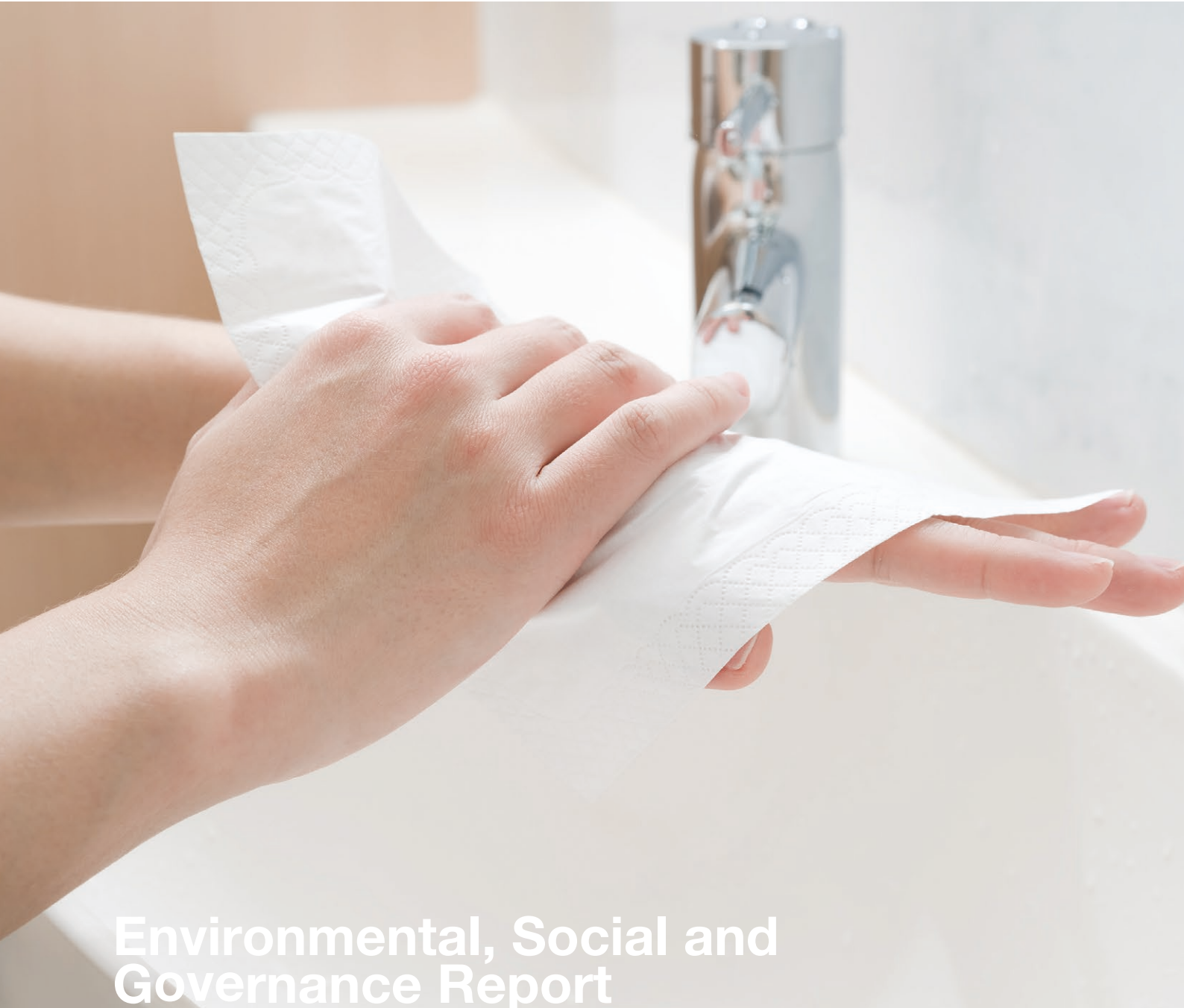




Vinda International Holdings Limited

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



Environmental, Social and Governance Report

2020

*Healthy Lifestyle
Starts with Vinda*

Contents

	CEO Message	2
1.	About Vinda	4
	Company Profile	5
	Brand Operations	5
	Corporate Culture	6
	Core Principles	6
	Corporate Awards	7
2.	Our Report	10
	Scope of the Report	11
	Reporting Period	11
	Contact Us	11
	Reporting Principles	11
3.	Our Approach	12
	Sustainability Governance	13
	Sustainable Development Direction	15
	Stakeholder Engagement	16
	Materiality Assessment	17
	Responding to Stakeholders' Concerns	19
4.	Responsible Business	20
	Product Responsibility	21
	Corporate Governance	28
	Supply Chain Management	30
5.	People	34
	Safety First	35
	Employment and Employee Benefits	39
	Equal Opportunities and Human Rights	40
	Comprehensive Training	42
6.	Environment	44
	Solid Waste Management	45
	Water Conservation	46
	Exhaust Gas and Carbon Dioxide Emission	48
	Energy Management	50
	Climate Change	53
	The Environment and Natural Resources	53
7.	Community	56
	Vinda Volunteer Team	57
	Vinda Charity Foundation	57
	Community Education	58
	Additional COVID-19 Relief	59
	Donations of Hygiene Products to Prevent the Spread of COVID-19	59
8.	Our Commitment	60
	Appendix 1 Index of the Exchange's ESG Reporting Guide to the Report Section	62

CEO Message

“

Vinda recognises its responsibility to make environmental, social and governance (ESG) factors an integral part of its business development strategy, as well the need to do so for the sustainable growth of our business.

”



2020 was an extraordinary year as the COVID-19 pandemic had a major impact on the global economy and supply chain. In the early days of the pandemic, there was a temporary supply shortfall in Mainland China and Southeast Asia. In response to the evolving situation and market demands for hygiene products to prevent the spread of COVID-19, Vinda swiftly put a Business Continuity Plan into place across all regions and operations. With the strong efforts and cooperation of all Vinda employees, coronavirus prevention measures were implemented at all manufacturing facilities, while teams and resources were mobilised to rapidly bring our production, logistics and supply chain operations back to “business as usual” conditions. In addition, production lines for face masks were quickly put into operation to meet urgent needs. As CEO of Vinda, I am extremely proud of these achievements by our teams across the Company.

