



Sustainability

is one of **Vinda's**
core principles.

All Vinda employees are required to follow the Code of Conduct and act on the principle of sustainability. We endeavour to operate our business in a responsible manner and also expect other business partners including customers, suppliers, consultants and independent contractors to meet our standards as reflected in the Code of Conduct or similar standards.

About the Report

Scope of the Report

Vinda's majority revenue is generated by the Tissue segment in mainland China and Personal Care segment in Southeast Asia and Taiwan.

1 The eight legal entities are Vinda Paper (China) Company Limited (including three subsidiaries in Guangdong, Jiangmen and Xinhui), Vinda Paper (Zhejiang) Company Limited, Vinda Paper (Sichuan) Company Limited, Vinda Paper (Shandong) Company Limited, Vinda Paper (Liaoning) Company Limited, Vinda North Paper (Beijing) Company Limited, Vinda Personal Care (China) Company Limited and Vinda Personal Care (Guangdong) Co., Ltd.

The scope of disclosure of the 2019 Environmental, Social and Governance Report (the "Report") covers the initiatives and the performance of sustainability of the Group's ten factories in operation (or eight as classified by "legal entities"¹) in mainland China, two factories in Malaysia and one factory in Taiwan for the Year.



Working Group and Review

A cross-department working group, comprising quality management department, human resources department, procurement department, administration department, corporate affairs department and internal control department from **mainland China, Taiwan and Malaysia**, was formed to collect data and information for the preparation of the Report.

All data and information disclosed in the Report were derived from our internal records. In order to ensure the accuracy of the disclosure, we have engaged Intertek Testing Services Ltd., Shanghai, an independent and professional third-party, to perform independent audit on the data of greenhouse gas emission disclosed in the Report.

The Board and its six major committees (Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, Executive Committee and Strategic Development Committee) regularly monitor and review the Group's overall strategy, risk control, financial position, corporate governance, and sustainable development, etc.

The Report was reviewed and approved by the Board.



Reporting Guideline

Vinda has been disclosing the Group's performance regarding environment, health and safety, human resources, corporate governance and social responsibility since 2014.

The preparation of the Report was with reference to the ESG Reporting Guide under Appendix 27 to the Listing Rules. The Report was compiled in compliance with the "comply or explain" provisions in the ESG Reporting Guide.



Stakeholders

We value the opinions and respect the relationship with our stakeholders including business partners, suppliers, consumers, customers, investors, regulators, employees and communities, etc. We welcome any suggestion and feedback on the Report via email to ir@vinda.com.

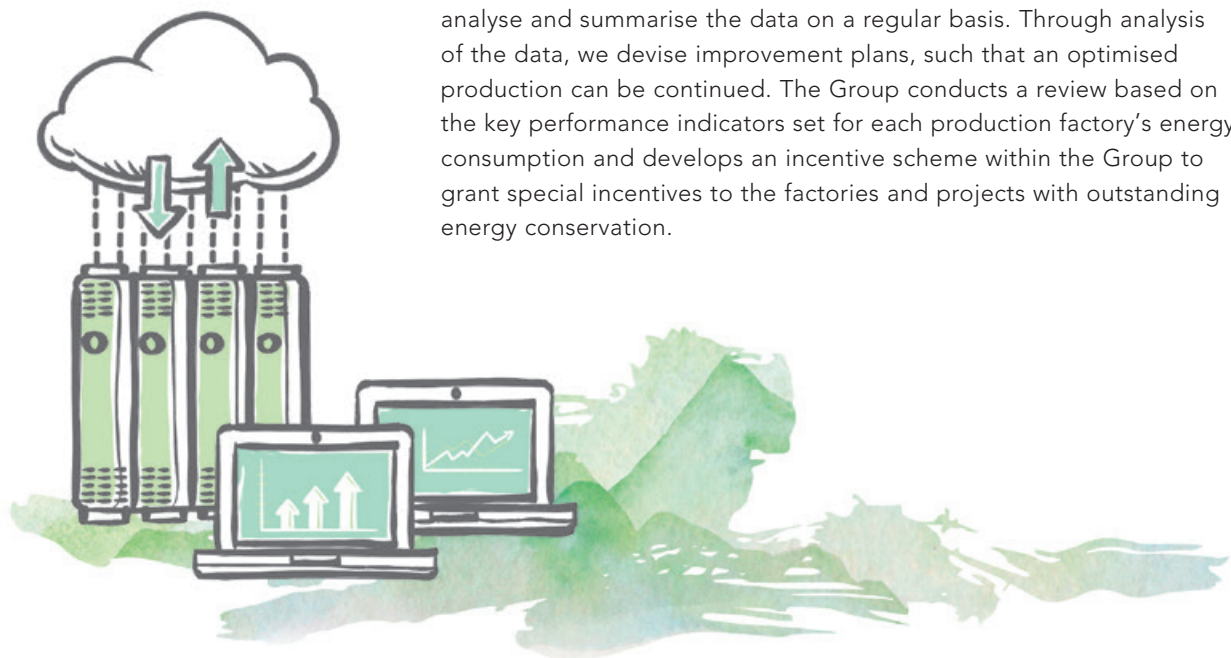
Eco-friendly Operations

As a responsible hygiene products manufacturer, Vinda continuously evaluates the environmental impact caused by our entire value-chain and strives to reduce carbon footprints from sourcing, production, packaging and distribution.

Energy management

Mainland China

Each production factory of Vinda sets up a comprehensive control and management system for various energy consumption. Some of the production factories have been equipped with intellectual Energy Monitoring System (EMS) to collect and monitor the real-time data of the major energy consumption during production, such as electricity, gas, coal, steam, etc., as well as operation parameters of main equipment such as start-up rate, production capacity, etc., and analyse and summarise the data on a regular basis. Through analysis of the data, we devise improvement plans, such that an optimised production can be continued. The Group conducts a review based on the key performance indicators set for each production factory's energy consumption and develops an incentive scheme within the Group to grant special incentives to the factories and projects with outstanding energy conservation.



The major energy consumption of Vinda is thermal energy and electricity, and the main source of energy for heat supply is natural gas and coal. The heat sources are selected according to the objective conditions of the location of each factory and based on the geological environment. For example, the factories in Sichuan, Beijing and Guangdong use natural gas as fuel; the factories in Jiangmen, Zhejiang and Liaoning directly purchase steam from the local parks; and the factories in Hubei, Shandong and Xinhui use coal as fuel.

We are committed to enhancing the energy consumption efficiency of our equipment and we continue to promote energy conservation and consumption reduction. During the Year, we launched a number of project enhancement initiatives such

as steam saving in paper production, reuse of water from condensation and effective hot air system of paper-making machineries to enhance energy utilisation efficiency and minimise the waste of energy. In 2019, the average overall energy consumption per ton of paper in all factories was 0.33 ton of standard coal, which was lower than the advanced value of 0.42 ton of standard coal for every ton of paper under GB31725-2015 “The Norm of Energy Consumption per Unit Product of Pulp and Paper” (such standard requires that the integrated energy consumption for household paper unit product to be as follows: restriction value being 0.56, entry value being 0.49 and advanced value being 0.42).

Malaysia

We mainly consumed electricity. We have replaced fluorescent lights with LED lights in our factories and offices in Malaysia which are more energy efficient as compared to fluorescent lights. We continue to replace LED lights in high traffic areas in 2019 such as staircases and canteens which operate 24 hours. We started to replace liquefied petroleum gas (LPG) operated material handling equipment (MHE) with electric operated MHE at our warehouse in 2018 and had replaced all units in 2019.

Taiwan

In Taiwan, due to the addition of new production equipment and the gradual elimination of diesel stacking machines by replacing with electric stacking machines, electricity consumption dropped slightly and the fuel consumption was significantly reduced.

