

TIAN CHANG GROUP HOLDINGS LTD.

天 長 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2182

2017

**Environmental, Social and
Governance Report**

環境、社會及管治報告

TABLE OF CONTENTS

2	About this Report
2	Reporting Period and Scope
2	Reference Guidelines
2	Contact
3	Chairman's Message
4	Overview
4	Core Values/Management Principles
4	Management Structure
5	Stakeholder Identification and Communication
6	Materiality Assessment
7	Environmental Performance
7	Emissions
7	Gas Emission
9	Waste Management
9	Water Discharge
10	Use of Resource
10	The Environment and Natural Resources
11	Social Performance
11	Employment
12	Health and Safety
13	Development and Training
13	Labour Standards
14	Supply Chain Management
14	Product Responsibility
15	Anti-Corruption
15	Community Involvement
16	Content Index

ABOUT THIS REPORT

This Environmental, Social and Governance (ESG) Report of Tian Chang Group Holdings Ltd. (hereinafter refer as “Tian Chang” or “the Group”) refers to the ESG Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEx ESG Reporting Guide”) to define its report content.

REPORTING PERIOD AND SCOPE

The scope of this Report includes environmental data and activities of Tian Chang.

Reporting period: 1 January 2017 to 31 December 2017, the financial period of our Annual Report 2017.

REFERENCE GUIDELINES

Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited – ESG Reporting Guide

CONTACT

Should you have any enquiries or feedback on this Report, please feel free to contact us via the following methods:

- Address: Unit 6, 13/F, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Hong Kong
- Tel: +852 2857 1778
- Fax: +852 2857 9638
- Email: info@hktcgroup.com
- Official Website: <http://www.hktcgroup.com/>

CHAIRMAN'S MESSAGE

For over 17 years, as one of the well-known integrated plastic solutions in the People's Republic of China ("PRC"), Tian Chang has always valued our sustainability performance. And we would like to continue to be a trusted business partner of our customers.

The opinions from our stakeholders have been a crucial asset to operate our business. We actively communicate with them and listen to their concerns. This year, we had invited our stakeholders to take part in our materiality assessment process and list out the most relevant issues in order to improve our environmental, social and governance performance.

In the past year, we focused on community needs and provided extensive support to public charities, supported environmental education, cared for disadvantaged social groups, and became a champion to raise public environmental awareness. We are committed to performing better and building a harmonious community around our operations.

We also applied energy conservation and emissions reduction technologies in our operations to reduce our environmental footprint and achieve green operation.

Looking forward, we are going to keep exploring potential opportunities on the market, developing our business, and build and improve Tian Chang in a sustainable manner in collaboration with our stakeholders.