The year also marked an important milestone in the sustainable development of our business and operations. Vinda recognises its responsibility to make environmental, social and governance (ESG) factors an integral part of its business development strategy, as well as the need to do so for the sustainable growth of our business. In the past year, we have continued to shape the internal sustainable development blueprint for the Group, covering areas such as energy savings, emissions reduction, product quality, efficiency, as well as caring for our employees and the community. To further strengthen our sustainability position and commitment, we have also conducted a materiality analysis to prioritize the important issues that need to be addressed. This will enable us to continuously improve our corporate social responsibility strategy and direction, as well as meet the expectations of – and create shared value with – our stakeholders.

This ESG Report 2020 not only demonstrates our efforts to develop our business in an even more sustainable and responsible manner, but also sets out the Group’s sustainable development goals for the next five years alongside relevant projects and plans being executed.

I would like to take this opportunity to sincerely thank all Vinda colleagues for their hard work in the past year, especially in the speedy implementation of various measures. Looking ahead, we remain committed to driving sustainable business growth in a way that creates value for all stakeholders and continues to generate returns for our shareholders. At the same time, Vinda will keep up ongoing efforts to strengthen governance and risk management systems, regularly update internal control policies, evaluate and analyse risk factors, implement effective monitoring measures, and maintain sound corporate governance.

LI Jielin

Chief Executive Officer

1. About Vinda





About Vinda

Company Profile

Vinda International Holdings Limited (“Vinda” or the “Company” and together with its subsidiaries as the “Group”, “we”, “us”) was founded in 1985 and has its headquarters in Hong Kong, 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).

Vinda is committed to the philosophy of “Healthy Lifestyle Starts with Vinda” and the provision of quality hygiene products and services. We consistently regard corporate social responsibility as an integral part of our business philosophy and strive to create shared and sustainable values on economic, social and environmental levels with stakeholders. We aim to become “Asia’s first choice for hygiene products and services” by providing superior, safe and reliable products that serve the differentiated demands and needs of our customers and consumers.

Brand Operations

Vinda operates in four core business categories, namely tissue, incontinence care, feminine care and baby care. Sales are conducted under renowned brands, such as *Vinda*, *Tempo*, *Tork*, *TENA*, *Dr. P*, *Libresse*, *Libero* and *Drypers*, across many countries, with offerings that are well regarded in these markets for their superior quality and continuous innovation.

