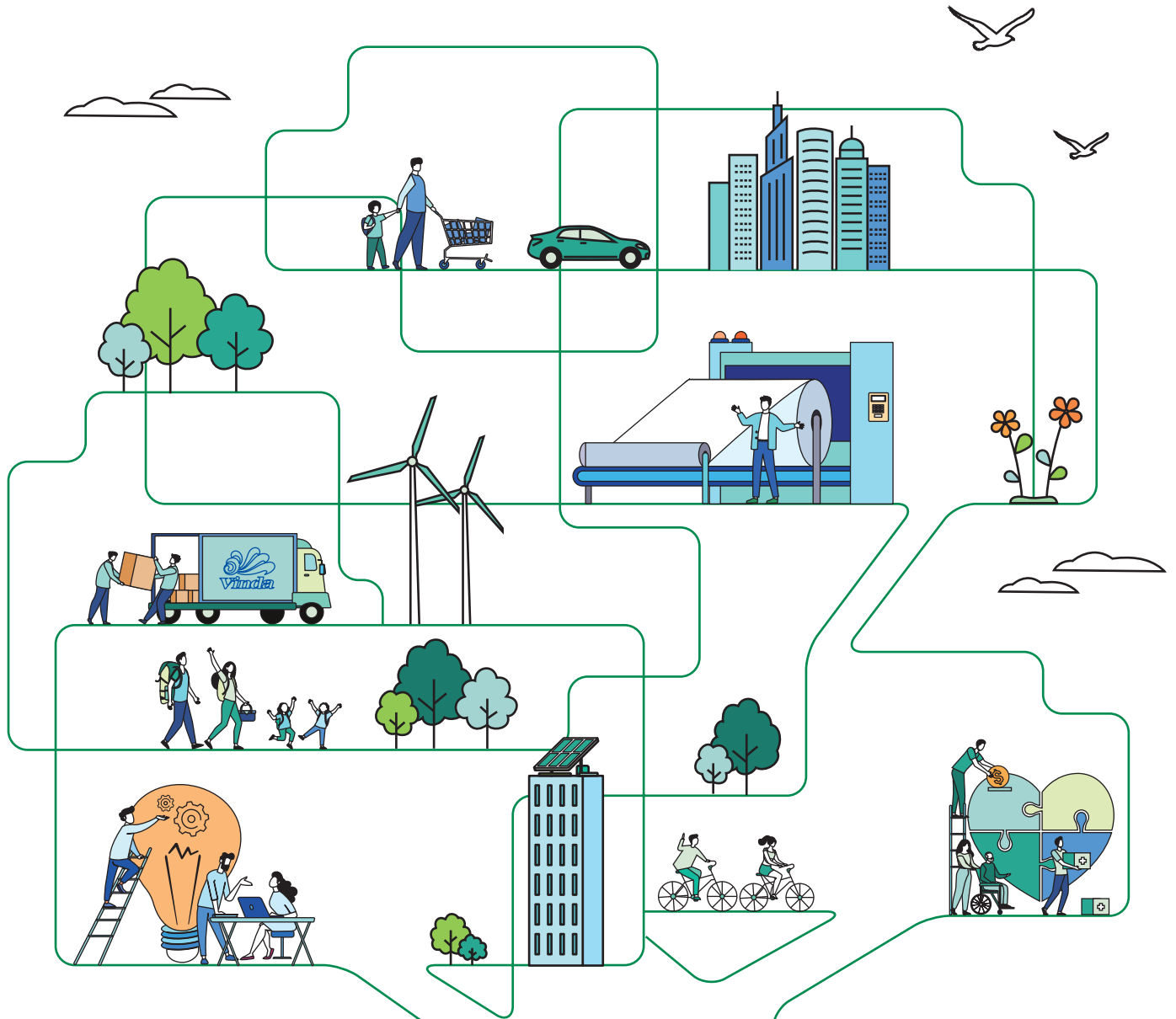




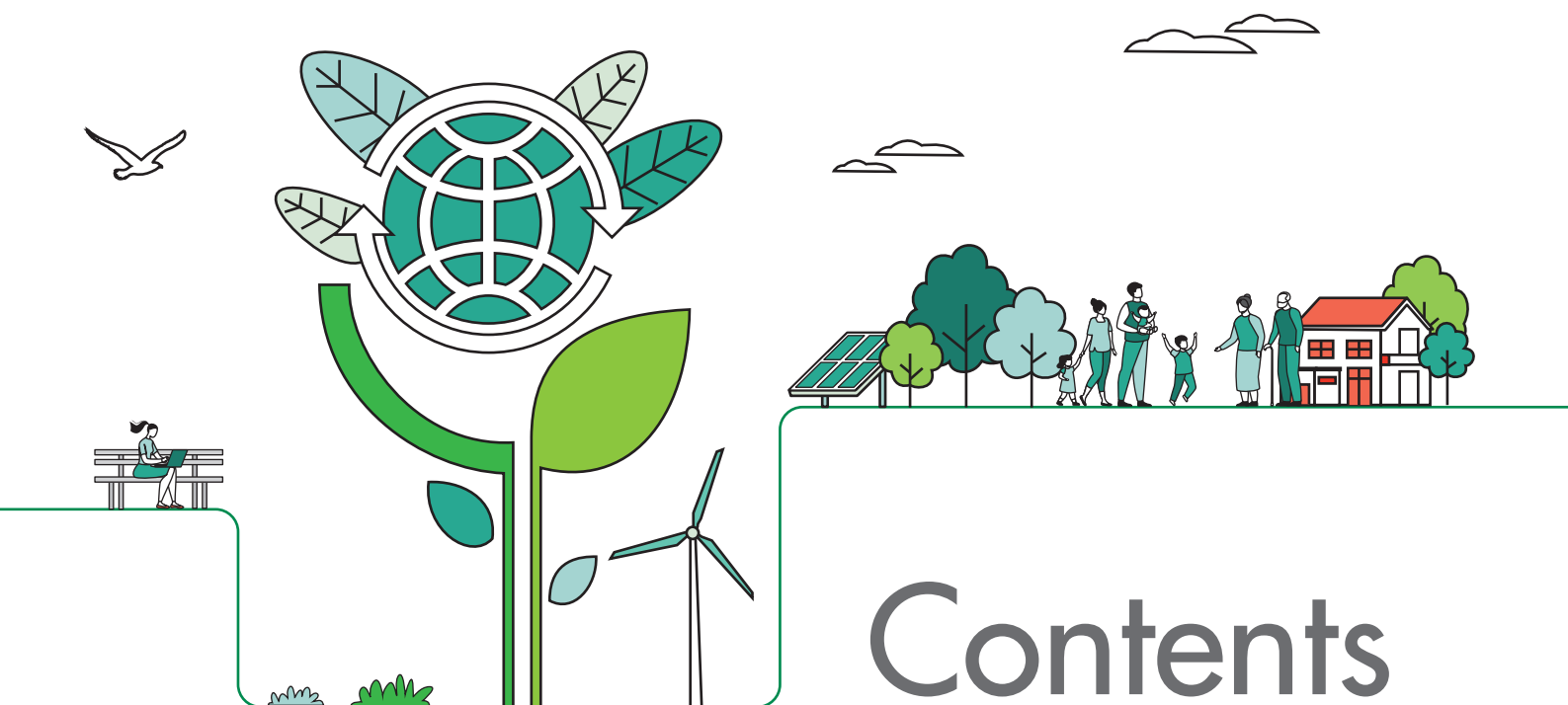
Vinda International Holdings Limited

(incorporated in the Cayman Islands with limited liability) Stock Code: 3331



Environmental, Social And Governance Report 2021

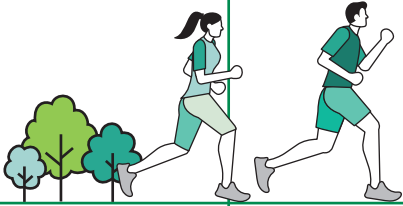
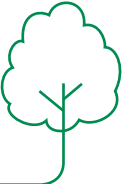
*Healthy Lifestyle
Starts with Vinda*



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CEO Message





Stepping into the post-pandemic era, despite of the uncertain market trends and operating environment, Vinda Group has made relentless effort in the area of Environmental, Social and Governance (ESG). We continued to grow our business through innovation, actively fulfilled our corporate social responsibilities and closely followed the Group's sustainability blueprint, with the aim to create shared values for stakeholders, generate returns for shareholders and shape a healthy lifestyle.



2021 was a crucial year for us to address climate change. To increase the transparency of the Group's sustainability report, we have for the first time, by referencing the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD), elaborated our climate-related risks and responding measures in the ESG Report this year, also expatiated the impacts and opportunities brought by climate change to the Group's businesses. Meanwhile, we have formulated our five-year sustainable development goals and roadmap to push our business forward and fulfil our commitments in a more disciplined manner.



As a corporate citizen with missions, supporting the community during the pandemic remained as the priority for our charity work in the year. We were actively engaged in pandemic prevention work and post-pandemic recovery. Through Vinda Volunteer Team, Vinda Charity Foundation and other organizations, we held various community supporting activities in areas of education, elderly services, housing and disease healing in mainland China, Chinese Taiwan and Malaysia. We also provide financial support and free hygiene products to the local communities, promoting more mutual caring and strengthening the resilience of our society.

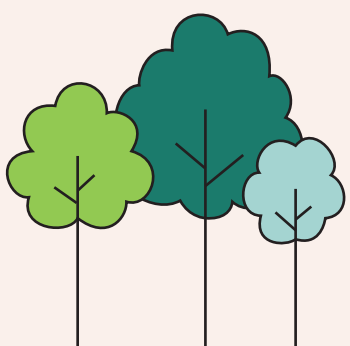


I would like to take this opportunity to thank all our colleagues for their dedication and support in the past year. Employees are the most valuable assets of Vinda. We will continue to strive to provide equal opportunities for career development and a safe working environment, promote cultural diversity and listen to different voices in the Company.

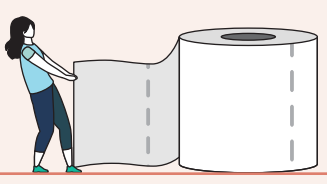


Looking forward, we will continue to explore environment-friendly production and business models, pursue sustainable development goals and roadmap, and commit to the philosophy of "Healthy Lifestyle Starts with Vinda". Meanwhile, we will make continuous progress in our social performance and corporate governance, incorporate sustainability strategies, and embrace the challenges and opportunities of the post-pandemic era.

Li Jielin
Chief Executive Officer



1. About Vinda





1. About Vinda

Company Profile

Vinda International Holdings Limited (“Vinda” or the “Company”, and together with its subsidiaries, the “Group”, “we” or “us”) was founded in 1985 and has its headquarters in Hong Kong Special Administrative Region of the Peoples’ Republic of China (“Hong Kong”). Vinda, a large-scale hygiene products company in Asia, was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Exchange”) in 2007 (stock code: 3331).

For years, Vinda has been committed to the philosophy that “Healthy Lifestyle Starts with Vinda”, providing quality hygiene products and services to every consumer and customer. While developing our businesses, we are always aware of fulfilling our corporate social responsibility and strive to create shared and sustainable values on environmental, economic and social levels with stakeholders. We aim to become “Asia’s first choice for hygiene products and services” by providing superior, safe and reliable products that fully serve the differentiated demands and needs of our customers.

Brand Operations

Vinda Group operates its businesses in various countries and regions, primarily comprising household tissues, incontinence care, feminine care, baby care and professional hygiene solutions with well-known brands such as *Vinda*, *Tempo*, *Tork*, *TENA*, *Dr. P*, *Libresse*, *Libero* and *Drypers*.

*Healthy Lifestyle
Starts with Vinda*



VINDA’S SUSTAINABILITY STRATEGY AND VISION

Sustainability has been one of Vinda’s core principles

We are committed to providing quality hygiene products and services that improve the health and quality of life of our consumers, in a way that maintains our core values of sustainable growth and innovation

We work closely with our stakeholders to minimize our environmental impact across different areas such as sourcing, production and sales





1. About Vinda

CORPORATE CULTURE

Vinda's Mission

To provide high quality hygiene products and services

Vinda's Vision

To become Asia's first choice for hygiene products and services

CORE PRINCIPLES

SUSTAINABILITY



Be responsible and make holistic choices that create value for our business, people and the environment

INNOVATION

Investing the future for our consumers and customers; solving challenges of today



Be committed to providing high quality products and professional services to our consumers and customers;

Adhere to our code of conduct, manage Vinda as one company and consider how our actions uphold the Company's image and reputation

PROFESSIONALISM & INTEGRITY

Be encouraging by change, be positive to adapt change and be active to create change, to seize market opportunities and lead industrial development



EMBRACE CHANGE



1. About Vinda



Corporate Awards

Committed to the sustainable development of its business, Vinda earned multiple recognitions from local and international bodies in the past year.

Overall Performance of Sustainability

No.	Company	Award/Recognition	Organiser
1	Vinda International Holdings Limited	ESG Leading Enterprise Awards	Bloomberg Businessweek/Chinese Edition
2	Vinda International Holdings Limited	Outstanding Award for Green and Sustainable Loan Issuer	Hong Kong Quality Assurance Agency
3	Vinda International Holdings Limited	Leadership Award for Green and Sustainable Finance Development	Hong Kong Quality Assurance Agency
4	Vinda International Holdings Limited	Excellence in ESG Reporting Award	The Hong Kong Management Association
5	Vinda International Holdings Limited	ESG Corporate Awards – Platinum Award	The Asset
6	Vinda Paper (Zhejiang) Company Limited	2020 Provincial Enterprise Institute (2020年省級企業研究院)	Science Technology Department of Zhejiang Province, Zhejiang Provincial Development and Reform Commission, the Economy and Information Technology Department of Zhejiang Province (浙江省科學技術廳、浙江省發展和改革委員會、浙江省經濟和信息化廳)



1. About Vinda

No.	Company	Award/Recognition	Organiser
7	Vinda Paper (China) Company Limited	Civilized Enterprise in Jiangmen City (江門市文明單位)	The People's Government of Jiangmen City
8	Vinda Paper (Zhejiang) Company Limited	Top 50 Economic Contributors 2020 (2020年度經濟貢獻五十強企業)	The People's Government of Longyou County (龍遊縣人民政府)
9	Vinda Paper (Zhejiang) Company Limited	Outstanding Enterprise by Contribution to the Industrial Economy 2020 (2020年度工業經濟傑出貢獻企業家)	The People's Government of Longyou County (龍遊縣人民政府)

People

No.	Company	Award/Recognition	Organiser
10	Vinda International Holdings Limited	Top Human Resources Management Awards 2021	51job (前程無憂), a human resources service provider in China
11	Vinda Malaysia Sdn Bhd	MSOSH Occupational Safety and Health Award (MSOSH Gold Award)	The Malaysian Society for Occupational Safety & Health (MSOSH)
12	Vinda Malaysia Sdn Bhd	Sustainable Development Award for Gender-responsive (性別平等可持續發展獎)	UN Global Compact Network Malaysia & Brunei (UNGCMYB)
13	Vinda Malaysia Sdn Bhd	INTI's Employer Projects (INTI's 僱主項目)	INTI International University
14	Vinda Paper (Liaoning) Company Limited	Liaoning AAA Grade Model Enterprises with Harmonious Labor Relations (遼寧省AAA級模範勞動關係和諧企業)	Liaoning Provincial Department of Human Resources and Social Security (遼寧省人力資源和社會保障廳), Liaoning Federation of Trade Union (遼寧省總工會), Enterprises Association/Entrepreneurs Association of Liaoning Province (遼寧省企業聯合會/企業家協會), Liaoning Federation of Industry and Commerce (遼寧省工商聯)
15	Vinda Paper (Shandong) Company Limited	Top 10 Staff Homes in Laiwu District (萊蕪區十佳職工信賴的職工之家)	General Union of Laiwu District, Jinan City (濟南市萊蕪區總工會)
16	Vinda Paper (Sichuan) Company Limited	Deyang Leading Organisation in Helping the Disabled (德陽市助殘先進集體)	Working Committee for People with Disability of the People's Government of Deyang City (德陽市人民政府殘疾人工作委員會)



1. About Vinda

No.	Company	Award/Recognition	Organiser
17	Vinda Paper (China) Company Limited	Advanced Collective for Caring Next Generation (關心下一代工作先進集體)	Working Committee of Caring for the Next Generation, Spiritual Civilization Construction Committee Office in Xinhui District, Jiangmen City (江門市新會區關心下一代工作委員會、江門市新會區精神文明建設委員會辦公室)
18	Vinda Paper (Zhejiang) Company Limited	2021 Advanced Enterprise for Training Millions of Employees (2021年度百萬員工大培訓先進單位)	Production Safety Committee Office of Longyou County (龍游縣安全生產委員會辦公室)
19	Vinda Paper (Beijing) Company Limited	Excellence+ Employer (優+僱主)	zhaopin.com (智聯招聘), a human resources service provider in China

Environment

No.	Company	Award/Recognition	Organiser
20	Vinda International Holdings Limited	Leading Environmental Initiative Award	Bloomberg Businessweek/Chinese Edition
21	Vinda Personal Care (China) Limited	Green Factory (綠色工廠)	Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部)
22	Vinda Paper (China) Company Limited	Leader in Energy Efficiency – Guangdong Province Paper Industry (廣東省造紙行業能效領跑者)	Department of Industry and Information Technology of Guangdong Province (廣東省工信廳), Guangdong Paper Association (廣東省造紙協會)
23	Vinda Paper (China) Company Limited	Enterprise Leader in Water Conservation, Guangdong Province (廣東省節水標桿企業)	Department of Industry and Information Technology of Guangdong Province (廣東省工信廳), Water Resources Department of Guangdong Province (廣東省水利廳)
24	Vinda Paper (Zhejiang) Company Limited	2021 Green and Low-carbon Factory in Zhejiang Province (2021年浙江省級綠色低碳工廠)	Economy and Information Technology Department of Zhejiang Province (浙江省經濟和信息化廳)
25	Vinda Paper (Zhejiang) Company Limited	Enterprise Leader in Water Conservation, Zhejiang Province (浙江省節水標桿企業)	Zhejiang Water Conservation Office (浙江省節約用水辦公室), Water Resources Department of Zhejiang Province (浙江省水利廳), Economy and Information Technology Department of Zhejiang Province (浙江省經濟和信息化廳), Zhejiang Provincial Department of Housing and Urban-Rural Development (浙江省住房和城鄉建設廳)

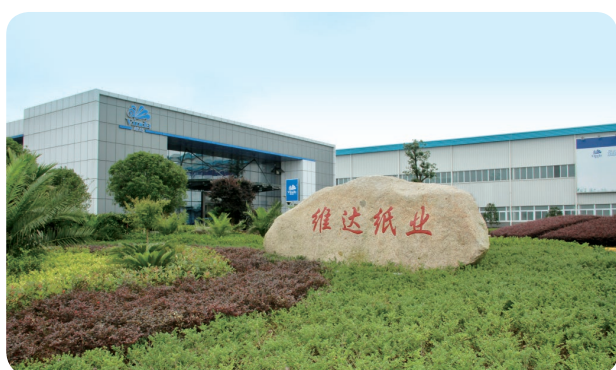


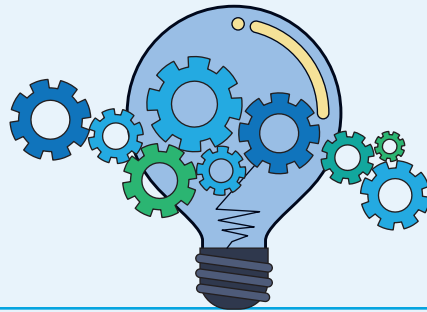
1. About Vinda

No.	Company	Award/Recognition	Organiser
26	Vinda Paper (Sichuan) Company Limited	2020 Top 10 Household Paper Producer in Sichuan (四川省生活用紙行業2020年度生產「十強」企業)	Sichuan Paper Association (四川省造紙行業協會), Sichuan Technical Association of Paper Industry (四川省造紙學會)
27	Vinda Paper (Sichuan) Company Limited	2020 Deyang Outstanding Entity for Domestic Waste Classification (德陽市2020年度生活垃圾分類工作優秀單位)	Deyang City Leading Group for Domestic Waste Classification Promotion (德陽市推進生活垃圾分類工作領導小組)

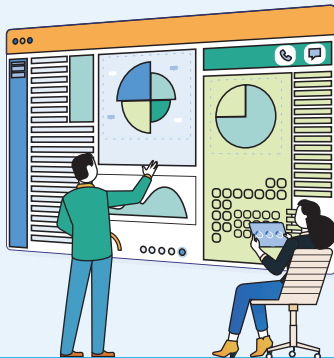
Community

No.	Company	Award/Recognition	Organiser
28	Vinda International Holdings Limited	Leading Social Initiative Award	Bloomberg Businessweek/Chinese Edition
29	Vinda Paper (Sichuan) Company Limited	2020 Deyang Advanced Entity for Precise Poverty Alleviation of "Ten Thousand Enterprises Helping Ten Thousand Villages" (2020年度德陽市「萬企幫萬村」精準扶貧行動先進單位)	Deyang City Chamber of Industry and Commerce (德陽市工商業聯合會), Deyang City Poverty Alleviation and Development Bureau (德陽市扶貧開發局)
30	Vinda Paper (Sichuan) Company Limited	Social Contribution Award for Poverty Alleviation (社會扶貧奉獻獎)	Sichuan Province Foundation For Poverty Alleviation (四川省扶貧基金會)





2. Our Report





2. Our Report

Scope of the Report

Vinda's main revenue is derived from its tissue and personal care segments in China, Southeast Asia and South Korea. The scope of disclosure in this ESG Report 2021 (the "Report") covers the sustainability initiatives and performance 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 Chinese Taiwan for the year ended 31 December 2021 (the "Year").