Energy consumption	Unit	Mainland China		Malaysia		Taiwan	
		2019	2018	2019	2018	2019	2018
Electricity	kilowatt-hour	750,418,464	664,641,650	50,500,161	47,979,102	13,377,366	13,761,200
Coal	ton	170,280	152,027	\	\	\	\
Natural gas	cubic metre (m ³)	17,633,753	21,529,518	\	\	\	\
Purchased steam	ton	827,890	672,225	\	\	\	\
Integrated energy consumption per ton of paper	ton/ton of paper	0.33	0.31	\	\	\	\

Exhaust and carbon dioxide emission

In response to the call of the United Nations, we comply with the relevant laws and regulations at all time and take part in restraining the escalation of global warming by formulating measures and proactively reducing the emission of carbon dioxide. We will consider and include low-carbon and green conceptions throughout our value-chain from product design to production, logistics, storage and the end-users. In 2019, as shown in the report from a third-party inspection company, the

total carbon dioxide emission of the Group was 1,099,670 tons and the total emission intensity was 0.52 ton/m².

Mainland China

We implemented strict control over waste gas emissions. All factories that are equipped with boilers adopt advanced de-sulfurisation and de-nitrification waste gas treatment technologies, which effectively reduces the volume of sulfur and nitrogen compounds in waste gas. Our three-tier monitoring management system closely monitors the real-time data of waste gas emission of boilers and

ensures that each of the emission level is lower than the national and local standards, such as GB1327-2001 "Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boilers" and GB3095-2012 "Ambient Air Quality Standards", etc.

Malaysia and Taiwan

We strictly comply with "Environmental Quality Act 1974", "Environmental Quality (Clean Air) Regulation 2014" and "Environmental Quality (Amendment) Act 2012" in Malaysia. We also strictly comply with "Air Pollution Control Act 2012" in Taiwan.

Carbon dioxide emission	Unit	Mainland China		Malaysia		Taiwan	
		2019	2018	2019	2018	2019	2018
Direct emissions (Scope 1)	ton	382,233	339,548	916	417	66	87
Indirect emissions (Scope 2)	ton	673,998	585,677	35,047	33,298	7,411	7,624
Total emissions	ton	1,056,231	925,225	35,963	33,714	7,477	7,711
Total emission intensity*	ton/m ²	0.52	0.56	0.86	0.80	0.13	0.14

Carbon dioxide emission	Unit	2019	2018
Total emissions of the Group	ton	1,099,670	995,580
Total emission intensity of the Group	ton/m ²	0.52	0.57

Exhaust emission	Unit	Mainland China	
		2019	2018
NO _x	ton	193.31	150.99
SO ₂	ton	83.98	61.19

Scope 1: Include emissions directly generated by the businesses owned or controlled by the Company (lubricants for maintenance of production equipment, carbon dioxide fire extinguisher, diesel fuel power generator, fuel for work vehicles, diesel fuel for stacking machine, refrigerants, household waste water)

Scope 2: Include the "indirect energy" emissions caused by purchased or acquired electricity or/(and) steam consumed by the Company internally

* Total emission intensity = total emissions/area of the factories

Solid Waste Treatment

Mainland China

All factories strictly followed the requirements under ISO14001 Environmental Management System to provide treatment for waste. In which, non-recyclable waste (including household waste, etc.) will be subject to centralised treatment by local environmental and hygiene companies; non-hazardous waste is sorted and classified by eligible contractors through a tendering process and will be recycled to the greatest extent; hazardous waste will be subject to centralised collection and storage at specific location by all factories

and will be subject to centralised treatment by companies with qualifications for hazardous waste treatment after reaching a certain volume to avoid further pollution.

Malaysia

In Malaysia, we strictly comply with "Environmental Quality Act 1974", "Environmental Quality (Scheduled Wastes) Regulation 2005" and "Solid Waste and Public Cleansing Management Act 2007". All scheduled waste is handled by licensed contractors which are approved by Department of Environment Malaysia (DOE). Non-hazardous waste is handled by appointed contractors. In 2019, solid waste recycled was 3,266 tons. Non-

hazardous waste was 3,770 tons. Scheduled waste was 127 tons. The increase in scheduled waste (ink waste) was mainly due to the operation of a new production line with in-line printing.

Taiwan

In Taiwan, we complied with the requirements under the "Waste Disposal Act". We implemented waste classification, recycled the waste generated during the production process, designated special personnel for waste management, and engaged licensed vendors to handle waste treatment on a regular basis. In 2019, the volume of recycled solid waste was 985 tons, non-hazardous waste was 1,549 tons, and scheduled waste was nil.

Waste	Unit	Mainland China		Malaysia		Taiwan	
		2019	2018	2019	2018	2019	2018
Volume of recycled solid waste	ton	66,445	44,759	3,266	1,957	985	1,027
Non-hazardous waste	ton	69,476	53,006	3,770	3,104	1,549	1,653
Restricted hazardous waste	ton	119	90	127	97	0	0



Save Water

In response to the national environmental policies, we are committed to reducing water use and minimising the water consumption in production process, in order to reduce waste water discharge and minimise environmental pollution. As the sufficiency of water resources was taken into account when deciding on the location of the factories, there is no problem for us to acquire suitable water source.

Mainland China

Water consumption for production

We operated all production bases in strict compliance with the "Three Simultaneous Actions"

environmental protection policy at the initial construction period, which includes simultaneous design, simultaneous construction and simultaneous inspection and acceptance of environmental facilities and the subject constructions. All paper making processes in mainland China were equipped with intermediate sewage treatment facilities, in which sewage was recycled internally before entering in the secondary terminal processing (sewage in certain factories was centralised for treatment directly in the parks) and will be discharged after the standards are met.

The importance of water balance system has also been considered during the selection of the model of our paper production equipment and recycled water was utilised as much as possible in the production process, resulting in water recycling utilisation rate consistently above 95%. The average water consumption volume per ton of paper was controlled to be within 10 tons, far lower than the national upper limit of 30 tons of water consumption for every ton of product as stipulated in GB/T18916.5 "Norm of Water Intake – Part 5: Pulp, Paper and Paper Board Production".



Mainland China



8.37
Average water consumption for every ton of paper
(m³/ton)

>95%
Water recycling rate
(estimation)

Water consumption for production	Unit	2019	2018	National standard
Freshwater consumption	10,000 cubic metres	827	736	N/A
Average water consumption per ton of paper	m ³ /ton	8.37	8.53	National standard: 30
Water recycling rate	%	over 95%	over 95%	N/A

All local government authorities advocated to centralise sewage in industrial parks and discharge under the same standards. Currently, six of our factories in Jiangmen, Hubei, Zhejiang, Liaoning, Shandong, Sichuan, etc. have included sewage discharge into their local industrial park sewage treatment systems.

For factories not included in centralised treatment in industrial parks, we implemented the three-tier monitoring system for external discharge of sewage and monitored the environmental indicators of sewage discharge in real time to ensure the discharge meets the standards. The waste water discharge of all our production bases are in full compliance with the requirements under the “Discharge Standard of Water Pollutants for Pulp and Paper Industry” (《制漿造紙工業水污染物排放標準》) (GB3544-2008).



Household water consumption

The offices use centralised water supply. Sensor taps are used for water supply for handwashing. Detection sensors are used for the water supply for toilet cleaning. Water conservation and water resources protection are promoted in all factories among all staff members.

Malaysia

In Malaysia, water consumption in 2019 was 101,482m³. The increase in water consumption was from operation of two chiller plants concurrently (site 2) due to a new production line. We conserve water through recycling of water from cooling towers for production in factory.

Taiwan

In Taiwan, we continued to advocate water conservation and implemented practical management. Designated department heads and personnel regularly checked and repaired water equipment which effectively reduced water consumption by 12.5%.