*Healthy Lifestyle
Starts with Vinda*

Vinda’s Sustainability Strategy and Vision

Sustainability is
one of Vinda’s core
principles



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

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
embraces our core values
of sustainable growth
and innovation

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

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



INNOVATION

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



PROFESSIONALISM & INTEGRITY

Be committed to providing high quality products and professional services to our customers and consumers; Embrace our code of conduct, manage Vinda as one company and consider how our actions uphold the Company's image and reputation



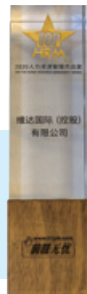
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Corporate Awards

Vinda’s commitment to the sustainable development of its business has earned multiple recognitions from local and international bodies in the past year.

Overall Performance of Sustainability

No.	Company Name	Award/Recognition	Organiser
1	Vinda International Holdings Limited	Outstanding Award for Green Loan Issuer – Largest Single Green Loan 2020 (Fast Moving Consumer Goods Industry), Hong Kong Sustainable Finance Awards 2020	Hong Kong Quality Assurance Agency
2	Vinda International Holdings Limited	The Asset ESG Corporate Awards 2020 – Gold Award	Financial magazine, The Asset
3	Vinda International Holdings Limited	“Best Investor Relations Company” and “Best Annual Report” – 6th Investor Relations Awards 2020	Hong Kong Investor Relations Association

People

No.	Company Name	Award/Recognition	Organiser
4	Vinda Malaysia Sdn Bhd	Women’s Empowerment Principles (WEPs) Awards 2020 Winner – Gender-responsive Marketplace category in Malaysia	United Nations (UN) Women
5	Vinda International Holdings Limited	Top Human Resources Management Awards 2020	JOBS (前程無憂), a human resources service provider in China

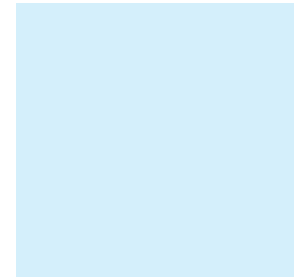
Environment

No.	Company Name	Award/Recognition	Organiser
6	Vinda Paper (China) Company Limited	Leader in Energy Efficiency – Guangdong Province Paper Industry, Household Paper Category (廣東省造紙行業能效「領跑者」(生活用紙))	Guangdong Paper Association (廣東省造紙行業協會)
7	Vinda Paper (Sichuan) Company Limited	Green Factory (綠色工廠)	Sichuan Provincial Economic and Information Technology Department (四川省經濟和信息化廳)
8	Vinda Paper (Shandong) Company Limited	Green Factory (綠色工廠)	Ministry of Industry and Information Technology of Jinan city (濟南市工業和信息化局)
9	Vinda North Paper (Beijing) Company	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)
10	Vinda Paper (Zhejiang) Company Limited	Green Products (綠色設計產品) : 1) <i>Tempo</i> facial tissue 2) <i>Vinda</i> Classic Blue rolls	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)
11	Vinda Paper (Zhejiang) Company Limited	Inaugural Recipient – Quzhou City Ecological and Environmental Honour Roll (衢州市首批生態環境監督執法「正面清單」)	Quzhou City Municipal Bureau of Ecology and Environment (衢州市生態環境局)
12	Vinda Paper (Zhejiang) Company Limited	Leader in Water Usage Efficiency 2020, High Water Consumption Enterprise Category (2020年重點用水企業水效領跑者)	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)
13	Vinda Paper (Zhejiang) Company Limited	Enterprise Leader in Water Conservation 2020, Zhejiang Province (2020年度浙江省節水標杆單位)	Water Resources Department of Zhejiang Province (浙江省水利廳)



Community

No.	Company Name	Award/Recognition	Organiser
14	Vinda Paper (China) Company Limited	Outstanding Contribution Award – Curbing the Coronavirus (抗疫突出貢獻獎)	Jiangmen Chamber of Industry and Commerce (General Chamber) (江門市工商業聯合會(總商會))
15	Vinda Paper (Sichuan) Company Limited	Poverty Alleviation Caring Enterprise 2019 (2019年度扶貧愛心企業)	Deyang Investment Corporate Federation (德陽投資企業聯合會) People's Government of Zhongjiang County Cangshanzhen (中江縣倉山鎮人民政府)



2.