Reporting Period

The Report aims to objectively and fairly review the Group's ESG performance and effectiveness in 2021, and is formulated in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") published by the Exchange. The Report complies with all "comply or explain" provisions of the Guide, and reports on all required disclosures of the Guide.

Contact Us

We welcome your comments on the Report and other matters relating to sustainable development. Please email us at esg@vinda.com.

Reporting Principles

The Report is an important channel for Vinda to communicate with its stakeholders and disclose such ESG information that is meaningful and valuable to them in facilitating their decision-making. The Report is therefore prepared with reference to the basic reporting principles listed in the Guide. The following reporting principles have been considered in our formulation of this Report:

Materiality

We have conducted a materiality analysis by seeking input from stakeholders and in doing so, have determined the ESG topics that are important for Vinda. This analysis was also used to establish the focus of the Report.

Quantification

The Group has recorded and estimated quantitative information and compared it with past performance where applicable. To ensure the accuracy of key environmental performance indicators, the Group has appointed external consultants to conduct an independent audit and review of the greenhouse gas emissions data and carbon footprint assessment disclosed in the Report. The quantitative information on key social performance indicators in the Report comes from the internal data and records of relevant departments within the Group.

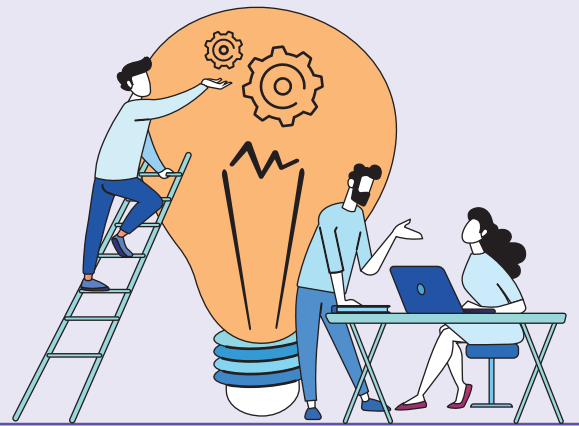
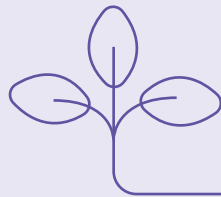
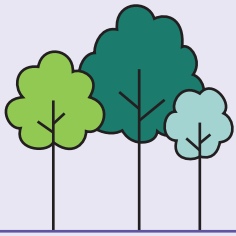
Balance

To provide an unbiased performance overview, we provide fair disclosure on the Group's ESG achievements and areas for improvement.

Consistency

Since 2015, our reporting has complied with the Guide from the Exchange. In case of any changes that may affect comparison with previous reports, the Group has included remarks to the corresponding content in the Report.

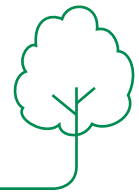
¹ The eight legal entities are Vinda Paper (China) Company Limited (including three branches in Guangdong, Jiangmen and Xinhui), Vinda Paper (Zhejiang) Company Limited, Vinda Paper (Sichuan) Company Limited, Vinda Paper (Shandong) Company Limited, Vinda Paper (Liaoning) Company Limited, Vinda North Paper (Beijing) Company Limited, Vinda Personal Care (China) Company Limited and Vinda Personal Care (Guangdong) Company Limited, in which Guangdong Xinjiang Energy Company Limited was included in the operations of Vinda Personal Care (Guangdong) Company Limited, due to the fact that Guangdong Xinjiang Energy Company Limited only supplied steam for paper manufacturing by Vinda Personal Care (Guangdong) Company Limited and the calculation of its relevant emission data was included in the boiler operation of Vinda Personal Care (Guangdong) Company Limited.



3. Healthy Lifestyle Starts with Vinda



3. Healthy Lifestyle Starts with Vinda



Material topics for sustainable development



- Corporate governance
- Anti-competitive conduct

Sustainability Governance

Vinda's sustainability efforts are led and overseen by the chief executive officer and executive directors of the Group, who delegate material sustainability issues to relevant departments and business units to actively improve the Group's sustainability performance.

Internal Control

Sustainability management is integrated into the entire corporate governance structure of the Group, including committees at the board level and management level across departments and business units. Vinda's board of directors (the "Board") and its six major committees (namely, Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, Executive Committee and Strategic Development Committee) regularly supervise and review the Group's overall strategy, risk control, financial position, corporate governance, sustainable development and other matters, and review the effectiveness of management approaches which includes the review of indicators, goals and action plans. To effectively identify risks in various aspects, the Group has a well-established internal audit system, which involves an

independent audit by our internal control department according to the annual internal audit plan as approved by the Audit Committee to identify, evaluate, reduce and monitor the risks of its departments or its business units. Most of the audit programmes focus on quality, environment, safety and other ethical standards, including anti-corruption, information security, new product development and advertising. Relevant audit results are directly reported to the Audit Committee of the Board. The internal control department implemented a total of 35 internal audit programmes during the Year. A total of 366 management staff participated in internal audit training that covered all regions and functions of the Group and aimed to timely disclose and eliminate non-compliance risks.

ESG Working Group and Report Review

A dedicated, cross-functional ESG working group has been established as part of Vinda's commitment to sustainable development. The working group comprises members from quality management department, human resources department, procurement department, administration department, marketing department and investor relations department as well as internal control centres across three main regions: mainland China, Chinese Taiwan and Malaysia. The working group's main responsibilities are to support the implementation of activities on corporate social responsibility, raise awareness about the importance of such responsibility among colleagues, and compile information related to our ESG performance.





3. Healthy Lifestyle Starts with Vinda

All data and information provided in the Report are derived from our internal data and records, and supplemented by other management and operational information consolidated by the Group. We strive to ensure that all information presented in the Report is accurate and reliable. We have also engaged an independent professional organisation, SGS-CSTC Standards Technical Services Co. Ltd., to conduct an independent audit² on the greenhouse gas emissions data disclosed in the Report, so as to ensure the accuracy of the disclosed information.

The Board is fully accountable for the Company's ESG strategies and reports, as well as for monitoring and managing ESG-related risks, while the working group is responsible for implementing the Company's ESG strategies and policies and reporting to the Board. The Report has been reviewed and approved by the Board.

In 2021, the Board evaluated and reviewed our ESG progress.

Risks and Opportunities


Vinda fully understands the potential risks arising from the nature of the Group's business and the environment in which we operate, as well as their impact on the interests of our stakeholders, brand reputation, finance, operations and sustainability performance. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks (including ESG-related risks) of the strategic objectives, maintaining sound and effective risk management and internal control systems, and reviewing their effectiveness to protect the interests of shareholders' investment. A rigorous, consistent and continuous approach is adopted to identify, assess, respond to and report on opportunities and risks that affect the Group's objectives and ESG strategies. The Group regularly holds management meetings to assess the risks to different aspects of the Group's operations, including but not limited to ESG issues, and to mitigate any potential adverse impact based on these identified risks.



² This independent audit was representing the series of processes for independent assurance of the data related to greenhouse gas (GHG) emissions disclosed in this Report. The audit was organized within the scope of controlled operations of the 15 plants of Vinda Group's 10 subsidiaries registered in mainland China, Chinese Taiwan and Malaysia. The operational scope of review for greenhouse gas (GHG) emissions was defined as all production and office areas as well as company dormitories, for the seven greenhouse gases defined in ISO 14064-1:2006. The scope of the audit was limited to Scope 1 (direct GHG emissions) and Scope 2 (energy indirect GHG emissions, including purchased electricity and purchased steam). The auditing and reviewing processes for assurance of GHG emission data were conducted through on-site visits and desktop verification of the data collected from the aforesaid sites and scopes.





3. Healthy Lifestyle Starts with Vinda

Type of Risk	ESG-Related Risks	Risk Response Measures
 <p>AGING POPULATION</p>	<p>Currently, ageing population is one of the main social and economic issues facing many countries. Statistics from the 2019 Revision of UN World Population Prospects indicated that the world's elderly population will exceed 16% by 2050. This is expected to bring challenges and opportunities to companies in areas such as product marketing and human resources.</p>	<p>The Group's incontinence care brands <i>TENA</i> and <i>Dr. P</i> target the markets of mainland China, North Asia and Southeast Asia, and seek to provide the best products to help senior citizens and their families improve their quality of life and maintain confidence and dignity.</p> <p>In addition, Vinda adheres to fair hiring practices, encourages diversity and equal opportunities, and strives to create a safe, healthy and diversified workplace.</p>
 <p>CLEAN TECHNOLOGY</p>	<p>Companies, consumers and governments are paying more attention to environmental issues, while different countries and regions continue to tighten environmental laws, regulations and standards. It is expected that the Group will face stricter laws and regulations on energy conservation, carbon reduction and environmental resources control in the future.</p>	<p>Vinda is committed to reducing the impact of the Group's operations on the environment. It has installed systems in all factories to manage energy efficiency, control carbon emissions and monitor wastewater discharge, and has executed projects for intensive water recycling during the tissue-making process. Relevant data analysis and assessment are regularly conducted.</p> <p>We are the first fast moving consumer goods (FMCG) company in Hong Kong to obtain the Green Finance Pre-issuance Stage Certificate issued by the Hong Kong Quality Assurance Agency, and the first FMCG company to successfully raise sustainability-linked loans. The loan proceeds will be used for environmental protection operations to work towards its sustainable performance targets.</p> <p>Furthermore, in line with fair sourcing principles, the Group prioritizes the selection of environmentally certified raw materials based on low carbon and green supply chain standards. All the wood pulp procured by Vinda Group in 2021 is certified by various forest management standards.</p>



3. Healthy Lifestyle Starts with Vinda

Type of Risk	ESG-Related Risks	Risk Response Measures
 <p>ONLINE CONSUMPTION</p>	<p>With the increasingly mature digital economy, consumers have easy access to goods and services worldwide. Conversion to online purchase accelerated further during the COVID-19 pandemic, as traditional sales channels cannot serve the needs of every consumer segment.</p>	<p>The Group established its e-commerce unit in 2012, and has attached great importance to entering into mutually beneficial, long-term collaborations with major e-commerce platforms. We actively develop new channels and models to achieve sustainable development in all business regions.</p> <p>E-commerce has increasingly become the main channel of the Group, recording significant organic growth. The Group will continue to promote the business growth of e-commerce and new channels and expand its market share in all regions in which we operate.</p>
 <p>CLIMATE CHANGE</p>	<p>Climate change affects the weather everywhere. Extreme weather events occur frequently and are often accompanied by various natural disasters. This will affect the day-to-day operations of enterprises, as well as the health and safety of employees.</p>	<p>The Group’s production plants have crisis management plans in place and conduct regular drills to ensure their effectiveness during an emergency. These procedures include responsive actions to local weather conditions based on the actual situations of historical extreme weather events, such as heavy rains and typhoons in southern China, blizzards in northern regions, tsunamis in Southeast Asia, as well as factory fires and other emergencies.</p> <p>For details of risk response measures against climate change, please refer to “Section 6 – Value Chain and Climate Change” of the Report.</p>



3. Healthy Lifestyle Starts with Vinda

Anti-Corruption

Vinda strictly abides by various internal and external control systems, including but not limited to the “Vinda Code of Conduct”, “Guidelines on Internal Control”, “Risk Assessment and Reporting System”, “Measures on Business Transactions and Cost Approval Authorities”, “Measures Governing Contracts”, “Management System on Confidentiality”, “Measures Governing Tender Invitations”, “Anti-Corruption System”³, “Internal Investigation Procedure”, “Conflict of Interest Reporting System”⁴ and a set of information security related systems to prevent contract fraud, corruption, information leaks, insider trading, unfair competition and other illegal conducts. Vinda has always strive to comply with global anti-money laundering laws and regulations. The Group has established reporting policies and channels. We require employees to stay alert and adopt reasonable measures to identify and assess the integrity of our business partners, so as to ensure the legitimacy of all business activities. All funds of unknown origin and suspicious business activities shall be immediately reported upon discovery and handled with the support of professional teams; no corrupt business practices are tolerated. During the Year, the Group did not identify any significant violation of local anti-corruption laws and regulations.

We regularly organize anti-corruption trainings for Directors and employees to provide them with updates on the latest laws and standards on corruption.

Anti-corruption trainings for 2021

	Number of Participants	Training Hours
Management	924	474.32
General Staff	6,584	3,110.59

Good corporate governance instils excellent business practices that enable the Group to be an industry leader and enterprise role model. We expect our business partners, including suppliers, consultants and independent contractors, to comply with Vinda’s Code of Conduct and Intellectual Property and Confidentiality Agreement or similar criteria. If the behaviour of any business partner violates these standards, we will communicate with them to agree on relevant corrective measures.

³ The fraud prevention measures mentioned in the “Anti-Corruption System” mainly include: code of conduct training and understanding of reporting channels for employees before entering the job, anti-commercial bribery agreements to be signed when collaborating with external parties, annual risk assessment of potential fraud, fraud cases to be reported in time after investigation, and background or integrity checks before entering certain positions.

⁴ Applies to all departments and employees of the Group.





3. Healthy Lifestyle Starts with Vinda

Sustainable Development Direction

In 2020, the Group took a major step forward with the preparation of a sustainable development roadmap for the next five years. To ensure that these sustainable development goals can be effectively integrated into its day-to-day business operations, factors such as the Group's current development stage, resource planning and best available technology have been holistically considered when setting these targets. The Group expects that planned and gradual implementation will allow its sustainability strategies to be clearer, improvement actions to be continually refined during the process, and related priorities to be set in an incremental manner over time to improve resource allocation.

Vinda's Five-year Sustainable Development Targets from 2021 to 2025

	Five-year Targets	Progress in 2021	SDGs
Energy Management	To reduce the Group's use of standard coal in energy consumption by 500,000 tons as benchmarked against the advanced value ⁵ of China's national standard.	Reduced use of standard coal in energy consumption by 124,500 tons in total.	
Carbon Emissions	To reduce the Group's carbon emissions by 1 million tons against the benchmark ⁶ released by the Department of Ecology and Environment of Guangdong Province in 2019.	Reduced carbon emissions by 293,100 tons in total.	
Waste Recycling, Resources Recycling, Packaging Materials	<p>Over 90% of packaging to be made of renewable/recyclable materials.</p> <p>Research and develop the use of biodegradable plastics as raw materials, and gradually increase the proportion of biodegradable materials in products.</p> <p>95% of waste⁷ to be recycled or used for energy or material recovery.</p> <p>To maintain 100% of hazardous waste to be managed by qualified third-parties for disposal.</p>	<p>All packaging was made of renewable/recyclable materials.</p> <p>Vinda began to develop and test biodegradable materials, and carried out small-scale production and sales.</p> <p>Approximate 92% of waste was recycled or used for energy or material recovery.</p> <p>100% of hazardous waste was managed by qualified third-parties for disposal.</p>	







⁵ The advanced value of consumption for each ton of household paper is 0.42 ton of standard coal according to "GB31825-2015: Energy Consumption Per Unit of Pulp and Paper Products (GB31825-2015製漿造紙單位產品能源消耗限額)".

⁶ The benchmark is 1.301 tons of CO₂/ton of paper during the tissue converting process in the paper manufacturing industry, in accordance with the "2019 Implementation Plan for the Allocation of Carbon Emission Allowance in Guangdong Province (廣東省2019年度碳排放配額分配實施方案)" issued by the Department of Ecology and Environment of Guangdong Province.

⁷ Only for non-hazardous wastes such as paper, plastics, coal residues, furnace residues, metal products, etc.




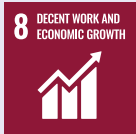

3. Healthy Lifestyle Starts with Vinda

	Five-year Targets	Progress in 2021	SDGs
Green Supply Chain	100% of the Group's top twenty raw and auxiliary material suppliers (excluding wood pulp suppliers) in terms of purchasing volume to be ISO14001 certified in environmental management.	100% of the Group's top twenty raw and auxiliary material suppliers (excluding wood pulp suppliers) in terms of purchasing volume were ISO14001 certified in environmental management.	
Water Resources	To reduce the Group's water consumption by 100 million cubic meters ⁸ . Water reuse rate: > 98%.	Reduced water consumption by 23,388,000 cubic metres in total. Water reuse rate: > 98%.	 
Sustainable Sourcing	100% of the procured pulp to be certified by recognised forest management standards.	100% of the procured pulp continued to be certified by recognised forest management standards.	  
Community Service	To provide 8,000 hours of voluntary service.	Provided 1,162 hours of voluntary service.	

⁸ With reference to GB/T18916.5 "Norm of Water Intake — Part 5: Pulp, Paper and Paper Board Production (取水定额第5部分：造纸产品)", which stated that a maximum of 30 tons of water can be consumed per ton of products.



3. Healthy Lifestyle Starts with Vinda

	Five-year Targets	Progress in 2021	SDGs
Fair Employment	<p>Vinda is an equal opportunity employer that practices gender equality. Our male-to-female employee ratio was 55:45 for the past 3 years and Vinda will continue to maintain this gender balance.</p> <p>To manage all production operations with a target of maintaining zero workplace fatalities.</p>	<p>Our male-to-female employee ratio was 56:44.</p> <p>Workplace fatalities was zero.</p>	  

Stakeholder Engagement







We are committed to collaborating closely with stakeholders and actively engaging them in dialogue about the Company’s sustainability progress and outcomes through various communication channels and platforms, including annual reports, surveys, as well as regular discussions and meetings. We regularly communicate with stakeholders to identify issues of materiality with regard to our sustainable development, and leverage stakeholder insights to gain business opportunities, manage known risks and further our work in sustainable development.