	Mainland China		Malaysia		Taiwan	
Household water consumption	2019	2018	2019	2018	2019	2018
Water consumption (m ³)	933,413	871,806	101,482	98,757	35,490	41,317

Responsible Production



Wood Pulp Procurement

Forests are invaluable and renewable natural resources. Wood pulp is the main raw material for household paper and personal care products. "Sustainable development" is one of the core values of Vinda. The principle upheld by Vinda for wood pulp procurement is not to purchase and not to consume fibre from illegal logging and give priority to the wood pulp certified by the forest management certification system (such as the Forest Stewardship Council™ (FSC™), the Programme for the Endorsement of Forest Certification (PEFC) or China Forest Certification Council (CFCC)). The wood pulp we procured in 2019 complied with

such principle. In 2019, over 99% of wood pulp we procured were certified by forest certification systems or came from responsible sources.

Vinda adhered to a sustainable procurement direction and, at the same time, promoted sustainable development in the industry. Vinda's factories formulated an FSC management handbook according to the requirements under the FSC Chain of Custody Certification and were able to produce FSC products according to the requirements under the certification. We exert control over the procurement source to ensure the source of fibre to be legitimate, not only just to procure wood pulp certified by the forest management certification system, but also to

require the supply chain of the supplier to be a trackable and legitimate logging. We carried out production and sales of products certified by FSC in accordance with the requirements of sustainable development and the demands in consumer market and promoted the sustainable development of forest products to consumers in end-market.



FSC
certified products

Chemicals Procurement

Mainland China

We prefer chemical suppliers certified with a Material Safety Data Sheet (MSDS). MSDS primarily contains 16 items covering the features of chemicals, properties of blasting, hazards to health, safe use and storage, disposal of spills, emergency measures as well as all relevant laws and regulations. With MSDS, we are able to ensure that all chemical additives provided by our suppliers are in compliance with the GB9685 "Hygienic Standards for Uses of Additives in Food Containers and Packaging Materials" in order to safeguard product quality. In 2019, all our

chemical suppliers possessed MSDS certification to ensure the products meet the quality requirements of the Group. During the Year, in order to meet the latest requirements of "Safety Assessment Management System for Household Paper and Paper Products, Chemicals and Raw Materials" (GB/T36420-2018), we fully adopted the latest wet strengthening agent with lower DCP/MCPD/ECH content in China and adhered to a more environmental friendly and healthier development. Water-based stripping agent replaced the use of oil-based stripping agent, and the artificial synthesis of water-based stripping agent not only significantly reduced the evaporated volume of the stripping agent of finished paper

products and greatly reduced the negative impact on the environment and human body, but was also biodegradable, which was in compliance with the requirements of the U.S. Food and Drug Administration (FDA), the German Federal Institute for Risk Assessment (Bfr), and the national food safety standard of the PRC on food contact materials and the use of additives for products, GB 9685-2016 (GB) regulations. In addition, Vinda has cooperated with chemical suppliers to jointly develop a new type of cloth cleaning agents, which further promoted the improvement of continuous production efficiency and reduction of energy consumption of paper machines.



MSDS/SDS certified chemical suppliers

Malaysia

We require chemical suppliers to provide a Safety Data Sheet (SDS) for safety, health and environmental impact assessment. Chemical suppliers are required to comply with "Occupational Safety and Health (Classification, Packaging and SDS of Hazardous Chemicals) 2013" and "Regulations for the Labeling and Hazard Communication of Hazardous Chemicals". New chemical suppliers are assessed before listed as approved chemical suppliers.

Taiwan

In Taiwan, in addition to the regulatory requirements under the "Regulations for the Labelling and Hazard Communication

of Hazardous Chemicals", the chemicals management shall also comply with the regulatory requirements under the "Hazardous Chemicals Assessment and Hierarchical Management Measure" and the "Registration Measure for Information on New Chemical Substances and Existing Chemical Substances". The source management of suppliers was enhanced and the source and usage of chemicals were under effective control. In 2019, in addition to a comprehensive list, labelling and SDS of chemicals, we implemented a hierarchical management for hazardous chemicals which effectively lowered the risk of the chemical harm. All our chemical suppliers obtained SDS.

Material Suppliers

Mainland China

When choosing material supplier, we strictly follow the "Materials Purchasing Management System" and "Supplier Management Standards". We only select suppliers that meet Vinda's development philosophy. Since 2018, we have released the "Supplier Incentive and Elimination Mechanism" to introduce healthy competition through bidding, which helps continuously enhancing the overall level of suppliers and improving our supplier cost and service. We released the "Scheme on Strengthening

On-site Management of Local Suppliers" in 2017 and the "Pest Management Requirements for Suppliers" in 2018 to continuously strengthen the management capabilities of suppliers. During the Year, the suppliers were also required to strictly comply with the relevant national environmental protection policies.

During the Year, we adjusted the thickness and size of plastic packaging materials to effectively reduce the consumption of plastic packaging materials. In 2019, large size plastic wrap used was 1,100 tons.

Malaysia and Taiwan

We strictly select materials suppliers in accordance with the "Supplier Management Procedures" and perform quarterly performance ratings on suppliers to ensure the suppliers meeting quality and services criteria. Our suppliers are required to sign a Supplier Standard, covering the code of conduct, quality, product safety, environment, chemicals and sanitary management and control of suppliers. Suppliers shall adopt internationally recognized standards and management systems. All suppliers signed the Supplier Standard.

Quality First

We adhere to the principle of providing consumers with high quality products and services, and impose a tight control over product quality in the entire process.

Mainland China

All production bases have obtained the ISO9001 Quality Management System, ISO22000 Food Safety Management System certifications and ISO14001 Environmental Management System certifications. Our subsidiaries, Vinda Paper (China) Company Limited, Vinda Paper (Shandong) Company Limited, Vinda Paper (Zhejiang) Company Limited and Vinda North Paper (Beijing) Company Limited, have secured ISO50001 Energy Management System certifications and ensured that each process of factory production was in strict compliance with the requirements of the standard system.



We strictly controlled the product quality by setting up a dedicated quality management division in each factory which are equipped with professional inspection equipment to carry out inspections on all kinds of products based on each of the indicators on a regular schedule. In addition, all factories implemented total quality management (TQM) and promoted the product quality standards to all staff members in the factories and advocated the management concept of "Quality Begins with Production". The production sites implemented 6S (Sort, Set in order, Shine, Standardize, Sustain and Safety) management measures. We imposed control on raw and auxiliary materials in accordance with the "Procedures for Managing the Inspection of Incoming Goods", on production process in accordance with "Procedures for Managing Process Inspections" and on all final products in accordance with the "Procedures for Managing Final Checks", in order to ensure that all products were in compliance with national and industrial standard requirements.

In 2019, the Group's products passed the sampling inspections by local and national authorities, maintaining a 100% passing rate for 17 consecutive years.

Malaysia and Taiwan

Malaysia and Taiwan factories have been certified with ISO9001 Quality Management System and ISO14001 Environmental Management System.

Malaysia factories implemented 5S (Sort, Set in order, Shine, Standardize, Sustain) workplace management, Foreign Contaminants Control Policy and Foreign Contaminant Control Procedure covering personal hygiene, production and warehouse storage zoning, contamination control (glass, plastic, metals, wood), cleaning and lubricants used, equipment maintenance, material and products handling, pest control as well as metal detection. Taiwan factory adopted 6S management measures and pest elimination.

During the Year, no inspection by local authorities for quality/finished products in Malaysia. In Taiwan, we passed the sampling inspection of product quality carried out by local authorities, achieving a 100% passing rate.