Our Report



2 Our Report

Scope of the Report

Vinda's main revenue is derived from the tissue and the personal care category in China, Southeast Asia and Korea. The scope of the disclosure in this ESG Report 2020 (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 Taiwan, China for the year ended 31 December 2020 (the "the Year").

Reporting Period

The Report aims to objectively and fairly review the Group's performance and effectiveness on ESG standards in 2020, and is formulated based on 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 ir@vinda.com.

Reporting Principles

The Report is an important channel for Vinda to communicate and disclose ESG information that is meaningful and valuable to our stakeholders in facilitating their decision-making. The Report is therefore prepared in accordance with the basic reporting principles listed in the Guide. These reporting principles have been considered in the 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 considered to be most important for Vinda. This analysis was also used to establish the focus of the Report.

Quantitative

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, we have followed the Exchange's ESG Reporting Guide. 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 the entity of Guangdong Xinjiang Energy Company Limited was included in the operation of Vinda Personal Care (Guangdong) Company Limited, due to the fact that Guangdong Xinjiang Energy Company Limited is only supplying 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. Our Approach

3. Our Approach



Sustainability Governance

Vinda is committed to sustainability as one of its core principles. The chief executive officer and executive directors are accountable for this commitment, and respective departments and business units are responsible for managing key sustainability matters and monitoring their development to continuously improve the Company's sustainability performance.

Internal Control

Vinda recognises the importance of strengthening its environmental and social responsibility position to support the sustainable growth of the Group's operations. Sustainability management is integrated throughout the Group's corporate governance structure, 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 (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. In addition, the heads of all functional departments and business units are responsible for identifying, evaluating, reducing and monitoring risks in their respective areas. The head of the internal audit department also provides the chairman of the Board's Audit Committee with a report update on a regular basis.

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, human resources, procurement, administration, marketing, investor relations and internal control departments across three main regions: Mainland China, Malaysia and Taiwan, China. The working group's main responsibilities are to support the implementation of social responsibility activities, raise awareness about the importance of social responsibility among colleagues, and compile information related to the Company's ESG performance.

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 stated in the Report, so as to verify the accuracy of the disclosed information.





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

In 2020, the Board of Directors evaluated and reviewed the progress of our ESG works.

Risks and Opportunities

Vinda understands that the nature of our business and the environment we operate in exposes us to different potential risks, which can affect the interests of our stakeholders, our brand reputation, finances, operations and the Group's sustainable growth. The Board of Directors has the overall responsibility for evaluating and determining the nature and extent of the risks (including ESG-related risks) it is willing to take in achieving the Group's strategic objectives; maintaining sound and effective risk management system, and internal control systems; and reviewing their effectiveness to protect the interests of our shareholders' investment. A structured, consistent, and continuous process is adopted to identify, assess, respond to and report on opportunities and threats that affect the achievement of the Group's objectives and ESG strategies. As such, 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, Taiwan, China 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). Scope 3 was not included. 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.

