



SHOUGANG CONCORD CENTURY HOLDINGS LIMITED

Stock Code : 103



2020

*Environmental, Social and
Governance Report*

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REPORT PARAMETERS – SCOPE OF REPORT

Shougang Concord Century Holdings Limited (“Shougang Century”/the “Company”; together with its subsidiaries collectively the “Group”) issues its environmental, social and governance (the “ESG”) report (the “ESG Report”) for the year ended 31 December 2020. The report expatiates the Group’s ESG management strategies and performance in 2020, especially focusing on the issues of investors and other stakeholders’ concerns and how the Group has value-added in economic, environmental and social terms by pursuing sustainability development into its business.

Since 2013, the Company has established an ESG working group and set up an ESG database to collect and review relevant data so as to prepare the ESG Report. In addition, the ESG Report follows all the “comply or explain” provisions set out in the ESG Reporting Guide (the “ESG Guide”) of Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and reports certain recommended disclosures for the purpose of providing our investors and stakeholders with comprehensive and comparative non-financial information.

The Group principally engages in the manufacturing of steel cords for radial tyres, sawing wires and hose wires activities. The ESG information contained in the ESG Report is divided into three segments: (1) steel cord segment; (2) copper and brass products segment; and (3) head office and other operating subsidiaries’ office (the “Offices”). Due to the cessation of the factory operation of the copper and brass products segment in September 2018, ESG information/data in relation to copper and brass products segment may not be available. For details of corporate profile, please refer to the “CORPORATE PROFILE” section on page 2 of the 2020 annual report of the Company.

In order to carry out social responsibility, the Company actively participates in environmental protection issues, aiming to prevent the deterioration of global warming process, while mitigating the negative impact on the environment brought by its business operations during the production process. The Group makes every effort to implement emission reduction and conservation measures in every segment of our businesses.

REPORT PARAMETERS – SCOPE OF REPORT

In addition to complying with the ESG Guide, reference has been taken from international standards or guidelines in preparation of our ESG Report. The scopes of emissions and their emission factors are defined in accordance with Hong Kong and the international reporting framework published as shown below and quoted from relevant websites:

- Respective Sustainability Reports 2020 of CLP Holdings Limited and HK Electric Investments Limited;
- The Hong Kong Environmental Protection Department's (the "EPD") Vehicle Emission Calculation model;
- The Greenhouse Gas Accounting Tool for Chinese Cities published by the World Resources Institute;
- Emission Factors of China's Regional Power Grid Baseline of 2019 published by the Clean Development Mechanism in China;
- The discharge coefficient of pollutant from domestic source and the user manual published by the South China Institute of Environmental Sciences, under the Ministry of Environment Protection;
- The World Resources Institute/World Business Council for Sustainable Development, as reported in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" and International Organization for Standardization ("ISO"), as reported in ISO14064-1;
- Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong published by the EPD and the Electrical and Mechanical Services Department (the "EMSD");
- Emission factors from Intergovernmental Panel on Climate Change ("IPCC");
- The International Civil Aviation Organization and Carbon Care Asia Limited's ("CCA") Carbon Emissions Calculators; and
- Practical guidance on how to collect, calculate and report the information called for under each of the key performance indicators ("KPIs") as reported in "How to Prepare an ESG Report", published by the Stock Exchange.

The figures of 2020 and 2019 have not been assured by the third party.

REPORT PARAMETERS – SCOPE OF REPORT

ESG REPORTING STRUCTURE AND RESPONSIBILITIES

Parties	Responsibilities
The Board	<ul style="list-style-type: none">• Review and approve the ESG Report
Human Resources and Administration Department and Company Secretarial Department	<ul style="list-style-type: none">• Review the principles regarding ESG• Monitor the progress on ESG and community engagement programs• Ensure good corporate governance standards and practices are maintained
ESG Working Group	<ul style="list-style-type: none">• Develop a list of key internal and external stakeholders, and identify their main concerns and expectations• Set up and maintenance of ESG System• Input data, collect and analysis, compute all relevant KPIs• Organise and implement community engagement programs
Principal business units/subsidiaries	<ul style="list-style-type: none">• Gather ESG related data and data entry• Formulate and improve related ESG aspects' policies/guidelines/procedures

REPORT PARAMETERS – SCOPE OF REPORT

Regarding corporate governance aspect, please refer to “CORPORATE GOVERNANCE REPORT” section on pages 41 to 81 of the 2020 annual report of the Company. This ESG Report can be downloaded from the websites of the Stock Exchange and the Company. If there are any comments or suggestions relating to this ESG Report, please share by post or email at the addresses below:

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MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

Dear Stakeholders,

As the Chairman and Managing Director of the Company, I am pleased to present our Group's fifth ESG Report on behalf of the Company. We understand that not all returns can be found in financial statements. In fact, some returns can be obtained from our responsibilities to stakeholders. As one of the leading steel cord manufacturers with well-known and recognized "Eastern" brand name in the Mainland, the Group is committed to providing customers with high quality products and after-sales service. Facing 2021, there are many uncertainties and challenges ahead, not only are we still threatened by COVID-19, but also global warming's concern for global environmental protection, and the rights and interests of employees regarding human rights at workplace. Therefore, we will keep on implement relevant measures to reduce emissions, use resources effectively and properly, and meet the needs of our employees.

Moreover, we convinced that employees are essential contributors toward profits and shareholder value, their skills and talents constitute the most vital intangible asset of the Group. Occupational health and safety together with the development of our employees are our top priority. Thus, we ensure to build a healthy workplace that encourages work-life balance, which is also our Company's measurable objective in 2020.

In addition, we are committed to providing safe and high-quality products and services in order to get align with our corporate culture and operating practices. We set strict requirements on the quality of our "Eastern" products to meet customers' needs. In terms of supply chain, the Group selects the suppliers who are committed to emphasizing on the philosophy of environmental protection as well as having respects of the rights of their employees. The Group also maintains good relationship with suppliers to guarantee stable procurement and suit our production requirements.

MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

The Group shall formulate sustainable development strategies for its businesses to bring positive impact to the community in Hong Kong and the PRC. We will continue to make efforts to reduce greenhouse gas, air emissions, energy consumption and wastes in our manufacturing plants and workplaces in response to the global climate change and extreme weather issues. Also, we will strive to improve our operating efficiency in order to build a sustainable future, which can surely bring value to our shareholders, community and especially the environment.

Finally, on behalf of the Board, I would like to express my deepest gratitude to all board members and colleagues for their contribution to the ESG Report. I am confident that the Group will continue to seize opportunities for better performance in the coming year and beyond.

By Order of the Board

Su Fanrong

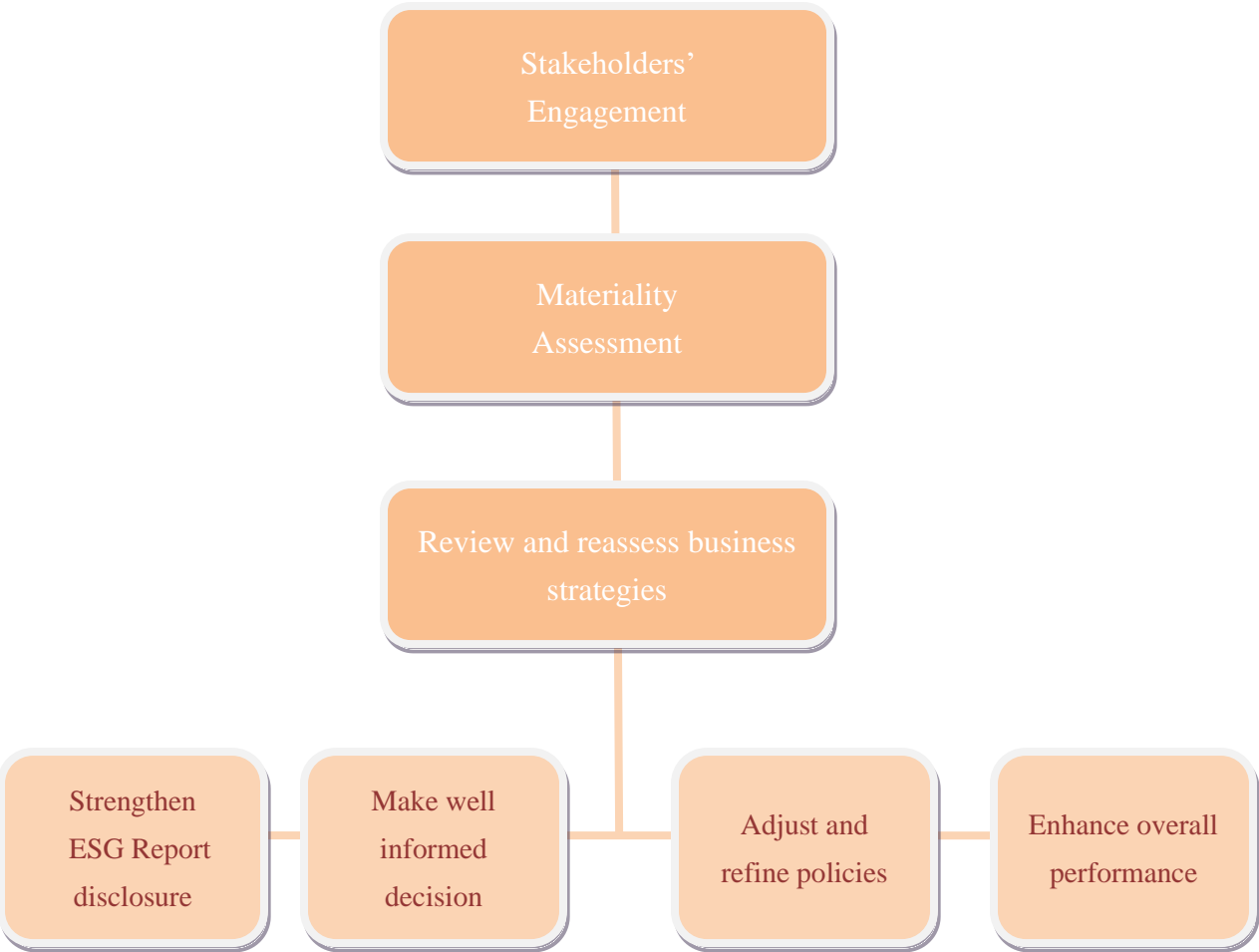
Chairman and Managing Director

Hong Kong, 22 March 2021

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

We believe that taking care of the interests of stakeholders lays a solid foundation for the sustainable development of the Group. Fulfilling the expectations and concerns of stakeholders is one of our main responsibilities and commitments apart from striving for greater financial performance. We determine to make further review on our business decision, refine policies and business strategies to improve business performance and satisfy the needs of stakeholders through a materiality assessment, so that our ESG Report disclosures can be strengthened, appropriate policies can be carried out, well informed business decisions can be made and overall performance can be enhanced (in terms of monetary or non-monetary).