100%
passing rate
by local authorities



Product Recall and Complaint Handling

We value customer response. We have a set of procedures to handle customers' complaints, product refund, product return and product recall. In 2019, there was no product recall action due to safety and health issues.



Mainland China

In mainland China, we attached importance to feedbacks and complaints from external customers and made analysis on each of the customers' complaints with regular summaries, which would be used as the basis of product improvement. Complaint rate for dry tissue paper products in mainland China in 2019, calculated on the number of customers' complaints received for every 1,000 tons of tissue products sold, was 0.52. We value the quality and customers' satisfaction and, in accordance with the Handling Procedure for Complaints from Customers, standardise the handling of customers' opinions, summarised analysis, handling of compensation, handling of product return, rectification and precautions, etc. All customer complaints which the Company is liable are handled in accordance with relevant laws and regulations

under the Product Quality Law of the People's Republic of China (《中華人民共和國產品品質法》) and the Law of the People's Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), etc. We pay attention to the quality control in the process, and monitor it in accordance with the required testing frequency, testing project and product quality standards to ensure the quality of the final products. In the event of product recall as required under special circumstances, we would formulate and implement a product recall schedule in a timely manner to recall defective products pursuant to the procedures described in the "Notification and Revocation Control Procedures", so as to ensure the substandard and potentially unsafe products found after delivery or use could be fully recalled in a timely manner. In 2019, by improving our customer


complaint system, customers' feedback from all sales channels were rapidly delivered which enhanced handling efficiency.

Malaysia

In Malaysia, complaint rate for personal care products in 2019 was 0.25. In Malaysia, consumer complaint cases are managed and registered by Consumer Care and escalate to Quality department. Consumer complaint cases are managed as per Product Complaint Management procedures.

Taiwan

In Taiwan, complaint rate for personal care products was 0.16. The customers provided feedbacks on product quality through a free service hotline which allowed effective and fast handling of customers' complaints.



Protection of Intellectual Property Rights

In order to strengthen the protection of the intellectual property rights of the Group, we have established a series of complete management system on intellectual property rights such as the “Trademark and Patent Management System” and the “Intellectual Property Award System” in accordance with relevant national laws and regulations, while taking the actual situation of the Company into account, to regulate the management of intellectual property rights, encourage the enthusiasm of the employees for innovation and technology development, promote the

application of intellectual property rights, improve the market competitiveness and economic efficiency of the Group.

Most of the trademarks and patents under the intellectual property rights of the Group have been registered and protected. The Group Intellectual Property Rights Management Department under the intellectual property system has been set up, where the major responsibilities of such department are explicitly defined, along with the entitlements and income distribution of intellectual property rights to be generated during the work period are also

specified. When there is a case in relation to intellectual property rights which has come to our attention, we will take different actions to tackle it, such as filing litigation or an administrative complaint against an alleged infringer based on a particular circumstance. In addition, we will constantly carry out intellectual property rights inspection to prevent infringement of third party intellectual property rights.

Safety First

We attach great importance to occupational safety and health. Our goal is "zero accident".



Mainland China

All safety works of the Company are continuously standardised and a relatively comprehensive safety management system has been formulated, including the "Safety Production Monitoring and Inspection System", the "Work Injury and Safety Accident Management System", the "Safety Education and Training Management System" and other dangerous work management systems, etc.

We continued to conduct Job Hazard Analysis (JHA) which covered all types of equipment and operation units and clearly stated the operational risks involved in the operation units, in order to optimise the safety and protection measures and safety operation requirements of

all operation units and improve the staff's ability of identifying safety risks. During the Year, we conducted 527 times of specific factory safety inspections.

In 2019, we launched practical trainings on "Behaviour Safety Observation" and comprehensively implemented behaviour safety observation work, in order to allow the staff to understand the requirements of safety operation and cultivate ideal safety operation habits while preventing non-compliance and minimising injury accidents caused by violation of operation guidelines. Upon the implementation of behaviour safety observation work, the behaviour safety observation results submitted by the staff members were over 20,885.

We made significant optimisation and upgrade on our safety information work to improve safety work efficiency. Currently, duties such as potential hazard management, dangerous operation management, behaviour safety management and emergency management were uploaded to the Company's online information management platform allowing the staff members to instantly participate in the relevant arrangement of the Company's safety work through mobile phones and providing a convenient channel for staff to engage in safety work, which substantially enhanced the degree of participation in the Company's safety work.

To improve the emergency management and response capacity for factory accidents, we organised emergency drills at factories including fire evacuation, simulated chemical leakage, gas leakage in boiler room, and equipment anomalies. In 2019, we conducted 267 times of emergency drills.

During the Year, we continued to make enhancement on our working environment. In addition to adding anti-dust screens to paper-making machineries, we also built sound-proof workshops, installed dust removal devises and implemented other initiatives to provide employees with a safer working environment.

In 2019, we organised 2,149 safety seminars for a total of 99,040 participants in mainland China. Lost Time Accidents ("LTA") was 14 cases and the Lost Days from above Accident ("DLA") was 1,578 days.

Malaysia

In Malaysia, we comply with local safety, health law and regulations, such as "Occupational Safety Health Act 1994" and "Factories and Machineries Act 1967".

We conducted a series of safety training programs such as Safe Scissor Lift operator training and have requirements on authorized Entrant and Standby Person as well as Authorized Gas Tester and Entry Supervisor for confined space entry. Besides, we provided audiometry test and hearing conservation campaign for all employees and periodically held emergency drills, firefighting training with Malaysia's Fire Brigade and targeted training for employees' first aid capability. Indoor Air Quality and Ergonomic Risk Assessment are also conducted to minimise the health & safety risk at workplace to the employees.

We also implemented behavioral safety and unsafe condition reporting through mobile application to enhance

employees' involvement and engagement in safety and health. Safety and Health Committee meetings were held quarterly with representatives from both the management and employees providing proper platform for safety and health discussions.

Factories in Malaysia passed the inspection by the Department of Occupational Safety and Health Malaysia and have been rated Grade A by the local department of occupational safety and health for three consecutive years. In 2019, LTA was 3 cases and DLA was 35 days. We also received recognitions from local safety non government organization as we are awarded Gold Class by Malaysian Society of Occupational Safety and Health (MSOSH) for three consecutive years. Globally, we have been awarded with Gold Award by Essity for reaching 1,000,000 total working hours without LTA. Factories in Malaysia are certified by the OHSAS18001 Occupational Health and Safety Management System since 2015.

Mainland China



Taiwan

In Taiwan, we complied with the relevant regulations under the "Occupational Safety and Health Law". Meanwhile, the operation of OHSAS18001 occupational safety and health management systems was implemented and the Safety and Health Committee was established to track and review the effectiveness of safety and health management on a regular basis. We launched the V-safety mobile application in 2019 to encourage employees to proactively report potential safety risk to reduce the chance of occupational accidents. There was no LTA in 2019. Factories in Taiwan are certified by the OHSAS18001 Occupational Health and Safety Management System.

	Mainland China		Malaysia		Taiwan	
	2019	2018	2019	2018	2019	2018
LTA (case)	14	14	3	1	0	0
DLA (day)	1,578	1,869	35	90	0	0
Number of work-related fatalities	0	0	0	0	0	0

Mainland China



0
Number of work-related fatalities
(case)

14
LTA
(case)

Malaysia



0
Number of work-related fatalities
(case)

3
LTA
(case)

Taiwan



0
Number of work-related fatalities
(case)

0
LTA
(case)

High Standard of Corporate Governance

Vinda is “zero-tolerant” towards corruption and misconduct. Our Internal Control Department is responsible for conducting independent audits on a regular basis and directly reports to the Audit Committee of the Board.