Type of Risk	ESG-Related Risks	Risk Response Measures
 <p>AGING POPULATION</p>	<p>With increasing life expectancies, lifestyles around the world have changed. Aging populations are one of the biggest social, economic and political changes of our time.</p> <p>Statistics in the United Nations' "World Population Prospects 2019: Revised Edition" show that the world's aging population will rise above 16% by 2050. One in four persons living in Europe and North America could be aged 65 or above. This is expected to bring challenges and opportunities to companies in areas such as product marketing and human resources.</p>	<p>The Group understands that the aging population is growing in Mainland China, North Asia and Southeast Asia. The Group's incontinence care brands <i>TENA</i> and <i>Dr. P</i> have always sought to provide the highest quality products to support and maintain the confidence and dignity of the elderly and their families, enabling them to live life to the fullest.</p> <p>In addition, Vinda has consistently adhered to fair hiring practices regardless of age. The Group encourages diversity and equal opportunities, and strive to create a safe, healthy and respectful workplace for all employees.</p>
 <p>CLEAN TECHNOLOGY</p>	<p>Companies, consumers and governments are paying increased attention to environmental issues, while different countries and regions continue to tighten environmental laws, regulations and standards. It is expected that various countries will set higher requirements on energy conservation, carbon reduction and environmental resource management.</p>	<p>Vinda has long been committed to reducing the impact of its operations on the environment. We have implemented systems in our factories to manage energy efficiency, control emissions and monitor wastewater discharge, and have established projects for water recycling during the tissue making process. Relevant data analysis and assessment are regularly conducted. We became the first fast moving consumer goods company in Hong Kong to obtain the Green Finance Pre-issuance Stage Certificate issued by the Hong Kong Quality Assurance Agency, and the first fast moving consumer goods company to successfully raise green loans for the implementation of green projects.</p> <p>In accordance with fair sourcing principles, the Group prioritizes the selection and use of environmentally certified raw materials based on low carbon and green supply chain standards. 100% of the wood pulp procured by Vinda in 2020 is certified by recognised forest management standards (FSC/PEFC/CFCC).</p>
 <p>ONLINE CONSUMPTION</p>	<p>With the rapid advancement and adoption of technology, consumers have easy access to goods and services around the world via the internet. Conversion to online purchasing accelerated further during the pandemic. This shift to online retail channels means that traditional sales channels alone no longer serve the needs of every consumer segment.</p>	<p>The Group's e-commerce unit has been operating since 2012, and strong, long-term collaborations have been established with major e-commerce platforms.</p>
 <p>CLIMATE CHANGE</p>	<p>Due to global climate change effects, extreme weather events occur more regularly and are often accompanied by natural disasters in various regions. This can 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 climate conditions based on historical extreme weather events, such as heavy rains and typhoons in southern China, blizzards in northern regions, tsunamis in Southeast Asia, factory fires and other emergencies.</p>

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 secure that these sustainable development goals can be effectively integrated within 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 in setting these targets. The Group believes that starting out with a planned and gradual implementation will allow improvement actions to be continually refined during the process, and for related priorities to also be set in an incremental manner over time to ensure efficient resource planning.

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

Energy Management

To reduce the Group's use of standard coal in energy consumption by 500,000 tons; as benchmarked against the advanced value³ of China's national standard.

Waste Recycling, Resources Recycling, Packaging Materials

- More than 90% of all packaging to be made of renewable/recyclable materials;
- Research and develop the use of biodegradable plastics as raw materials, and gradually increase the proportion of biodegradable materials in products;
- 95% of waste⁵ to be recycled or used for energy recovery;
- To maintain 100% of hazardous waste to be managed by qualified third-parties for disposal.

Green Supply Chain

100% of the Group's top twenty raw and auxiliary material suppliers (excluding wood pulp suppliers) based on purchasing volume to be ISO 14001 certified in environmental management.

Community Service

To provide 8,000 hours of voluntary service during the period from 2021 to 2025.



Carbon Emissions

To reduce the Group's carbon emissions by 1 million tons; determined by comparing the Group's tissue production volume in 2020 against the benchmark⁴ released by the Guangdong Provincial Department of Ecology and Environment in 2019.

Water Resources

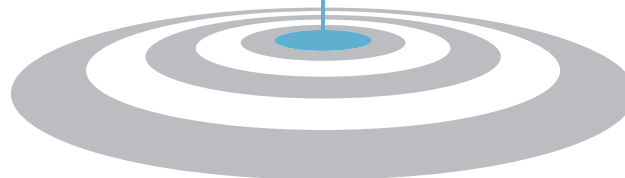
- To reduce the Group's water consumption by 100 million cubic meters⁶;
- Water recycling rate: > 98%.

Sustainable Sourcing

100% of the Group's procured pulp to be certified by recognised forest management standards (FSC/PEFC/CFCC).

Fair Employment

- Vinda is an equal opportunity employer that practices gender equality. Our average male-to-female employee ratio has been 55:45 for the past 3 years and Vinda will continue to maintain this gender balance in our workplaces;
- To manage all production operations with a target of maintaining zero workplace fatalities.



³ The advanced value of consumption for each ton of household paper is 0.42 tons of standard coal according to "GB31825-2015: energy consumption per unit of pulp and paper products" (GB31825-2015 制漿造紙單位產品能源消耗限額).

⁴ Benchmark is 1.301 tons CO₂/ton of paper during the tissue converting process in the paper manufacturing industry, in accordance with the "Guangdong Province 2019 Carbon Emission Allowance Allocation Implementation Plan (廣東省2019年度碳排放配額分配實施方案)" issued by the Guangdong Provincial Department of Ecology and Environment.