A flow chart showing the process of stakeholders' engagement and materiality assessment



STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

We identify our stakeholders in accordance with evaluation that any individuals or entities who have a significant interest or concern in the principal activities of the Group and/or whose actions are expected to significantly influence the finance, operation, community investment and environmental policies of the Group. These categories of stakeholders are recognised as shareholders, employees, customers, suppliers, media, community and general public, government and regulators, as well as banks and financial institutions/creditors. In order to map out our relation with stakeholders and their ability to influence our decision making process, the “Stakeholders’ Influence – Dependency Matrix” below generates insights on the importance and influence of each category of stakeholders. With this information, it becomes possible to develop a specific approach for the identified stakeholders and their concerns:

		Stakeholders’ influence on Company’s objective, project and business line			
Stakeholders’ dependence on Company’s objective, project and business line	High dependence			Shareholders Employees Customers Suppliers	
	No direct impacts	Community & General Public	Media	Banks & Financial Institutions/ Creditors	
		No influence	Low influence	Some influence	High influence

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group integrated diversified engagement methods in our business processes to ensure ongoing communication with stakeholders and facilitate sustainability in the workplace, environment, marketplace and community. In 2020, the six key stakeholder categories identified by the management of the Group are namely shareholders, employees, customers, suppliers, government and regulators, and also banks and financial institutions/creditors. Our engagement activities are listed in the following channels:

- Shareholders : E-mail and postal correspondences, telephone enquiries, website of Shougang Century, complete the request information form on e-mail alert registration on website of Shougang Century, regular reports and announcements, annual general meetings and general meetings.
- Employees : Employees' Satisfaction Survey, newcomer orientation, charitable activities, training programmes, cultural activities, regular employees' performance review, department heads communicating with their subordinates, the management of the Group meet with the employee representative to discuss relevant employment issues at the Congress of Workers and Staff.
- Customers : Customers' Satisfaction Survey, scoring system established allowing customers rating our services and products, regular face-to-face meetings and visits that aim to provide better follow-up services for the usage of product, have a better understanding of customers' new product requirements through the provision of new specification testing subject to Advanced Product Quality Planning control procedures, feedbacks regarding product quality and services from customers from time to time.
- Suppliers : Regular face-to-face meetings and visits which are held according to the feedbacks on standard procurement process, quality control, pre-testing orders, after-orders services and the progress on execution of orders, scoring system established to assess the quality of products provided by suppliers.
- Government & Regulators : Occasional face-to-face meetings and visits.
- Banks & Financial Institutions/ Creditors : Occasional face-to-face meetings and visits.

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

As a result of the communication with our key stakeholders and internal discussion with our management who has hands-on knowledge of our business operations, we note as below the most concerned issues of the six key categories of stakeholders (not in particular order). With reference to the standard set out by the Global Reporting Initiative, we have identified the following expectations from them we considered as material (marked as “(M)”):

Shareholders			Employees		
1	Return on the investment (dividend)	(M)	1	Salary competitiveness	(M)
2	Assets and liabilities	(M)	2	Working environment	(M)
3	Share capital and cash flow	(M)	3	Occupational health and safety	(M)
4	Stock price performance	(M)	4	Job security and satisfaction	(M)
5	Information disclosure and transparency	(M)	5	Career advancement and trainings	(M)
6	Management policies		6	Benefits and welfare policy	
7	Corporate governance structure		7	Corporate culture	
8	Substantial transactions and proposals	(M)	8	Relationship with colleagues	
9	Company's growth and sustainability	(M)	9	Work-life balance	
10	Protection of interests and fair treatment of shareholders	(M)	10	Sense of belongings towards the Company	
			11	Communication effectiveness	
			12	Satisfaction with the management and management policy	
			13	Fairness of employee performance appraisal system	
			14	Management system	(M)

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

Suppliers			Customers		
1	Profitability	(M)	1	Supply chain management	(M)
2	Financial management		2	Price	
3	Data protection and privacy		3	Packaging	
4	Compliance with laws and regulations	(M)	4	Product safety	(M)
5	Supply chain management	(M)	5	Compliance with laws and regulations	(M)
6	Accountability, credibility and reliability	(M)	6	Quality assurance process	(M)
7	Good communications	(M)	7	Product specification requirements	(M)
8	Reputation		8	Reputation	
9	Target customers and the supply network		9	Credibility	(M)
10	Purpose of products supplied		10	Pre-sales and after-sales services	(M)
11	Degree of honesty in cooperation		11	Condition of property, plants and equipment	
12	Length of partnership		12	Good communications	(M)

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

Government and Regulators			Banks and Financial Institutions/Creditors		
1	Compliance with laws and regulations	(M)	1	Profitability	(M)
2	Compliance with accounting standards and procedures	(M)	2	Financial management	(M)
3	Operational and ethnical practices	(M)	3	Ability to repay loans and interests	(M)
4	Policies made and measures taken by the Company		4	Compliance with law and regulations	(M)
5	Environmental impact on society and corporate social responsibility activities		5	Credibility	(M)
6	Community investment	(M)	6	Financial position	(M)
			7	Stock price performance	(M)

We will take care of concerns and expectations expressed by all categories of stakeholders and ensure effective channels of communication are in place as a vital process of continuous enhancement of the Group's overall ESG initiatives.

STAKEHOLDERS' ENGAGEMENT AND MATERIALITY ASSESSMENT

The below table shows the level of materiality in respect of the KPIs listed in the ESG Guide (Appendix 27 of Listing Rules) for our business and their impact within and outside the Group. The direction of this ESG Report will be determined by above analysis and the report will set out in greater details of the issues which are of great concern by the stakeholders.

Topics/KPIs	Level of Materiality	Impact within the Group	Impact outside the Group
Environmental			
1 Air pollutants emission	Low		
2 Greenhouse gas emission	Low		
3 Hazardous waste	High	✓	✓
4 Non-hazardous waste	Low		
5 Energy consumption	High	✓	
6 Water consumption	High	✓	
7 Packaging consumption	Medium	✓	
8 Other impacts on environment	Medium	✓	✓
Social			
9 Employment	Medium		✓
10 Occupational health and safety	High	✓	
11 Vocational training	Low	✓	
12 Child labour	Low		
13 Forced labour	Low		
Operating practices			
14 Supply chain management	High	✓	
15 Product safety	Medium		✓
16 Customer satisfaction	High	✓	✓
17 Intellectual property issues	Low		
18 Quality of products	High	✓	
19 Data protection and privacy	Low		✓
20 Anti-corruption practices	Low	✓	
21 Whistle-blowing procedures	Low		
Community			
22 Community investment	Low		✓

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

ENVIRONMENT

The Group is fully conscious of the environmental impacts that may arise from its business operations. We are now facing severe global challenges including climate changes. In view of the recent occurrences of extreme weather caused by climate change, the Group is fully aware of its duties as a responsible corporate in protecting the environment by reducing its overall greenhouse gas (“GHG”) emission and improving its water conservation efforts and energy efficiency.

Hence, the Group is committed to protecting environment proactively and complying with relevant environmental laws, rules and regulations in Hong Kong and the People’s Republic of China (“PRC”) in which it operates its businesses. We have implemented proper measures to reduce wastes and GHG emissions, while maintaining and providing safe and high-quality products and services to our customers. In order to mitigate wastes, and use energy and resources more wisely, we have adopted principles to reduce, reuse and recycle in our plants and offices in Hong Kong and the Mainland. Employees have been nurtured and encouraged to have energy conservation and environmental protection consciousness.

Starting from 2018, through regular monitoring and active management, we respond to environmental risks and changes in the external environment in a prompt manner. We also strengthen our 5S Management, which are known as “sort”, “set in order”, “shine”, “standardize” and “self-discipline” in both manufacturing plants in order to make the production lines more green and more environmentally friendly. We continue to devote our efforts in environmental protection by implementing policies and measures discussed hereunder, so that our businesses and the communities in which we operate can be benefited.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

We have adopted various policies, procedures and measures which would be updated and revised from time to time to reduce GHG emissions, wastes generated and energy consumption in our plants and offices in Hong Kong and the Mainland as shown below:

GHG Emissions	Wastes Generated	Energy Consumption
<ul style="list-style-type: none"> • Procedures of handling excess emissions and measures on reduction of emissions • Regulations on the management, prevention and control of waste gas pollution • Regulations on the management of waste gas 	<ul style="list-style-type: none"> • Management on the handling of hazardous waste system • Regulations and methods on the waste treatment • Regulations on hazardous chemicals management • Regulations on waste management • Risk identification, assessment and control procedures • Regulations on the management of waste water 	<ul style="list-style-type: none"> • Measures on effective energy conservation • Guidelines on resources conservation in offices and environmental protection • Regulations on energy savings management • Regulations on usage of office resources • Regulations on management of energy saving and consumption reduction

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Environment Management System Authentication

The latest certificates, ISO14001:2015 Environment Management System Certificate, were obtained by Jiaxing Eastern Steel Cord Co., Ltd. (“JESC”) and Tengzhou Eastern Steel Cord Co., Ltd. (“TESC”) in December 2020. These systems have been operating effectively and reviewed annually by WIT Assessment Company Limited and Shanghai NQA Certification Co. Ltd. respectively. The respective certificates are valid till October 2023 and December 2023 respectively.

Energy Management System Authentication

The latest certificate, ISO50001:2011 Energy Management System Certificate, was obtained by JESC in March 2020. This system has been operating effectively and reviewed by WIT Assessment Company Limited.

EMISSIONS

The Group strictly monitors and controls the generation of wastes, sewage discharges and GHG emissions during the production process, and ensures all the emissions and discharges are within environmental quality standards as set out by the local government of the place where our businesses operate to mitigate negative impacts on the environment. These laws, ordinances and regulations include the Environmental Protection Law of the PRC (《中國環境保護法》), the Environmental Protection Tax Law of the PRC (《中國環境保護稅法》), the Water Pollution Prevention and Control Law of the PRC (《中國水污染防治法》), the Prevention and Control of Atmospheric Pollution of the PRC (《中國大氣污染防治法》), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), and the Product Eco-responsibility Ordinance (Chapter 603 of the Laws of Hong Kong) etc..

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

GHG Emissions and Other Pollutants Emission

The Group is committed to reducing air, GHG and other pollutants' emissions in all our areas of operation as far as practicable. We have implemented and improved the aforesaid policies and measures since inception and from time to time to suit the need of environmental protection law requirements. To reduce GHG and other pollutants, we have adopted several measures, for example, selling products with minimal packaging, using less heat and air-conditioning in our manufacturing plants of the steel cord segment. Despite the cessation of the factory operation of the copper and brass products segment in September 2018, since there are still employees working for the matters regarding the discontinued operation of copper and brass products business, GHG emissions of copper and brass products segment are still generated from the consumption of electricity, paper and water in 2020. The total amount of air pollutants of the three segments in 2020 decreased when compared to that of 2019. This is mainly attributable to (1) the COVID-19 pandemic outbreak in 2020 leading to a decrease in the production volume of the steel cord segment, thus reducing the energy consumption; and (2) the improvement of the production equipment in the production lines and the implementation of other energy saving measures during 2020.

Details of the data of air emissions is set out under the headings “**Air Emissions**” and “**GHG Emissions**”. We continue to appoint environmental technicians in the steel cord segment to monitor all emissions from the plants and report to their managers/supervisors immediately if the emission amount exceeds the standards required under the relevant environmental laws and regulations.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Sewage Discharge Management

Same as 2019, to ensure the release of sewage to the sewer complies with the standards under the Environmental Quality Standard for Surface Water (《地表水環境品質標準》) and Wastewater Quality Standards for Discharge to Municipal Sewers (《污水排入城鎮下水道水質標準》) of the PRC, both plants have set up sewage treatment stations to collect and dispose of domestic sewage and industrial sewage. Besides, they have also set up condensate receivers to collect and reuse water after steam cooling from steam condensate return systems in the production lines. They monitor the pH value and Chemical Oxygen Demand (“COD”) daily at regular intervals, and detect heavy metals ions of industrial sewage in the sewer from time to time. Immediate actions will be taken to stop the discharge of industrial sewage if emissions are discovered to be excessive, and perform exhaustive inspection to ensure all emissions are in compliance with the standard requirements as set out by the PRC environmental regulatory authority. In June 2020, JESC obtained a national Pollutant Discharge Permits issued by Jiaying Ecology and Environment Bureau. This Permit aims to regulate and restrict pollutant discharge units, and to ensure compliance with the regulatory requirements of the relevant environmental laws. In addition, JESC has installed four online waste water monitoring systems in March 2020, to ensure that the waste water discharge can meet the standard required. During the years ended 31 December 2020 and 2019, the pH value, COD and heavy metals ions of industrial sewage were lower than the stipulated standards.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Waste Management

A hazardous waste treatment system and waste treatment procedures have been established which formulated provisions for collection, storage, and disposal of hazardous wastes generated in production lines. Qualified disposal enterprises in accordance with the Measures for Hazardous Waste Operation Administration (《危險廢物經營授權管理辦法》) and the Environmental Pollution by Solid Wastes of Prevention and Control Law of the PRC (《中國固體廢物污染環境防治法》) have been engaged to dispose of hazardous wastes properly. All of the non-hazardous wastes, including kitchen wastes, were disposed of by engaging recycling enterprises for recycling and reusing or by using other legitimate measures. Since 2019, JESC has adopted a comprehensive online declaration of solid wastes and hazardous wastes, and actively sought for a better disposal methods and more favorable disposal prices. In 2018, in order to strengthen the environmental awareness of the employees, JESC established an environmental protection team to manage the classification of hazardous wastes, solid wastes and domestic garbage generated from the operation of the production, record and real-time track all the wastes produced every day, and the results are obvious. JESC has also built a new hazardous waste warehouse in the same year to better manage and control the amount of the wastes generated. Since 2017, JESC has tested and installed a new emulsion condensed evaporator to condense the density of lubricant. Further details in respect of the disposal of hazardous and non-hazardous wastes are illustrated in the section of “**Hazardous and Non-hazardous Wastes**” of the ESG Report.