To prevent illegal conduct including contract fraud, corruption, breach of confidentiality, insider trading and unfair competition, the Internal Control Department formulates and implements various internal control policies and guidelines by referencing to national and local laws, the Listing Rules, guidelines issued by the Securities and Futures Commission and other regulatory rules.

Vinda continued to implement and optimise various internal control systems, including but not limited to the “Code of Conduct”, “Guidelines on Internal Control”, “Measures on Business Transactions and Cost Approval Authorities”, “Measures Governing Contracts”, “Management System on Confidentiality”, “Measures Governing Tender Invitations”, “Anti-Corruption System”, “Internal Investigation Procedure” and “Conflict of Interest Reporting System”, etc.

Vinda has always complied with global anti-money laundering laws and regulations. We required staff members to stay alert and adopt reasonable measures to identify and assess integrity of our business partners so as to ensure legitimate business activities. All funds of unknown origin and suspicious business activities shall be reported when noticed and handled with the assistance of professional teams.

According to the annual internal audit plan as approved by the Audit Committee of the Board, the Internal Control Department implemented a total of 38 internal audit programs. A total of 514 staff members participated in the internal audit training which covers all regions and positions of the Group and allows timely discovery and elimination of non-compliance risks.

In addition, we accept internal and external reports through various channels including our dedicated emails or telephone

and the Internal Control Department is delegated to carry out internal inspection. There was 1 non-compliance case upon investigation and corresponding actions were taken against relevant personnel. During the Year, there was no corruption litigation against the Company or its employees.

Privacy Protection

All our employees are required to strictly comply with the “Code of Conduct” in the collection and handling of personal information of our consumers, employees and cooperative factories by fair and lawful means to ensure that personal information is not accidentally accessed, processed, erased, lost or used without authorisation. The confidential information of Vinda’s employees is protected and may not be, under any circumstances, revealed to any unauthorised person unless required by law.

People Oriented

During the Year, we won various human resources awards. In mainland China, we were selected as “The National Model Enterprise of Harmonious Labour Relations”, awarded “JOBS (前程無憂)2019 Outstanding Human Resources Management Award” and recognised as “The Best Employer Enterprise in Guangdong Province for 2019”. Furthermore, Vinda was awarded the “Malaysia Employer Brand Award 2019” by the World HRD Congress in Malaysia.

Fair Recruitment

Vinda adopts a fair, open and transparent recruitment principle and offers equal employment opportunities to all job applicants. Our recruitment follows standard procedures as specified in our “Recruitment Management System”. We recruit and select talents based on objective criteria such as work experience, competence, and educational background and qualifications of an individual, free of employment discrimination in terms of age (no recruitment of minors under the age of 16 in mainland China), nationality, race, religion, gender, sexual orientation, marital status, pregnancy, disability or political stance.

As of 31 December 2019, we had a total of 10,918 employees with a similar turnover rate compared to last year.



Employment and Benefits

Mainland China

We strictly comply with national and local laws, such as the “Labour Law of the People’s Republic of China”, “Labour Contract Law of the People’s Republic of China”, “Labour Union Law of the People’s Republic of China” and

“Employment Promotion Law of the People’s Republic of China”, and we have implemented the labour system and established labour unions in accordance with the laws. The Group complies with the “Law of the People’s Republic of China on the Protection of Minors” to prevent illegal acts including employment of child labour and forced labour.

We have rules and regulations for employees' rights including "Remuneration Management System", "Benefit Management System", "Performance Management System", "Leave and Business Trip Management System" and "Benefit System for Dispatched Employees", which stipulate the payment of remuneration, employees' paid leaves, payment of statutory social insurance such as pensions, medical, unemployment, work injury and maternity insurances, housing provident funds, the purchase of personal accident insurance as well as other benefits such as the provision of allowance for high temperature as required by the local government.

Meanwhile, we protect the legal rights and interests of female employees in strict compliance with applicable laws and regulations such as the "Law on the Protection of Women's Rights and Interests" and the "Rules on the Labour Protection of Female Employees". In addition to the provision of prenatal leave,

breast-feeding leave, annual gynaecological check-up and the Mutual Aid Safety and Health Protection Programme for Female Employees, we also organise outings and dinner gatherings on International Women's Day and Mother's Day and other activities, and provide breast-feeding area.

Malaysia

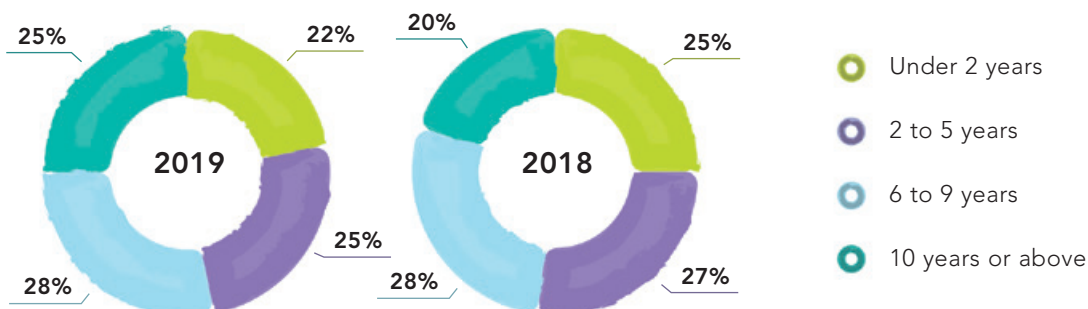
In Malaysia, we strictly comply with the "Child and Young Persons (Employment) Act 1966" that employer can only hire workforce aged 19 or above. In addition to the mandatory employment benefits stipulated in "Employment Act", we offered additional benefits which include longer maternity and paternity leaves, flexible work arrangement during menstrual period for female staff, dental care as well as extension of inpatient and outpatient services to our employees' spouses and children. Apart from fulfilling the needs of our employees, we also strived to create a fun and conducive working environment for our employees by introducing

a number of online and offline employee engagement activities. Besides, in order to provide a conducive working environment for our employees, we have refurbished our nursing rooms for mothers, training rooms and constructed a recreational lounge.

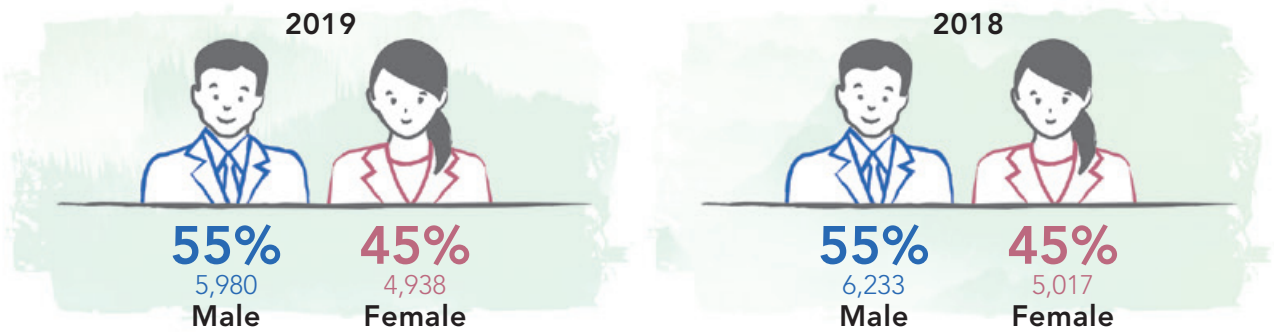
Taiwan

In Taiwan, we not only abide by the "Labour Standards Act" and the "Employment Service Act" and strictly comply with the "Act of Gender Equality in Employment" but also formulate the "Employee Working Rules" and "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment" to strengthen the protection of female employees' labour rights and prevent from gender discrimination and sexual harassment in the workplace. Furthermore, we also provide subsidies for marriage, children's education, emergency relief, further studies, etc., to our staff.