⁵ Non hazardous waste, such as papers, plastics, coal residues, oven residues, metal products, etc.

⁶ With reference to GB/T18916.5 "Norm of Water Intake - Part 5: Pulp, paper and paper board production (取水定額第5部分: 造紙產品)", which stated that 30 tons of water can be consumed per ton of product.

Stakeholder Engagement

We are committed to collaborating closely with stakeholders and actively engage them in dialogue about the Company’s sustainability actions and outcomes through various communication channels and platforms, including annual reports, sustainability reports, surveys, as well as regular discussions and meetings. We regularly communicate with stakeholders to identify areas of materiality and business opportunities with regard to our sustainable development, as well as leverage stakeholder insights to manage known business 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 group of stakeholders are summarised in the below table:

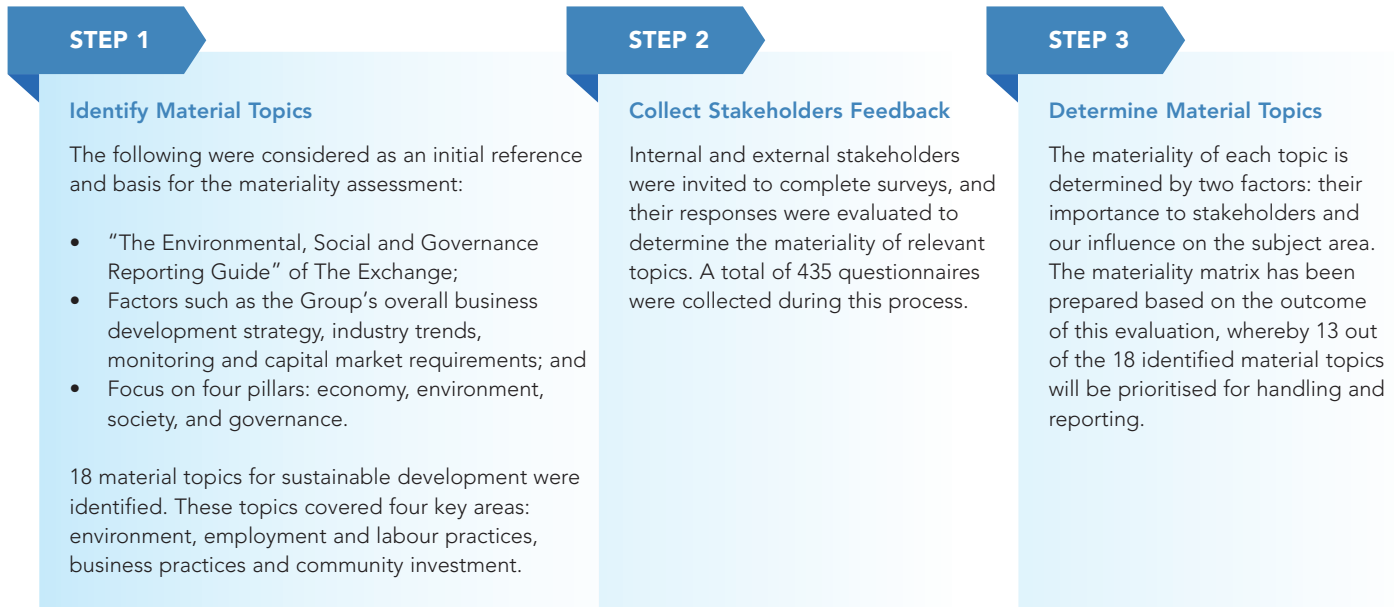
Stakeholder Groups	Communication Channels
 CUSTOMERS AND CONSUMERS	<ul style="list-style-type: none"> • Telephone/email • Customer surveys • Consumer service hotlines • Customer visits and factory audits • Tradeshows • Questionnaires
 EMPLOYEES	<ul style="list-style-type: none"> • Occupational health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

Materiality Assessment

To gain a stronger understanding of the perspectives of identified stakeholders around ESG issues, the Group appointed an independent consulting company to manage the feedback