Chairman

June 2018

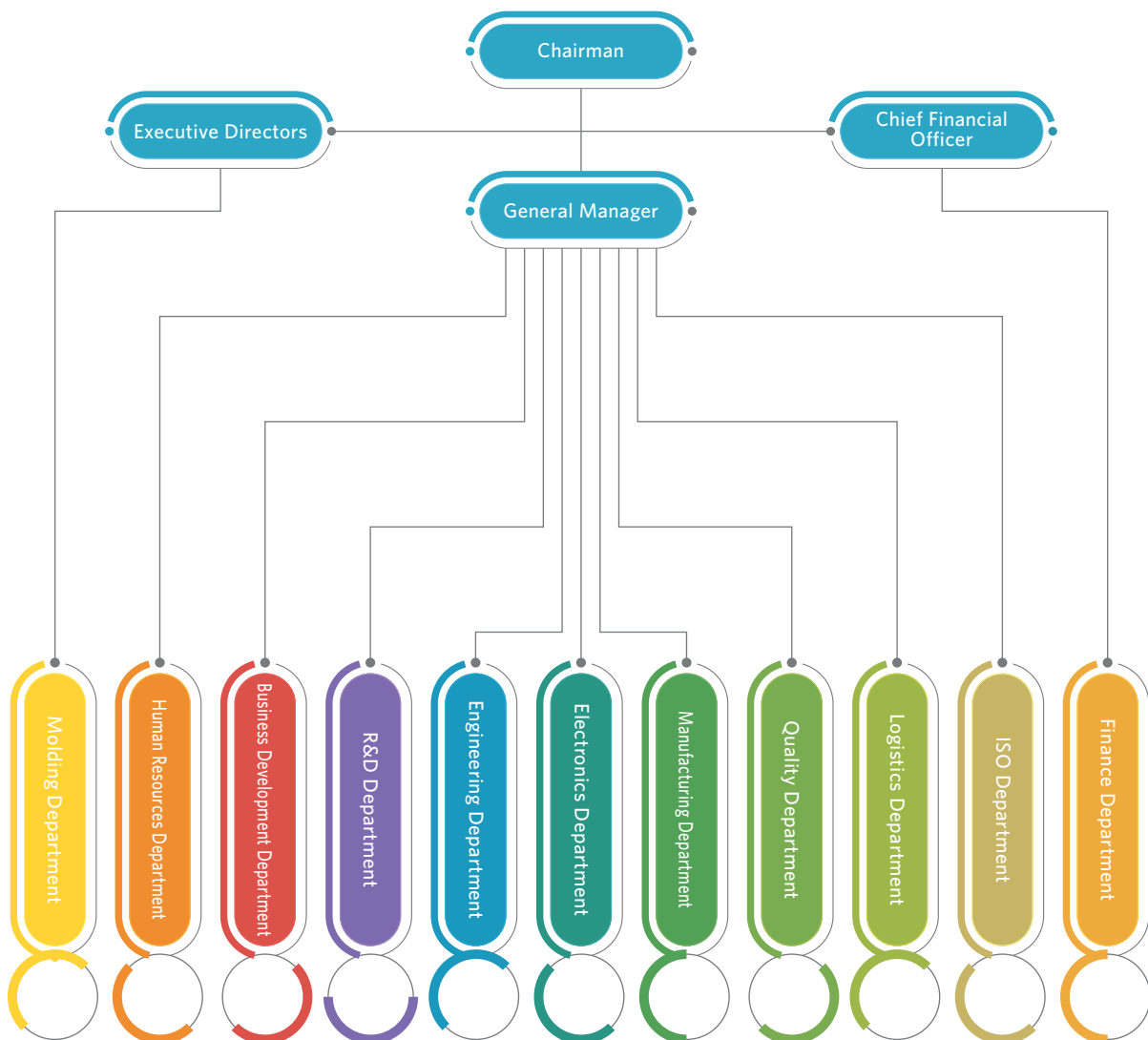
OVERVIEW

CORE VALUES/MANAGEMENT PRINCIPLES

Tian Chang always strives for the best and promotes sustainable development in its business operations. The Group always takes environmental protection into account in their business operations and tries to strike a balance between economic development and the environment and society.

MANAGEMENT STRUCTURE

Tian Chang has a clear organizational hierarchy to carry out different parts of operations within the Group. As the Group has achieved ISO 9001 and 14001 certifications, the ISO department is mainly responsible for reviewing ESG strategies and policies, and also act as a coordinator to oversee ESG operations in our factories.