The emissions information for the years ended 31 December 2020 and 2019 are as follows:

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Air Emissions

In general, the key air pollutants include nitrogen oxides, sulphur oxides and the respiratory suspended particles (which is also known as particulate matter). The air pollutants of the Group are mainly generated from the gaseous fuel consumption in the production lines of the steel cord segment. The related data of air emissions⁽¹⁾ for the years ended 31 December 2020 and 2019 are as follows:

Steel Cord Segment

Types of non-hazardous wastes (tonne)	2020	2019
Nitrogen oxides	22.67	22.89
Sulphur oxides	3.41	3.52
Respiratory suspended particles	1.83	1.87
Total air pollutants	27.91	28.28
Total air pollutants per thousand tonnes of production volume (tonne/'000 tonnes)	0.15	0.14

1. The above air emissions data of 2020 presented in nitrogen oxides, sulphur oxides and the respiratory suspended particles were provided from a third-party inspection agency. The said figures for 2019 have been restated to reflect the new measurement.
2. Total air pollutants in 2020 decreased by 1.31% when compared with that of 2019. The reason of the decrease is illustrated under the heading “**GHG Emissions and Other Pollutants Emission**”.
3. Due to the cessation of the factory operation of the copper and brass products segment in September 2018, there is no data or information available for measurement after September 2018. Thus the table above did not list out the relevant ESG data of the segment.
4. The Offices mainly provide management and consulting services to the Group and there is no production line. Thus the table above did not list out the relevant ESG data of the segment.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

GHG Emissions

GHG emissions come from all sorts of everyday activities, principally from water consumption, electricity consumption, combustion of fuel and gases, and driving. The increase in GHG emissions is one of the main reasons for the rise of the global temperature and occurrence of extreme weather and carbon dioxide is the major GHG emitted through human activities. We are committed to managing our GHG emissions by reducing flaring and improving the efficiency in use of energy and resources in our day-to-day operations.

The GHG emissions of the three segments for the years ended 31 December 2020 and 2019 are as follows:

	Steel Cord Segment		Copper and Brass Products Segment		Offices		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	Direct emissions (tonne) (Scope 1)							
Corporate fleet ⁽⁵⁾	43.83	50.64	N/A	N/A	16.74	19.56	60.57	70.20
Natural gas	22,539.55	24,839.58	N/A	N/A	N/A	N/A	22,539.55	24,839.58
Total emissions (tonne) (Scope 1)	22,583.38	24,890.22	N/A	N/A	16.74	19.56	22,600.12	24,909.78
Indirect energy emissions (tonne) (Scope 2)								
Electricity	221,261.20	254,496.87	0.77	1.72	28.16	32.41	221,290.13	254,531.00
Other indirect emissions (tonne) (Scope 3)								
Business travel ⁽⁶⁾	9.42	39.02	N/A	N/A	4.00	31.11	13.42	70.13
Paper consumption ⁽⁷⁾	39.15	35.78	0.04	0.02	1.91	2.11	41.10	37.91
Water consumption	734.07	818.59	0.02	0.02	0.04	0.03	734.13	818.64
Total emissions (tonne) (Scope 3)	782.64	893.39	0.06	0.04	5.95	33.25	788.65	926.68
Total emissions (tonne) (Scopes 1, 2 and 3)	244,627.22	280,280.48	0.83	1.76	50.85	85.22	244,678.90	280,367.46
Total emissions per thousand tonnes of production volume (tonne/'000 tonnes)	1,302.89	1,434.23	N/A	N/A	N/A	N/A	N/A	N/A
Total emissions per gross floor area (tonne/m ²)	N/A	N/A	N/A	N/A	0.08	0.13	N/A	N/A

1. Due to the operation needs of the steel cord segment, GHG emissions mainly come from the combustion of natural gas and electricity consumption.
2. Due to the cessation of the factory operation of the copper and brass products segment in September 2018, there is no data or information available for measurement of direct emissions after September 2018. The above relevant data in 2020 has been shown as "N/A".

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

3. Since there are still employees working for the matters regarding the discontinued operation of copper and brass products business, GHG emissions from copper and brass segment are mainly come from the consumption of electricity, paper and water.
4. GHG emissions factors are calculated based on the Report on GHG Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) issued by the EPD and the EMSD, Guide to Low Carbon Office issued by the EPD, Legislative Council Complex Greenhouse Gas Accounting Report issued by CCA, China's Regional Power Grid Baseline of 2019 (using the average of the operation margin and build margin) published by the Clean Development Mechanism in China and 2019 Refinement to the 2006 IPCC Guidelines for National GHG Inventories from the IPCC.
5. Emissions from corporate fleet only include the transportation of employees as we do not have our own corporate fleet to transport/deliver our products to customers in steel cord segment.
6. Emissions from business travel by air are measured as they account for a major and large part of emissions from business transportation. We use the emission factors quoted from the International Civil Aviation Organization and CCA's Carbon Emissions Calculators to calculate the amount of emissions.
7. Paper consumption only includes A4 papers which are commonly used for printing corporate documents/communication in the ordinary course of business of the respective segment.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Hazardous and Non-hazardous Wastes

Other hazardous and non-hazardous wastes (apart from air pollutants and GHG emissions) generated for the years ended 31 December 2020 and 2019 are as follows:

Steel Cord Segment

Types of hazardous wastes (tonne)	2020	2019
Solid wastes		
Sludge from sewage treatment station	923.42	1,097.49
Sludge from lubricating station ⁽³⁾	235.35	121.51
Total solid wastes	1,158.77	1,219.00
Total solid wastes per thousand tonnes of production volume (tonne/'000 tonnes)	6.17	6.24
Liquid wastes		
Lubricant ⁽⁴⁾	6,070.69	5,631.50
Used acid	12,957.15	13,074.32
Total liquid wastes	19,027.84	18,705.82
Total liquid wastes per thousand tonnes of production volume (tonne/'000 tonnes)	101.34	95.72
Sewage⁽²⁾		
Domestic and industrial sewage	423,141.40	496,359.00
Total sewage per thousand tonnes of production volume (tonne/'000 tonnes)	2,253.66	2,539.93

1. In accordance with the List of National Hazardous Wastes formulated by the Environmental Pollution by Solid Wastes of Prevention and Control Law of the PRC (《中國固體廢物污染環境防治法》), all the captioned wastes we have recorded are defined as hazardous wastes.
2. Sewage was discharged of from the business units of the PRC and consumption data was based on the amount of sewage discharged.
3. In January 2020, JESC cleaned up the waste soap tanks that had not been cleaned for many years, which generates a lot of sludges from the lubrication station. Thus, the total amount of sludge from lubricating station in 2020 increased significantly when compared to that of 2019.
4. The total amount of lubricant in 2020 increased significantly when compared to that of 2019, this is mainly attributable to the upgrading and transformation of the waste saponification fluid treatment equipment by JESC in the first half of 2020, which resulted in more lubricants being cleaned, and the amount of lubricant increased.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Steel Cord Segment (continued)

Types of non-hazardous wastes	2020	2019
Industrial wastes (tonne)		
Scrapped rod ties, scrapped wires and steel wire rod ties ⁽²⁾	6,625.57	6,487.54
Oxidised surface of steel wire rod ⁽³⁾	757.27	736.41
Total industrial wastes	7,382.84	7,223.95
Total industrial wastes per thousand tonnes of production volume (tonne/'000 tonnes)	39.32	36.97
Metallic wastes (unit)		
Scrapped spools ⁽⁴⁾	170,808.00	36,720.00
Total metallic wastes per thousand tonnes of production volume (unit/'000 tonnes)	909.73	187.90
Packaging wastes (tonne)		
Scrapped plastic separators ⁽⁵⁾	5.74	35.35
Scrapped plastic bags ⁽⁶⁾	8.26	2.13
Used packaging plastic ties	3.66	4.14
Used packaging plastic bags for steel wire rod	187.85	189.32
Total packaging wastes	205.51	230.94
Total packaging wastes per thousand tonnes of production volume (tonne/'000 tonnes)	1.09	1.18
Other wastes (tonne)		
Used sacks ⁽⁷⁾	69.04	67.72
Total used sacks per thousand tonnes of production volume (tonne/'000 tonnes)	0.37	0.35
Used powdered lubricant	171.87	176.16
Total used powdered lubricant per thousand tonnes of production volume (tonne/'000 tonnes)	0.92	0.90
Scrapped wooden brackets	200.30	222.17
Total scrapped wooden brackets per thousand tonnes of production volume (tonne/'000 tonnes)	1.07	1.14

1. The aforesaid wastes generated in production lines of the steel cord segment were disposed of properly by those qualified disposal enterprises to mitigate the impact on the environment and those wastes are not defined as hazardous wastes according to the “List of National Hazardous Wastes”. Those wastes could be properly disposed of and re-used.
2. The amount of scrapped rod ties, scrapped wires and steel wire rod ties in 2020 has slightly increased as compared to that of 2019, this is mainly attributable to the increase of the filament breakage rate in TESC in 2020, thus the amount of scrapped wires increased.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

3. The amount of oxidized surface of steel wire rod in 2020 has slightly increased as compared to that of 2019, this is mainly because TESC has reformed the large pull phosphorus removal box in 2020, thus the amount of oxidized surface of steel wire rod increased.
4. The amount of scrapped spools in 2020 has increased significantly as compared to that of 2019, this is mainly attributable to a large-scale restoration of scrapped spools in TESC, as the restored scrapped spools' quality is poor and does not meet the standard, leading to the disposal of a large number of unqualified scrapped spools by TESC in 2020.
5. The amount of scrapped plastic separators in 2020 has decreased significantly as compared to that of 2019, this is mainly attributable to the relocation of the warehouse of JESC, a large-scale of disposal of scrapped plastic separators accumulated since 2018 has been done in 2019, thus the amount of scrapped plastic separators in 2020 has decreased dramatically.
6. The amount of scrapped plastic bags in 2020 has increased significantly as compared to that of 2019. Plastic bags are mainly used for packaging protection, since TESC consumed a lot of plastic bags in 2019 for spools packaging, thus a large amount of plastic bags were disposed in 2020.
7. The amount of used sacks in 2020 has slightly increased as compared to that of 2019, this is mainly attributable to the increased usage of sacks by the suppliers of TESC to improve the protection of the wire rod.