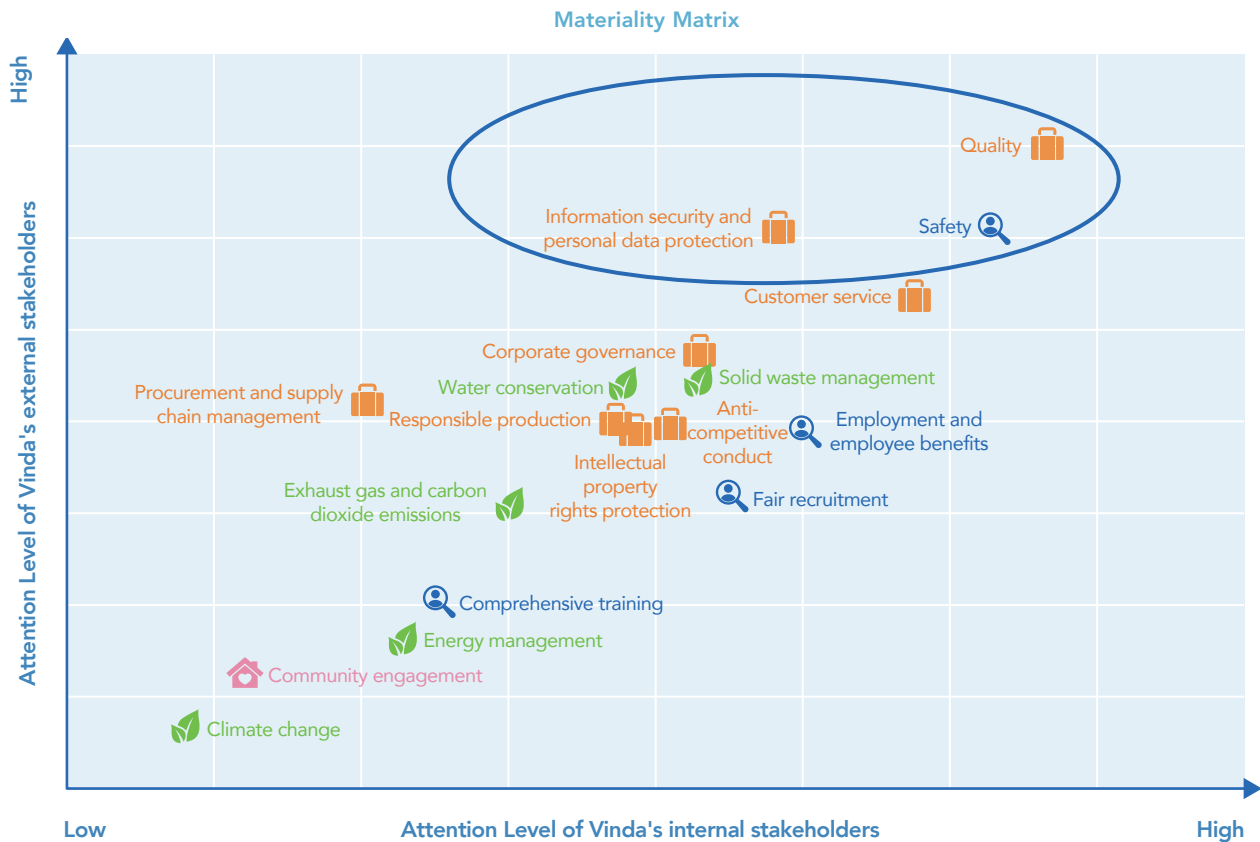
collection and evaluation process with relevant stakeholders during the Year. These activities included management interviews as well as internal and external stakeholder surveys.

Three steps were taken to prepare the materiality assessment:



The Identified 18 Material Topics





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 interest or concern towards each topic. By analysing the results of the survey, 13 areas were prioritized out of the 18 material topics, which are ranked in descending order of importance:

- Quality
- Safety
- Information security and personal data protection
- Customer service
- Corporate governance
- Solid waste management
- Employment and employee benefits
- Water conservation
- Anti-competitive conduct
- Responsible production
- Intellectual property rights protection
- Fair recruitment
- Procurement and supply chain management

The Group has taken appropriate measures to address the prioritized topics identified in the material analysis. These will be further explained in the Report, combined with the discussions and recommendations of the focus group. As always, the Group will continue to establish diverse channels to communicate our 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 of these areas will nonetheless be accounted for in the Report:

- Exhaust gas and carbon dioxide emissions
- Comprehensive training
- Energy management
- Community relations
- Climate change

Responding to Stakeholders' Concerns

By effectively identifying the ESG topics considered important by stakeholders through the survey, the Group can address their concerns and expectations, as well as set priorities and actionable plans. Based on the outcome of the materiality analysis conducted in 2020, we have concluded that the top three priorities are: quality, safety, and information security and personal data protection.