Stakeholder Engagement Approach

Our key stakeholders comprise both internal and external groups who have a significant interest in or influence on our operations. Our communication channels with each of the relevant groups of stakeholders are summarised in the below table:



3. Healthy Lifestyle Starts with Vinda

Stakeholder Groups	Communication Channels	
 <p>CUSTOMERS AND CONSUMERS</p>	<ul style="list-style-type: none"> • Telephone/email • Customer surveys • Consumer service hotlines 	<ul style="list-style-type: none"> • Customer visits and factory audits • Tradeshows • Questionnaires
 <p>EMPLOYEES</p>	<ul style="list-style-type: none"> • Occupational health and safety trainings • Regular meetings • Internal publications (e.g. announcements, newsletters) 	<ul style="list-style-type: none"> • Suggestion boxes • Letters/emails • Performance reviews • Questionnaires
 <p>SHAREHOLDERS AND INVESTORS</p>	<ul style="list-style-type: none"> • Annual general meetings • Annual and interim results announcements • Annual and interim reports 	<ul style="list-style-type: none"> • Corporate website • Investor meetings, calls and video conferences • Site visits
 <p>REGULATORS</p>	<ul style="list-style-type: none"> • Government website • Seminars, visits and workshops • Supervision/inspection and evaluation 	
 <p>SUPPLIERS</p>	<ul style="list-style-type: none"> • Telephone/email • Site visits • Supplier annual audits • Questionnaires 	
 <p>LOCAL COMMUNITIES</p>	<ul style="list-style-type: none"> • Community programmes 	

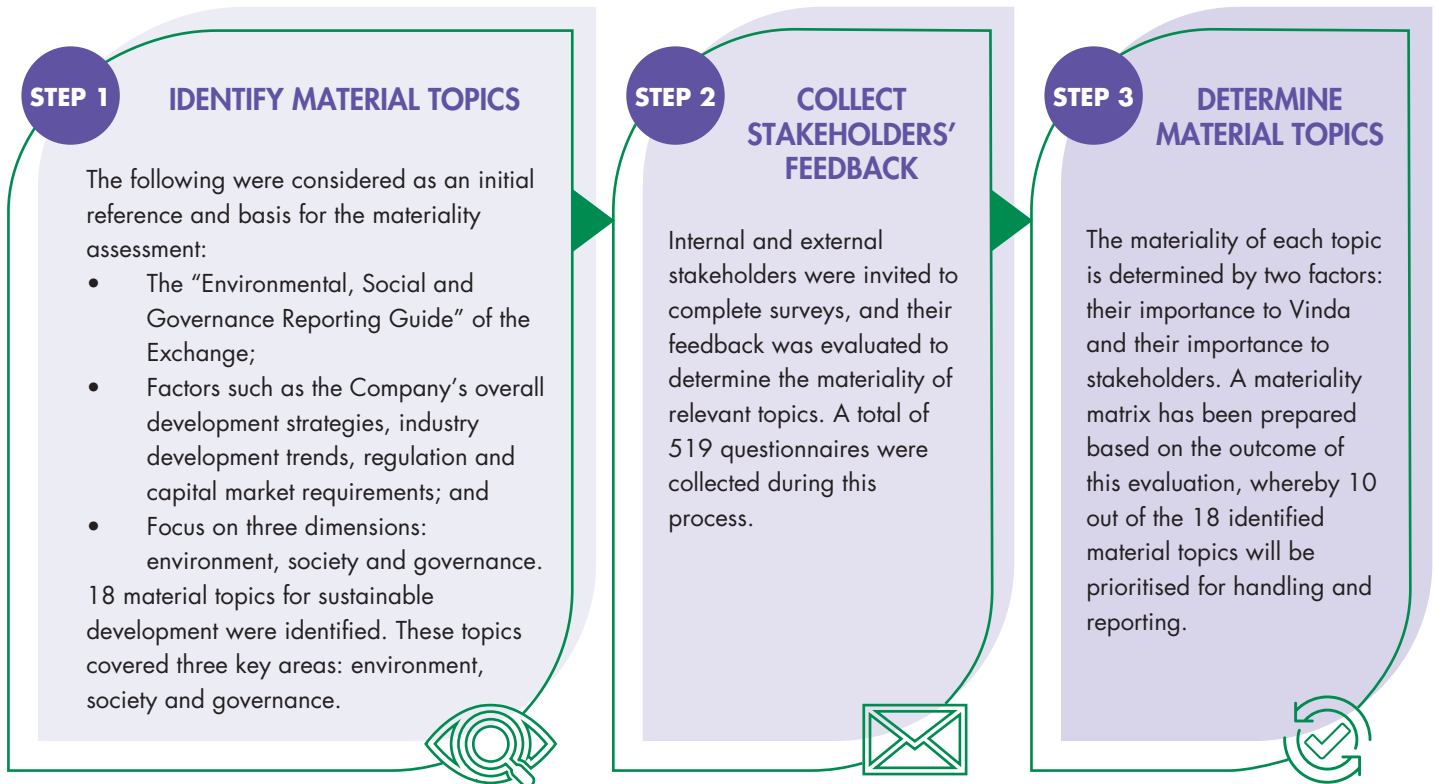
Materiality Assessment

To help Vinda gain a better understanding of the perspectives and visions of stakeholders around ESG issues, the Group appointed an independent consulting company to manage the feedback collection with internal and external stakeholders by questionnaires during the Year.



3. Healthy Lifestyle Starts with Vinda

Three steps were taken to prepare the materiality assessment:



18 MATERIAL TOPICS



ENVIRONMENT

- Energy management
- Exhaust gas and carbon dioxide emissions
- Water conservation
- Solid waste treatment
- Use of materials
- Climate change



SOCIETY

- Employment and employee benefits
- Fair recruitment
- Safety first
- Comprehensive training
- Product quality and safety
- Customer service
- Procurement and supply chain management
- Community engagement



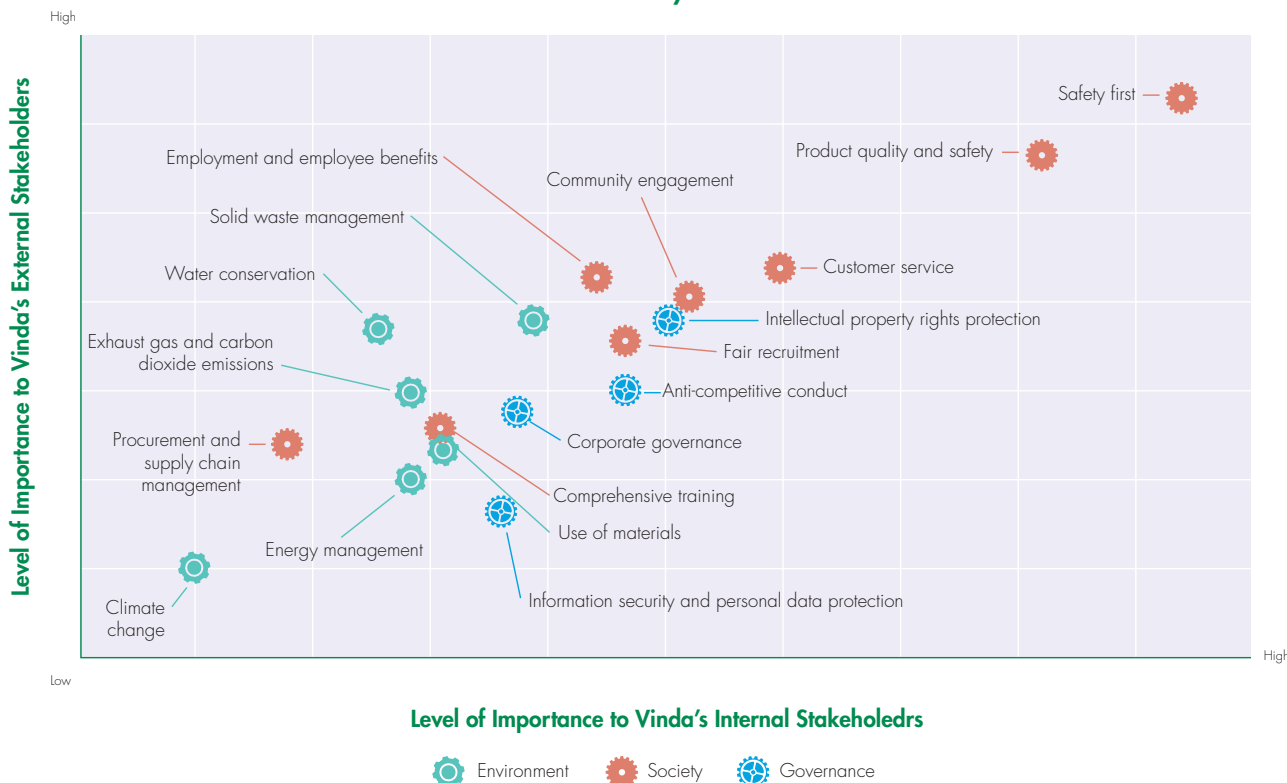
GOVERNANCE

- Corporate governance
- Anti-competitive conduct
- Intellectual property rights protection
- Information security and personal data protection



3. Healthy Lifestyle Starts with Vinda

Materiality Matrix



The survey invited internal and external stakeholders to rate the significance of different topics in the areas of environmental protection, employment and labour practices, business practices and community, so as to understand their degree of concern towards each topic. By analysing the results of the survey, 10 areas were prioritized out of the 18 material topics, which are ranked in descending order of importance:

- Safety first
- Product quality and safety
- Customer service
- Community engagement
- Employment and employee benefits
- Intellectual property rights protection
- Fair recruitment
- Solid waste management
- Anti-competitive conduct
- Water conservation

The Group has taken appropriate measures to address the prioritized topics identified in the assessment. These will be further explained in the following sections, combined with the discussions and recommendations of the focus group. As always, the Group will continue to establish diverse channels to communicate its ESG strategies in an open, honest and accurate manner.

Although the following topics were considered to be of lesser importance to the Group or its stakeholders, the basic management policy of these areas will nonetheless be accounted for in the Report:

- Corporate governance
- Exhaust gas and carbon dioxide emissions
- Use of materials
- Comprehensive training
- Energy management
- Information security and personal data protection
- Procurement and supply chain management
- Climate change






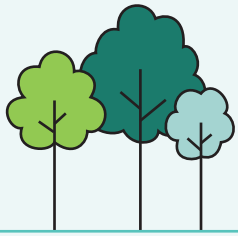
3. Healthy Lifestyle Starts with Vinda

Responding to Stakeholders' Concerns

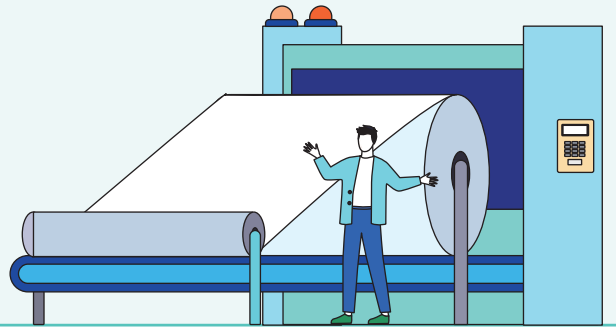
Through identifying the ESG topics considered important by stakeholders by way of survey, the Group understands their concerns and expectations, which forms the basis for prioritising action plans. From the result of the materiality assessment conducted in 2021, we have concluded that the top three priorities are: safety first, product quality and safety and customer service.

The following table summarizes the top three material topics that stakeholders are most concerned about, and our efforts to address them. For detailed information on other ESG topics during the Year, please refer to the corresponding section of the Report.

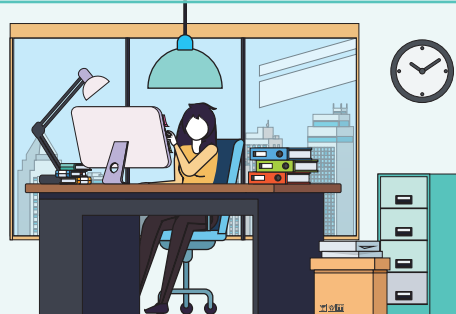
Top 3 Material Topics	Vinda's Efforts
 <p>Safety first</p>	<ul style="list-style-type: none"> We continued to facilitate the informatization process on occupational safety. We encouraged our staff in mainland China, Chinese Taiwan and Malaysia to report potential situation with safety hazards through the corresponding safety mobile apps to increase their engagement and enhance their awareness in occupational safety. Vinda has always had a zero accident policy as its target for occupational safety. We organise safety assessment meetings on a regular basis and communicate with departments to understand workplace safety recommendations. Regular feedback is also provided to the Company's management through safety assessment meetings and weekly updates.
 <p>Product quality and safety</p>	<ul style="list-style-type: none"> Safety tests must be implemented in the early stage of new product development. The tests include but are not limited to skin irritation tests, vaginal mucosal irritation tests, skin hypersensitivity tests, as well as tests for formaldehyde, fluorescent whitening agents, mobile fluorescent substances, etc. Our established quality standards are higher than the regulatory requirements of the countries and industries we operate in. All Vinda factories have dedicated a quality management team to monitor the manufacturing process and ensure that our products meet these quality standards. All Vinda factories are certified in ISO 9001 Quality Management Systems. We also work with qualified third-parties to conduct additional quality checks on product samples every year. All products are regularly sent to national testing centres for quality testing to comply with our quality standards.
 <p>Customer service</p>	<ul style="list-style-type: none"> We conduct at least one survey annually on consumer satisfaction by collecting comments on our products' quality, package, advertising effect, etc. from customers to fully understand and analyse their needs and expectations. We did not recall any products as a result of serious quality problems or health and safety issues in 2021. We have set up a specialised customer complaint management system to collect and classify all the complaints by level of significance, conduct closed-loop system in accordance with relative procedure, and access and analyse data in a timely manner.



4.



Healthy Lifestyle Created by Vinda





4. Healthy Lifestyle Created by Vinda

Material topics for sustainable development

- Employment and employee benefits
- Fair recruitment
- Safety first
- Comprehensive training



Employees are the most valuable and essential asset of Vinda. We are committed to fostering a “Vinda family culture” that embraces harmonious and caring work environment. Vinda respects its employees’ value, advocates fairness and equity and offers employees with fair promotion opportunities. Vinda focuses on unleashing the potential of its employees, and provides comprehensive and professional training and development programs. Vinda attaches great importance to employees’ interests and welfare by continuously optimising the remuneration system and offering attractive salaries and benefits. Not only does Vinda set up a broad platform for employees’ career development, but it also cares for employees from their life and growth with a family-like bond.



Employment and Employee Benefits

Vinda devotes efforts in attracting talents. By recruiting in compliance with regulations and laws and implementing a series of benefits for absorbing talents, Vinda has created positive interactions between “talents leading the industry” and “industry gathering talents”.

The Group strictly abides by the employment and labour laws of each jurisdiction. To protect the rights of employees, the Group also has a comprehensive set of systems and policies covering areas such as remuneration management, benefits management, performance management, leave and business trip management and benefits for contracted employees. These regulations stipulate the payments to employees for remuneration, paid leave, statutory social insurance such as pensions, medical, unemployment, work injury and maternity, housing provident funds, personal accident insurance as well as other benefits such as the provision of “high temperature subsidies” as required by local governments in specific regions. No major employment-related breaches were detected during the Year.

During the pandemic, for the purpose of helping each other and share talent pool resources among enterprises, Vinda and other enterprises in the same industry and region jointly initiated alliance measures to adhere to internal training and external absorption of talent, and implemented trans-regional and trans-national training measures and training methods, so as to attract more talents from the global market. It is worth mentioning that in order to further deepen the cooperation between universities and enterprises in personnel training and cultivate more high-quality application-oriented talents for enterprise construction and development, Vinda has reached a joint training agreement with universities to vigorously promote personnel training of each module. A number of measures have been taken to ensure that the talent pool is abundant and help enterprise develop in all aspects.





4. Healthy Lifestyle Created by Vinda



Mainland China

We strictly comply with all 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. The implementation of our employment policies and the establishment of labour unions are in accordance with these laws. The Group also complies with the Law of the People’s Republic of China on the Protection of Minors to prevent the illegal employment of child labour and forced labour.

Meanwhile, we protect the legal rights and interests of female employees in strict compliance with relevant laws and regulations, such as the Law on the Protection of Women’s Rights and Interests and Rules on the Labour Protection of Female Employees. In addition to the provision of maternity leave, breastfeeding leave, annual gynaecological check-ups and a health protection plan for female employees, nursing rooms are also provided for mothers at our workplaces.

As a company originated in the Guangdong-Hong Kong-Macao Greater Bay Area, over the past two years, Vinda engaged more professionals from the Greater Bay Area by offering a series of supporting measures such as housing subsidies, children’s schooling and spouse employment counselling.



Chinese Taiwan

We abide by the Labour Standards Act and the Employment Service Act and strictly comply with the Act of Gender Equality in Employment. In addition, we have formulated relevant “Employee Working Rules” and a “Sexual Harassment Preventive Measures (Grievance and Disciplinary Procedures)” handbook to further protect the rights of our female employees as well as prevent gender discrimination and sexual harassment in the workplace. We also provide staff subsidies in many areas, including marriage, children’s education, emergency relief, continuing education, etc.



Malaysia

We strictly comply with the Children and Young Persons (Employment) Act 1966 and only engage members of the workforce aged 19 years or above. In addition to the mandatory employment benefits stipulated in the national Employment Act, we offer additional benefits such as extended maternity and paternity leave, flexible work arrangements for female staff during menstrual periods, dental care as well as the extension of inpatient and outpatient services to our employees’ spouses and children. We also strive to create an engaging and conducive work environment for employees by introducing different online and on-ground internal activities apart from satisfying the employees’ needs. To ensure the work environment is the best for our employees, we continue to provide nursing rooms and training rooms. During the COVID-19 outbreak, we also conducted self-care activities in Southeast Asia, such as online fitness classes, chef challenges, mental health assistance programmes, and online gaming competitions to keep interacting with colleagues.





4. Healthy Lifestyle Created by Vinda

NUMBER OF EMPLOYEES

	2021		2020	
	Pax	Percentage	Pax	Percentage
BY GENDER				
Male	6,521	55.8%	6,275	55.3%
Female	5,158	44.2%	5,072	44.7%
BY AGE GROUP				
Below 30	2,692	23.05%	2,782	24.5%
30–50	8,482	72.63%	8,116	71.5%
Above 50	505	4.32%	449	4.0%
BY GEOGRAPHICAL REGION				
Mainland China	9,878	84.6%	9,539	84.1%
North Asia	379	3.2%	384	3.4%
Southeast Asia	1,422	12.2%	1,424	12.5%
BY EMPLOYEE CATEGORY				
Senior executive	86	0.7%	81	0.7%
Middle management	1,922	16.5%	1,836	16.2%
General staff	9,671	82.8%	9,430	83.1%

EMPLOYEE TURNOVER RATE⁹

	2021		2020	
	Pax	Percentage	Pax	Percentage
BY GENDER				
Male	1,544	19.2%	1,179	15.8%
Female	981	16.0%	780	13.3%
BY AGE GROUP				
Below 30	1,093	25.5%	1,028	21.3%
30–50	1,309	13.9%	832	10.3%
Above 50	123	26.5%	99	27.8%
BY GEOGRAPHICAL REGION				
Mainland China	2,121	17.7%	1,671	14.9%
North Asia	68	15.2%	53	12.2%
Southeast Asia	336	17.8%	235	14.2%

⁹ Turnover rate: total number of employees who resigned/(total number of employees at the start of the year + total number of new joiners of the year).