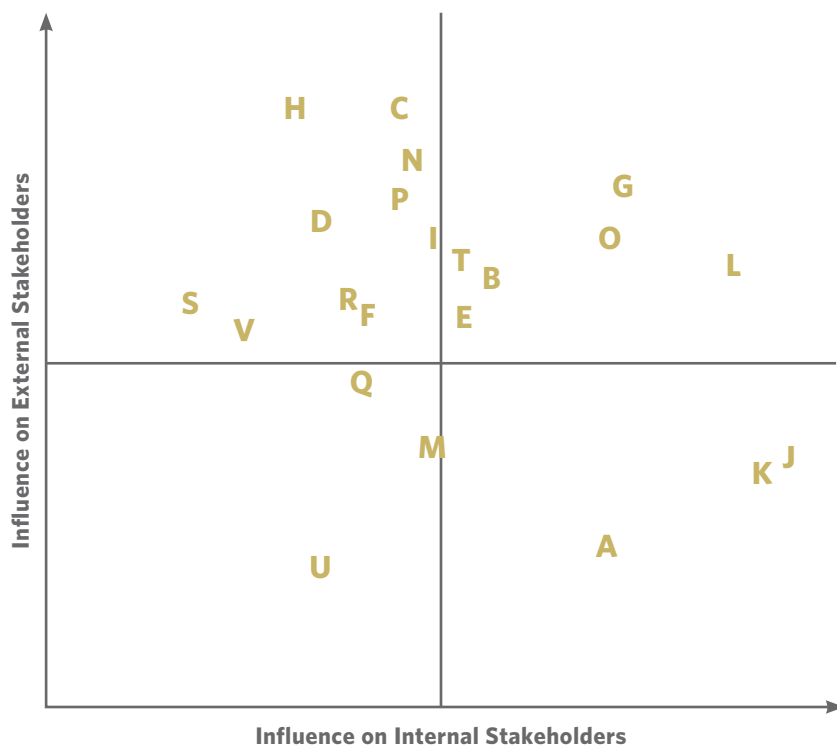
STAKEHOLDER IDENTIFICATION AND COMMUNICATION

In order to understand our stakeholders' concerns on the Group's ESG matters, we have invited our suppliers, employees, customers and other stakeholders to express their thoughts on our approaches. We firmly believe this process could help us further improve the Group's internal control system and corporate governance structure. The table below shows the key ways to communicate with our internal and external stakeholders:

	Types of Stakeholders	Focus Topics	Means of Communication
Internal Stakeholders	Board of Directors	Risk Management Corporate Reputation Corporate Governance	Consultation via phone calls and emails Direct communication Company conference Suggestion box
	Employees	Remuneration and Benefit Occupational Health and Safety Occupational Training and Development	Intranet Staff sustainability survey Social network
External Stakeholders	Shareholders/ Investors	Stable Investment Returns Information Disclosure	Annual General Meeting Annual report
	Suppliers/ Customers	Standard Supplier Management and Procurement Practices Establishment of Complaint System	Questionnaire Meetings
	Distributors	Steady and Stable Supply of Products	After-sales opinion box Meetings
	Government and Regulators	Operation in Compliance with Laws and Regulations	Annual report Meetings
	Community	Contribution to Community Development	Annual report Community events

MATERIALITY ASSESSMENT

During the reporting period, Tian Chang has conducted materiality assessment in order to understand the material topics of our ESG work and we have incorporated stakeholders' feedback on sustainability topics in our ESG report. Material topics are evaluated and assessed externally and internally according to the impact on business. The Group has identified the following major concerns of stakeholders: Supply Chain Management, Compliance with Laws and Regulations on Emissions, Employees' Right and Turnover Rate, Product Safety and Quality Assurance Management, Measures to Reduce Emissions and Achievements, and Occupational Health and Safety.



A	Environmental management system and related policies	L	Occupational health and safety
B	Compliance with laws and regulations on emissions	M	Employees' welfare and pay system
C	Waste management and recycling method	N	Customer data protection and privacy policies
D	Water consumption and wastewater discharge control	O	Measures to reduce emissions and achievements
E	Employees' rights and turnover rate	P	Amount of non-hazardous waste generated and handling method
F	Donation and community investment	Q	Resource management
G	Product safety and quality assurance management	R	Employees' training and development
H	Anti-corruption policies	S	Employment practices to avoid child labour and forced labour
I	Information on greenhouse gas emission	T	Supply chain management
J	Amount of hazardous waste generated and handling method	U	Customer satisfaction survey
K	Energy efficiency and management	V	Stakeholder communication

ENVIRONMENTAL PERFORMANCE

The daily operations of Tian Chang encounter specific environmental issues such as greenhouse gas emission, energy consumption and waste management. The Group is well aware of the effect of environmental performance to our business. Therefore, we have put extensive efforts on our environmental management system to minimize our environmental impact.

We have setup an environmental management system in accordance to ISO 14001:2015. We also have an environmental data collection system to keep track on the performance and review the efficiency of the measures we have adopted in the past year.

All businesses conducted by the Group are in strict compliance with all national and local laws, regulations, and other related industrial standards, such as the PRC Environmental Protection Law, the Law on the Prevention and Control of Atmospheric Pollution, the Law on the Prevention and Control of Water Pollution, the Law on the Prevention and Control of Solid Waste Pollution, and the Environmental Impact Assessment Law of the PRC.

The business operations of Tian Chang did not undergo any major changes in the reporting period and complies with the latest environmental-related laws and regulations.