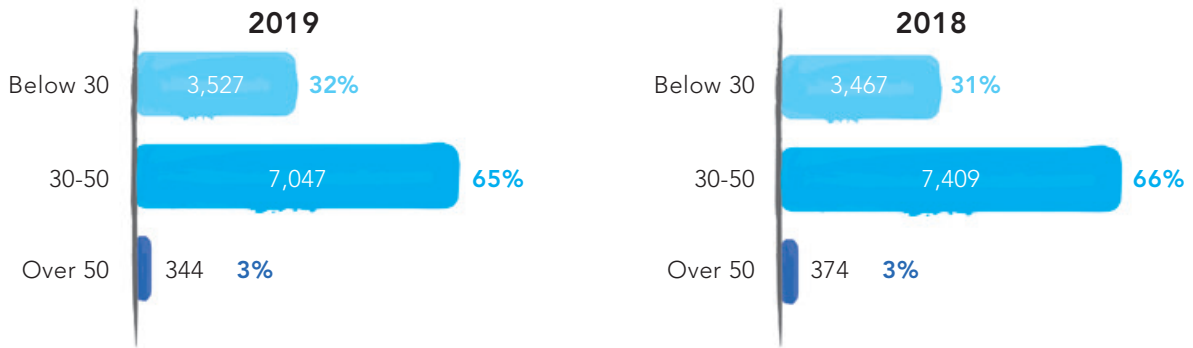
Employees' Years of Service



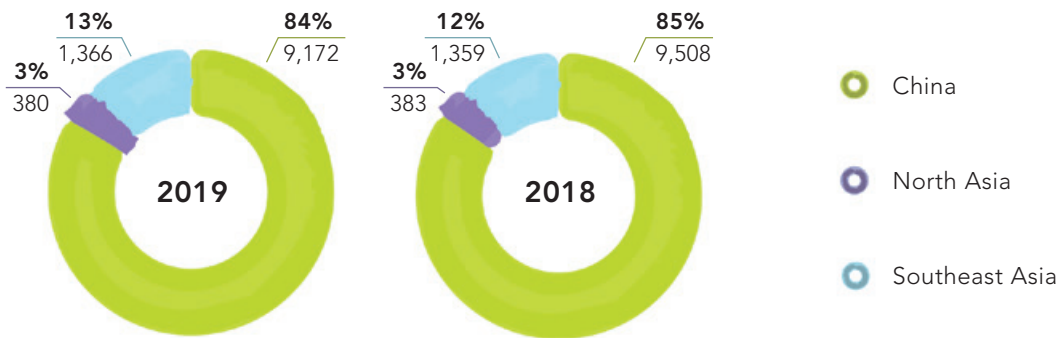
Employee Composition by Gender



Employee Composition by Age Group



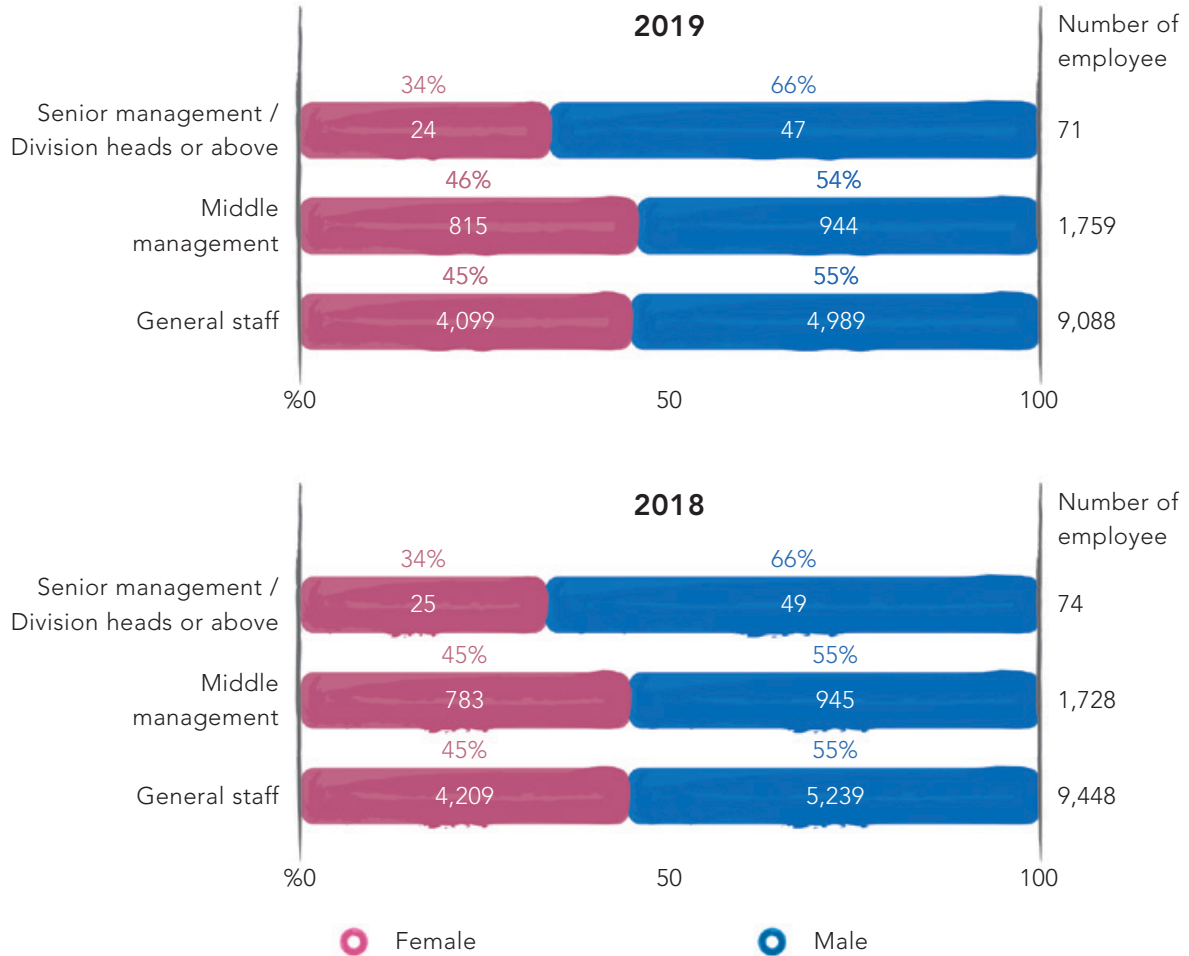
Employee Composition by Region



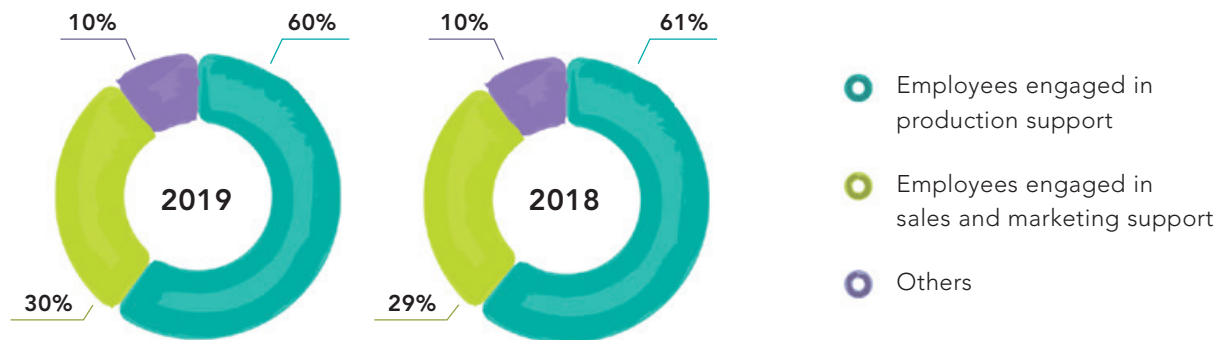
Employee Composition by Contract Type



Employee Composition by Category



Employee Composition by Nature of Work



Comprehensive Training

We are committed to enhancing the professionalism and competitiveness of our staff through comprehensive trainings including workshops, project practices, experience sharing, online courses, lectures, etc.