4. Healthy Lifestyle Created by Vinda

Diversification and Equal Opportunities

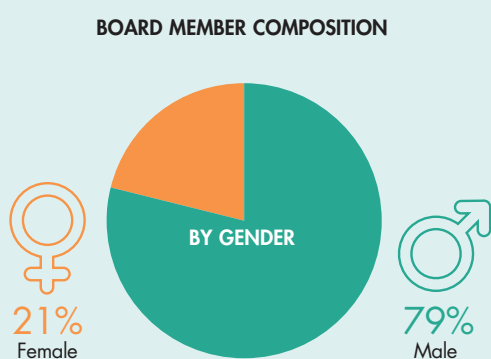
Vinda adopts fair, open and transparent hiring policies and offers equal employment opportunities. We follow the standard procedures specified in the Company's "Recruitment Management System". Our recruitment and hiring approach is based on objective criteria related to an individual's work experience, competence, educational background and qualifications. Hiring decisions are free of employment discrimination in terms of age, nationality, race, religion, gender, sexual orientation, marital status, pregnancy, disability or political stance.

Vinda upholds the concept of occupational equality, accommodates different talents and attaches special importance to blue-collar and technical workers. In recent years, by building a "flyover bridge" beneficial to talent

growth, and holding skill competition, performance evaluation and staff appraisal, Vinda has encouraged a large number of technical talents to complete promotion. In addition to occupational equality, Vinda advocates gender equality and earnestly protects the rights and interests of female employees in terms of company policy and corporate culture. In the aspect of promotion, Vinda upholds the philosophy of talent first and ability first, and supports and encourages female employees to strive for promotion. Currently, female employees accounts for a significant proportion of senior executives. Vinda has made it a five-year sustainable development target to maintain a balanced gender ratio among our employees. The Group has maintained a male-female ratio of 55:45 for the past three years and 56:44 for the Year. Vinda will continue to strive to maintain a balanced gender ratio in the future.

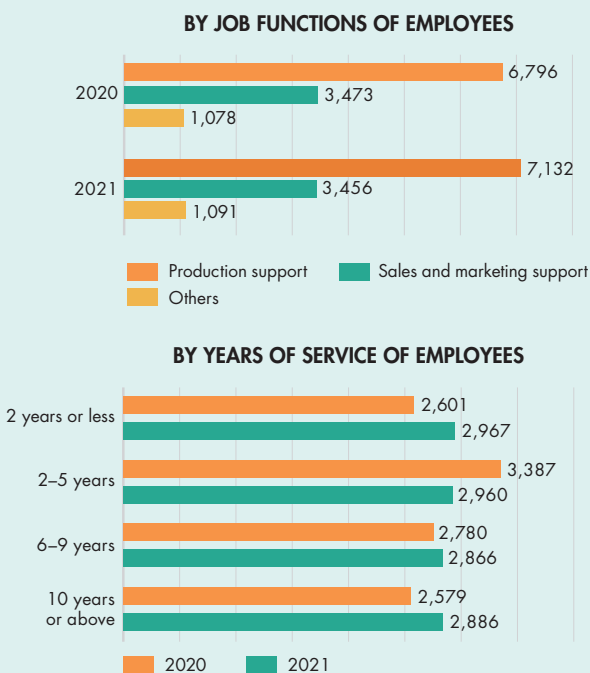
Board of Directors Composition

As of 31 December 2021, our Board comprised of 14 Directors (including 2 alternative Directors).



Employee Composition

As of 31 December 2021, we had a total of 11,679 full-time¹⁰ employees.



¹⁰ Since different countries or regions have different definitions of "permanent" and "contract", this Report adopts the same statistical method as in the past. Anyone who signs an employment contract with Vinda is defined as formal full-time employee.



4. Healthy Lifestyle Created by Vinda

Prohibition of Child Labour and Forced Labour

Vinda rigorously abides by laws relating to prevention of child labour and forced labour. Child labour and forced labour are forbidden in Vinda’s employment principle and management system, and has formulated corresponding precautions. The Group takes necessary actions in accordance with laws to eliminate any violations. Our human resource departments strictly follow the guidance of reviewing files of newcomers, examine recruited employees’ ID documents and reject those whose age are not qualified according to local laws, so as to prevent child labour. Human resource departments also train and promote the prohibition of child labour in accordance with the code of conduct, and obey the laws of different countries and jurisdictions and the international standards on the minimum working age. Once child labour recruitment is detected, the employment shall be immediately terminated, and we shall set up an investigating group to look into the reason of such recruitment and take effective measures to avoid such incidents happening again. The Group also forbids any forced labour, ensures our staff’s employment is based on their willingness, sets up the complaint channel and management system for our staff, listens to our staff’s opinions and feelings and respond to them actively.

Talents Cultivation and Retention

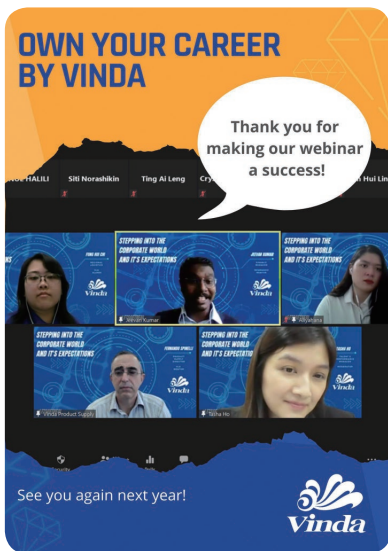
Recognising core professionals are the key to the strength of the Company, Vinda places a high value on talents cultivation and retention.

Comprehensive Training

Vinda set up designed career development paths and a corresponding training system to keep perfecting the talent cultivation system, including internal and external training sessions and departments/positions rotation to enhance staff job skills. Such training system is embedded in “70-20-10” continuous learning mode, which means 70% of learning comes from work, 20% from colleagues and 10% from professional training.

In order to reserve human resource for corporate management, Vinda has initiated management trainee project from 2011. By now Vinda has cultivated up to one hundred specialist talents and basic supervisors, established a cultivation chain from graduates to medium and senior management, which gives fresh energy to the Company’s development constantly.

As a manufacturing company, Vinda has clear awareness that all talents are of great significance to corporate’s development, especially blue-collar and technical workers. By building a “flyover bridge” beneficial to talents’ growth, and holding skill competition, performance evaluation and appraisal, Vinda has encouraged a large number of technical talents to complete promotion, and accomplish the long-term growth at Vinda. Furthermore, Vinda is committed to establishing a platform of corporate innovation to achieve mutual facilitation between talents and positions, starting the “independent engine” of corporate development.





4. Healthy Lifestyle Created by Vinda

As of 31 December 2021, the training hours of Vinda staff have reached 250,000 hours, covering 91.9% of formal staff.



Mainland China

In order to build a talent team, we have formulated a series of internal training systems, such as Training Management System, Guidelines for Managing Internal Trainers, etc. We have been implementing the “Talent Management Cycle”, and expanded more targeted and systematic training ways through comprehensive assessment and discovering staff’s strength and potential. For directors, we have launched the “Leadership Development Campaign” to comprehensively improve directors’ strategic management, operational wisdom and macro vision. For potential employees, we have put “Talent Development Program” into practice to comprehensively enhance their leadership. For the factory director and administrative staff regarding production, manufacturing, quality management, procurement and equipment management in the supply chain, we enhanced the overall professional skills through the “Six Sigma Program (六西格瑪項目)”. All supply chain administrative staff have successfully obtained the Six Sigma green belt certification.

In 2021, a total of 184,122 training hours were provided to 9,706 employees in mainland China.



Chinese Taiwan

We have committed to offering all-rounded trainings to enhance staff’s professionalism and competence. We have organised relevant professional and management sessions in accordance with the Measures for Training Management. The trainings cover workshop, project implementation, experience sharing, online courses, lectures, etc.

In 2021, we organised training sessions on consulting sales skills, product knowledge, key account training, thinking systematically, supervisor leadership and Excel skills to enhance the sales team’s professionalism and occupational quality. Furthermore, in order to expand the staff’s career path, nearly 90 percent of the quality team members have conducted cross-position skill assessments.

In 2021, a total of 4,249 hours of training were provided to 234 employees in Chinese Taiwan.



Malaysia

In order to establish a united sales method and culture as well as enhancing the sales skills, the sales team continued to launch plan and guiding courses, namely Vinda Way of Working for Sales Team (W.O.W.S). Besides, we have developed internal coaching and technology courses through VMA (Vinda Manufacturing Academy) project to improve the self-driving ability of operating workers and non-exempt workers, and have kept enhancing and developing new virtual training modules. In 2021, we developed a total of 24 training modules. To enhance marketing ability, we also initiated digital marketing programme and marketing excellence programme. As the COVID-19 pandemic continued, we held virtual training courses for our remote working staff to improve their job skills.

In 2021, a total of 7,784 hours of training were provided to 182 employees in Malaysia.



250,000
training hours



covering
91.9%
formal staff



4. Healthy Lifestyle Created by Vinda

TOTAL NUMBER OF EMPLOYEES TRAINED¹¹

	2021		2020	
	Pax	Percentage	Pax	Percentage
BY GENDER				
Male	6,023	51.6%	5,917	52.2%
Female	4,707	40.3%	4,326	38.1%
BY EMPLOYEE CATEGORY				
Senior executive	63	0.5%	48	0.4%
Middle management	1,657	14.2%	1,548	13.6%
General staff	9,010	77.1%	8,647	76.2%
Total number of employees trained	10,730	91.9%	10,243	90.3%
Total training hours	251,137	N/A	858,087	N/A

	2021
Average training hours per employee¹²	23.4
BY GENDER	
Male	27.5
Female	18.2
BY EMPLOYEE CATEGORY	
Senior executive	33.9
Middle management	20.5
General staff	23.9

Talent Retention and Promotion Opportunities

Vinda organises and reviews the performance of employees periodically, and help them plan career path according to their abilities and aspirations. Meanwhile, we attract, retain and reward outstanding talents through various schemes, such as long-term incentive plans for senior management and short-term incentive bonuses for all employees. When vacancies arise, we examine our internal talent pool for suitable candidates to fill those positions. Priority is given to internal transfers when the vacant job position is a good

match to the identified talents. Such opportunities support employees' continued growth and progression within the Company.

Vinda arranges dual development channels for core professionals to strengthen Vinda's professional team. In particular, Vinda China provides dual career development channels for teams that engage in technology and e-commerce design, so as to cultivate and retain specialist for the Company in these areas.

¹¹ Percentage of employees trained: total number of trained employees in this category/total number of employees in this category.

¹² Average training hours per employee: total training hours in this category/total number of trained employees in this category.



4. Healthy Lifestyle Created by Vinda

Safety First

Occupational Health and Safety Protection

We are committed to promoting our staff’s physical and mental health and wellbeing, with the goal of zero workplace accidents. Through stability management and fixed controlling programme, we endeavour to create a safe work environment for our staff.

We encourage all factories to carry out safety and occupational health activities for “Safe Production Month” and “National Fire Safety Day” every year. In addition, the

administration department has established a Group-wide process to collect safety reports from all factories and regularly evaluates the basic safety data of each site. Workplace safety indicators include but are not limited to the data and statuses of safety incidents and near-misses, safety and occupational health trainings, safety inspections, hazard assessments, emergency drills, etc. No major health and safety violations were found during the Year.



Mainland China

We rigorously abide by the Production Safety Law of the People’s Republic of China and Fire Prevention Law of the People’s Republic of China. We also revised our safety management system according to the new Production Safety Law, prepared Potential Safety Risk Check and Management System, formulated the types, forms and requirements for safety inspection, and clarified the standards of handling potential risks to regulate the Company’s work of checking and handling potential safety risks.

To improve the Company’s safety accident management, we enhanced our safety control over safety accident, identified potential risks that could lead to safety accidents, organised special safety inspection such as “Special Inspection on Safety and Interlock Parts of Equipment”, “Risks Identification in Action Restricted Areas”, etc., and followed up corresponding rectification, so as to enhance the control over safety accident and eliminate similar potential hazards. We have detected 767 potential safety risks during the Year, and have enhanced our safety accident management

systems to address those safety risks, which improved the effectiveness and integrity of our accident control. We continued to promote the digitalisation and informationisation of the safety work. Features of “V-safety” information platform has been expanded to include information on personnel, disposal and procurement of goods and materials and safety suggestions. We also held the fifth season of Safety Heroes to promote the functions of safety informatisation. Throughout the Year, our staff used “V-safety” features to report over 77,000 results from safety observation, representing an increase of 20.4% over last year.

In order to encourage the staff to actively participate in safety work and raise their awareness and skills of safety, during the Safe Production Month, Occupational Disease Prevention Week and National Fire Safety Day, we organised various safety theme activities, such as Intriguing Safety Knowledge Competition and Fire Prevention Contest, and special safety trainings. A total of 2,261 safety trainings were held in the Year.

Mainland China	Safety training hours	Number of participants
	50,249	6,216



4. Healthy Lifestyle Created by Vinda



Chinese Taiwan

We comply with all relevant regulations including the Occupational Safety and Health Law, Fire Prevention Law, Construction Law and Environment Protection Law. Meanwhile, we have also operated the ISO 45001 occupational safety and hygiene management system and established the Safety and Health Committee to follow and review the efficiency of safety and health management on a

regular basis. With dynamic management and “V-safety” mobile app, we encouraged employees to report the unsafe situation and minimised the risk of occupational accidents. There was no material workplace accident in 2021. During the Year, 22 employees received safety trainings with 164 hours in total.

Chinese Taiwan	Safety training hours	Number of participants
	164	22



Malaysia

We comply with local safety and health laws and regulations, such as the Occupational Safety Health Act and Factories and Machinery Act. We also implement a behavioural safety and unsafe condition reporting mechanism via mobile app to increase employees’ engagement in safety and health. Safety and health committee meetings are held on a quarterly basis and serve as a platform for important safety and health discussions among management and employee representatives.

Our factories in Malaysia passed the inspection by the Department of Occupational Safety and Health Malaysia and have been rated Grade A by the local governmental department of occupational safety and health for four consecutive years. Our commitment to safety has also been recognised for four consecutive years with a Gold Class award by the Malaysian Society of Occupational Safety

and Health (MSOSH), a non-governmental safety organization. Our factories in Malaysia have been certified in the OHSAS18001 Occupational Health and Safety Management System since 2015. In 2021, these factories additionally achieved their ISO 45001 Occupational Health and Safety Management System certifications.

During the Year, Vinda arranged three safety trainings on different topics of ISO 45001 for superiors, administrators and engineers. 65 employees participated in safety trainings with 1,103.9 hours in total. In addition, our site in Malaysia has launched the “Vinda Manufacturing Academy (VMA)” online training platform that comprises a total of 13 safety training modules. Around 577 employees have completed the VMA training curriculum, accounting for 1,642.5 training hours. A total of 642 employees completed 2,746.4 safety training hours in 2021.

Malaysia	Training hours	Number of participants
ISO 45001 Safety Training	1,103.9	65
VMA Training	1,642.5	577
Total	2,746.4	642



4. Healthy Lifestyle Created by Vinda

The data of Vinda's workplace accidents in the past two years and work-related fatalities in the past three years are as follows:

	The Group	
	2021	2020
LTA (Lost-Time Accident) (case)	20	14
DLA (Lost-Day from Accident) (day)	2,044	808

Vinda has zero work-related fatalities in the past three years (including 2021).

Employees' Health Management and COVID-19 Prevention Measures

We closely monitor the development of the pandemic across different regions and update our prevention measures in a timely way to abide by the COVID-19 prevention policies of respective governments. We constantly remind employees to pay close attention to personal hygiene. In case of suspected or confirmed COVID-19 cases at any of our sites, local guidelines are followed whereby work is suspended and can only resume after thorough cleaning and disinfection is conducted in the affected areas. Based on national and regional government COVID-19 prevention policies for the markets we operate in, the Group's management and various departments have prepared the Requirements for Pandemic Emergency Management, Prevention and Control Measures, Coronavirus Prevention Work Guidelines and SP-005 Workplace Major Infectious Disease Management Measures to communicate the Company's COVID-19

prevention measures with all employees and ensure their safety. These safety measures apply to all employees and include taking the temperature of everyone who enters our factories as well as tracing employees' travel history and potential risk of exposure to COVID-19 contacts when necessary. All visitors must also adhere to these procedures and avoid unnecessary visits to our premises if possible. Additional procedures include social distancing measures, having meals in separate groups and minimising gatherings. We provide every employee with free face masks and alcohol-based hand sanitisers and everyone entering the factories must wear a face mask at all times. All public areas of the factories such as canteens, dining places, meeting rooms, offices, pantries, common areas, company vehicles and manufacturing areas (including equipment) are regularly sanitised. The Company also makes effective use of technology and instant messaging for swift communication.





4. Healthy Lifestyle Created by Vinda



Mainland China

We have formed a pandemic prevention and control communication team to establish a general publicity column for pandemic prevention. By making use of the Company's internal online communication management platform, we shared relevant updates, care tips and the latest COVID-19 prevention requirements with all employees in mainland China. We introduced the use of the "Health Check-in" WeChat app to obtain information such as the travel history of employees and their COVID-19 close contacts when required. Employees can also be reimbursed for COVID-19 testing expenses when needed for business travel. For external communication in China, the Company has produced a series of "Resilient Vinda People" short video clips, engaged in numerous media interviews and provided timely updates for all stakeholders to learn the latest status on resumption of work and production.



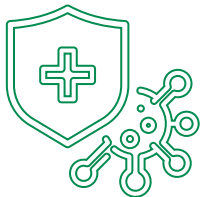
Chinese Taiwan

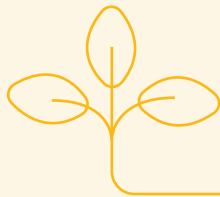
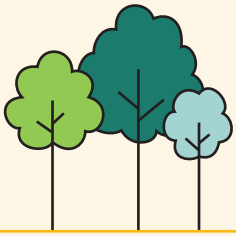
We set up a COVID-19 emergency response team to implement relevant prevention and health management measures. Random checks were conducted to ensure the effective implementation of the following measures, including but not limited to the proper and accurate completion of COVID-19 survey forms, taking body temperature, sanitising of hands and wearing of masks before entering the factory. Other measures included placing hand sanitisers at all entrances and exits, safe distancing in the workplace and staggered meal hours for employees. Transparent partitions were installed in the canteen to ensure safe distancing among employees while dining, and our factory areas, manufacturing areas, warehouses, facilities and equipment were more frequently sanitised.



Malaysia

We strictly follow the COVID-19 prevention guidelines and the Movement Control Order (MCO) imposed by the Ministry of Health of Malaysia (MOH) and National Security Council (NSC) Malaysia. During the peak of the pandemic, when work resumed, no more than half of the total number of employees were permitted to work on site; hence, a shift schedule was implemented to split the working time of staff members and minimise physical contact. Various pandemic prevention measures have been implemented, such as completing the Health Declaration Form, taking body temperature and wearing masks before entering the factory. Other measures included weekly Covid-19 self-tests, split team, staggered meal hours for employees, physical distancing, exchange of information through technology and instant messaging softwares. Partitions were installed in the canteen to ensure safe distancing among employees while having meals, and our widely used facilities are more frequently sanitized with sanitizing services provided by appointed vendor.





5. Healthy Lifestyle Delivered by Vinda





5. Healthy Lifestyle Delivered by Vinda

Material topic for sustainable development Community Engagement

Vinda places great emphasis on community care and adheres to the "Home Care" ideal over the years. It has established meaningful relationships with the communities. Vinda actively participates in community welfare initiatives and contributes to the communities we operate in. Through Vinda volunteer team and Vinda Charity Foundation, we actively support community welfare initiatives in several areas such as education, elderly services, home safety and severe illness aid every year. In 2021, fighting the pandemic was clearly one of our community focus areas.