Offices

Types of non-hazardous wastes	2020	2019
Paper wastes collected for recycling (kg)	736.0	964.0

1. In 2020 and 2019, the Offices did not produce any hazardous wastes.
2. Paper wastes collected for recycling included shredded paper and old newspapers. In 2020, we started to recycle old newspapers, in calculating the amount of paper wastes collected for recycling. The said figures in 2019 have been restated to reflect the new measurement.
3. Paper wastes collected for recycling commenced from the third quarter of 2016. Paper consumption in Offices decreased in 2020 when compared with that of 2019.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Measures have been Taken to Mitigate Emissions and Results Achieved

We have implemented a number of energy saving measures such as using energy efficient equipment, reusing water produced by the condensation of steam in production lines and reducing electricity, water and paper consumption in Offices to mitigate emissions, and remarkable results have been achieved in the Offices. Since 2017, we place great emphasis on the promotion of the concept of environmental protection by participating in the “Green Office Awards Labelling Scheme” (“GOALS”) and “Eco-Healthy Workplace Awards Labelling Scheme” (“Eco-Healthy Workplace”) organized by the World Green Organisation (“WGO”) to increase the awareness on physical and mental health of employees on workplace and be able to identify and apply reduction opportunities, ranging from energy, water and paper consumption to carbon at the office to assess and improve the environmental footprint. To show our continual support on the promotion of green office, we will continue to participate in GOALS and Eco-Healthy Workplace in 2021. The idea of GOALS has become the mindset of our colleagues in our subsidiaries in the Mainland, they are now accustomed to switch off the lights when they leave their office and switch off lights that are not in use. Sticking labels beside the light switch is just a reminder to strengthen employees’ awareness on the importance of electricity saving. In 2020, the total electricity consumption of the three segments decreased as compared with that of 2019. We will continue to spare no effort in strengthening and improving the current measures and policies in mitigating emissions. The effectiveness of the measures will be reviewed periodically in order to seek continuous improvement in the efficient use of energy and resources.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Disposal and Reduction Initiatives of Hazardous and Non-hazardous Wastes, and Results Achieved

The Group has entered into contracts in respect of the disposal of the sludge from sewage station and lubricating station, used acid and lubricant between qualified disposal enterprises. These hazardous wastes generated in production lines of the steel cord segment were disposed of properly by those qualified disposal enterprises in accordance to the Standard for Pollution Control on Hazardous Wastes Storage (《危險廢物貯存污染控制標準》) regulated in the PRC. In addition, JESC is undergoing a sludges desiccation project, aiming to reduce the amount of sludges disposal, and to save the related disposal fee. All used wrapping papers, metallic and plastic packaging ties, plastic films, paper cores and scrapped wood pallets incurred in production lines of the steel cord segment had also been disposed properly by those qualified disposal enterprises if possible. In the past, we (Hong Kong office) disposed of paper wastes and old newspapers to landfill, but since the third quarter of 2016, paper wastes and old newspapers were arranged to dispose to recycling enterprises for recycling or reuse.

USE OF RESOURCES

The Group has adopted a set of specific and efficient policy in the use of resources in the production lines and spares no effort in nurturing and encouraging employees to have practices for energy and resources conservation. The Group has also implemented various measures to reduce the use of papers, water and electricity consumption in production lines and Offices. To monitor the implementation of energy consumption measures, environmental technicians and/or the manager of human resources and administration department are responsible for monitoring the use of energy and resources in the production lines and Offices. Details of the green measures are set out under the heading “**THE ENVIRONMENT AND NATURAL RESOURCES**” in this ESG Report.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Direct and Indirect Energy Consumption

The energy consumption data of the three segments for the years ended 31 December 2020 and 2019 are as follows:

	Steel Cord Segment		Copper and Brass Products Segment		Offices		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Direct energy consumption (MWh)								
Natural gas ⁽⁴⁾	116,403.58	128,281.87	N/A	N/A	N/A	N/A	116,403.58	128,281.87
Petrol	181.79	210.02	N/A	N/A	69.45	81.11	251.24	291.13
Total direct energy consumption (MWh)	116,585.37	128,491.89	N/A	N/A	69.45	81.11	116,654.82	128,573.00
Indirect energy consumption (MWh)								
Electricity consumption	375,305.24	392,469.54	1.52	3.18	41.61	42.92	375,348.37	392,515.64
Total direct and indirect energy consumption (MWh)	491,890.61	520,961.43	1.52	3.18	111.06	124.03	492,003.19	521,088.64
Total energy consumption per thousand tonnes of production volume (MWh/'000 tonnes)	2,619.82	2,665.83	N/A	N/A	N/A	N/A	N/A	N/A
Total energy consumption per gross floor area (MWh/m ²)	N/A	N/A	N/A	N/A	0.17	0.19	N/A	N/A

1. Energy consumption data was measured based on the amount of electricity, and fuels and gas consumed and energy conversion factors had taken reference from the Bioenergy Feedstock Development Program at Oak Ridge National Laboratory and a Beginner's Guide to Energy and Power, an article submitted by N Packer, Staffordshire University, UK, February 2011.
2. The total amount of direct and indirect energy consumption of the three segments decreased when compared to that of 2019. This is mainly attributable to (1) the COVID-19 pandemic outbreak in 2020 leading to a decrease in the production volume of the steel cord segment, thus reducing the energy consumption; and (2) the improvement of the production equipment in the production lines and the implementation of other energy saving measures during 2020. Details of the energy saving measures in the production lines are illustrated under the heading "**MEASURES HAVE BEEN TAKEN ON ENERGY USE AND WATER EFFICIENCY INITIATIVES, AND RESULTS ACHIEVED**" on page 31 of this ESG Report.
3. Despite the cessation of the factory operation of the copper and brass products segment in September 2018, since there are still employees working for the matters regarding the discontinued operation of copper and brass products business, little indirect energy consumption is still generated from the consumption of electricity in 2020.
4. Natural gas was consumed in the combustion furnace at production lines of and cooking in the steel cord plants.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Water Consumption

Water is a paramount resource in the running of our operation and production, therefore we are acutely aware of water resources consumption and aim to maximise our water utilisation efficiency. Currently, the water resources supply comes primarily from local municipal water supply, rivers and lake water. We have installed condensate receivers to collect and reuse water after steam cooling from steam condensate return system in the production lines.

The water consumption data of the three segments for the years ended 31 December 2020 and 2019 are set out as follows:

	Steel Cord Segment		Copper and Brass Products Segment		Offices		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Total water consumption (m ³)	806,673.81	899,549.64	24.26	24.99	40.98	36.18	806,739.05	899,610.81
Total water consumption per thousand tonnes production volume (m ³ /’000 tonnes)	4,296.36	4,603.11	N/A	N/A	N/A	N/A	N/A	N/A
Total water consumption per gross floor area (m ³ /m ²)	N/A	N/A	N/A	N/A	0.06	0.05	N/A	N/A

1. In the past, the Offices and copper and brass products segment operate in leased office premises in Hong Kong and the PRC where both the water supply and discharge are solely controlled by the respective property management, whom consider the provision of water withdrawal and discharge data or sub-meter for individual occupant is not feasible. Hence, only the data regarding drinking water was collected. Since the relocation of the Hong Kong office in August 2018, we are able to collect water withdrawal and discharge data afterwards. Hence, the total water consumption includes water withdrawal and discharge data in Hong Kong office from August 2018.
2. The data of amount of water is quoted by the water bills received and bottled water consumed.
3. Due to the cessation of the factory operation of the copper and brass products segment in September 2018, there is no data or information available for measurement of the water consumption per thousand tonnes production volume after September 2018. The above relevant data in 2020 and 2019 have been shown as “N/A”.
4. Since there are still employees working for the matters regarding the discontinued operation of copper and brass products business, thus, there is still a little amount of water consumption in copper and brass products segment in 2020.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Measures have been Taken on Energy Use and Water Efficiency Initiatives, and Results Achieved

We have taken the following actions for the efficient use of resources in the production lines:

1. Carrying out air compressors preheat recovery projects to extend the service life of air compressors and to save steam costs;
2. Setting up two sets of harmonic management devices to reduce the heating rate of cables and other production machinery and equipment;
3. Using energy efficient equipment, such as motors, frequency converters and reactors and the cross-sectional area of the cable in the power supply system to reduce the usage of electricity;
4. Reducing the amount of water consumption in the production lines through the reuse of water after steam cooling from steam condensate return system in steel cord segment;
5. Reducing the amount of electricity consumption in the production line of TESC through upgrading and improving the production equipment of TESC's manufacturing plant in 2019;
6. Modifying and maintaining the air-conditioning system and ventilation system of TESC's steel cord plant in 2019 to reduce the usage of electricity;
7. Using energy efficient LED lighting rather than fluorescent lamp; and
8. Selling products with minimal packaging.

The Group has also implemented energy saving measures in Offices as stated under the heading “**THE ENVIRONMENT AND NATURAL RESOURCES**” in this ESG Report.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Through implementing the aforesaid measures, the energy and water consumption of the respective segment has reduced. The amount of water and electricity consumption of steel cord segment in 2020 has decreased by 10.32% and 4.37% respectively as compared to that in 2019. This is mainly attributable to (1) the COVID-19 pandemic outbreak in 2020 leading to a decrease in the production volume of the steel cord segment, thus reducing the energy consumption; and (2) the improvement of the production equipment in the production lines and the implementation of other energy saving measures during 2020.

Packaging Materials for Finished Products

The Group encourages reusing and recycling certain materials like spools and wooden pallets so as to reduce wastes. However, we understand that finished products produced by the steel cord segment should be packed properly and follow customers' instructions before delivery so as to avoid any damage during transportation. Therefore, packaging materials could not be reduced significantly, in particular when the production volume increased. The types and data of package materials for steel cord segment for the years ended 31 December 2020 and 2019 are as follows:

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Steel Cord Segment

Types of packaging materials	2020	2019
Wooden, plastic and metallic pallets (unit)	162,383.00	169,130.00
Total wooden, plastic and metallic pallets per thousand tonnes of production volume (unit/'000 tonnes)	864.85	865.46
Spools (unit)	7,789,648.00	8,298,603.00
Total spools per thousand tonnes of production volume (unit/'000 tonnes)	41,487.81	42,465.04
Plastic bags (unit)	164,371.00	164,290.00
Total plastic bags per thousand tonnes of production volume (unit/'000 tonnes)	875.44	840.69
Cardboard boxes (unit)	154,350.00	154,621.00
Total cardboard boxes per thousand tonnes of production volume (unit/'000 tonnes)	822.07	791.22
Plastic scale boards (piece)	814,368.00	821,709.00
Total plastic scale boards per thousand tonnes of production volume (piece/'000 tonnes)	4,337.34	4,204.79
Humidity indicators (piece)	157,421.00	164,417.00
Total humidity indicators per thousand tonnes of production volume (piece/'000 tonnes)	838.43	841.34
Desiccants (tonne)	674.99	715.55
Total desiccants per unit of production volume (tonne/'000 tonnes)	3.60	3.66
Packaging ties (tonne)	54.18	56.71
Total packaging ties per thousand tonnes of production volume (tonne/'000 tonne)	0.29	0.29

1. Most of packaging materials amount decreased in 2020 when compared with that of 2019.
2. Notwithstanding the impact of the COVID-19 pandemic that causes the amount of packaging materials returned by the customers decreased in 2020, we have to increase the input of the new packaging materials to keep up with the pace of the production. But most of the packaging materials amount decreased in 2020 and the total packaging materials per thousand tonnes of production volume of respective packaging materials (except plastic bags, cardboard boxes and plastic scale boards) is less than that of 2019. This not only due to the decrease of the productivity of the steel cord segment in 2020, but also reflects the effectiveness of the usage of packaging materials in 2020. For instance, we reused the packaging materials returned by the customers such as plastic bags, cardboard boxes and wooden pallets in order to reduce the input of the new packaging materials in 2020. We also increase the utilization rate of old wooden pallets, to reduce the input of new wooden pallets.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

THE ENVIRONMENT AND NATURAL RESOURCES

We understand that our business nature would have an impact on the environmental and natural resources. Thus, continuous efforts have been put into minimising such impact by implementing various measures at Offices and production lines as far as we could so as to generate profits and return to the shareholders simultaneously, and also protect the environment. Due to office relocation in both Hong Kong and Shanghai in 2018, we have adopted various green measures to mitigate the impact of the renovation of our new office and to achieve better furnishment to make our new office more “green”.