Mainland China

In 2019, "Talent Management Cycle Initiative" has been put in place to improve our employees' competence through comprehensive assessments, exploration of employees' expertise and potentials and development of a more targeted and systematic training measures. In order to form a talented team, we implement "Talent Development Elite Programme" to comprehensively enhance the leadership of the employees with potentials; create a learning roadmap on the learning platform for production staff to clearly understand the requirement of his/her promotion; and provide learning materials for them to enhance the relevant capability. Technical staff are provided with experience sharing and inheritance platform in "Paper-making Technology Centre". In 2019, a total of 135,607 hours of training were provided to 88,350 participants in total.

Malaysia

In 2019, for Malaysia, apart from the continuous three-year journey of "The 7 Habits of Highly Effective People" program, we have embarked on a two-year project on Vinda Way of Working for Sales Team (W.O.W.S). The key project objectives are to create a more unified sales behavior and culture which will eventually translate into the core value of Vinda.

As of 31 December 2019, a total of 9,404 training hours were provided to 768 participants.

Taiwan

In Taiwan, we organised professional and management-related courses in accordance with the "Training Management Measures". In 2019, courses on customer relationship development were organised to strengthen the professionalism of the sales team. We also held refresher training on the Code of Conduct and ensured the training coverage to be 100%. In addition, skill assessment plans targeting the production department achieved the expected results and the skill assessments for the quality team was commenced during the Year. In 2019, a total of 4,840 hours of training were provided to 1,827 participants in total.

Retain Talent

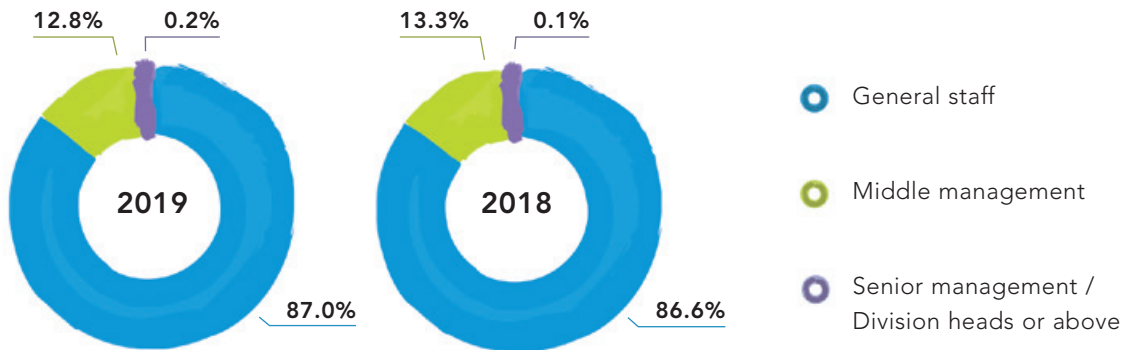
We have established a comprehensive incentive scheme, including long-term incentive schemes, short-term incentive bonuses, share option incentives, etc., to enhance the cohesion of the management team by different means. In which, there are long-term incentive schemes and option incentive schemes for the senior management and short-term incentive rewards for all staff members to show the value of talents, in order to attract, retain, reward outstanding talents, thereby providing long-lasting motivating force for the Company's development.

Mainland China

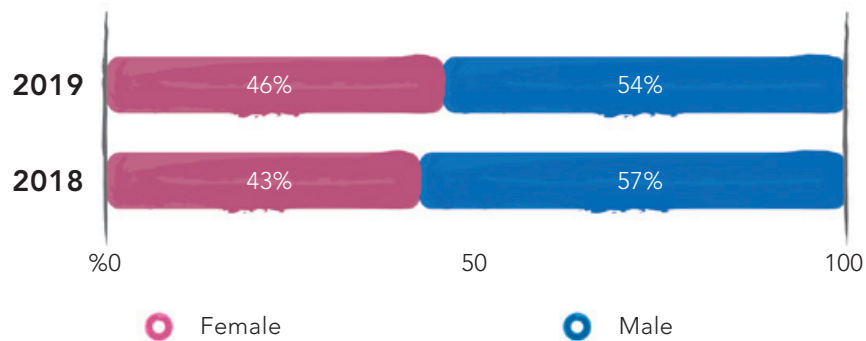
Employee Training



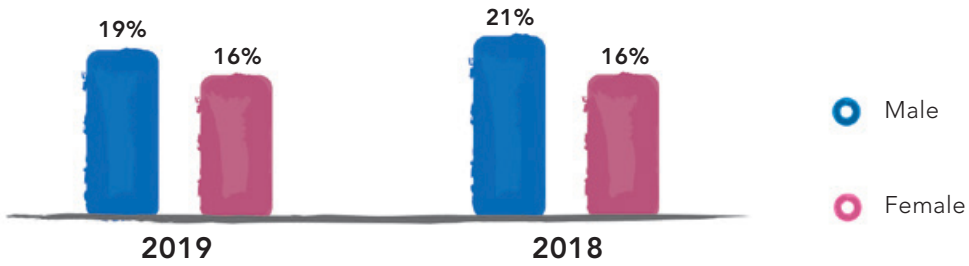
Employee Training by Employee Category



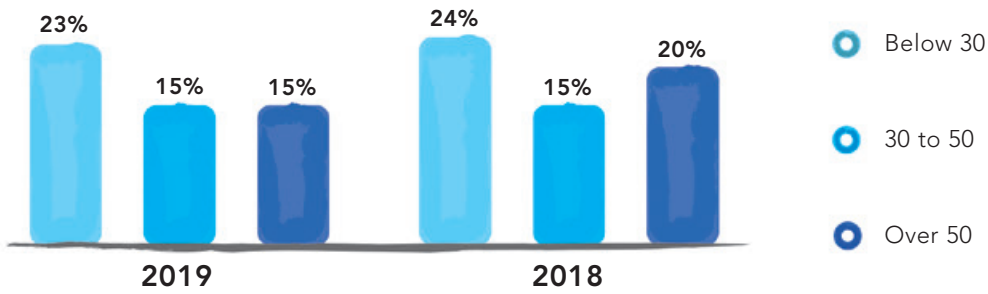
Employee Training by Gender



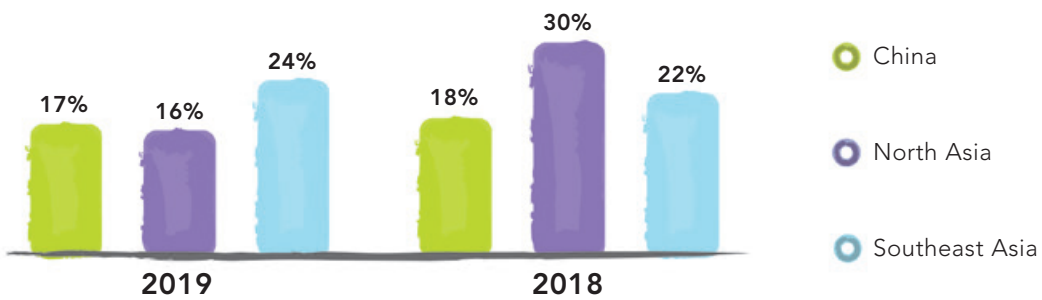
Employee Turnover by Gender



Employee Turnover by Age Group



Employee Turnover by Region



Total Turnover Rate



Giving Back to the Society

Volunteer Service

We are committed to fulfilling our responsibilities as a corporate citizen and encourage our staff to participate in volunteer activities in their spare time.