Vinda Volunteer Team

Vinda engages in voluntary service with a goal to provide a total of 8,000 volunteer hours between 2021 and 2025.

In 2021, Vinda Volunteer Service Team (維達志願服務隊) in mainland China provided 1,162 hours of volunteer service with 231 volunteers participated. Relating activities cover education fundraiser and a donation to purchase and install of nursing beds for people with disabilities; participating in epidemic prevention and control, including COVID-19 testing, on-site order maintenance of vaccination, data registration and input and consultation, etc. In 2021, Vinda Volunteer Team won the honor of 2021 Outstanding Partner awarded by Xinhui District, Jiangmen City.

In Chinese Taiwan, We have also continued to show our care for the underprivileged by donating materials worth approximately NT\$76,617 to social welfare organisations such as the United Way (聯合勸募協會), the Taiwan Fund for Children and Families (家庭扶助基金會) and the Welfare Centre for the Physically Disabled.

In Malaysia, we continued to hold the "Share A Little Comfort", a campaign to transform four orphanages into comfortable living environments for children. In addition, Vinda donated 116 boxes of baby diapers, 324 boxes of adult diapers and 129 boxes of women care products to multiple different organisations such as the Malaysian Department of Domestic Trade and Consumer Affairs (政府馬來西亞國內貿易及消費人事務部), Yayasan Food Bank Malaysia, Great Heart Charity Association, Malaysian Red Crescent and other charities, as well as several Afghan refugees to improve the living quality of the disadvantaged groups, benefiting up to 1,500 families. The White Flag Campaign championed by our own brands was also a great contributor to the pandemic aid during the peak of lockdown period, donating products worth up to RM30,000. During the flooding period in December, Vinda worked hand in hand with employees to provide assistance and supplies to those affected, including offer of household items such as brooms and detergent, volunteering to do cleanings and packing donated items. Besides that, our brands also initiated the flood relief efforts by providing aid to the underprivileged groups impacted by the incident. Flood victims were provided up to 13,500 bags of *Drypers* and 6,000 bags of *Libresse*. *TENA* Malaysia had been carrying out volunteer activities at hospital in 2021. They visited 7 different hospitals in total and donated wheelchairs and adult diapers to the patients in need. *TENA* team in Singapore also received the Corporate Volunteer Award from Home Nursing Foundation for supporting patients who were in need of diapers. Furthermore, the team also received the Friend of Singapore Red Cross Award presented by President Halimah Yacob, President of Singapore herself, for donating \$10,000 worth of diapers to the residents and seniors. *Libresse* Cambodia built latrines for a rural high school to improve the quality of living of young students by providing appropriate hygiene facilities.





5. Healthy Lifestyle Delivered by Vinda

goal between 2021 and 2025



8,000
volunteer hours

Vinda Charity Foundation

We have long supported underprivileged students, elderly and severely ill patients under the Vinda Charity Foundation.

The operation of the first “The Same Old Place with Vinda” food kitchen for the elderly started in 2013 to provide subsidised meals for the elderly, along with meal allowances and other support for the elderly in need. In 2021, Vinda Charity Foundation continued to provide subsidised meals to 12 “The Same Old Place with Vinda” food kitchens for the elderly, offering about 60,000 subsidised meals during the Year, mainly for the elderly with special predicaments due to low income, disabilities, severe illness or other reasons.

The “Warmth to the Home” project focused on visiting people in need and delivering comforting goods and



Voluntary Charity Sale on May Fourth Youth Day in May 2021

COVID-19 Vaccination Support
in 2021



greetings to spread warmth. Before the Spring Festival in 2021, a total of 336 elderly people aged 80 or above with special predicaments who live separately, 13 low-income people and 12 children in difficulty were visited. During the Mid-Autumn Festival in 2021, we visited 94 people in difficulty with low income, disability and living alone.

In 2021, the Vinda “You Are the Best Education Fund” provided financial assistance for 37 underprivileged students to further their studies. By far, 98 students have received assistance from Vinda since 2014, and in return, Vinda Charity Foundation encourages students who have received financial assistance to render volunteer service and embody the spirit of “Giving Love”. In 2021, sponsored students have contributed 1,267 voluntary service hours and an accumulative of 8,089 voluntary service hours have been recorded since the project was set up in 2014. Students who graduated and have started working also proactively donate to Vinda education fund every year, fulfilling the cycle of this “Inheritance of Love” in action.

In December 2021, Malaysia was hit by a series of rainstorms, a rare occurrence in 30 years, and many of Vinda’s employees were severely affected by the disaster. Hence Vinda’s internal mutual funds provided cash grants to the affected employees and supported them to overcome the difficulties.



offering about
60,000
subsidised meals



5. Healthy Lifestyle Delivered by Vinda

Community Education

Through *Libresse*[®], a feminine care brand, Vinda raises awareness about important topics related to health and hygiene among women, men, customers and consumers. In particular, great emphasis is placed on breaking taboos around women’s health such as menstruation and the “V-Zone” intimate area, as well as encouraging young women to confidently live a dignified and equal life in the way they want.

In January 2021, *Libresse* joined hands with the Tmall platform and the Stand by Her Foundation (與她同行基金) to donate 15,000 pant-type sanitary napkins to Hebei Province, putting into practice the idea of “not hiding menstruation” and focusing on the practical needs of menstruating women. They also donated over 50,000 sanitary napkins to help women in remote areas through organisations such as the China Women’s Development Foundation. In a survey conducted in Malaysia in 2019, we found that today’s women do not fully understand their bodies. Nearly 70% of the women interviewed have never seen or did not even know what a vulva was. This is because they were taught to treat it as a secret, or even a “shameful” or “fearful” body part. As early as in 2010, Vinda has engaged celebrities via the *Libresse* brand to promote women’s rights and inspire women with the courage to not be limited to societal stereotypes if they choose not to be. Since 2018, we have also launched the “MENstruation Movement” to convey knowledge about menstruation to society through educational videos that promote mutual understanding and empathy between men and women. More than 9 million people have watched these videos to date and they have successfully generated dialogue on this topic. The ambition is to keep on breaking the deep rooted social taboos that hold women back and inspire confidence in women.



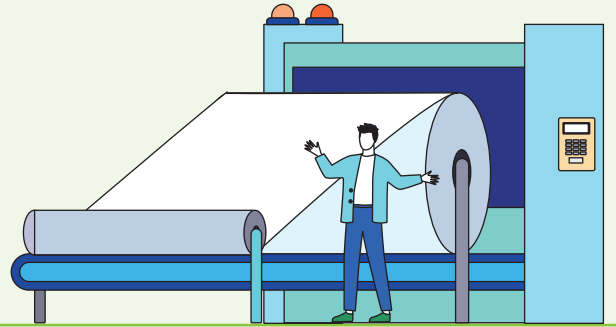
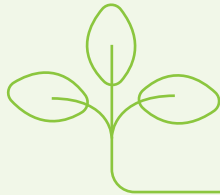
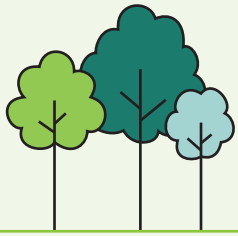
Financial Support to Employees during COVID-19

Vinda is fully aware that the COVID-19 pandemic has exerted financial pressure on some employees. Vinda internal mutual funds allocated care funds to identified employees affected by the pandemic in a systematic manner so as to alleviate the temporary economic difficulties for these employees.

Donations of Hygiene Products to Prevent the Spread of COVID-19

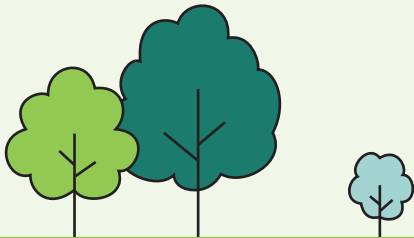
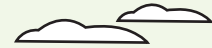
Vinda, focusing on its advantages, uses its hygiene expertise and industry strengths to help local communities combat the pandemic.

Vinda has been working with social work centres in mainland China through the Vinda volunteer team to contribute to the community by fully supporting the frontline work of universal COVID-19 testing and vaccination in the local areas. In January 2021, as the pandemic intensified in Hebei Province, *Libresse* joined hands with the Tmall platform and Stand by Her Foundation (與她同行基金) to donate 15,000 pant-type sanitary napkins. In December 2021, in view of the seriousness of the COVID-19 pandemic in Xi’an, mainland China, the Vinda Group donated household care materials, including 4,666 pieces of *TENA* and *Dr. P* pants, 6,400 pieces of *Libresse* pant-type sanitary napkins, 6,000 pieces of *Vinda* wet wipes and 6,400 packs of *Vinda* tissue paper to the Red Cross in Yanta District, Xi’an City. The distribution of those materials was coordinated by the Epidemic Prevention Command Center of Yanta District, Xi’an City, thus providing health care protection for front-line personnel who wear protective clothing and have no time to meet their physiological needs. It also offers professional care products for the incontinent elderly people in many isolation sites and home isolation during the COVID-19 period to ensure their personal hygiene care and safety and reduce the pressure on the healthcare workers and families.



6.

Healthy Lifestyle Comes from Vinda





6. Healthy Lifestyle Comes from Vinda

Value Chain and Climate Change

Material topic for sustainable development



Climate Change



Our Value Chain

From product design to production, transportation, storage, and of course to the consumer, we incorporate the idea of sustainable development in all aspects along the value chain, taking into account its impact on the environment and society, as well as the impact of climate change on the entire value chain.

Climate Change

The Group is well aware of the physical risks associated with climate change, such as typhoons, rainstorms and flooding, as well as the transformational risks associated with government regulation and market trends, and is committed to analysing the potential threats of these risks to each production stage in the value chain. To enhance our sustainability disclosures, we have summarised our climate related risks and responses with reference to the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), focusing on four core elements: "Governance", "Strategy", "Risk Management" and "Indicators and Targets".



6. Healthy Lifestyle Comes from Vinda

Governance

Under the leadership of the Board, six major committees (Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, Executive Committee and Strategic Development Committee) regularly supervise and review the Group's overall strategy, risk control, financial position, corporate governance, sustainable development and other matters. For more information on our sustainability governance, please refer to "Section 3 — Sustainability Governance" in this Report.

Strategy

The Group has formulated the following preventive and contingency measures to address the key potential threats of physical and transformation risks at each production stage.

- **Emergency Management of the Supply Chain**

Floods caused by heavy rains poses a threat to our supply transport routes and the timeliness of raw material supply and delivery. In addition, climate change has raised the global temperature of the planet, causing water levels in low-lying areas to rise, affecting the sustainability of important raw material growing areas and thus posing a threat to the supply of our existing material suppliers. As a result, the Company has established applicable procurement standards and a list of alternative suppliers in case of emergency. We avoid purchasing from a single supplier or a single area (except for specific materials required by the customer) and try to keep the supply of goods on hand to prevent disruptions or other adverse effects on the supply chain.

- **Warehouse Structure**

Extreme weather brings excessive rainfall, which poses a risk to the safety of our warehouses, such as the long-term corrosion of roofing sheets and screws. A sudden increase in the number of days of heavy and continuous rainfall can aggravate the corrosion and lead to roof leaks on rainy days, increasing the risk of water damage to stored materials. Therefore, regular inspection and maintenance is necessary to ensure that the roofs of our warehouses are in good condition.

- **Container Storage**

Heavy rainfall may cause overflow conditions in storage areas for scheduled waste. To cope with such risks, containers will be positioned outside scheduled waste storage areas and within the designated sheltered areas and rooms.





6. Healthy Lifestyle Comes from Vinda

- **Beyond Compliance**

Meeting basic compliance requirements alone is no longer enough to cope with tightening government regulations and increasing public expectations for carbon reduction in the business sector, hence Vinda is committed to developing internal codes of practice that go beyond basic compliance requirements. On top of strict compliance with local environment-related laws and regulations, such as the Notice of the State Council on the Issuance of the Action Plan for Achieving Carbon Peaks by 2030 (《國發[2021]23號國務院關於印發2030年前碳達峰行動方案的通告》), the HJ 819-2017 Technical Guidelines for Self-monitoring of Polluting Units (《HJ 819-2017 排污單位自行監測技術指南總則》), and the HJ 821-2017 Technical Guidelines for Self-monitoring of Polluting Units in the Paper Industry (《HJ 821-2017 排污單位自行監測技術指南造紙工業》) in mainland China, as well as the Environmental Quality Act 1974 (《1974年環境質量法》) and its 2012 amendments and the Environmental Quality (Industrial Wastewater) Regulations 2009 (《2009年環境質量(工業廢水)規例》) in Malaysia. Vinda also refers to a number of International Organisation for Standardisation (ISO) standards for environmental management, including ISO 14064 Greenhouse Gases (《ISO 14064 溫室氣體》), ISO 14001 Environmental Management System Requirements and Guidelines for Use (《ISO 14001 環境管理體系要求及使用指南》), ISO 50001 Management System Requirements (《ISO 50001 管理體系要求》) and ISO 9001 Management System Requirements (《ISO 9001 管理體系要求》). Besides, in view of the Exchange's forecast of mandatory implementation of TCFD-compliant climate-related disclosures in 2025, Vinda published its climate-related "Governance", "Strategy", "Risk Management" and "Indicators and Targets" in the first year in accordance with the TCFD recommendations in order to adapt to the new regulations as early as possible, thereby maintaining Vinda's competitiveness and leading edge in the industry.

- **Investment in Climate Change Mitigation**

In addition to the aforementioned climate change plans, the Company actively invests resources for the improvement of facilities or technologies to minimise greenhouse gas emissions, thereby mitigating the effects of climate change. Examples include reducing energy consumption through investments in new technology to indirectly reduce greenhouse gas emissions, as well as the purchase and upgrade of dust removal equipment to reduce environmental pollution.

Vinda is the first fast-moving goods company in Hong Kong to raise green loans and successfully obtain the Green Finance Preissuance Stage Certificate issued by the Hong Kong Quality Assurance Agency. 100% of the Group's procured pulp is certified by recognised forest management standards. All of our product packaging are made from recyclable materials. In addition, Vinda aims to require its top twenty raw and auxiliary material suppliers (excluding wood pulp suppliers) to achieve the ISO 14001 Environmental Management Systems certification by 2025 or earlier, particularly plastic and carton suppliers.





6. Healthy Lifestyle Comes from Vinda

Product Packaging Material Consumption

	Unit	2021	2020
Paper — total consumption volume	Tons	120,132	79,472
Paper — consumption intensity	Tons/per HKD 10,000 sales	0.06	0.05
Plastic — total consumption volume	Tons	40,515	32,322
Plastic — consumption intensity	Tons/per HKD 10,000 sales	0.02	0.02

Risk Management

The management regularly assesses the physical and transformation risks brought about by climate change. For physical risks, each of the Group's factories identifies potential hazards by analysing the risks specific to the location and past incidents, and formulates appropriate emergency measures to keep production and operations running under these conditions. Emergency drills are conducted at least once a year by the relevant departments to ensure that all relevant employees are familiar with the implementation of these emergency plans.

Indicators and Targets

In 2020, the Group set environmental targets related to energy management, carbon emissions, solid waste and packaging management, water resources, sustainable procurement and supply chain. For details of our targets, please refer to the "Vinda's Five-year Sustainable Development Targets from 2021 to 2025" under "Section 3— Sustainable Development Direction" in the Report.





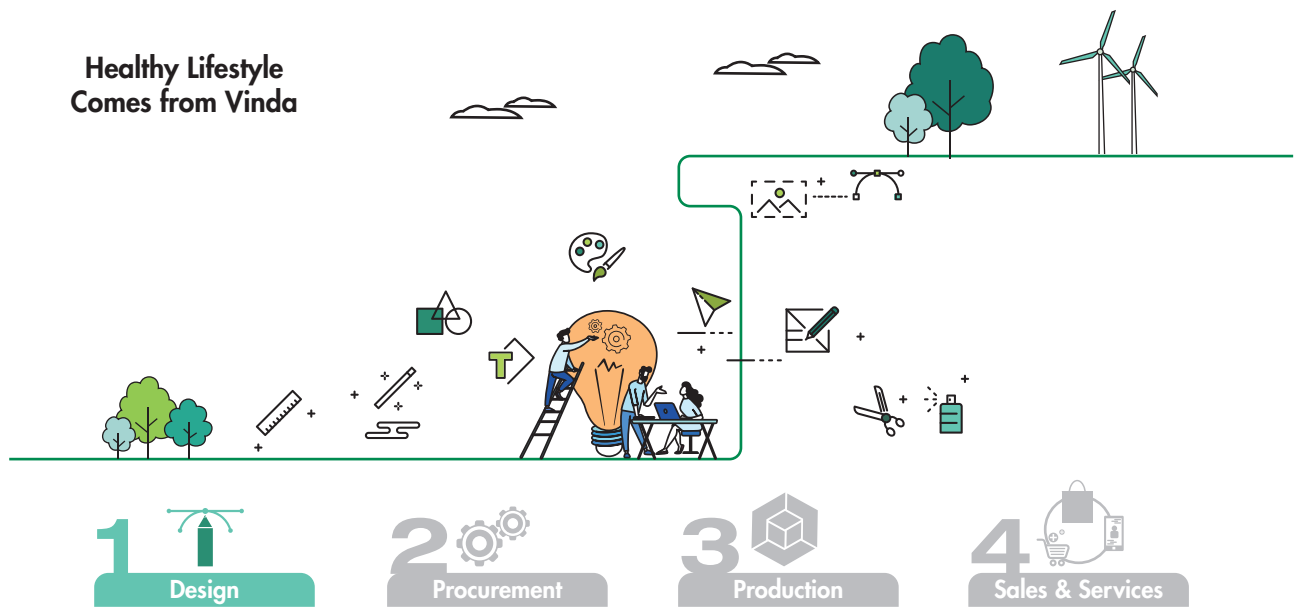


6. Healthy Lifestyle Comes from Vinda

Stage 1: Design and development of new products

Material topics for sustainable development

-  Use of materials
-  Intellectual property rights protection





6. Healthy Lifestyle Comes from Vinda

The Environment and Natural Resources

In Stage 1 (design and development of products), we place emphasis on selecting environmentally friendly, safe and healthy materials, making good use of natural resources and reducing environmental pollution.

i. Products with safe and environmentally friendly ingredients

ii. Packaging materials that can be recycled or reused

iii. Product design

iv. Advocate to consumers about environmental protection

i) Products with Safe and Environmentally Friendly Ingredients

• No Additives in Baby Diapers

Diaper products not only touch a baby's skin but also have an impact on the environment around them. To protect the baby's skin and the natural environment, we consider the suitability of ingredients in the development of baby diapers and strictly follow the evaluation of raw materials with reference to safety regulatory requirement in European Union. *Drypers* baby diapers are produced without the addition of fragrance, skin lotion, rubber/latex, and are free from chlorine elements. In addition, products in the *Skinature* by *Drypers* are laboratory tested to be free of the 26 allergens defined by the European Union Cosmetic Regulation (REGULATION (EC) No 1223/2009) and therefore suitable for sensitive skin.

• Toluene-free Ink and Water-based Ink

We ensure that all inks used in the non-woven fabric components, knitted components and PEF backing layers of our diapers do not contain toluene. Toluene is a solvent in ink that can cause liver and kidney damage and is banned in the food industry. Therefore, we ensure that any product in direct contact with the baby's skin is not exposed to this solvent. Meanwhile, during the production process, we also ensure that the production team does not touch or inhale toluene. *Drypers Wee Wee Dry* and *Drypers Drypantz*, our baby diaper products launched in 2021, also use toluene-free ink in the production process. Moreover, all of our shipping cartons use water-based ink to minimise the negative impact to environment.