EMISSIONS

Other than the above-mentioned compliances with the national and local laws and regulations, Tian Chang has put additional efforts in regulating gas emission, waste generation and usage of water during the daily operation. The Group has established "Procedures for Managing Wastewater, Exhaust Gas and Noise" which outlined the daily procedures on reducing emission on site.

Gas Emission

The major business for Tian Chang is integrated plastic solution services and manufacturing of e-cigarette products as an OEM. The manufacturing process of plastic products and e-cigarettes products do not emit any greenhouse gases directly. The Group has identified the major gas emitting source in the operation site which is the operation of injection molding machines.

In order to reduce the emission of organic waste gas and dust into the atmosphere which may cause harmful health effect to the workers, the Group has consulted an environmental technology company for an emission reduction solution in December 2016. In 2017, all the Group's workshops equipped with injection molding machines and painting machines had installed activated carbon filter and water spray. After the completion of these mitigation measures, the waste gas emitted by the Group has complied with the Guangdong Province's "Air Pollutant Emission Limits". Moreover, the Group has adopted the use of photo-catalyst in the filtering system to reduce methane emission.

The Group has also established standard operating procedures for the daily maintenance and operation of these newly installed equipment for protection of the workers.

Moreover, the Group has compulsory annual inspection for the Group's vehicles in order to ensure the exhaust emission is in compliance with the national standard.

ENVIRONMENTAL PERFORMANCE

Major Gas Emission Indicators

Direct Emissions	Unit	Emission in 2017
Carbon Dioxide (CO ₂)	Tonnes	281.6
Methane (CH ₄)	Tonnes	0.02
Nitrous Oxide (N ₂ O)	Tonnes	0.08
Nitrogen Oxides (NO _x)	Tonnes	17.2
Sulphur Oxides (SO _x)	Tonnes	1.1
Particulate Matter (PM)	Tonnes	1.6

Total GHG Emissions	Unit	Emission in 2017
Direct emission from combustion	t-CO ₂ eq.	31.1
Direct emission from vehicles	t-CO ₂ eq.	204.2
Indirect emission from electricity consumption	t-CO ₂ eq.	19,189.7

Other Indirect Emissions	Unit	Emission in 2017
Emissions from processing scrap paper	Tonnes	2.1
Emissions from flights	Tonnes	2.9

Emission Intensity (per employee)	Unit	Emission in 2017
Direct emission from vehicles	t-CO ₂ eq.	0.2
Indirect emission from electricity consumption	t-CO ₂ eq.	14.2
Emissions from processing scrap paper	Tonnes	0.001
Emissions from flights	Tonnes	0.002

ENVIRONMENTAL PERFORMANCE

Waste Management

Tian Chang has a well-established system to handle various types of waste (hazardous and non-hazardous). The Group ensures the disposal of waste within the operating site are in compliance with “Law of the PRC on Solid Waste Pollution Prevention and Control”, “Regulations on the Administration of Hazardous Waste Transfers”, “National Hazardous Waste List” and other related laws and regulations.

The Group has also established “Procedures for Waste Management” to guide the employees on how to dispose hazardous and non-hazardous solid waste properly. For hazardous waste, all waste chemical is properly stored in a designated indoor warehouse on site with secondary containment to prevent leakage. The removal of chemical on the ground requires the use of specific cloth or sawdust to clean the site. And all the hazardous waste is collected by authorized collectors. For non-hazardous waste, some of the recyclable waste such as toner cartridges and batteries are separately collected and collected by external recyclers. The other general waste is stored in refuse area and collected by local environmental and hygiene department. The Group has paid the best effort to prevent any contamination of the underground water. Due to the business nature of the Group, the operation site does not generate an extensive amount of non-hazardous waste. The relevant data for non-hazardous waste will be provided in next reporting period, once the collection measurement system is put in place.

The Group requires its workers to dispose different types of solid waste into the designated area. The amount of waste generation is recorded on “Monthly Solid Waste Generation Statistics”.