In 2019, the voluntary service of Vinda Volunteer Team in mainland China included keeping the queuing at Xinhui urban

rail station in good order and visiting and donating supplies to underprivileged families. We have established the Sunflower Social Work Center in Xinhui with a view to offering more professional services. Vinda Volunteer Team worked with the Sunflower Social Work Center to organise a Mid-autumn festival party and birthday party for elderly. We also organised blood

donation and provided support to welfare homes. In addition, the public environment improvement by the Sunflower Social Work Center in relation to the Linbu Village rural construction was highly recognised in the society. Vinda will constantly participate in the related activities that can make contribution to our society through the Vinda Volunteer Team and Sunflower Social Work Center. As of 31 December 2019, a total of 2,662 hours of community service were provided by the Vinda Volunteer Team and 708 participants attended the activities.

In Hong Kong, Vinda sponsored the "Lifeline Express Charity Run & Walk" fundraising activity for the fifth year in a row to raise fund for free surgeries for cataract patients in underprivileged areas in mainland China.





In Malaysia, we organised “Drypers Share A Little Comfort”, a charity campaign to improve the living conditions of underprivileged children. Since the launch of the campaign in 2016, we have refurbished 16 Children Homes and improved the lives of 585 children. For young adults, we prepared them for the future workplace by holding career talks at various universities (Sunway University, Asia Pacific University and University Tunku Abdul Rahman) and participating in career expos (e.g. Sunway Career Carnival, INTI Nilai Career Exhibition) as well as other career and study exchanges. Our employees were also actively involved in the university mentoring program.

In Taiwan, we organised volunteer-day events in the North and the South which allowed the staff to accompany the elderly in elderly care institutions, including caring garden parties in AiAi Nursing Home (愛愛院) and visits of Bao Ren Nursing Home (寶仁

護理之家), in order to allow interaction in close proximity between our staff and the users of our care products through singing, dancing and playing games with the elderly. In addition, we received public praise and a certificate of appreciation from the Gaoxiong government in the Year as a result of the Company’s continuous demonstration of its care to underprivileged groups and donation of supplies to social welfare institutions, such as United

Way (聯合勸募協會), Andrew Charity Association (中華安得烈慈善協會), Fund for Children and Families (家庭扶助基金會), Rehabilitation Centre for the Disabled (身障福利中心), etc. Moreover, in order to maintain the relation with the community, we continued to donate rice to the community of the elderly in Wei-Sin Village, give diapers to babies in the community, and offer gifts to graduates of Wei-Sin Elementary School.



Vinda Charity Foundation

We support the underprivileged students, elderly and severely ill patients under the name of “Vinda Charity Foundation” for years. The operation of the first canteen for the elderly, “Vinda Elderly Home”, was commenced in 2013 to provide subsidized meals for the elderly under the Five-Guarantees System, together with the minimum living security as well as other elderly in need. In 2019, the number of “Vinda Elderly Home” has reached 12, 11 of which are in Xinhui and the remaining one is in Xiaogan. Approximately 105,000 free meals were served in 2019.

“Warmth to Home” is a home-visit activity to the underprivileged elderly and those with severe illness. In 2019, we visited and gave gifts to 407 elderly aged above 60 under the Five-Guarantees System (among which 124 were non-centralised living elderly and 283 were elderly in elderly homes) and 11 people in predicament, which included



people in predicament due to low income, disabilities, severe illness or other reasons.

In 2019, “You Are the Best Education Fund” provided financial assistance for 30 underprivileged students to continue their studies. The accumulated number of students who received assistance has reached 70 since 2014. To symbolise the spirit of “Love Giving”, Vinda Charity Foundation has been

encouraging the students who received assistance to participate in voluntary services. The accumulated hours of participation in voluntary services by the students have reached 5,897 since the establishment of the project in 2014. Many students who graduated and have a job proactively make a donation to the fund every year, which fulfilled the “Inheritance of Love” by action.



Our Promise

We are committed to continuing our efforts to achieve sustainable development. We will enhance our capability to protect the environment through implementation of various measures to attain both economic benefits and environmental protection. In terms of corporate governance, we will ensure that all internal policies and working procedures are in accordance with the laws and regulations, and that the employees abide by the code of conducts. We will also strive to do our best to fulfil our corporate social responsibilities.

A. Environmental

		KPI	
Aspect A1: Emissions	Chapter		
The types of emissions and respective emissions data	Eco-friendly Operations >Exhaust and carbon dioxide emission	A1.1 A1.2	✓
Greenhouse gas emissions in total			
Total hazardous and non-hazardous waste produced and intensity	Eco-friendly Operations >Solid Waste Treatment	A1.3 A1.4	✓
Measures to mitigate emissions and results achieved	Eco-friendly Operations >Energy management >Exhaust and carbon dioxide emission	A1.5	✓
How hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Eco-friendly Operations >Solid Waste Treatment	A1.6	✓
Aspect A2: Use of Resources			
Direct and indirect energy consumption by type	Eco-friendly Operations >Exhaust and carbon dioxide emission	A2.1	✓
Water consumption in total	Eco-friendly Operations >Save Water	A2.2	✓
Energy use efficiency initiatives and results achieved	Eco-friendly Operations >Energy management	A2.3 A2.4	✓
Water efficiency improving initiatives and results achieved	>Exhaust and carbon dioxide emission >Save Water		
Total packaging material used for finished products	Responsible Production >Material Suppliers	A2.5	✓
Aspect A3: The Environment and Natural Resources			
The significant impacts of business activities on the environment and natural resources and the actions taken to manage them	The Group had no significant impact on the environment and natural resources during the Year	A3.1	✓

B. Social

Employment and Labour Practices

		KPI	
Aspect B1: Employment	Chapter		
Total workforce by gender, employment type and age group	People Oriented >Employment and Benefits	B1.1	✓
Employee turnover rate	People Oriented >Employment and Benefits	B1.2	✓
Aspect B2: Health and Safety			
Number and rate of work-related fatalities	There was no occupational fatality during the Year	B2.1	✓
Lost days due to work injury	Safety First	B2.2	✓
Description of occupational health adopted		B2.3	✓
Aspect B3: Development and Training			
Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities	People Oriented >Comprehensive Training	B3	✓
Aspect B4: Labour Standards			
Measures to review employment practices to avoid child and forced labour	People Oriented >Employment and Benefits	B4.1	✓
Remedies when non-compliance discovered	During the Year, we had no non-compliance with regulations	B4.2	✓
Aspect B5: Supply Chain Management			
Policies on managing environmental and social risks of the supply chain	Responsible Production	B5	✓
Aspect B6: Product Responsibility			
Percentage of total products sold or shipped subject to recalls for safety or health reasons	Product Recall and Complaint Handling	B6.1	✓
Number of products and service related complaints received and how they are dealt with	Product Recall and Complaint Handling	B6.2	✓
Practices relating to observing and protecting intellectual property rights	Protection of Intellectual Property Rights	B6.3	✓
Quality assurance process and recall procedures	Responsible Production >Quality First Product Recall and Complaint Handling	B6.4	✓
Consumer data protection and privacy policies, how they are implemented and monitored	High Standard of Corporate Governance >Privacy Protection	B6.5	✓
Aspect B7: Anti-corruption			
Information on the policies relating to bribery, extortion, fraud and money laundering prevention and compliance with significant and relevant laws and regulations	High Standard of Corporate Governance	B7	✓
Aspect B8: Community			
Focus areas of contribution Resources contributed to the focus area	Giving Back to the Society	B8.1 B8.2	✓