• Healthier and Greener Feminine Care Products

Last year, we innovatively used plant-based layer in *Libresse* plant extraction sanitary napkins in the Chinese market so as to reduce plastic content. Vinda's moist flushable tissue is made from plant-derived fibres and reusable, washable menstrual pants were launched in the Malaysian market. We also work with our suppliers to give priority to renewable materials and other environmentally friendly certified ingredients in accordance with low carbon and green supply chain standards.





6. Healthy Lifestyle Comes from Vinda



ii) Packaging Materials can be Recycled or Reused

In 2019, we reduced the use of plastic materials in polybags of baby diapers and feminine care products as follows:

- *Drypers DryPantz/Drypers Classic* — 8% less plastic consumption on polybag materials compared with the previous generation
- *Drypers Classicpantz* — 18% less plastic consumption on polybag materials compared with the previous generation
- *Libresse Night TwinPack/MultiPack* — 60% less plastic consumption on polybags compared with the previous generation
- In 2020, the Company introduced 500ml refill pouches that reduced the use of plastic in *Drypers Baby Care* products; compared with the 750ml bottle packaging, the refill pouches reduce plastic consumption by 75%. This product provides consumers with an environmentally friendly alternative.
- In 2021, we continued to use 3% recycled plastic in promotional transparent packaging for feminine care products.

iii) Product Design

We strive to reduce the carbon footprint of our products by product design at the beginning. For example:

- 2012: *Drypers Wee Wee Dry* — Improved product design to reduce material wastage of non-woven fabrics by up to 16%.
- 2016: *Drypers Wee Wee Dry* — Improved supply chain and core design to reduce raw material use by 15%, lower energy consumption by 6% and reduce carbon footprint by 19%.
- 2016: *Drypers DryPantz* — Improved product design on medium, large and extra-large product sizes to reduce material wastage of non-woven fabric in the back sheet by up to 12% while maintaining consumers' perception of their product performance experience.
- 2020: *Drypers Wee Wee Dry* and *Drypers DryPantz* — Embarked on a carbon footprint assessment conducted by SIRIM, a premier industrial research and technology organisation in Malaysia. Our voluntary participation in this assessment aims to track the effectiveness of our GHG emission reduction and GHG removal measures.



6. Healthy Lifestyle Comes from Vinda

- 2021: *TENA* Proskin AIO, *TENA* Lady local production, *Libresse* liners V-Fresh and *Libresse* Towels completed the carbon footprint assessment conducted by SIRIM. The carbon footprint of the upgraded *TENA* Proskin AIO products remains unchanged compared to the 2011 model; the carbon emission level of the *TENA* Lady local products and the European production product is the same, and local transport can reduce carbon emissions more effectively than shipping from Europe; the carbon emission level of the upgraded *Libresse* liners V-Fresh feminine care products remains unchanged compared to the 2011 model; and both performance and functionality of *Libresse* Towels 2021 model have improved compared to the 2011 model with carbon emissions remain unchanged.

iv) Advocate to Consumers about Environmental Protection

- **“One Less Plastic Solution”**
Since 2018 in Malaysia, we have been encouraging consumers to reuse the polybags of our products as garbage bags instead of using new ones. This aims to reduce the consumption of single-use plastics and ultimately, reduce the amount of plastic waste ending up in landfills. All new product releases including feminine care and incontinence care products will continue to carry relevant educational information to help the world save one more plastic bag. “One Less Plastic Solution” have applied to both *Drypers Wee Wee Dry* (baby open diapers) and *Drypers Drypantz* (pants diaper) series products which were launched during the Year.



One less plastic solution!

Reuse this bag as a trash bag. Wrap it around with its handle to store your trash.

Gunakan semula beg ini sebagai beg sampah.
Bungkuskan bersama dengan pemegangnya untuk menyimpan sampah anda.

- **Products to help shape future mindsets on sustainability**

Diaper designs can help parents, babies and their toddler siblings to interact and bond. With that in mind, we have designed attractive diaper back sheets to serve as an educational conversation piece between parents and children. From the previous year, the baby diaper products of the *Skinature* by *Drypers* have been designed with motifs of endangered animals, such as seals, turtles, whales, polar bears, koalas, etc., allowing parents to easily lead their children on a journey of environmental discovery and awareness from the comfort of their homes.

- **Reducing consumer waste and resource consumption**

Tork incorporates the concept of sustainable development into every product, with smart product designs to reduce waste and in turn, help companies to reduce costs and improve efficiency. Toilets fulfilled by *Tork* are equipped with *Tork SmartOne*[®] toilet paper dispensers that effectively reduce tissue consumption by up to 40%. In addition to reducing paper consumption that makes the dispensers easier to maintain and reduces the cost of maintenance, the system of dispensing only one sheet at a time also improves hygiene and lowers the risk of infection in public toilets.





6. Healthy Lifestyle Comes from Vinda

New Product Development

As a manufacturing enterprise, Vinda constantly develops new products according to market needs. The Group has established a “New Product Development Procedure” and other related documents to standardise the process of new product development and design, along with the responsibilities of relevant departments. Products and services designed and developed must conform to the overall brand plan, be adapted to market needs, satisfy customer requirements and comply with relevant laws and regulations.

We have our own research and development teams in mainland China, Malaysia and Chinese Taiwan. The team includes master’s degree, postgraduate school and PhD graduates across broad disciplines such as chemistry, engineering, materials, food safety and quality, bio-industrial science, engineering, chemical engineering, etc.

Protection of Intellectual Property Rights

Vinda values the protection of intellectual property rights. Through measures such as system optimisation, patents application and infringement battles, Vinda has fully leveraged the tools for protecting intellectual property rights that promote brand building process and innovation of the Group, enhancing the creation, usage and management standards of intellectual property rights. To strengthen the protection of the Group’s intellectual property rights, Vinda has established an integrated intellectual property rights management system that comprises a “Technology Innovation Patent Management System”, “Trademark and Patent Management System” and “Intellectual Property Award System” based on relevant national laws and regulations and with reference to the actual situation of the Company.

An intellectual property department has been established with clearly defined responsibilities, while entitlements and remuneration related to intellectual property generated during the work period are also specified. When a case related to intellectual property rights comes to our attention, different actions are taken to manage it based on the circumstances surrounding the case. This may include legal action or the filing of an administrative complaint against the alleged infringer. During the Year, there was no violation of intellectual property rights.

All products of the Group with new packaging and new technology have obtained copyright registration or patent protection. We encourage innovation and new technology development among employees, ensure the proper application of intellectual property rights, and improve the competitiveness and profitability of the Group. Employees are also required to keep confidential any patented technology information they have access to during and after their employment. As of 31 December 2021, the Group had 328 patents and 989 trademarks, the total registered intellectual property rights reached 1,369.



Patents:

328



Trademarks:

989



Total Registered intellectual property rights:

1,369

Network Security

In the booming era of information technology, network applications not only bring us convenience and efficiency but also the issue of network security.

In order to protect the information and privacy security of consumers and us, Vinda is committed to building a network security system and has adopted various measures to avoid attacks from external networks. These include protection through firewalls, antivirus walls and Web Application Firewalls (WAF), antivirus software, security patch updates, multiple mail gateway protection, as well as the use of advanced threat management systems to discover and detect security threats.



6. Healthy Lifestyle Comes from Vinda

Stage 2: Procurement

Material topics for sustainable development



- Use of materials
- Procurement and supply chain management



Green Procurement

Being a manufacturer of hygiene products, wood pulp is a key raw material in daily operation. All wood pulp in Vinda's products comes from renewable forest resources. Vinda is committed to only using wood pulp from environmentally friendly and sustainable forest resources.

Priority is placed on using wood pulp certified by recognised forest management certification systems. Our sourcing department strictly controls and requires pulp suppliers to provide valid certificates for fibre products and documents for the traceability of raw wood. In 2021, 100% of Vinda's procured wood pulp was certified by recognised forest management systems and this is one of the significant principles that Vinda insists on for the procurement of wood pulp.



6. Healthy Lifestyle Comes from Vinda

In addition, Vinda also makes its sustainability efforts known to consumers on e-retail platforms and social media with a view to promoting the concept of sustainable and renewable procurement in the industry. In Chinese Taiwan, Vinda designated the International Day of Forests on 21st March as “*Libero Forest Day*”. In 2021, through online platforms and digital advertising, Vinda invited a number of online celebrities as role models for the campaigns to share their green efforts with consumers. More than 1,200 consumers were successfully invited to participate in carbon-reducing green activities. Vinda plans to hold various kind of events with various scales under the theme of “*Libero Forest Day*”.

For chemicals, our preference is to source them from suppliers who can provide us with Material Safety Data Sheets (MSDS)/Safety Data Sheets (SDS). We only purchase chemicals that comply with respective local laws and regulations in order to pursue a greener and healthier development path.



Mainland China

In 2021, all of our chemical suppliers have MSDS certificates to ensure their products meet the Group’s quality requirements. Since last year, Vinda has adopted the use of a ‘wet strengthening’ chemical agent with lower DCP/MCPD/ECH content to meet the latest requirements of the Safety Assessment Management System for Household Paper and Paper Products, Chemicals and Raw Materials (T36420/GB). Similarly, we have adopted a water-based stripping agent to replace the use of traditional, oil-based stripping chemicals; this complies 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 (GB) regulations. The new water-based stripping chemical agent is biodegradable, less volatile and has a lower impact on the environment and human health.

In addition, Vinda collaborated with chemical suppliers to jointly develop a new type of felt cleaning agent in our tissue machines last year. This innovation is already in use at Vinda factories and accounts for 96% of the Group’s use of felt cleaning agents, in turn effectively improving the continuous production efficiency and reducing the energy consumption of our tissue machines.



Chinese Taiwan

In 2021, all of our chemical suppliers are required to provide SDS certificates. In addition to the regulatory requirements under the Regulations for the Labelling and Hazard Communication of Hazardous Chemicals, chemicals are also required to be managed and used in compliance with 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. To ensure proper chemical management, protect the safety of employees and reduce the risk of environmental hazards, the Company also provides appropriate protective equipment and regularly arranges trainings for employees on the use of chemicals and organic solvents. We have also strengthened the management of suppliers to effectively control the source of chemicals and how they are procured. To effectively reduce the risk of chemical hazards during the year, in addition to maintaining a complete list of chemicals, labelling and safety data sheets, we also implemented category-based controls corresponding to the potential hazard levels of chemicals to effectively reduce the risk of chemical hazards in 2021.



Malaysia

All of our chemical suppliers are required to provide SDS for safety and health assessment and the requirement has also been extended to include environmental impact assessments since 2020. New chemical suppliers are assessed before being listed as approved chemical suppliers. Chemical suppliers are required to comply with the Occupational Safety and Health (Classification, Packaging and SDS of Hazardous Chemicals) Regulations 2013.



6. Healthy Lifestyle Comes from Vinda

Supply Chain Management

We have dedicated departments in various regions to manage supplier relations and related sourcing activities. Our established long-term partnerships with the suppliers supports the stability and reliability of our operations.

The following table and diagram show the number of active material suppliers¹³ for each region where Vinda has manufacturing operations as of 31 December 2021:

Number of Active Material Suppliers

	2021	2020
Mainland China and Hong Kong	380	450
Malaysia	33	33
Chinese Taiwan	20	31
Other Regions in Asia	27	29
Europe	16	14
North/South America	21	12
Total	497	569



¹³ Material suppliers generally refer to the suppliers who provide Vinda with raw materials (such as wood pulp, chemicals) and subcontracting and processing services for the production of end products. Active material suppliers refer to the material suppliers who have provided services/materials to the Group during the statistical year.



6. Healthy Lifestyle Comes from Vinda

During the process of selecting a new supplier, the Group's quality control department will evaluate the quality, environment and occupational safety management system at the potential supplier's production site based on Vinda's "Supplier Factory Facilities Assessment Regulations (供應商工廠設施評估規定)". Assessment items include the potential supplier's environmental commitments, risk assessment, environmental pollutants emissions, hazardous solid waste treatment, occupational health and safety risk assessment, onsite safety management, employee health examination and fire inspection report. All of our new suppliers have passed Vinda's assessments and satisfied these evaluation requirements.



Mainland China

When choosing material suppliers, we strictly follow our "Materials Purchasing Management System" and "Supplier Management Standards" to only select suppliers that meet Vinda's development guidelines. Since 2018, we have in place a Supplier Incentive and Elimination Mechanism program to introduce a fair competition through a bidding process: this helps to continuously enhance our suppliers' overall performance and service and encourage them to offer us better supply prices. We launched a "Scheme to Strengthen On-site Management of Domestic Suppliers" in 2017 and "Pest Management Requirements for Suppliers" in 2018 to continuously reinforce the management capabilities of our suppliers. We assess the performance of our suppliers on a regular basis. Assessment scoring systems are designed to meet the specific needs of each Vinda factory, ensuring that our suppliers meet our strict quality and service standards. In 2021, the average performance evaluation scores of Vinda's suppliers in mainland China were 94.73 (out of 110).



Chinese Taiwan and Malaysia

We select material suppliers based on our "Supplier Management Standards" and assess the performance of the suppliers on a regular basis. In 2021, the average performance evaluation scores of Vinda's suppliers in Chinese Taiwan and Malaysia were 5.6 and 5.95 (out of 6) respectively.

These evaluation scores reflect a supplier's performance in terms of number of materials, adherence to supply schedules, administration, and the quality of packaging and materials supplied. Administration refers to a supplier's ability to provide documentation on the quality of materials and their environmental, health and safety (EHS) impact.

Suppliers are strongly recommended to comply with standards in six main areas: code of conduct, quality, product safety, environment, chemicals and cleanliness control, and to ideally adopt internationally recognised standards and management systems. As of 31 December 2021, all of our suppliers have signed our supplier standards.



6. Healthy Lifestyle Comes from Vinda

Suppliers' Environmental and Social Responsibility Risks

To support the identification of suppliers' environmental and social responsibility risks, Vinda has been gradually adding information on our suppliers' environmental performance, social responsibility initiatives, and their environmental certifications and qualifications into the Group's Supplier Relationship Management (SRM) system.

Vinda factories are strongly encouraged to purchase materials from local suppliers. The ratio of local suppliers to Vinda is steadily increasing and currently accounts for 96%, 49% and 47% of all the suppliers to Vinda in mainland China, Chinese Taiwan and Malaysia respectively.

Commitment to reducing their environmental impact is one of the key criteria in Vinda's selection of material and service suppliers.



As of 31 December 2021, **all our wood pulp** comes from **sustainably managed forests or suppliers with recognised forest management system certifications.**

Our target by **2025** is for our **top twenty raw and auxiliary material suppliers** (excluding wood pulp suppliers) based on purchasing volume to **achieve** the **ISO 14001** Environmental Management Systems certification.

Vinda's Supply Chain Management during the Pandemic

During the pandemic, lockdown measures in many countries have brought unforeseen challenges to business operations, and the global demand for hygiene products — including products to prevent the spread of the coronavirus — has put extreme pressure on the transportation and supply chain. Vinda has minimized the impact of uncertainty on transportation and maintained a stable supply of raw materials by keeping track of suppliers' capacity and upstream raw material supply, adopting a multiple source procurement strategy, increasing the proportion of local supply and raising the optimal inventory level.

The close collaboration between Vinda manufacturing units across different countries was also instrumental in securing a balanced raw material supply.



6. Healthy Lifestyle Comes from Vinda

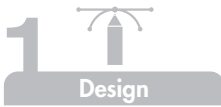
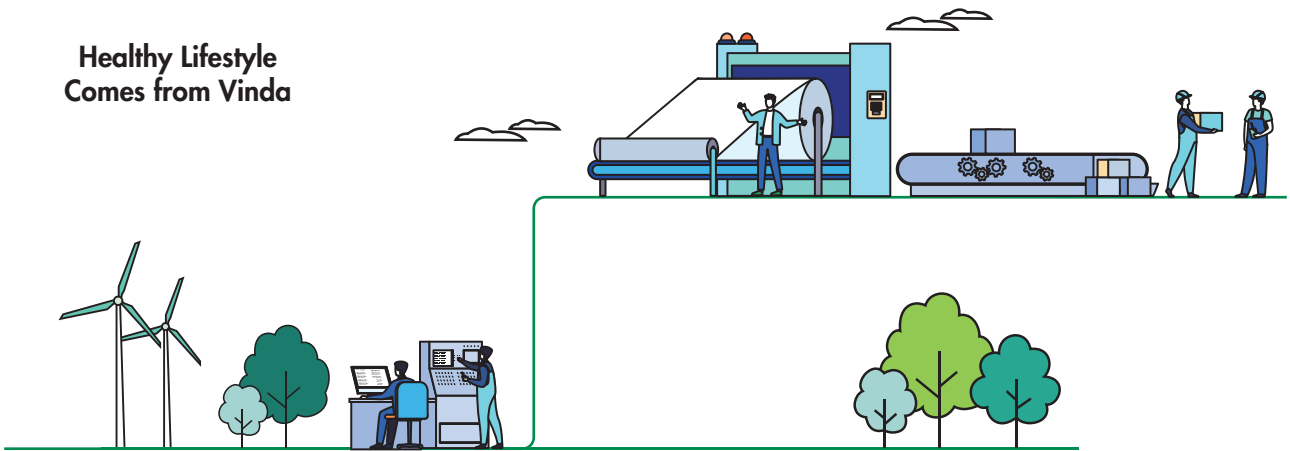
Stage 3: Production

Material topics for sustainable development

- Product Quality and Safety
- Energy Management
- Exhaust Gas and Carbon Dioxide Emission
- Water Conservation
- Solid Waste Management



Healthy Lifestyle
Comes from Vinda



Design



Procurement



Production



Sales & Services





6. Healthy Lifestyle Comes from Vinda

Product Responsibility

Product quality, functionality, performance and safety are the cornerstones for customer and consumer satisfaction. As such, different product specifications are formulated to meet differentiated market needs and requirements, and trainings are organized to strengthen employees' product awareness. This provides consumers with confidence in our products at all times and offers them our best hygiene care.

Quality as a Priority

The Group refers to government departments and their official websites (environmental management departments, market regulatory authorities, etc.), media (newspapers, periodicals, Internet, etc.), consulting companies, industry associations, customers and other sources to fully comprehend the consumers' needs and comply with all regulatory requirements. The Group did not violate any laws or regulations that have a material adverse impact on us related to product quality during the Year.

Product Quality Management

We understand that the product quality will affect the Company's reputation and stakeholders' confidence, and thus it is Vinda's unshaken mission to provide consumers with high quality products and services. Therefore, Vinda has a rigorous management plan to consistently maintain high product quality: from inspection on incoming raw material, manufacturing process and finished products to the hygiene standards for production workers and production sites. All products will undergo internal quality checks based on the Company's standards which are equal to or higher than the applicable national standards. The products can be delivered only after they comply with the current national standards of mainland China such as GB 15979, GB/T 20810 and GB/T 20808. In the early stages of new product development, safety tests are required, which include but not limited to the tests on skin irritation, vaginal mucosal irritation and skin hypersensitivity, and tests for formaldehyde and migratable fluorescent substances. All our products are randomly inspected by national and local regulatory authorities every year. In addition, our products are regularly sent to national testing centres for quality testing to comply with our quality standards.

Environmental Management


Energy Management

We select appropriate and effective energy sources based on the actual requirements of each factory and have established a comprehensive management system to strengthen the monitoring of energy usage. At present, the most common energy sources used for production are electricity, coal, natural gas and purchased steam, etc. Our energy management system covers these main energy sources and related equipment. Some of our production sites are also equipped with an intelligent Energy Monitoring System (EMS) to collect and monitor real-time operational data such as start-up rate and production capacity. We analyse and summarise these data monthly to set targets and continually improve our production.