Major Waste Generation Indicator

Waste Types	Unit	Consumption in 2017
Hazardous Waste	Tonnes	2.6

Waste Intensity (per employee)	Unit	Consumption in 2017
Hazardous Waste	Tonnes	0.002

Water Discharge

Water is not a major component in our manufacturing process as we focus on using injection molding and other waterless techniques. Nevertheless, we have implemented measures to reduce our consumption of water for operation and domestic use. The Group has strictly complied with “Water Pollution Control Law of the PRC”, “Urban Sewage Treatment Plant Pollutant Discharge Standards” and other related laws and regulations.

The Group has strictly regulated the handling of water discharge during operations. All sewage is connected to the government sewage pipeline and transferred to the local sewage treatment plant. The cooling water system of the Group has adopted recycling and reuse measures. The Group has monitored the system daily to prevent any leakage. In addition, the Group has conducted wastewater quality monitoring annually.

ENVIRONMENTAL PERFORMANCE

USE OF RESOURCE

Tian Chang has been actively promoting resource efficiency in order to reduce the environmental risk for our business. In order to achieve this objective, the Group has established "Procedures for reducing usage of resources and energy".

The Group hires professional and certified electricians for the daily maintenance of the electricity system on site. The use of electricity is recorded on a monthly basis. The Group has also encouraged the employees to use less resources.

Major indicators for resource consumption

Resource Consumption	Unit	Consumption in 2017
Electricity	Kilowatt Per Hour	22,934,970
Gasoline	Litre	75,407
Diesel	Litre	11,880
Towngas	Tonnes	28.5
Water	Tonnes	203,242
Packaging materials	Tonnes	8.1

Resource Consumption Intensity (per employee)

Resource Consumption Intensity (per employee)	Unit	Consumption in 2017
Electricity	Kilowatt Per Hour	16,988.9
Gasoline	Litre	55.9
Diesel	Litre	8.8
Towngas	Tonnes	0.02
Water	Tonnes	150.5
Packaging materials	Tonnes	0.006

THE ENVIRONMENT AND NATURAL RESOURCES

The Group takes all related environmental risk into account during the planning of its business development. Moreover, the business of the Group does not cause any material impact on the environment and natural resources.

EMPLOYMENT

In order to achieve our business targets and to drive innovation, Tian Chang relies our success on a talented workforce of 1,350 employees. To promote fair working environment and employment practices, the Group has developed our management system, including assessment of employees' performances on their business needs, capability and contribution to the company, to evaluate salary reviews and job promotions. Besides, we have identified and strictly complied with the related laws and regulations, such as Cap. 57 Employment Ordinance, Cap. 480 Sex Discrimination Ordinance, Cap. 487 Disability Discrimination Ordinance, Cap. 527 Family Status Discrimination Ordinance, Cap. 602 Race Discrimination Ordinance, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Promotion Law of the PRC, the Labour Dispute Mediation and Arbitration Law of the PRC and other related local labour laws and regulations.

The Group has established "Procedures on Working Hours and Wages" which safeguards our employees' rights and interests. Annual performance appraisal will be conducted for employees who have worked for one year or above, with salary increments subject to individual's performance. The working hours of our employees are stated as 8-hour per day and five working days per week. Upon approval from our Human Resources Department, our employees can be arranged to work overtime with a maximum of three hours per day and shall not exceed a total working hour of 60 hours per week. The Group also stated the off-work periods of our employees and provides them paid leaves as remuneration benefits and welfare. Trainings are also provided to all employees, details please refer to the "Development and Training" section below. In case of any terminations of employment, the Group will compensate the terminated employee for accrued wages. In addition, Tian Chang also provides housing and meal allowance to our employees in Huizhou. To promote diversity in our workplace, the Group's "Management Procedures on Anti-Discrimination" endorsed by Human Resources Department provides a clear structure on a fair employment practice during recruitment. The policy clearly states any discrimination on race, gender, religion, national origin, physical or mental disability, age, sexual orientation, and gender identity are strictly prohibited during the employment process. The procedure also clearly states the standard operation procedures when discrimination practices are detected in workplace. Trainings are provided to eliminate any discrimination practices among employees. If any discrimination or harassment reports are received, the Group will establish a working group to directly investigate into the incident. The Group is honored to receive the SA8000:2014 Social Accountability Certification that recognizes our socially acceptable practices in the workplace. Tian Chang believes the certificate recognizes our continued satisfactory operating of our Management System and we will strive for a better working environment for our employees.