We encourage employees to go green at the offices by implementing the following measures since the second half of 2016, and we keep on doing in 2020:

Green Measures Implemented	
Lighting	<ul style="list-style-type: none">• During the period from 1:10 p.m. to 1:50 p.m. (lunch time) and from 6:00 p.m. (after office hours) on business days, only those lighting which are essentially needed for safety, security or other specific purposes are maintained by adopting timer or plug load controller.• Switch off lights that are not in use. Those lighting which are in individual office areas are mandatory to switch off when the occupier is away or out for work.• Non-essential lighting should be switched off if there are only few people working in the office.• The last-man-out should check and turn off the lighting of all areas of the office.• Use energy efficient LED lighting rather than fluorescent lamp or tungsten filament lamp.• Monitor the implementation of the switch off light policy daily.
Air-conditioning	<ul style="list-style-type: none">• Individual air-conditioner can be adjusted manually to suitable temperature. It is recommended to adjust the temperature of individual air-conditioner to 25°C or above to save energy.• The last-man-out should check and switch off the air-conditioning of all areas of the office. Individual office users should check and ensure that the air-conditioner is turned off before leaving.• Affix stickers as a reminder to encourage employees switch off air-conditioning when not in use.• Alternative ventilation systems, e.g., fans, were available and good enough for normal air ventilation without air-conditioning.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

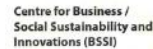
	<ul style="list-style-type: none"> Individual office equipment with energy label (e.g., computers and monitors with EU Energy Star) were adopted.
Office Equipment	<ul style="list-style-type: none"> Air-conditioning system was well-maintained regularly to maintain efficiency. Affix “Save Energy” stickers near the main power switches as a reminder to employees.
	<ul style="list-style-type: none"> Computers, monitors and individual multi-functional printers (if any) should be switched off after office hours or when leaving the workplace to reduce power consumption.
	<ul style="list-style-type: none"> All computers shall preset time for standby or hibernate mode. Switch computers to sleep or hibernate mode and switch off monitors when they are idle to reduce power consumption.
	<ul style="list-style-type: none"> The auto energy-saving mode of the computer has been activated and the brightness of the screen of the monitor has been lowered to reduce power consumption.
	<ul style="list-style-type: none"> 22-inch LED monitors were widely adopted in office for higher resolution so that the chance of eye problems can be reduced.
	<ul style="list-style-type: none"> LED monitors instead of Cathode Ray Tube monitors were used in order to save the consumption of electricity.
	<ul style="list-style-type: none"> Multi-function device (includes printing, scanning, photo copying and fax) was used and well-maintained to prevent waste of paper.
	<ul style="list-style-type: none"> Purchase environmentally friendly stationery and office equipment as priority. Stop purchasing and using stationery and office equipment which may cause a negative impact to the environment.
	<ul style="list-style-type: none"> Employees should reuse stationeries, e.g., paper clips, folders, binders and envelopes.
	<ul style="list-style-type: none"> Refrigerator and cool water dispenser were kept away from sunlight, well-ventilated and well-maintained.
	<ul style="list-style-type: none"> Unwanted materials and thick ice were regularly cleared and defrosted from refrigerator.
	<ul style="list-style-type: none"> The last-man-out should check and turn off all office equipment.
Water	<ul style="list-style-type: none"> Strengthen the daily maintenance of water supply equipment. Employees should inform the property management office through Human Resources and Administration Department for carrying out repairing work promptly once water supply equipment is damaged.
	<ul style="list-style-type: none"> Employees are reminded to shut water taps after use at drinking water and pantry area. Cleaning staff or drivers should clean with wet mop or cloth instead of flushing.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

	<ul style="list-style-type: none"> • Employees were encouraged to report leaks and drips.
	<ul style="list-style-type: none"> • Water taps are equipped with automatic open or close sensor to save water.
	<ul style="list-style-type: none"> • Dual flush cistern was adopted for toilet.
Behavioural Change	<ul style="list-style-type: none"> • Employees should adjust the margins and font size of documents in order to optimize the use of paper, use double-sided copying, reuse single-sided paper, shred non-useful papers instead of throwing away together with domestic wastes, prevent unnecessary and wrong printing and avoid colour printing and copying to conserve more ink.
	<ul style="list-style-type: none"> • To nurture employees the habits of waste separation at source, two waste separation bins have been positioned at pantry for collecting plastic and metallic wastes. Other domestic wastes which cannot be recycled should be placed in existing garbage bins. Printed waste papers after shredding will also be arranged to be disposed of by recycling enterprises for recycling.
	<ul style="list-style-type: none"> • Employees should purchase in bulk (e.g., barreled fresh water) to reduce resource utilization by transportation.
	<ul style="list-style-type: none"> • Buy toners and inks that can be refilled to avoid more metallic or plastic cartridges disposed of to landfills.
	<ul style="list-style-type: none"> • Use reusable utensils and refuse to use disposable cups, plates, forks and other utensils.
	<ul style="list-style-type: none"> • Pen refills instead of new pen will be provided when used up.
Others	<ul style="list-style-type: none"> • Recycle the cartridges by manufacturer or EPD assigned recyclers (e.g., Computer Recycling Programme).
	<ul style="list-style-type: none"> • Electronic documentation was available and widely adopted.
	<ul style="list-style-type: none"> • In-situ reminders such as signage, poster, friendly reminder for switch-off light and air-conditioner were placed in a prominent position.
	<ul style="list-style-type: none"> • Environmental awareness was continuously raised through different environmental programs and other means in which employees could actively participate in.
	<ul style="list-style-type: none"> • Umbrella stand was available to avoid using one-off umbrella bags.
	<ul style="list-style-type: none"> • General greenery in office area.
	<ul style="list-style-type: none"> • Use environmentally friendly paper (wood-free paper) for printing annual report and ESG Report, etc..
	<ul style="list-style-type: none"> • Building was within walking distance from public transport stops or transportation stations.

OUR RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Through implementing the aforesaid measures, recycling of waste and recovery of resources, we believe that we can manage the negative impact on the environment and use resources effectively and efficiently to the greatest extent. We are gratefully being awarded a Certificate of Recognition by WGO for the period from August 2020 to August 2021 by participating in the GOALS and Eco-Healthy Workplace as an affirmation to our contribution. We also commit to improving our environmental performance in our production lines continuously by installing more environmentally friendly production machinery and equipment.



Certificate of Recognition

The **SHOUGANG CONCORD CENTURY HOLDINGS LIMITED** company
has participated in the Green Office Award Labelling Scheme (GOALS) and
attended the training in responsible management education,
which contributes to the global effort to achieve the Sustainable Development Goals.

3 August 2020

Date



This Certificate is presented by World Green Organisation

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

EMPLOYMENT

Our People and Safety

Employees are the important assets and an integral part to the long-term sustainability development of the Group. Undoubtedly, our top priority is to ensure their safety and health at the workplace. The Group is committed to providing a harmonious, safety and healthy working environment for all employees.

During the year, we have implemented various measures to promote occupational health and safety at the workplace and ensure that employees work under a safety environment. This is also part of the initiatives we have taken under GOALS and Eco-Healthy Workplace (collectively the “Schemes”) organised by WGO. We have implemented some of the recommended practices listed in the guideline of the Schemes, such as putting labels around the shelves and working stations to remind employees not to look at the computer screen for too long, using trolleys when carrying heavy objects, adjusting light intensity in the office for a comfort and safe working environment, removing excess lighting in the areas that are too bright, placing computer screens at a right angle to the windows, placing the photocopiers in a designated area to reduce noise, keeping all sections of the office clean, disposing garbage in an appropriate containers, placing air purifiers, cleaning carpets regularly and providing chairs with “height adjustable seat”, “height adjustable armrest” and “tilting backrest” to employees etc.. The purpose of adopting all the above practices is to provide a safe and healthy working environment to our valuable employees. For further details regarding the Schemes, please refer to the heading “**COMMUNITY INVESTMENT**” in this ESG Report.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Management Systems for the Employees of the Group

The Group has prepared human resources policies, which are stipulated in employees' handbooks, notices, and relevant codes of conduct, and implemented employees' management systems in its business units. The abovementioned handbooks, notices, codes and systems cover the area of relevant rules and regulations in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods, and other benefits and welfare. Regulations and rules set out in those handbooks, notices, codes and employees' management systems are in line with the applicable laws and regulations in Hong Kong and the PRC, including the anti-discrimination Ordinance (e.g. Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong)), Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), Company Law of the PRC (《中國公司法》), Labour Law of the PRC (《中國勞動法》), Labour Contract Law of the PRC (《中國勞動合同法》), etc.. During the year under review, there was no material breach of or non-compliance with those applicable laws and regulations by the Group.

Compensation and Dismissal

We have formulated procedures and terms and conditions in the employees' handbooks to deal with those employees who violate any regulations set out by the Group. A written warning notice will be given or immediate dismissal will be imposed to those employees according to the level of severity of each case. Human resources department of the concerned company should be consulted prior to the proposed dismissal of any employee so as to ensure the compliance with the legal requirements.

We will pay sufficient compensation to those employees subject to the aforesaid laws and regulations.

Working Hours and Rest Periods

The employees' handbooks and employment contracts have specified the working hours of employees. For employees who are required to work on irregular hours or public holidays are offered overtime pay and additional compensation as defined in their employees' job description. The Group has complied with the relevant employment laws and regulations in respect of working hours and rest periods in Hong Kong and the PRC.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Emolument Policies of the Directors and Employees

The emoluments of the directors of the Company are decided by the remuneration committee of the Company having regard to individual's performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition. The emolument policy of the Group's employees is also based on their merit, qualifications and competence as well as the prevailing market condition of the industry. Generally speaking, remuneration packages, which include an element of discretionary bonuses, are reviewed annually. In addition to salary payments, other employee benefits including medical subsidies, hospitalisation scheme and a defined contribution provident fund stipulated by State Regulatory of the PRC, Mandatory Provident Fund Scheme stipulated by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and other retirement scheme or other similar defined contribution provident fund have been provided as retirement benefits to employees in Hong Kong and the PRC. There are also other benefits provided to the employees in the PRC subject to the Labour Law of the PRC (《中國勞動法》).

Equal Opportunity, Recruitment and Promotion

The Group is committed to protecting human right by strictly prohibiting any discrimination, harassment, victimisation or vilification occurred at workplace in spite of their age, gender, marital status, pregnancy, disability, family status or race, nationality or religion. We emphasis on the prohibition of discrimination, especially the sex discrimination at workplace. Therefore, we have established the Policy on Prevention of Sexual Harassment at Workplace.

With regard to recruitment, promotion and retention of talents, the procedures of which are implemented according to the equal opportunity principles under the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), Protection of Women's Rights and Interests Law of the PRC (《中國婦女權益保障法》), the Special Rules on the Labour Protection of Female Employees (《女職工勞動保護特別規定》) and Protection of Disability Law of the PRC (《中國殘疾人保障法》).

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

In addition, we have adopted the Policy for Nomination of a Director of the Company, setting out the procedures for the selection, appointment and reappointment of Directors containing the selection criteria, including but not limited to considering the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.

The Group has formulated a promotion mechanism which set out uniform selection criteria and guidelines for promotion of employees. Moreover, the Group has regulated a complaint channel for employee to make complaint if he/she has been suffered from any unfair treatments.

Personal Data Privacy

The Group respects personal data privacy and is committed to implementing and complying with the data protection principles and all relevant provisions of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and codes of practice/guidelines issued by the Privacy Commissioner for Personal Data, Hong Kong for the collection of personal data from employees for the purpose of providing them with benefits, compensation, salary payments, performance assessment, promotion etc..

Diversity and Gender Mainstreaming

The Group has established an employees' diversity policy to recruit talents based on their skills and professions, regardless of gender, age, religion, race and nationality. All employees are entitled to the same rights of work, salary and benefits.

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Since 2013, the Board has also established a Board Diversity Policy to attract and retain talented people as board members. A revised board diversity policy has been approved and adopted by the Board on 18 December 2018, mainly increasing diversity at the Board level, including but not limited to gender, language, age, religion, social-economic status, cultural and educational background, ethnicity, professional experience, regional and industry experience, skills, knowledge, thinking styles, know-how and length of service, as an essential element in supporting the attainment of the Company's objectives and its sustainable development. A summary regarding the Board Diversity Policy can refer to the "The summary of Board Diversity Policy" section on page 56 under the heading "CORPORATE GOVERNANCE REPORT" of the 2020 annual report of the Company.

Furthermore, the Company has participated the Gender Focal Point Network (GFPN) which was jointly organised by the Labour and Welfare Bureau of the Government of the Hong Kong Special Administrative Region and the Women's Commission in promoting gender mainstreaming, which is a global strategy of the United Nations for the promotion of women's advancement and gender equality. After joining GFPN, we are willing to communicate and cooperate with employees on gender-related matters in their daily work.