6. Healthy Lifestyle Comes from Vinda

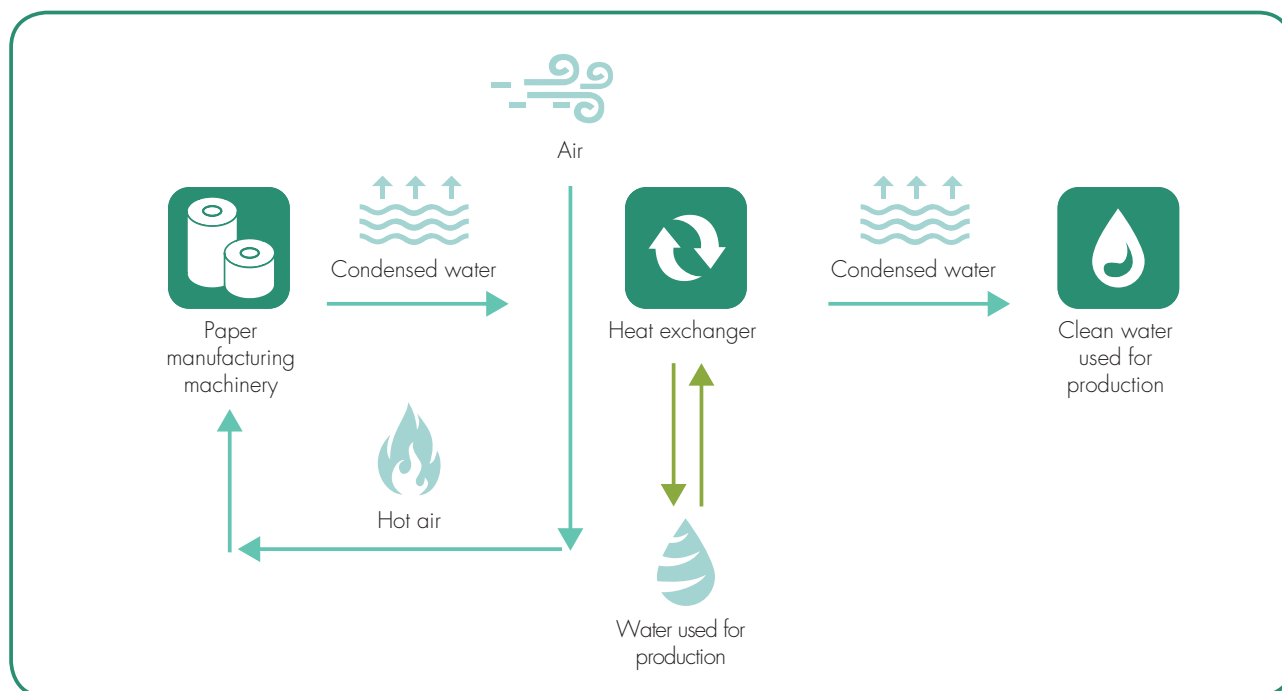
2021	 Energy Usage	2020
899,154,569 kWh	Electricity	859,898,248 kWh
174,596 ton	Coal	181,076 ton
24,430,406 m ³	Natural gas (for production)	21,318,347 m ³
913,193 ton	Purchased steam	722,949 ton
11.66 ton	Diesel oil for stationary equipment	15.16 ton
85.93 ton	Diesel oil for factory-owned vehicles	29.14 ton
65.81 ton	Gasoline for factory-owned vehicles	59.99 ton
58,697 m ³	Natural gas (for canteens)	61,337 m ³
49.80 ton	Liquefied petroleum gas (for canteens)	56.59 ton
0.21 ton of standard coal/ten thousand revenue (HKD)	Total energy consumption intensity	0.22 ton of standard coal/ten thousand revenue (HKD)
0.23 ton of standard coal/ten thousand revenue (HKD)	Energy consumption intensity (for tissue)	0.24 ton of standard coal/ten thousand revenue (HKD)
0.0066 ton of standard coal/ten thousand revenue (HKD)	Energy consumption intensity (for personal care)	0.0061 ton of standard coal/ten thousand revenue (HKD)



6. Healthy Lifestyle Comes from Vinda

To achieve the long-term sustainable development goals of the Group, we have formulated key energy consumption performance indicators so as to regularly review and control each production site. We have also set up an incentive system within the Group to reward the teams with outstanding performance on energy efficiency and reduction of energy consumption. The Group eagerly adopts new equipment and develops new technologies to improve

energy efficiency and reduce energy consumption in order to reduce greenhouse gas emissions by reducing energy consumption or waste of energy. We will continue to promote various energy and resource conservation initiatives, such as saving steam in the papermaking process, recovering and reusing the water from the condensation process and recycling the hot air from the papermaking machine.



Energy Saving Measures Implemented in 2021

Energy Saving Performance

Shandong, China — The vacuum pump energy-saving transformation project was carried out in manufacturing units under which water ring vacuum pumps were replaced with magnetic levitation turbine vacuum pumps.

The operating power of the paper machine has decreased from 140–150 kWh to 70–80 kWh, and the annual reduction of power consumption of the two paper machines would amount to approximate 1.34 million kWh.

Hubei, China — The frequency conversion control was used in vacuum pumps for paper machines so as to reduce the power of the vacuum pump motor and the power consumption.

The daily energy consumption of each paper machine has reduced by 559 degree, and energy consumption for four paper machines can be reduced by 72,000 kWh per year based on the 300 days of production hour per year.

Jiangmen, China — The steam control process for papermaking was improved and the steam valves were put into operation in phases to improve the control accuracy.

Approximately 16,000 tons of steam will be reduced per year.

Malaysia — A new energy saving auto-bagger machine was installed to replace the old one in November.

Approximately 3,300 kWh of energy consumption will be reduced per month.

Malaysia — 246 fluorescent lights in offices were replaced with LED lights.

14,000 kWh of energy consumption will be reduced per year.



6. Healthy Lifestyle Comes from Vinda

In 2021, the following projects have been developed to reduce greenhouse gas emissions and increase the use of renewable energy.

Measures	Achievement
<p>Chinese Taiwan — In May 2021, installation of solar power generation modules in the Kaohsiung factory of Chinese Taiwan was completed, with a total installed capacity of 1,938.83 kW and a total occupied area of 10,186.35 m²</p>	<p>The actual energy generation in 2021 reached 1.4 million kWh, with an annual output of approximately 2.4 million kWh, equivalent to 18% of the purchased electricity, reducing carbon emissions by 1,242 tons</p>
<p>Shandong, China — In response to the call of the local government, the boilers have no longer been used since December 2020 and the steam was purchased from local industry park instead based on the progress of construction of pile network by the government</p>	<p>Not applicable</p>

In addition to the operations in our factories, the Group has implemented energy saving measures in office areas and aims to rollout such solutions across all operational premises. These include replacing fluorescent lights with more energy efficient LED lights, setting automated air-conditioning temperatures and operating times, using

automatic on/off sensor lights and installing heat-reflecting window films. For details of our targets in energy consumption reduction, please refer to “Vinda’s Five-year Sustainable Development Targets from 2021 to 2025” under “Section 3 — Sustainable Development Direction” in the Report.





6. Healthy Lifestyle Comes from Vinda

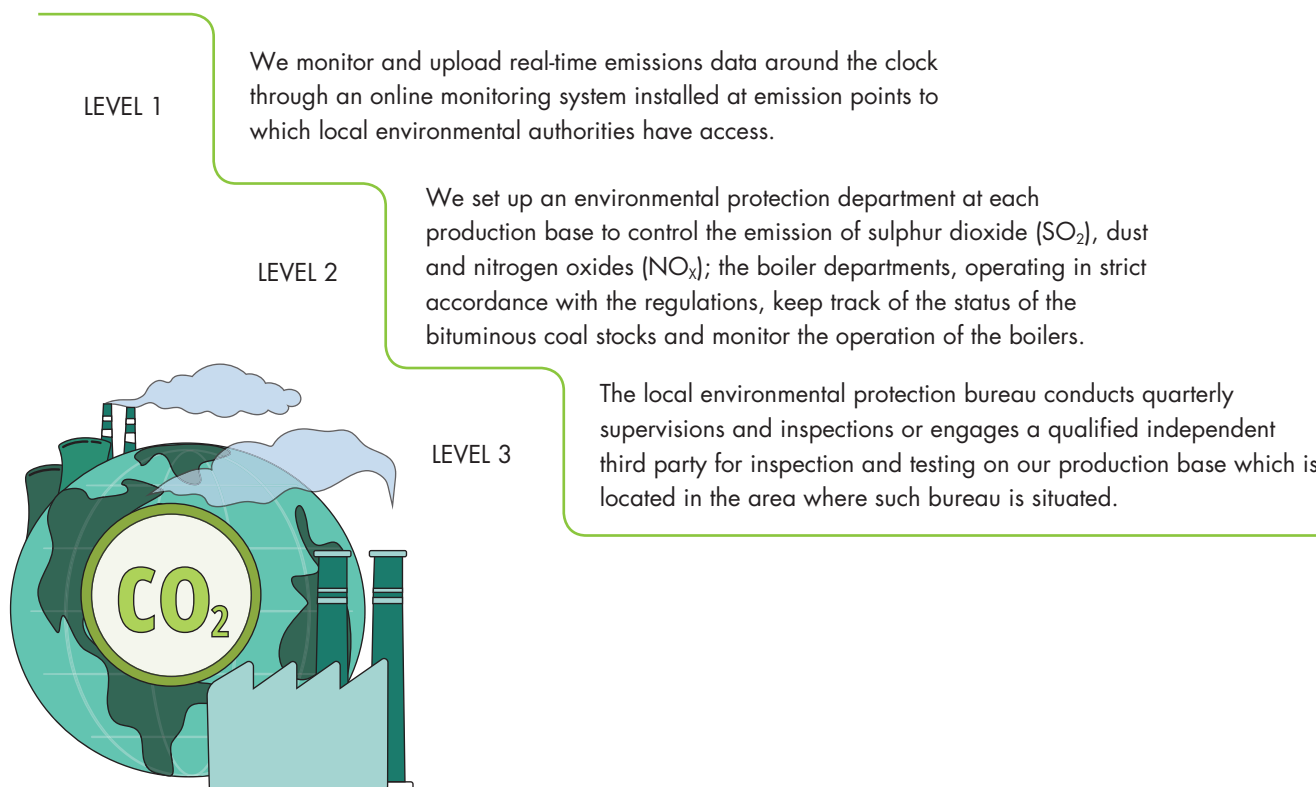
Exhaust Gas and Carbon Dioxide Emission

We recognize that carbon emissions and industrial waste-related air pollution are the main causes to climate change. Vinda abides by all local laws related to emissions and other environmental pollution, including the “GB3095-2012 Ambient Air Quality Standards” in mainland China, “Air Pollution Control Act” in Chinese Taiwan and “Environmental Quality Act” in Malaysia. No major violations related to exhaust emissions were observed during the Year.

Heat is an important source of energy in the papermaking process. Based on the actual situations of each location, the Group’s tissue production sites adopt a heating source in the following order of preference: centralized heating, steam boiler and coal-fired boiler. Out of the ten tissue production bases of the Group, three of them (located in Xinhui, Hubei and Yangjiang respectively) currently use coal-fired boilers and apply advanced technologies for the desulfurization and denitrification treatment of exhaust gas in order to achieve ultra-low emission standards of flue gas emissions.

Our three-level emissions management system closely monitors the real-time data of waste gas emissions of boilers at our factories and ensures that emission levels are lower than the national and local standards, such as “GB1327-2001 Emission Standard of Air Pollutants for Boilers” and “GB3095-2012 Ambient Air Quality Standards”.

In addition to production emissions, we also pay attention to the air pollution caused by the exhaust emissions of vehicles and strive to reduce vehicle emissions whenever circumstances allow, so as to cut vehicle emissions as much as possible. Taking electric stackers as an example, electric stackers are a prioritised choice when considering the replacement of our diesel-powered stacker and employees are encouraged to plan their business trips in an efficient way to reduce the mileage and fuel consumption of official vehicles, hence reducing exhaust emissions. For details of our targets in carbon emission reduction, please refer to “Vinda’s Five-year Sustainable Development Targets from 2021 to 2025” under “Section 3 — Sustainable Development Direction” in the Report.





6. Healthy Lifestyle Comes from Vinda

Exhaust Gas Emission¹⁴

	Unit	2021	2020
Nitrogen oxides (NO _x)	ton	131.35	150.89
Nitrogen oxides (NO _x) emission intensity	kg/ten thousand revenue (HKD)	0.07	0.09
Sulphur dioxide (SO ₂)	ton	51.54	42.25
Sulphur dioxide (SO ₂) emission intensity	kg/ten thousand revenue (HKD)	0.03	0.03

Carbon Dioxide Emission

	Unit	2021	2020
Direct emission ¹⁵ (Scope 1)	ton	398,250	359,244
Energy indirect emission (Scope 2)	ton	822,243	787,150
Total emission	ton	1,220,493	1,146,394
Total emission intensity	ton/ten thousand revenue (HKD)	0.65	0.69



¹⁴ As vehicles and other sources of exhaust gas emissions are insignificant in Vinda's operations, the data only covers exhaust gas emissions from boilers.

¹⁵ Direct GHG emissions include: stationary combustion of coals, natural gas, liquefied petroleum gas, diesel oil, acetylene; mobile combustion of diesel oil and petrol used in transportation; fugitive emissions from air conditioners/refrigerators/coolers/water dispensers/refrigerants used in business vehicles (R134A, R410A, R32, etc.), carbon dioxide fire extinguishers, heptafluoropropane fire extinguishers, septic tanks, sewage treatment plants, high-voltage transformer circuit breakers, WD-40 rust inhibitors. Scope of data covered the regions in mainland China, Chinese Taiwan and Malaysia.



6. Healthy Lifestyle Comes from Vinda

Water Conservation

Sewage Discharge

Vinda complied with all regulations relating to sewage discharge, including the HJ 819-2017 Technical Guidelines for Self-monitoring of Polluting Units (《HJ 819-2017 排污單位自行監測技術指南總則》), the HJ 821-2017 Technical Guidelines for Self-monitoring of Polluting Units in the Paper Industry (《HJ 821-2017 排污單位自行監測技術指南造紙工業》) and Integrated Wastewater Discharge Standard (GB 8978-1996) (《GB8978-1996 污水綜合排放標準》) in mainland China, and the Environmental Quality Act 1974 (《1974年環境質量法》) and its 2012 amendments and the Environmental Quality (Industrial Wastewater) Regulations 2009 (《2009年環境質量(工業廢水)規例》) in Malaysia, and no major non-compliance incidents relating to sewage discharge were found during the Year. In addition, Vinda's paper mills in mainland China adopt a wastewater treatment model tailored to the specific needs of each region. Factories that discharge wastewater directly through urban sewage pipe network must comply with national or local regulations and standards. Centralised sewage treatment companies in the industrial park are directly connected with the centralised sewage treatment system. All Vinda production bases across different locations also strictly comply with the "Three Simultaneous Actions" environmental protection policy during the initial construction period; these actions specify simultaneous design, simultaneous construction and simultaneous inspection of environmental facilities and infrastructure.



Local governments of every industrial park advocate centralising the sewage systems and streamlining wastewater discharge standards. Currently, seven of our Chinese factories in Jiangmen, Hubei, Zhejiang, Liaoning, Shandong, Sichuan and Yangjiang have connected their sewage discharge systems with the local industrial park sewage treatment systems. For factories not connected with the centralised sewage treatment systems of the industrial parks, we have implemented a three-tier monitoring system for the external discharge of sewage and monitor the environmental indicators of sewage discharge in real time to ensure the discharge meets the standards¹⁶.



Water recycling rate has been maintained at over **98%**

Treatment of Wastewater and Water Recycling Rate

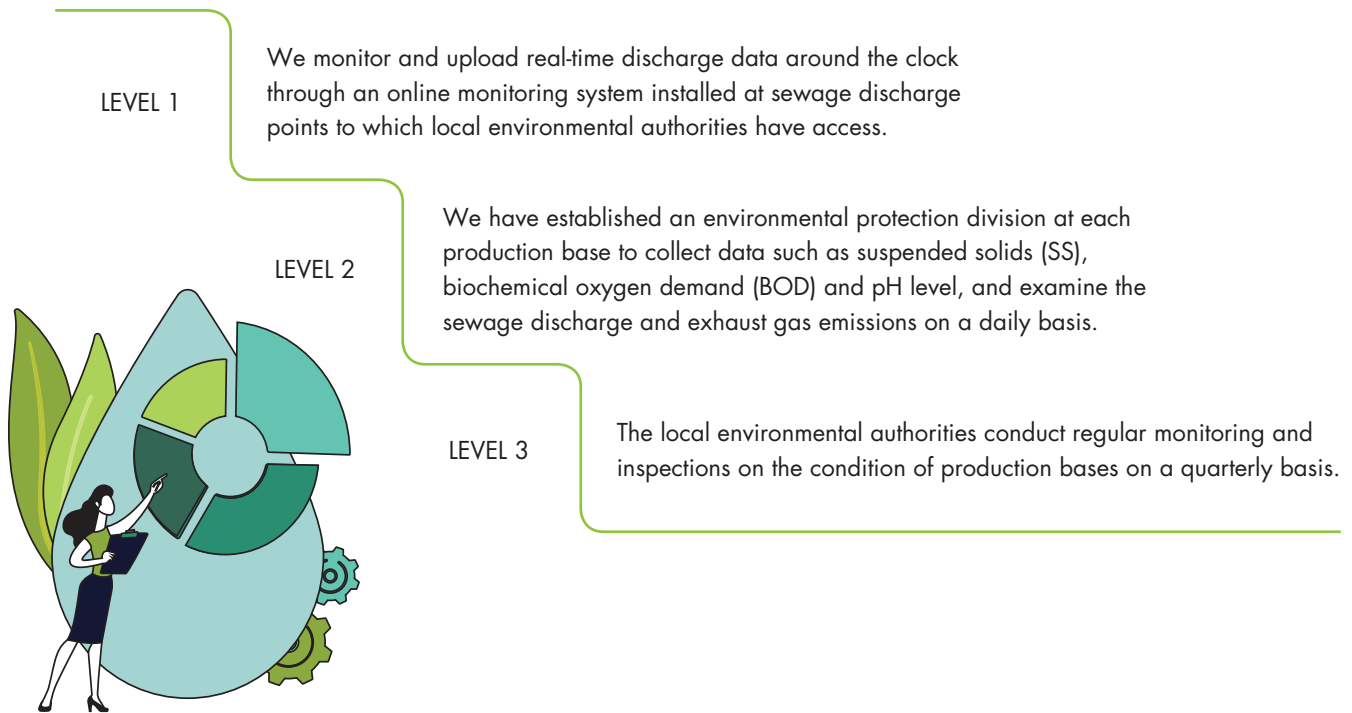
The selection of our papermaking equipment also takes into account the importance of the water balance system. The production process uses recycled water to the maximum extent practicable, and the water recycling rate has been maintained at over 98%.

The discharge of liquid waste from the ink cleaning process is one of the most important substances to be handled in factory sewage treatment. The liquid waste is discharged after being concentrated and reaching the required standard. After the sewage is concentrated, the concentrated liquid waste is only one-fifth of the volume of the cleaning liquid, thus reducing both the total discharge volume and the discharge of hazardous waste. In addition, ink waste (SW417) is processed to form a "dry cake" with a significantly reduced volume compared with untreated ink waste, in turn reducing the impact of factory emissions on water sources in the environment. We had no issue in sourcing water that is fit for our purpose for the Year.

