2	The average training hours completed per employee by gender and employee category.	Promoting Career Development of Employees
B4:	Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Protecting the Legitimate Rights and Interests of Employees
		B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protecting the Legitimate Rights and Interests of Employees
		B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting the Legitimate Rights and Interests of Employees
B5:	Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
		B5.1	Number of suppliers by geographical region.	Supply Chain Management
		B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management



## 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI				Corresponding chapters
B6:	Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Creating Responsible Operation, Quality Control, Customer Satisfaction, Intellectual Property Protection, Customer Privacy Protection
		B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
		B6.2	Number of products and service-related complaints received and how they are dealt with.	Customer Satisfaction
		B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
		B6.4	Description of quality assurance process and recall procedures.	Quality Control
		B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Privacy Protection
B7:	Anti-Corruption	General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Anti-corruption
		B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
		B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
B8:	Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Establishing Harmonious Community
		B8.1	Focus areas of contribution.	Establishing Harmonious Community
		B8.2	Resources contributed to the focus area.	Establishing Harmonious Community