SOCIAL PERFORMANCE

HEALTH AND SAFETY

Our employees' health and safety have been one of Tian Chang's top priority items, therefore, the Group has implemented "Management Procedures on Health and Safety" to eliminate all potential safety hazards and ensure a safe working environment to protect employees from occupational injuries. The management procedures cover all manufacturing operations in our factories, as well as highlighting the safety requirements for our suppliers. The safety committee will conduct a risk assessment among our factories and identify all potential health and safety hazards. The representatives of the committee will also tailor a health and safety educational and training programme to all employees. In addition, all supervisors from different departments shall closely monitor their responsible workers to prevent accidents and be educated on the proper operating procedures to them. Without prior approval from supervisors, all workers are not permitted to conduct any repairing works on-site. In case any operating procedures are carried out in a risky condition and may endanger the worker's safety, supervisors shall immediately report to seniors and carry out remediation process to reduce all potential hazards. Furthermore, if any malfunctioning or machineries breakdown are found, workers shall report to the supervisors. All passages along the working area are strictly prohibited for storage and no workers are allowed to leave the premises, when the machines are in operation. During the reporting period, 14 cases of work-related injuries and no work-related fatality cases were reported.

Apart from our internal management procedures, Tian Chang also complies with relevant local laws and regulations, including Cap. 509 Occupational Safety and Health Ordinance, the Labour Law of the PRC, the Fire Prevention Law of the PRC, the Prevention and Control of Occupational Diseases of the PRC and the Measures for the Ascertainment of Work-related injuries. To prevent the outbreak of fire within our operation areas, our security guards will be responsible to carry out routine daily checks around our sites, such as dormitory, factories, garages, lavatories, and kitchen. Our staff will also ensure all equipped fire extinguishers are functioning properly and will replace those which do not comply with the fire safety standards. Our Human Resources Department will guide our fire safety committee to carry out one to two fire drill practices annually and we demand all of our employees should acknowledge the designated locations and operations of all fire extinguishers.

Lastly, to offer a healthy workplace environment to all employees, Tian Chang demands a clean and tidy working environment in all operation areas. Ventilation machines shall be switched on during working hours to ensure sufficient air ventilation indoors. Sanitizing equipment and tools are provided among the dining areas and spitting is strictly prohibited in our factories. The Group will also circulate notices to our employees to remind them of precautionary measures during peak seasons of influenza. We believe all the aforementioned procedures can safeguard our employees' health and safety and minimize all potential workplace occupational hazards.

DEVELOPMENT AND TRAINING

Tian Chang has stipulated the “Management Procedures on Development and Training” for in-house training and distribution of work. The document clearly lists out the requirements and performance indicators to enhance our employees’ occupational skillset and quality. It also reinforced our development and training systems and ensures all programmes are carried out in a smooth and sustainable practice. Our Human Resources Department is also responsible for the instructions of the job duties of each position and formulates an annual training development plan. The Department also organizes and archives all development and training records for internal assessment and evaluation. Besides, all departments will assist our staff from the Human Resources Department to conduct training sessions and provide necessary feedbacks for continual improvements. In addition, to enhance the learning atmosphere and promote efficient training information among employees, all departments are required to fill in a corresponding “Development and Training Datasheet” and submit to the Human Resources Department.

Furthermore, the Group tailors various training courses to all employees for suiting their needs. For example, comprehensive pre-job trainings and orientation programmes are provided to new employees with introduction of company background and culture, foundation knowledge of company regulations and safety requirements. New employees are also subject to corresponding on-job trainings offered by their reporting departments. We also provide sufficient trainings to newly promoted employees, so as to enhance their practical skills and adaptability in new positions. Tian Chang also invites external institutions to organize training courses to our employees. Our Human Resources Department will revise our annual training programmes in accordance with the reviews and feedbacks of each department. The Group believes our vocational training practices will allow us to nurture a better, sustainable working environment and learning atmosphere to our employees.