¹⁶ Compliance with the local discharge standard, such as Beijing Municipal Standard "DB11307-2013 Comprehensive Standard for Discharge of Water Pollutant (《DB11307-2013 水污染物綜合排放標準》)", Guangdong Provincial Standard "DB44/26-2001 Regulatory Standard for Discharge Limits of Water Pollutants (《DB44/26-2001 水污染物排放限值的標準規定》)".



6. Healthy Lifestyle Comes from Vinda



Reduction in Water Use

The Company uses multiple strategies to reduce water consumption, such as the upgrading of equipment and implementation of administrative measures. In terms of equipment, we recycle water from cooling towers for reuse in factory production and recycle water from the fire pump for testing. In suitable locations, we also equip water taps with sensors to reduce water wastage during hand washing and take efforts to continually convey the message of “reducing water consumption” and promptly identify and

rectify related facilities and staff’s behaviours as part of day-to-day management as well. For example, a dedicated department regularly inspects water equipment to effectively reduce water consumption; if leakage problem of any water equipment is discovered during its inspections, the leakage problem will be fixed immediately to prevent water wastage. For details of our targets in water consumption reduction and water recycling, please refer to “Vinda’s Five-year Sustainable Development Targets from 2021 to 2025” under “Section 3 – Sustainable Development Direction” in the Report.

Water Consumption

	Unit	2021	2020
Water consumption (Tap water)	m ³	9,207,911	8,551,062
Water consumption (Underground water)	m ³	949,036	1,125,872
Water consumption (Surface water)	m ³	1,288,125	1,591,543
Total consumption	m³	11,445,072	11,268,477
Water consumption intensity	ton/ten thousand revenue (HKD)	6.13	6.82



6. Healthy Lifestyle Comes from Vinda

Solid Waste Management

Operating units in all regions strictly comply with relevant local laws and regulations, including but not limited to the GB18599-2020 Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill, Identification Standards for Hazardous Waste General Rules and Directory of National Hazardous Wastes of mainland China, the Waste Disposal Act and Standards for Defining Hazardous Industrial Waste of Chinese Taiwan, and the Environmental Quality (Scheduled Wastes) Regulation and Solid Waste and Public Cleansing Management Act of Malaysia. No major violations related to waste discharge were found during the Year. All Vinda factories follow the ISO 14001 Environmental Management

System and related requirements to manage their waste classification and treatment processes. The Company is committed to implementing waste classifications, collecting recyclable waste in the production process and appointing qualified recycling suppliers to handle it. Other non-recyclable waste (such as domestic waste) is processed by appointed general contractors. To avoid environmental pollution, a factory shall store hazardous waste in designated monitoring locations until the piled waste is handed over to the service providers that are qualified for hazardous waste disposal after being accumulated to a certain amount. For details of our targets in solid waste reduction, please refer to “Vinda’s Five-year Sustainable Development Targets from 2021 to 2025” under “Section 3 – Sustainable Development Direction” in the Report.



	Unit	2021	2020
Solid Waste Recycled	Ton	80,501	69,410
Non-hazardous waste produced	Ton	87,702	77,233
Scheduled hazardous waste produced	Ton	208	225
Non-hazardous waste emission intensity	kg/ten thousand revenue (HKD)	46.89	46.78
Hazardous waste emission intensity	kg/ten thousand revenue (HKD)	0.11	0.14

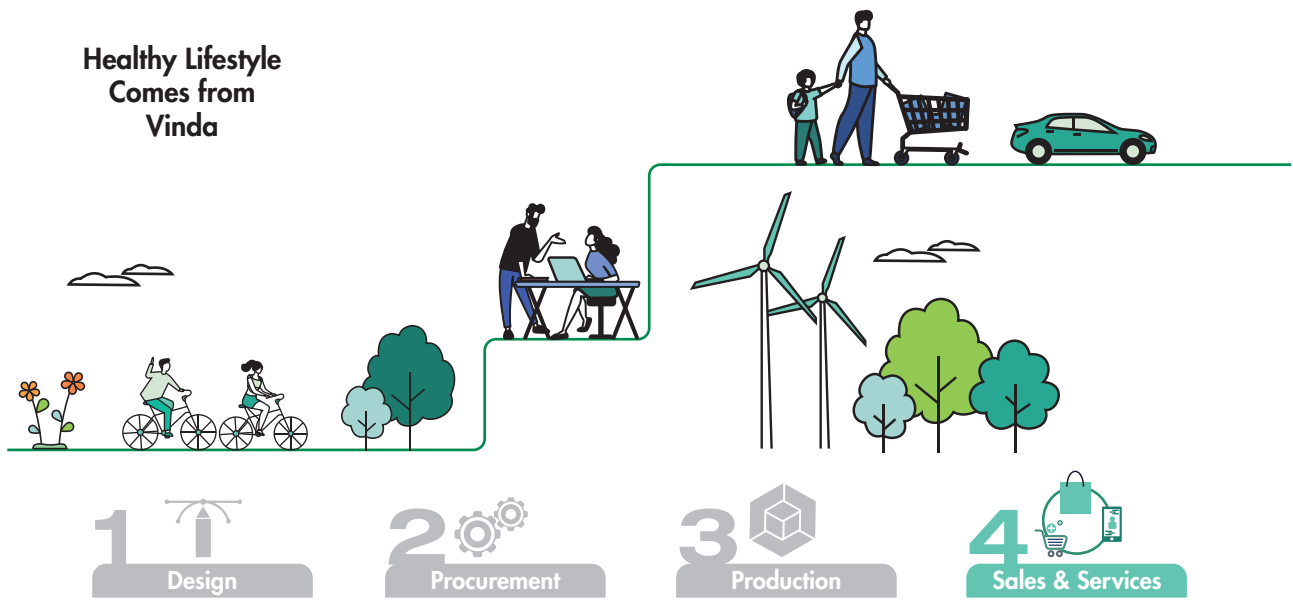


6. Healthy Lifestyle Comes from Vinda

Stage 4: Sales and services

Material topics for sustainable development

-  Customer service
-  Information security and personal data protection





6. Healthy Lifestyle Comes from Vinda

Customer Service

As we deeply value feedback from customers and consumers, the marketing department conducts a consumer satisfaction survey and evaluation at least once a year. The implementation rules of the consumer satisfaction survey are defined in the first step to determine factors such as frequency of survey, identification of target respondents and methodology. Then based on the factors such as consumers' locations and consumers at different points-of-sales, we will notify relevant personnel at the sales channels to conduct surveys by way of questionnaires or interviews, so as to collect consumer's feedback on areas such as product performance, packaging and advertising, for thoroughly understanding and analysing their needs and expectations. In addition, we will handle complaints, compensation, product returns and product recall in accordance with established procedures. Once a delivered product is found to have serious quality problem or health and safety hazards, a product recall procedure will be initiated immediately, so as to recall the defective products as soon as possible. The Group did not have any recall cases related to serious quality problem or health and safety issues in 2021.

Quality and customer satisfaction are a high priority for us. In order to meet customers' needs, we have established a consumer complaint platform that is integrated with an automated database and easy information access via mobile devices for frontline sales staff in accordance with our "Customer Opinion Handling Procedures (顧客意見處理程序)". Every region has a unified service hotline that is manned by designated customer service staff. This offers consumers the convenience of providing feedback on the Company's product quality and sales service, while allowing us to gain timely insights into consumer needs and requirements. In addition, we also conduct consumer satisfaction surveys on a regular basis and take timely corrective measures to continuously realize improvements and enhance customer satisfaction.



Mainland China

We understand the importance of all feedback and complaints from customers and consumers. Therefore, we analyse all customer complaints, which will be summarized and categories on a regular basis for serving as the basis for product improvement. In 2021, the number of customer complaints for dry tissue products in mainland China was 1.00 for every 1,000 tons of tissue products sold. The complaint rate for wet wipe products was 1.37 per 1,000 tons of product and that for personal care products (incontinence and feminine care) was 0.22 per million pieces.

All consumer complaints for which the Company is accountable for are handled in accordance with relevant regulations under the Product Quality Law of the People's Republic of China (中華人民共和國產品質量法) 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). We pay close attention to quality control at every stage, with monitoring based on required inspection frequencies, quality checks and product quality standards to ensure that finished products are of the highest quality. In the rare and unlikely event of a product recall, we will adhere to the protocols described in the Company's "Notification and Revocation Control Procedure" to execute a timely recall of any defective products. This procedure ensures that any defective or potentially unsafe products discovered after delivery or use may be recalled in an efficient manner.

During the Year, we have classified consumer feedback into different categories, defined authorisation levels for handling of consumers' personal data and optimized the complaint management system. For example, a feedback module for product quality has been added, allowing input submitted by frontline sales staff to be synchronized with the database and sent to relevant factories in real time. This facilitates the efficient processing of consumer feedback across all sales channels.



6. Healthy Lifestyle Comes from Vinda



Chinese Taiwan

The complaint rate for personal care products (incontinence care) in 2021 was 0.17 per million pieces. Consumers can provide feedback on product quality through a toll-free service hotline. Consumer complaints are investigated and analysed in real time in accordance with the “Consumer Complaints Handling Guidelines (消費者客訴處理準則)” and are promptly handled and resolved with a view to continuously improving product quality, protecting the rights and interests of consumers and upholding the Company’s reputation. Meanwhile, our factory in Chinese Taiwan also publishes monthly quality performance and quality education updates, and organizes quality trainings every year to strengthen employees’ quality awareness and quality management capabilities, thus ensuring that the products sold can effectively meet consumers’ needs. During the Year, we also improved product features to better meet consumers’ usage needs, by collaborating with suppliers to improve the performance of raw materials in these products.



Malaysia

The complaint rate for personal care products (incontinence care, feminine care such as sanitary napkins, and baby diapers etc.) in 2021 was 0.167 per million pieces. Consumer complaint cases are logged and managed by the consumer care department in accordance with the “Product Complaint Management Procedures” and submitted to the quality department. The customer service team registers complaints and feedback relating to consumer experience in the “Consumer Care Information System (消費者維護資訊系統)”, and holds regular review meetings with the production, quality assurance and other relevant departments to identify the root cause of any quality issues or negative consumer experience. This enables us to drive continuous improvements and provide consumers with clear responses to their feedback.

Labelling and Advertising Management

To provide accurate product information, the quality control department is responsible for monitoring the updates on laws and regulations in relation to product labelling, determining their applicability, adding them to our product regulatory lists if applicable and sending them to relevant departments of the Company for review. These regulations include: GB/T 191 Packaging — Pictorial Markings for Goods Handling, JJF1070 Rules of Metrological Testing for Net Quantity of Products in Prepackages with Fixed Content, GB 12904 Bar Code for Commodity — Retail Commodity Numbering and Bar Code Marking, GB 5296.3 Instruction for Use of Consumer Products — General Labelling for Cosmetics and the Product Quality Law of the People’s Republic of China (Amendment). We have also in place labelling management systems such as the Product Packaging Identification Regulations (產品包裝標識標註規定) and the Product Production Batch Number Identification Regulations (產品生產批號標註規定).

Likewise, an advertisement shall contain accurate descriptions of our products and shall not mislead our customers. The quality control and intellectual property departments are responsible for ensuring that promotional contents are accurate and in compliance with the Advertising Law of the People’s Republic of China and the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests. Relevant provisions will also be timely updated in compliance with national laws and regulations.





6. Healthy Lifestyle Comes from Vinda

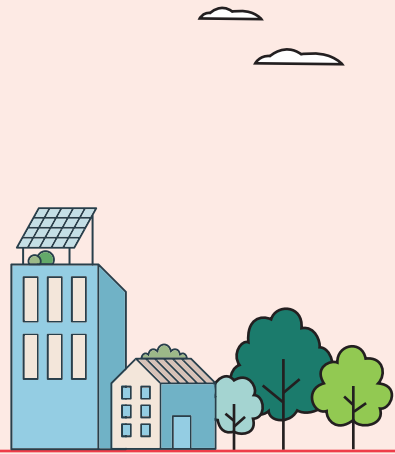
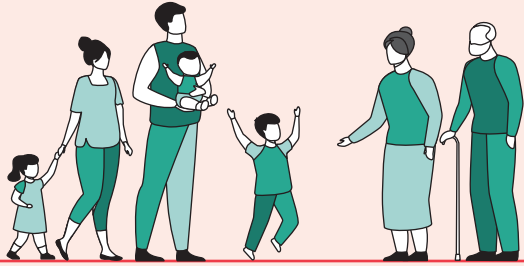
Information Security and Personal Data Protection

Information technology is truly a significant sales driver for our business and the management of information security and personal data protection are also of great importance. In the event of any misconduct in this area, we may hurt Vinda's reputation and lose the trust of our customers.

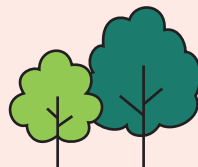
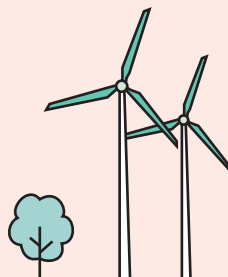
Since we inevitably process a reasonable amount of personal data and customer information as a result of our business, we strictly comply with laws and regulations in relation to the use and processing of personal and confidential data. All information must be collected in accordance with law and used only for recruitment purposes or for the expressed purpose stated when such information was collected. The Group has also developed an information privacy protection policy to guide employees in handling of personal data and to regulate the use, collection and disclosure of information. We strictly abide by relevant laws and regulations in relation to the protection and leakage of personal data¹⁷, and handle sensitive and personal data carefully.

All employees of the Group are expected to act in accordance with the "Code of Conduct" in the fair and lawful collection and handling of the personal data of our consumers, employees and vendors, and to ensure that personal data will not be accidentally accessed, processed, erased, lost or used without authorisation. If an employee needs to access confidential information that he/she has no authorisation to access, he/she has first sought approval from an authorised senior officer. Unless required by law, personal data shall not be disclosed to any unauthorised person under any circumstances. Any unauthorised or accidental access, processing, elimination, loss or transfer of personal data to a third party is deemed to be illegal. The Group will not tolerate any illegal and improper behaviour by any individual, and all suspected or confirmed cases must be reported to law enforcement agencies. Employees who are proven to have committed such wrongdoings will be dismissed. The Group reserves all rights to take legal action against any party for any loss resulting from the unauthorised disclosure, collection or use of customer information.

¹⁷ By definition, personal information includes but is not limited to name, phone number, address, identification document, passport number, photo, education background, employment record, salary information, details of close relatives, spouse, work related health issues, etc.



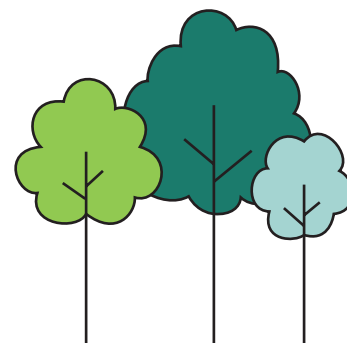
7. Our Commitment





7. Our Commitment

With the principles of a people-first culture in mind, Vinda always fulfils its social responsibility and creates long-term sustainable values for all stakeholders while growing its businesses. We will certainly continue to dedicate our efforts to identifying more environmentally friendly technologies for driving product innovations and improving our products, packaging material and manufacturing process so as to achieve the Group's 5-year goal of sustainable development and provide the market with wider selection of more sustainable daily necessity products. Looking forward, the Group remains committed to weaving the concept of sustainability into the whole value chain by considering the impact of each of its production stages on the environment and society and also the impact of climate change on the whole value chain.





APPENDIX 1

Content Index of the Exchange's ESG Reporting Guide

ESG Reporting Guide	Description	Section of the Report
A. Environmental		
Aspect A1: Emissions		
General Disclosures	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 nonhazardous waste.	Section 6. Stage 3: Production — Environmental Management
KPI A1.1	The types of emissions and respective emissions data.	Section 6. Stage 3: Production — Environmental Management
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 6. Stage 3: Production — Environmental Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 6. Stage 3: Production — Environmental Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 6. Stage 3: Production — Environmental Management
KPI A1.5	Description of the emission target(s) set and steps taken to achieve them.	Section 3. Sustainable Development Direction; Section 6. Stage 3: Production — Environmental Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Section 3. Sustainable Development Direction; Section 6. Stage 3: Production — Environmental Management



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ESG Reporting Guide	Description	Section of the Report
Aspect A2: Use of Resources		
General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Section 6. Stage 3: Production – Environmental Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Section 6. Stage 3: Production – Environmental Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Section 6. Stage 3: Production – Environmental Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Section 3. Sustainable Development Direction; Section 6. Stage 3: Production – Environmental Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Section 3. Sustainable Development Direction; Section 6. Stage 3: Production – Environmental Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Section 6. Value chain and Climate Change
Aspect A3: The Environment and Natural Resources		
General Disclosures	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Section 6. Stage 3: Production – Environmental Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Section 6. Stage 3: Production – Environmental Management
Aspects A4: Climate Change		
General Disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Section 6. Value chain and Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Section 6. Value chain and Climate Change



ESG Reporting Guide	Description	Section of the Report
B. Society		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosures	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.	Section 4. Employment and Employee Benefits Diversity and Equal Opportunity Prohibition of Child Labour and Forced Labour Talents Cultivation and Retention
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Section 4. Employment and Employee Benefits
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Section 4. Employment and Employee Benefits
Aspect B2: Health and Safety		
General Disclosures	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.	Section 4. Safety First
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Section 4. Safety First
KPI B2.2	Lost days due to work injury.	Section 4. Safety First
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Section 4. Safety First
Aspect B3: Development and Training		
General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Section 4. Talents Cultivation and Retention
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Section 4. Talents Cultivation and Retention
KPI B3.2	The average training hours completed per employee by gender and employee category.	Section 4. Talents Cultivation and Retention



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ESG Reporting Guide	Description	Section of the Report
Aspect B4: Labour Standards		
General Disclosures	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	Section 4. Prohibition of Child Labour and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Section 4. Prohibition of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Section 4. Prohibition of Child Labour and Forced Labour
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosures	Policies on managing environmental and social risks of the supply chain.	Section 6. Stage 2: Procurement
KPI B5.1	Number of suppliers by geographical region.	Section 6. Stage 2: Procurement
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Section 6. Stage 2: Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Section 6. Stage 2: Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Section 6. Stage 2: Procurement
Aspect B6: Product Responsibility		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Section 6. Stage 3: Manufacturing — Product Responsibility Stage 4: Sales and Services
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Section 6. Stage 4: Sales and Services — Customer Service



ESG Reporting Guide	Description	Section of the Report
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Section 6. Stage 4: Sales and Services – Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Section 6. Stage 1: Design and Development of New Products – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Section 6. Stage 3: Production – Product Responsibility Stage 4: Sales and Services – Customer Service
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Section 6. Stage 4: Sales and Services – Information Security and Personal Data Protection
Aspect B7: Anti-corruption		
General Disclosures	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.	Section 3. Sustainability Governance – Anti-Corruption
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.	Section 3. Sustainability Governance – Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Section 3. Sustainability Governance – Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Section 3. Sustainability Governance – Anti-Corruption



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ESG Reporting Guide	Description	Section of the Report
Community		
Aspect B8: Community Investment		
General Disclosures	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.	Section 5. Vinda Volunteer Team Vinda Charity Foundation Community Education Financial Support to Employees during COVID-19 Donations of Hygiene Products to Prevent the Spread of COVID-19
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Section 5. Vinda Volunteer Team Vinda Charity Foundation Community Education Financial Support to Employees during COVID-19 Donations of Hygiene Products to Prevent the Spread of COVID-19
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Section 5. Vinda Volunteer Team Vinda Charity Foundation Community Education Financial Support to Employees during COVID-19 Donations of Hygiene Products to Prevent the Spread of COVID-19