Communication with Employees

The Group treasures employees as they are our important internal stakeholders and we also recognise that a committed workforce helps to meet business strategies as well as achieve missions and visions of the Group. In addition, the Group also attaches great importance to employees' opinion/view.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

The two steel cord plants of the Group conduct an Employees' Satisfaction Survey every year by using a scoring assessment mechanism to indicate the employees' satisfaction level on their careers' perspectives. Through the surveys, we can measure the engagement level of our employees to the companies and know whether employees are engaged or disengaged under common factors, such as advancement, benefits and compensation, work condition, relationship with management, culture of the companies etc.. The surveys also give employees a channel for open feedback and thus a two-way communication platform can be established. Moreover, the information obtained from surveys enable us to identify the strength and opportunities for improving engagement in our Group. The Company conducted the same Employees' Satisfaction Survey since 2016, aiming to collect opinion/view of employment perspectives from employees and relevant employees' job satisfaction summary analysis report has been prepared for management's review. The management of the Company will consider and make response to the feedback from employees and refine the relevant human resources related policies and systems, if practicable.

The Group is aware of the importance of maintaining the rights and interests of employees, especially the production workers in the PRC as those production workers accounts for a majority of employees of the Group. If they are not satisfied with their salaries, meals allowance, working hours and working conditions, apart from expressing their views/opinions to the management of the Group, they have the rights to report to the Chinese Trade Union and negotiate with their employers under the Trade Union Law of the PRC (《中國工會法》), Articles of Association of Trade Unions in the PRC (《中國工會章程》) and Congress of Workers of the Industrial Enterprises Regulations (《全民所有制工業企業職工代表大會條例》). Our employees, including production workers, can give their comments and recommendations at the Congress of Workers and Staff. To conclude, we are pleased to listen to the needs and opinions from employees and provide various communication channels for employees to express their opinions regarding employment issues. We also obey the Special Rules on Labour Protection of Female Employees (《女職工勞動保護特別規定》) to protect the health of female employees.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Total Workforce and Employee Turnover Rate by Gender, Employment Type, Age Group and Staff Hometown Region

Total workforce by gender, employment type, age group and hometown region of staff of the three segments for the years ended 31 December 2020 and 2019 are as follows:

Unit	Steel Cord Segment		Copper and Brass Products Segment		Offices		Total		
	2020	2019	2020	2019	2020	2019	2020	2019	
	Total number of employees	2,105	2,005	2	2	41	36	2,148	2,043
By gender									
Male	No. of employees	1,907	1,830	0	0	20	18	1,927	1,848
Female	No. of employees	198	175	2	2	21	18	221	195
By employment type									
Full time	No. of employees	2,105	2,005	2	2	41	36	2,148	2,043
Part time	No. of employees	0	0	0	0	0	0	0	0
By age group									
30 or below	No. of employees	409	518	0	0	2	4	411	522
31 to 50	No. of employees	1,530	1,343	1	1	25	19	1,556	1,363
Over 50	No. of employees	166	144	1	1	14	13	181	158

Year	Unit	Steel Cord Segment			Copper and Brass Products Segment	Hong Kong	Offices			Total
		Shandong Province	Zhejiang Province	Henan Province			Guangdong Province	Shanghai	Beijing	
By staff hometown region										
2020	No. of employees	1,266	441	91	1	15	12	6	316	2,148
2019	No. of employees	1,127	455	93	1	13	11	6	337	2,043

1. The factory operation of copper and brass products segment has ceased in September 2018, but there are still employees working for the matters regarding the discontinued operation of copper and brass products business in 2020.
2. The above table of the total workforce by staff hometown region of the three segments is showing the three segment's top three hometown regions that most of the employees live respectively.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

The number and turnover rate of employees by gender, employment type, age group and hometown region of staff for the years ended 31 December 2020 and 2019 are as follows:

Unit		Steel Cord Segment				Offices				Total			
		2020		2019		2020		2019		2020		2019	
Number and rate of employee turnover (%)		719	2.88	810	3.24	1	0.20	7	1.50	720	2.82	817	3.21
By gender													
Male	No. of employees and %	682	2.73	774	3.10	0	0.00	3	0.66	682	2.67	777	3.06
Female	No. of employees and %	37	0.15	36	0.14	1	0.20	4	0.84	38	0.15	40	0.15
By employment type													
Full time	No. of employees and %	719	2.88	810	3.24	1	0.20	7	1.50	720	2.82	817	3.21
Part time	No. of employees and %	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
By age group													
30 or below	No. of employees and %	320	1.28	435	1.74	0	0.00	0	0.00	320	1.25	435	1.71
31 to 50	No. of employees and %	373	1.50	357	1.43	0	0.00	3	0.65	373	1.47	360	1.41
Over 50	No. of employees and %	26	0.10	18	0.07	1	0.20	4	0.85	27	0.10	22	0.09

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Year	Unit	Steel Cord Segment								Offices	
		Shandong Province		Zhejiang Province	Sichuan Province		Others		Hong Kong		
2020	No. of employees and %	544	2.17	39	0.09	23	0.07	113	0.46	1	0.2

Year	Unit	Steel Cord Segment								Offices			
		Shandong Province		Yunnan Province	Henan Province		Others		Hong Kong	Shanghai			
2019	No. of employees and %	573	2.30	36	0.15	36	0.15	165	0.68	4	0.86	3	0.65

1. Due to the cessation of the factory operation of copper and brass products segment in September 2018, there is no employee turnover of copper and brass products segment in 2020.

Promotion of Employees' Work-life Balance

Striking a balance between work and life for our employees has always been a great challenge. We believe that if employees are less stressed out at work, they are more willing to work at the Company for a longer period of time. Therefore, a higher employee retention rate, a lesser time-consuming training and a greater employees' loyalty towards the Company can be achieved.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

HEALTH AND SAFETY

The Group treats its employees' health and safety as of utmost importance and we are committed to maintaining a safe, healthy and productive workplace for our employees. Thus, we provide orientation training, comprehensive and ongoing safety trainings to our employees of the main departments in particular to those who worked at workshop and production lines of the Company and its principal business units/its subsidiaries to help them to be adapted to the operation of the plant and machinery and production facilities.

In order to provide a safe and healthy working environment to our employees, the Group has formulated various production safety regulations, relevant workshop regulations and codes of conduct in workplace, which provide guidelines on handling personal injuries and operating equipment accidents in case of occurrence, handling dangerous chemicals and operating machines which is set out in the procedures on operation safety manual and safety codes in accordance with the Occupational Safety and Health Ordinance, Occupational Disease Prevention Law in the PRC (《中國職業病防治法》) and the Production Safety Laws of the PRC (《中國安全生產法》).

We have adopted the codes of practice in safety operation for handling hazardous wastes and operating machines to strictly regulate employees who often handle hazardous waste and operate machines. They have to take and/or wear full set occupational protective equipment, such as face shield, safety glasses/goggles, safety belts, protective clothing etc. provided by the Group when they are handling dangerous chemicals or operating machines to protect their health and safety. They should check if the operating machines or equipment are in order and safe before use. All the operating machines and equipment have been inspected regularly to ensure safety. We have also prepared a compilation of responsibilities on safety issues to regulate the duties of each of main department of the two steel cord plants in terms of planning, monitoring and reviewing of safety and health measures. Safety maintenance officers have been appointed by the two plants to implement, monitor and enforce the management of health and safety policies. Moreover, we have also formulated regulations in respect of maintenance of healthy and safe workplace for our employees.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Our two manufacturing plants in the PRC have implemented several working measures, in particular, strengthening the safety and 5S Management, which are known as “sort”, “set in order”, “shine”, “standardize” and “self-discipline” so as to provide our employees a safe and green working environment and production lines.

The Group has regulated that all new employees in the Mainland must take three levels of production safety trainings before taking up their duties, i.e., departmental trainings, workshop trainings and class/team work lines trainings. Employees who have special job duties, such as handling of dangerous chemicals, electricians, fitters, welders, forklift operators etc., must follow the operation safety rules. For employees who change job positions must also re-take relevant safety trainings before serving. We also provide trainings to Hong Kong and PRC employees, aiming to deliver a message of the importance of occupational health and safety in Hong Kong and PRC offices. Since the outbreak of the COVID-19 pandemic, Hong Kong head office, Shanghai subsidiary office and the two plants have implemented different anti-epidemic measures, such as work from home, providing masks to employees, taking body temperature at work etc., giving priority to employees’ safety and health.

Moreover, a reporting channel has been set up for work injuries and work-related fatalities. If any work injury or work-related fatality has occurred, the managers of the Company and main business units of the subsidiaries must report to the manager of human resources and administration department immediately. An internal KPI defining a tolerance level for the occupational injury and fatality of the main business units of the subsidiaries has also been adopted. When no occupational injury or serious occupational accident has occurred or the occurrence rate is below the tolerance level, the responsible person of the management will be awarded. We believe that such measures can reduce the occurrence of work injuries.

Both manufacturing plants in JESC and TESC have set a target to achieve “zero” work injury in 2021.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Occupational Health and Safety Management System Authentication

JESC and TESC obtained the latest certificates, ISO45001:2018 Occupational Health and Safety Management System Authentication Certificate (replacing OHSAS18001:2007), since December 2020 and January 2016 (reissued in December 2020) which are reviewed by WIT Assessment Company Limited and Shanghai NQA Certification Co., Ltd. respectively every year. The respective certificate is valid till October 2023 and January 2022 respectively.

Work Safety Management System Authentication

JESC obtained the Work Safety Standardization Certificate since December 2019 which is issued by the State Administration of Work Safety of the PRC (中國國家安全生產監督管理總局). The certificate is valid till December 2022.

Number and Rate of Work-related Fatalities and Lost Days due to Work Injury

Under the Employees' Compensation Ordinance, the Company must possess a valid employees' compensation insurance policy to cover its legal liabilities under both the ordinance and common law for work injuries in Hong Kong. All employees working in the PRC are protected from work injuries and work-related diseases subject to China's social security system. If an employee has suffered from work-related injury, fatality or disease in his/her course of employment, we must report to the Labour Department in Hong Kong or Ministry of Human Resources and Social Security of the PRC in writing within the period stipulated by the Occupational Safety and Health Ordinance, Regulation on Work-Related Injury Insurances (《工傷保險條例》) of the PRC and The State Council of the PRC, as the case may be.

Save as disclosed as below, during the years ended 31 December 2020 and 2019, neither any accidents in relation to occupational health and safety nor work-related fatalities had occurred in connection to the Group.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

	Unit	2020	2019
No. of employee's occupational injury incidents ⁽¹⁾	No. of incidents	7	8
No. of employee's occupational injury	No. of persons	7	8
Percentage of employee's occupational injury ⁽²⁾	%	0.33	0.38
No. of working days lost due to employee's occupational injury	Days	511	523
Compensation amount due to employee's occupational injury	HK\$	94,392.82	49,670.08
Person-time participated in safety training	Person-time	30,073	16,808

1. Reportable injuries refer to work-related accidents of employees resulting in incapacity for a period exceeding 3 days in Hong Kong under the Employees' Compensation Ordinance and the days as defined under the Regulation on Work-Related Injury Insurances (《工傷保險條例》) in the PRC.
2. The rate of occupational injury is calculated as the number of injured employees divided by the number of employees employed in steel cord segment and multiplied by 100%.