LABOUR STANDARDS

Tian Chang strictly abides by all labour-related laws and regulations of Hong Kong and the PRC, including Cap. 57 Employment Ordinance, Cap. 485 Mandatory Provident Fund Schemes Ordinance, Cap. 509 Occupational Safety and Health Ordinance, Cap. 608 Minimum Wage Ordinance, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Provisions of Child Labour of the PRC and the Law of the PRC on the Protection of the Minors. In addition to the compliance of the labour-related laws and regulations, the Group has established “Management Procedures on the Prohibition of Child Labour”. Human Resources Department is not allowed to hire child labour, who are aged under 16, and junior workers, who are aged between 16 and 18, during our recruitment process. Applicants are required to report their identity by showing their identity cards during the application. Upon issuance of letter of employment, our staff from Human Resources Department will require the applicant to show their original identity card for verification purpose. Through discussion and checking of identity card during the engagement process, the Group believes the possibility of recruiting child labor is minimized.

In case any child labour are observed by our employees during daily business operations, our employees shall report to the Human Resources Department directly and senior departments for immediate verification. The Group will be responsible for the arrest of child labour and report to local Labour Department without delay. If necessary, the Group will send the reported child labour directly to local hospitals for health checks. If it is found that the parents or guardians of the child labour encounter financial difficulties, the Group will provide suitable assistance to the family and education allowance to improve their financial status.

SOCIAL PERFORMANCE

SUPPLY CHAIN MANAGEMENT

To ensure Tian Chang's products fulfill the expectations of our customers, while minimizing any potential environmental and social risks from our suppliers, the Group has established "Management Procedures on Supply Chain" to select qualified and outstanding suppliers. The procedure grades all suppliers by relevant rating systems: outstanding suppliers are rated between 80 and 100, suppliers with rating from 65 to 80 are classified as pass while the rest are considered failed. Our Purchasing Department will be responsible for the management of all production and non-production services suppliers and our ISO System Department will be responsible for the assessment of suppliers.

During the engagement process, our teams will assess all potential suppliers based on their certification of management systems, company profile, manufacturing procedures, status of production and inspection equipment and the applicable operation or production license of certain hazardous chemicals. Besides, the Group will assess our suppliers if they have attained the certification of ISO9001:2015 or other related documents, and all samples and products have undergone applicable the quality test on-site. Inspection will be carried out bi-annually for outstanding suppliers, while the frequency of inspections will increase to once per year for suppliers which obtained a pass in our assessment scheme.

PRODUCT RESPONSIBILITY

To protect consumer data privacy and other confidential documents, Tian Chang strictly follows Cap. 528 Copyright Ordinance, Cap. 486 Personal Data (Privacy) Ordinance, the Law of the PRC on the Protection of Customer Rights and interests and has established clear instructions on how to prevent leakage of confidential documents and effective management of documents. The "Management of Confidential Documents" has classified all documents into three broad categories: A, B or C grade. Our ISO System Department will be responsible for the classification, management and distribution of documents in order to attain better monitor purposes. The documents are categorized by different grade, based on the extent of sensitivity of the documents.

The Group also complies with related national laws and regulations on product safety. We provide our best effort to ensure our products are of top quality by conducting regular checks. Besides, the Group also adopts responsible advertising and labeling manner to minimize customer dissatisfaction. The Group has implemented "Procedures on Information Exchange" to ensure Operation Department are responsible for the product quality and safety. Since May 2017, the Group has maintained product liability insurance policy with reputable international insurers throughout the term of Fontem Master Agreement (as defined in the Company's prospectus dated 14 February 2018) for the e-cigarettes products sold to Fontem (as defined in the Company's prospectus dated 14 February 2018) and we are not obligated to insure beyond a maximum indemnity of US\$10 million. During the reporting period, our Group had not experienced any material litigation, claims, return on sales, recalls, reworks, or repairs from our customers, while the returns on sales for FY2017 was 0.4%.

ANTI-CORRUPTION

Tian Chang expects our employees carry out their work in a responsible and honest manner. The Group strictly complies with relevant laws and regulations, including Cap. 201 Prevention of Bribery Ordinance, Cap. 615 Anti-Money Laundering and Counter-Terrorist Financing Ordinance, the Criminal Law of the PRC and its Judicial interpretation, the Criminal Procedure Law and its Judicial interpretation, the Interpretation on Several Issues Concerning the Applicable Laws to Handling Criminal Cases of Embezzlement and Bribery, and the Anti-Money Laundering Law of the PRC. In addition, the Group's "Management Procedures on Anti-Bribery" applies to all entities among the corporate in order to regulate all business activities.