Compensation for Work Injuries

The Group complies with the laws, rules and regulations in relation to compensation for work injuries or occupational diseases in Hong Kong and the PRC, which include the Employees' Compensation Ordinance, Compensation Standard for Work Injury (《工傷賠償標準》), Regulation on Work-Related Injury Insurances (《工傷保險條例》), Social Insurance Law of the PRC (《中國社會保險法》) and Regulation on Work-Related Injury Insurance in Zhejiang Province (《浙江省工傷保險條例》) to pay compensation to employee who has suffered from work-related injuries or work-related diseases. The Group also considers to pay extra compensation more than statutorily required to those employees who are injured, dead or suffered from work-related diseases in their course of employment.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

DEVELOPMENT AND TRAINING

The Group aims to ensure that development and training are ongoing for all employees and is committed to providing continuous development training programmes/courses to the Mainland employees, Directors and employees of the Company with which are designed to enhance their technical skills in production and management, and professional skills and knowledge. Thus, the Group has adopted training course management policies which set out training structures to provide internal and external training programmes/courses to different levels of employees of the Group, including managerial grade or above, general staff and production workers. Each business segment is responsible for developing its own training programmes/courses to meet its specific business requirements. These training programmes/courses offered to employees include orientation training, on-the-job training, safety education, on-site training, simulative practice, vocational training, talk/lecture, quality management, job relocation training and external training related to professional qualifications. Through orientation training, new employees can have a fast understanding of the company, identify the organisational culture of the company and can easily adapt to it. Employees who fail the orientation training after the probation period stipulated in their employment contract and employees' handbook of their companies may result in disqualification as permanent employees with those companies. Any employee who has attended on-the-job training must take examinations to assess employee's performance.

During the year ended 31 December 2020, the Directors have attended programmes or seminar(s) organised by the Company, other qualified professional bodies or regulatory authorities. In particular, all Directors had actively participated in the Directors E-Training launched by the Stock Exchange in June 2020, which enhance their understanding and carrying out their roles in ESG reporting under the New ESG Requirements that took effect for financial years commencing on or after 1 July 2020.

Employees are also encouraged to pursue lifelong learning and training. Therefore, we offer comprehensive benefits, such as examination leaves, for those employees who will attend examinations organised by professional bodies or academic institutions in relation to the job he/she performs. In all, employees are offered with all-round and comprehensive trainings to enhance their technical skills and knowledge constantly.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

The Percentage of Employees Trained and Average Training Hours Completed per Employee by Gender and Employee Category

As at 31 December 2020 and 2019, the respective percentage of employees trained and average training hours completed per employee by gender and employee category are as follows:

	Unit	Steel Cord Segment		Offices	
		2020	2019	2020	2019
Percentage of employees trained	%	54.31	53.80	7.76	6.57
Percentage of employees who received training by gender					
(a) Male	%	50.19	50.59	1.91	1.58
(b) Female	%	4.12	3.21	5.85	4.99
Percentage of employees who received training by employee category					
(i) Directors and/Senior Management	%	N/A	N/A	0.84	1.58
(ii) Managerial grade or above	%	0.06	0.05	0.43	0.79
(iii) Production workers	%	50.67	50.69	N/A	N/A
(iv) Supporting/General Staff	%	3.45	2.97	1.87	0.44
(v) Others	%	0.13	0.09	4.62	3.76
Average hours of training per employee by gender					
(a) Male	Hours	7.62	4.44	0.19	0.05
(b) Female	Hours	7.12	4.35	0.87	0.77
Average hours of training per employee by employee category					
(i) Directors and/Senior Management	Hours	N/A	N/A	0.13	0.57
(ii) Managerial grade or above	Hours	0.74	0.40	0.34	0.09
(iii) Production workers	Hours	8.51	4.95	N/A	N/A
(iv) Supporting/General Staff	Hours	1.46	1.21	0.68	0.56
(v) Others	Hours	0.19	0.21	0.60	0.47
Total training hours completed by employees	Hours	189,434.10	110,548.50	256.00	179.40
Average hours of training per employee	Hours	7.58	4.43	0.53	0.41

1. Due to the cessation of the factory operation of copper and brass products segment in September 2018, there are no trainings arranged for the existing employees of copper and brass products segment during year 2020.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

LABOUR STANDARDS

The Group has formulated a comprehensive set of human resources policies to recruit talented persons from the widest pool of available talent in a fair and equitable manner, including but not limited to stipulating rules on recruitment and also formulated a strict recruitment policy to prevent child and forced labour, and other potential illegal incidents.

Management Systems for Recruitment

The Group aims to recruit and retain the best employees to help achieve its business objectives, missions and visions by implementing recruitment management systems strictly. The Group has taken all practical steps to ensure that the job applicants are legally employed in accordance with the Prohibition of Child Labour of the PRC (《中國禁止使用童工規定》) and relevant laws and regulations in Hong Kong and the PRC and request new applicants truthfully fill in their personal information in the personal data form, and provide identification documents and/or working visa (if any) to human resources and administration department in a fair and equitable manner and also under legitimate procedures. The procedures include but not limited to verification of identity to prevent the Group from recruiting employees under the age of 16 and forced labour. In addition, we also ensure that applicants and employees are treated equally in respect of recruitment, assignment, development, evaluation and reward.

BUILDING A HARMONIOUS AND PROSPEROUS COMMUNITY ENVIRONMENT

Prevention of Child Labour and Forced Labour

Pursuant to the Provisions on the Prohibition of Child Labour of the PRC (《中國禁止使用童工規定》) and the Law of the PRC on the Protection of Minors (《中國未成年人保護法》), the Group is prohibited to recruit employees under the age of 16 and forced labour. In this regard, we have implemented regulations on managing the prevention of child labour and forced labour, and established procedures for handling incidents with necessary actions taken to transport back those labour to hometown or place of origin if any child labour/forced labour is found. Disciplinary actions including the possibility of summary dismissal will be taken against employees deliberately providing untrue personal data, forged certificates or violating such regulations subject to the concerned company's employees' handbook and policies. Those regulations are in line with the Employment Ordinance and relevant laws and regulations in the PRC.

To conclude, the Group shall review the overall recruitment practices from time to time to prevent child labour, forced labour and other potential illegal incidents and shall comply with any laws, rules and regulations to prohibit child labour and forced labour. During the year of 2020, the Group was not aware of any breach of or non-compliance with applicable laws and regulations in relation to child labour and forced labour.

OPERATING PRACTICES

SUPPLY CHAIN MANAGEMENT

Our customers and suppliers

The Group has maintained a good business relationship with the suppliers for many years as they have been continuously providing stable and high-quality raw materials to the Group. The suppliers mainly supply steel wire rods for manufacturing of steel cords for radial tyres, which are used in steel cord segment.

We are committed to delivering good quality and advanced steel cords, sawing wire and hose wire products to our customers (i.e., tyre manufacturers). In our supply chain management, quality control is one of the key features. Thus, steel cord segment will strictly select raw material suppliers with quality assurance, good reputation, high credibility and integrity which we can maintain long-term business relationship with. In addition, we adopt a stringent procurement management mechanism and screening system by selecting those raw materials suppliers based on various factors, including price, exclusivity, convenience in transportation, financial condition, quality, techniques and skills, reputation, after-sale services, social responsibility etc.. The suppliers' responsibility for environmental protection and society are also our concern in supply chain management. On one hand, the Group selects suppliers who are committed to emphasizing on the philosophy of environmental protection and the rights of employees, for instance, one of our suppliers, Nanjing Iron & Steel Co., Ltd., has its production philosophy in providing an environmentally friendly and safety working environment to their employees; while on the other hand, the Group continues to maintain satisfactory relationship with suppliers to guarantee better procurement and suit our production requirements. Also, we try to procure locally or in nearby places instead of overseas so as to reduce carbon emissions from transport and shipping, hence most of our steel cord segment's suppliers are located in Nanjing and Jiangsu.

OPERATING PRACTICES

In addition, we regularly assess the existing suppliers. The evaluation factors mainly include the on-going quality of raw material, costs, service, delivery, feedback from customers, etc.. We have gone through a standard procedure to select and evaluate samples of raw materials, i.e., wire rods, to meet the quality requirements of international standard, such as ISO9001:2008. We also monitor the change of our customers' or suppliers' owner/beneficiary under well-established procedures to minimize the possible business risks arising from changes in customers' and suppliers' particulars, so as to maintain accurate and reliable record of our customers and suppliers.

Number of Suppliers by Geographical Region

The number of suppliers by geographical region of steel cord segment for the years of 2020 and 2019 are as follows:

	2020	2019
PRC		
Jiangsu	8	7
Others	5	5
Subtotal	13	12
Japan	1	1
Korea	0	0
Total	14	13

1. Due to the cessation of the factory operation of copper and brass products segment in September 2018, there is no data or information available for measurement of the number of suppliers by geographical region of copper and brass products segment in 2020.

OPERATING PRACTICES

Practices relating to Engaging Suppliers, Number of Suppliers where the Practices are being Implemented, and the Execution and Monitoring of those Practices

For the steel cord segment, its purchasing department has formulated a serial of supplier management procedures to strictly monitor the quality of raw materials and review the rating of those supplies regularly. Our objective is to select suitable suppliers who can provide high-quality raw materials and excellent services. We also drafted a supplier product quality assurance cooperation agreement for our key suppliers to ensure that the products provided by them meet our quality requirements. We believe this practice can enhance the mutual trust relationship between the suppliers and our Company and safeguard the interests of both parties.

The above practices applied to all suppliers in respect of provision of raw materials for steel cord segment during the years of 2020 and 2019.

In order to minimise the use of resources due to transportation and prioritise the purchase of environmentally friendly stationery and office equipment etc., we have adopted the green procurement policy by encouraging employees to purchase in bulk.

In addition, we encourage suppliers to follow the Group's standards, comply with all applicable laws and regulations, and strive to minimise the negative impacts on environment and preserve our natural resources. For instance, one of our suppliers, Nanjing Iron & Steel Co., Ltd., supplies their products to us in accordance with its environmental policies and guidelines and follow our requirements.

Our suppliers also have expectations on us, including profitability, level of compliance with laws and regulations, effectiveness of supply chain management, responsibility, integrity and reliability, willingness to communicate, degree of integrity in co-operation and length of partnership.

We hope to be the selected customers of our targeted suppliers. Alternately, their loyalty, support and collaboration enable us to operate more effectively, access to raw materials more sustainably and thereby strengthen our supply chain value.

OPERATING PRACTICES

PRODUCT RESPONSIBILITY

We have to go through rigorous testing procedures to become a qualified supplier for new customers of radial tyres. These testing procedures could last for about 2 years in most of the international radial tyre manufacturers in order to test the properties of steel cord in radial tyres under various weather conditions. In this regard, the Group attaches great importance to providing customers with high-quality products and high safety standards, aiming to maintain our “Eastern” brand recognition in steel cord industry. We constantly monitor the quality of different specifications of steel cord to ensure that radial tyre manufacturers are satisfied with our products, and their requirements of production of safe radial tyres can be met. By applying these standards, we can gain their long-term support and trust and thus enhance the profitability of the Group.

In order to maintain the customers’ confidence in our product quality, the Group provides after-sale services to our customers. If we receive any complaint from a customer, we will first communicate with that customer and arrange our technical personnel to visit that customer’s site for inspection or fine tune our product specification (as the case may be). For example, if we figure out that the main reason of the complaint is due to the customer’s dissatisfaction with the requirements of the current production process, we will improve the product quality according to customers’ needs, and customers may return the products or exchange for new products subject to the terms and conditions of the contracts. In addition, if we find that the operators violate the rules and do not follow the operation procedures, our management will issue warnings to these operators and provide further trainings to them.

IATF 16949:2016 certificate was issued by TÜV Rheinland Cert GmbH, a leading international provider of inspection services, to TESC and JESC in years 2018 and 2019 respectively. It proved the manufacturing of steel cords met the requirements of IATF standard. In December 2020, a GB/T45001-2020 certificate, was issued to JESC by WIT Assessment Co. Ltd., a commercial services company specializing in third-party certification business, providing management system certification, products certification and training services to domestic and international clients, which will be valid until October 2023. Those certificates are intended to build up or enforce the confidence of a customer towards the system and process quality control of a supplier, in particular for the development, production and installation and servicing of automotive-related products.

OPERATING PRACTICES

For steel cord segment, it has pre-product quality control planning procedures and sales of products policies and procedures, in which the area of those procedures and policies covers sales return policy, customers' complaint procedures and intellectual property policies and measures related to maintenance and safeguard products. In addition, customers' satisfaction surveys are conducted every year to collect comments from customers about the quality of our products, efficiency on delivery and after-sale service in this segment. The sales representatives of steel cord segment visit the customers occasionally to obtain comments/opinions in order to improve the quality of our products and enhance our technical skills and knowledge in order to meet the customers' requirements.