The Group embraces responsible business practices and we expect high moral standards and integrity from our employees and business partners. To prevent employees from any malpractices that may potentially threaten Tian Chang's interest and reputation, we regularly remind our employees to comply with our code of practices. Besides, it is clearly stated that all capital and assets of Tian Chang shall only be used in a legal and appropriate manner to achieve the best outcome of the Group. Any forms of bribery, extortion, fraud, money-laundering and embezzlement are strictly forbidden. Employees are allowed to report on any suspicious misbehavior of unethical businesses to our senior management directly. All whistle-blowing procedures will be conducted in strict confidence and the Group will ensure all measures are undertaken to protect the privacy and identity of whistle-blower. The Review Panel of the Group will conduct formal investigation on all reported cases. The Group accepts zero tolerance to any dishonesty and unethical business behaviors and if any violation is confirmed, we will report to the government authorities in accordance with the law and the involved employee will be penalized immediately.

During the reporting period, the Group did not observe nor receive any legal cases regarding corrupt practices.

COMMUNITY INVOLVEMENT

Tian Chang encourages our employees to participate in community philanthropic activities. During the reporting period, the Group has contributed to the aspects of education and health through sponsorship. In March 2017, Our Group has offered paid time off for volunteer employee who has donated his blood stem cell to an urgent patient. As Tian Chang has always encouraged our employees to help each other and devote themselves in volunteering services to the community, the Group is proud to receive a recognition award in our contribution to the provision of education services in the community. We would like to foster the improvement and development in the society by a sustained investment and involvement in the community. Tian Chang is also committed to the promotion of volunteering works and encourages our employees to participate in service activities.

CONTENT INDEX

ESG Reporting Guidelines Aspects	Description	Pages/Remarks	
A. Environmental			
<i>Aspect A1: Emissions</i>			
General Disclosure	A1 Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	7-9	
KPI	A1.1	The types of emissions and respective emissions data	8
	A1.2	Greenhouse gas emissions in total and intensity	8
	A1.3	Total hazardous waste produced and intensity	9
	A1.4	Total non-hazardous waste produced and intensity	9
	A1.5	Description of measures to mitigate emissions and results achieved	7
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	9
<i>Aspect A2: Use of Resources</i>			
General Disclosure	A2 Policies on the efficient use of resources, including energy, water and other raw materials	10	
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity	10
	A2.2	Water consumption in total and intensity	10
	A2.3	Description of energy use efficiency initiatives and results achieved	10
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	9
	A2.5	Total packaging material used for finished products	10
<i>Aspect A3: The Environment and Natural Resources</i>			
General Disclosure	A3 Policies on minimizing the issuer's significant impact on the environment and natural resources	10	
KPI	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	10	

CONTENT INDEX

ESG Reporting Guidelines Aspects	Description	Pages/Remarks	
B. Social			
Employment and Labour Practices			
<i>Aspect B1: Employment</i>			
General Disclosure	B1 Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	11	
<i>Aspect B2: Health and Safety</i>			
General Disclosure	B2 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	12	
KPI	B2.1	Number and rate of work-related fatalities	12
	B2.2	Lost days due to work injury	12
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	12
<i>Aspect B3: Development and Training</i>			
General Disclosure	B3 Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	13	
<i>Aspect B4: Labour Standards</i>			
General Disclosure	B4 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	13	
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour	13
	B4.2	Description of steps taken to eliminate such practices when discovered	13

CONTENT INDEX

ESG Reporting Guidelines Aspects		Description	Pages/Remarks
Operating Practices			
<i>Aspect B5: Supply Chain Management</i>			
General Disclosure	B5	Policies on managing environmental and social risks of the supply chain	14
<i>Aspect B6: Product Responsibility</i>			
General Disclosure	B6	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, labeling and privacy matters relating to products and services provided and methods of redress	14
KPI	B6.1	Percentage of total products sold or shipped subject to recalls or safety and health reasons.	14
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	14
<i>Aspect B7: Anti-corruption</i>			
General Disclosure	B7	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	15
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.	15
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	15
<i>Aspect B8: Community Investment</i>			
General Disclosure	B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	15
KPI	B8.1	Focus areas of contribution	15