For copper and brass products segment, it has product complaint and process form for customers to make necessary complaints and relevant department will follow-up thereafter. Moreover, the management of this segment will visit customers regularly in order to build better business relationship. As we have built trust and reliable relationship with customers, the collection of accounts receivables from those customers are much easier when this segment ceased its factory operation in September 2018.

We understand the importance of intellectual property rights protection and hence some guidelines are formulated for identifying the intellectual properties and applying for registration. Intellectual properties are important assets towards our Company, so we strive to safeguard the rights and interests of intellectual properties. As the owner of certain intellectual properties' rights, we have adopted products standard management procedures to protect customers' information from unauthorized access, usage and leakage and maintain their data properly.

There was no issue regarding material non-compliance with the relevant laws and regulations that have any significant impact on the Group relating to health and safety, advertising, labelling and privacy matters during the year.

There are no products of the Group sold or shipped subject to recalls for safety and health reasons, for the years 2020 and 2019.

OPERATING PRACTICES

Number of Products and Service Related Complaints Received and How to Deal With

As mentioned under the heading of “**PRODUCT RESPONSIBILITY**” above, when customer complaints are received, we will first communicate with our customer and arrange technical personnel to visit the customer’s site for inspection or fine tune our product specification (as the case may be). After that, they will fine-tune the properties of products to suit the requirements of their customers (if necessary). Any corrective actions will then be recorded in the corrective action report and will follow-up if any corresponding actions are required. Moreover, the disqualified products can be returned or exchanged subject to the terms and conditions of the sales contracts. The complaint rate of steel cord segments for the years 2020 and 2019 are as follows:

	Unit	Steel Cord Segment	
		2020	2019
Total number of products related complaints received per thousand tonnes of production volume	No. of complaints/ '000 tonnes	0.22	0.29

1. Due to the cessation of the factory operations of copper and brass products segment in September 2018, there is no data or information available for measurement of the complaint rate of copper and brass products segment after September 2018.

OPERATING PRACTICES

ANTI-CORRUPTION

Standard of Conduct

Having good standards of corporate governance is the indispensable key for the success of our business development, since this can promote and reinforce the confidence of its stakeholders. We have devised and adopted several clear guidelines/policies for the Directors, management and employees of the Group which enable the Group to achieve a high standard of code of conduct, including the follows:

- Declaration of Conflict of Interest
- Guidelines on Accepting and Offering Gifts and Entertainment
- Whistleblowing Policy
- Key channels of compliant
- Reporting and Monitoring Policy on Connected Transactions and Continuing Connected Transactions

All the above policies/guidelines are annexed to the Internal Management and Control Manual (“Internal Control Manual”) of the Company which is reviewed and updated regularly. The latest Internal Control Manual has been revised and adopted on 30 December 2020. Besides, all employees of the Group, including directors of the Company, should avoid conflict of interest between their private interest and the interest of the Company and should report in such cases. They must also follow the guidelines in relation to provision of gifts and entertainment and accepting gifts and benefits and observe any updates and changes regarding the anti-corruption measures.

In addition, a whistleblowing policy was implemented and adopted by the Board on 22 March 2012 and revised on 1 August 2018 to provide procedures to employees who have concerns about any suspected misconduct or malpractice within the Group, in which those employees can reflect those concerns or submit a written report to the Company through this policy. The Company will then evaluate the report to decide whether a full investigation is needed. If it is necessary, the investigation process will start and the Company will prepare an investigation report and then submit to the audit committee of the Company upon completion of the investigation. The audit committee of the Company is responsible for monitoring and reviewing the operation of the whistleblowing policy and providing any recommendations attributable from the investigation of complaints.

OPERATING PRACTICES

We also set out policies/guidelines that provide guidelines on anti-corruption and codes of conduct for respective core business units in the Mainland, namely Guidelines on Corporate Corruption Prevention, Management of Regulations on Anti-corruption and Anti-bribery, Whistleblowing Policy (applicable in the PRC), Code of Conduct and Code of Ethics relating to fraud, bribery and extortion.

Also, we have engaged Moore Advisory Services Limited, the internal auditor of the Company, to review the abovementioned policies to avoid any misappropriates, suspected or alleged fraud, abuse of power etc. and to ensure that all employees comply with the code of conduct.

Regarding the suppliers, we have a stringent procurement management system to evaluate our suppliers' performance and conduct in order to enhance the suppliers' commitment to the Group's standards and principles.

Moreover, the audit committee members of the Company have responded to PricewaterhouseCoopers, the external auditor of the Company, about their knowledge on any actual, suspected or alleged fraud which may affect the Group. During the year, the internal auditor, among others, has reviewed the risk management and internal control systems to see if any additional precaution needed to be added.

All the business operations have complied with relevant laws and regulations that may have a significant impact on the Group relating to bribery, extortion, fraud and money laundering etc. in the PRC and Hong Kong.

During the year, we are not aware of any legal cases regarding corrupt practices brought against the Company or its employees.

OUR COMMUNITY

COMMUNITY INVESTMENT

The Group constantly strive to make a positive contribution to improve the communities in which we operate. We are keen to support environmental activities, and actively engage with the community, make regular contributions to improve the wellbeing of our local community as we believe that community care is an integral part of our corporate values. Our objectives are (i) enhancing environmental awareness within the Group; (ii) safeguarding occupational safety and health at workplace; and (iii) caring people who are in need in society.

In order to cultivate employees' awareness on environmental protection, and occupational safety and health issues, as well as encourage their contribution to the society, we have formulated Corporate Social Responsibility Guidelines, Social Welfare Activities and Philanthropy Management Guidelines that encourage all employees to participate in and give support to community activities, maintain a safe and healthy working environment, comply with the relevant laws and regulations, and commit to environmental protection. We believe and expect every employee can play an important role in community investment.

We are a member of the “Jockey Club CarbonCare Open Innovation Lab” (“COIL”) since 2015, which is established by CarbonCare Inn Lab and contributed by the Hong Kong Jockey Club Charities Trust. COIL holds events and/or seminars, inviting a number of low-carbon experts specialised in different areas or the management of companies/organisations to provide information on low-carbon and share their experiences in reducing carbon emission. The events and seminars held and information provided by COIL on climate justice, carbon reduction, resource conservation and adaptation to future climate scenarios are particularly useful and the knowledge obtained does help us to devise relevant measures and policies on carbon reduction properly and effectively.

OUR COMMUNITY

To make the first step to go green at our workplace, we had participated in GOALS and Eco-Healthy Workplace organized by the WGO since 2017. The Schemes require companies to implement various green practices in their offices based on WGO's guidelines with the support of Green Auditors. On the way to achieve the goals, we gained knowledge and skills on environmental protection and sustainability, strengthened awareness on physical and mental well-being of employees in workplace and be able to identify and apply reduction opportunities, ranging from energy, water and paper consumption to carbon at the office to assess and improve the environmental footprint. As we had implemented green measures in our office far more than the minimum required, we had been awarded with WGO's GOALS label and Eco-Healthy Workplace label for a year on 3 August 2020. This recognized our achievement in facilitating green office and promoting environmentally friendly concepts to employees. In order to share our achievements in environmental protection, we had kept on inspiring the subsidiaries to take initiatives and implement green measures within their office area and work stations. Our colleagues in the Mainland now have a "green office" idea at their workplace. They have stuck labels beside the light switch to remind themselves the importance of electricity saving. They also place waste separation bins to separate the waste which can be recycled.



During the year, the Company continued to support the Hong Kong Green Building Week 2020 ("HKGBW 2020") organised by Construction Industry Council and the Hong Kong Green Building Council by participating in a series of online programmes launched by HKGBW 2020. These activities encourage employees to adopt a sustainable lifestyle by featuring contents on green building and practical tips of low-carbon living.

OUR COMMUNITY

Apart from implementing green initiatives in office, the Company also contributed to the communities with love and care by engaging in charitable activities and donations. We had participated in the “2020 Dress Casual Day” organised by the Community Chest, which is one of the most important charities in Hong Kong, and donated a certain amount of benevolent donation for subsidizing rehabilitation and aftercare services, aiming to recognize disabled person to enjoy their inherent equal rights, assist drug rehabilitation and rehabilitation people to rebuild their lives and reintegrate into the society. Employees were allowed to dress casual to work and it has gained full support by the Directors, the management and the employees of the Company. We hope to spread up positive vibes and cheer up together in this tough 2020. After the reporting date, we had also made donations to the “Services for Street Sleepers, Residents in Cage Home and Cubicles” by supporting another event called “Skip Lunch Day 2021” launched by the Community Chest.



OUR COMMUNITY

On the other hand, the Group strive to foster a harmonic and work-life balance workplace by organising various leisure or team-building activities. Due to the COVID-19 pandemic, different activities used to be organised by various business units of the Group in the past such as celebration of Chinese New Year and Christmas, celebration of the anniversary of operation of steel cord plant and annual dinner, have been significantly reduced. During the year, TESC, one of our Company's PRC subsidiaries, has organised a summer cool off event to distribute watermelons for employees to create a caring and pleasant working environment. Our Shanghai subsidiary also arranged employee domestic travel for general employees together with the management to participate in, so as to provide them entertainment outside work and enhance their communication.

To further arouse employees' safety awareness and promote safety culture at workplace, JESC, another PRC subsidiary of the Company, held a fire drill and TESC held a safety knowledge training.



OUR COMMUNITY

Furthermore, the Company had been granted the Good MPF Employee Award for the year 2019/20 launched by Mandatory Provident Fund Schemes Authority in recognition of the Company's enduring efforts in protecting and enhancing the employees' retirement needs.

The Group recognises the importance of corporate social responsibility to the long-term success of our business. The above community participation is merely the start of our initiatives towards business sustainability. We will continue to encourage participation of employees in a wide range of community-based activities such as social welfare activities and community care projects to support local community. Moving forward, we expect to exert available resources and seek further opportunities to give back to the society.



HKEX ESG REPORTING GUIDE CHECKLIST

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2020 ESG Report
Aspect A1: Emissions		
General Disclosure	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	15-20
KPI A1.1	Types of emissions and respective emissions data.	21
KPI A1.2	Greenhouse gas emission in total and intensity.	22-23
KPI A1.3	Total hazardous waste produced and intensity.	24
KPI A1.4	Total non-hazardous waste produced and intensity.	25-26
KPI A1.5	Description of measures to mitigate emissions and results achieved.	27
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	28

HKEX ESG REPORTING GUIDE CHECKLIST

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2020 ESG Report
Aspect A2: Use of Resources		
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials.	28
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	29
KPI A2.2	Water consumption in total and intensity.	30
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	31-32
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved.	31-32
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced.	32-33
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	34-37
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them.	34-37

HKEX ESG REPORTING GUIDE CHECKLIST

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2020 ESG Report
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	38-43
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	44
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	45-46
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	47-49
KPI B2.1	Number and rate of work-related fatalities.	49-50
KPI B2.2	Lost days due to work injury.	50

HKEX ESG REPORTING GUIDE CHECKLIST

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2020 ESG Report
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	47-50
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	51
KPI B3.1	The percentage of employees trained by gender and employee category.	52
KPI B3.2	The average training hours completed per employee by gender and employee category.	52
Aspect 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.	53-54
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	53-54
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered.	53-54

HKEX ESG REPORTING GUIDE CHECKLIST

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2020 ESG Report
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	55-56
KPI B5.1	Number of suppliers by geographical region.	56
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	57
Aspect 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.	58-59
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	59
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	60
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	59
KPI B6.4	Description of quality assurance process and recall procedures.	58-59

HKEX ESG REPORTING GUIDE CHECKLIST

General Disclosure and KPIs	Description	Refer to the page(s) no. of this 2020 ESG Report
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	59
Aspect B7: Anti-corruption		
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 bribery, extortion, fraud and money laundering.	61-62
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	62
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	61-62
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests.	63-67
KPI B8.1	Focus areas of contribution.	63-67
KPI B8.2	Resources contributed to the focus areas.	63-67



**SHOUGANG CONCORD CENTURY
HOLDINGS LIMITED**