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

Top 3 Material Topics	Vinda's Efforts
 <p>QUALITY</p>	<ul style="list-style-type: none"> • Our established quality standards are higher than the regulatory requirements of the countries and industries we operate in. All Vinda factories have a dedicated quality management department to monitor the manufacturing process and ensure that our products fulfil these quality expectations. • We have setup a specialised customer complaint management system to classify all customer complaints according to their level of significance, support related handling processes, ensure closed-loop systems, and access data and analytics in a timely manner. This is a cornerstone for continuous product quality improvement. • 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.
 <p>SAFETY</p>	<ul style="list-style-type: none"> • Vinda has always had a zero accident policy as its target for occupational safety. Occupational injuries and workplace incidents at our manufacturing facilities in 2020 fell 17.6% compared to the same period in the previous year. • We continuously work to raise safety awareness across the Group. During the year, our factories in Mainland China have completed the optimization and upgrade of our V-Safety mobile app, and continued to educate and engage employees on workplace 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>INFORMATION SECURITY AND PERSONAL DATA PROTECTION</p>	<ul style="list-style-type: none"> • Every employee is required to sign an Employee Confidentiality Agreement during the onboarding process; suppliers are also required to sign a Non-Disclosure Agreement or contract with relevant confidentiality clauses. These measures serve to protect the personal data of employees, suppliers and customers. • The Group has a comprehensive cyber security system with protocols to detect, prevent and intercept cyberthreats.

4. Responsible Business



4 Responsible Business

Managing our business in a responsible manner is essential for our sustainable growth. Vinda has a holistic and robust management framework across our corporate governance, product quality and supply chain operations. We abide strictly by the laws and relevant regulatory requirements of the jurisdictions that we operate in, and provide the highest quality products in a fair and responsible manner. We develop our business in compliance with relevant regulations and in line with the principles of a people-first culture, ethical behaviour and environmental protection.

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 and comply with all regulatory requirements. The Group did not violate any laws or regulations related to product quality during the Year.

Product Quality Management

We recognize that the Company's reputation and stakeholders' confidence rest in the quality of our products, and it has always been Vinda's philosophy to provide consumers with high quality products and services. Therefore, Vinda has a rigorous management plan to consistently maintain high product quality: from raw material inspection, manufacturing inspection and final product inspection, to hygiene standards for operation operators and production sites. All products are subject to the Company's standards that are higher than the applicable national standards; extensive internal quality checks are carried out to strive to meet these standards before the products are being released. Examples of current national standards of Mainland China are GB 15979, GB/T 20810, GB/T 20808, etc. In the early stages of new product development, safety tests are also required, which 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, etc. In addition to random inspections by national and local regulatory authorities, all products are regularly sent to national testing centres for quality testing to comply with our quality standards.

Mainland China

All production bases are certified in the ISO 9001 Quality Management System, ISO 22000 Food Safety Management System and ISO 14001 Environmental Management System. Our subsidiaries, Vinda Paper (China) Company Limited, Vinda Paper (Shandong) Company Limited, Vinda Paper (Zhejiang) Company Limited and Vinda North Paper (Beijing) Company Limited, have also achieved the ISO 50001 Energy Management System certification. All factories are committed to run their day-to-day operations in strict compliance with these management systems.

All Vinda factories have a dedicated quality management department equipped with specialised quality inspection equipment to strictly control quality standards. These include digital tensile testing equipment, digital "Handle-O-Meter" testing machines, tissue absorption testers, bursting strength testers, etc. Testing standards include GB/T 20808, GB/T 20810, GB/T 28004, and GB/T27728. In addition, all factories have implemented Total Quality Management (TQM) processes, trained all manufacturing employees on product quality standards and cultivated a "Quality starts on the production line" mindset. Production sites have implemented "6S" (Sort, Set in order, Shine, Standardize, Sustain and Safety) management measures and imposed control on raw and auxiliary materials in accordance with the "Procedures for Managing the Inspection of Incoming Goods", on the production process in accordance with "Procedures for Managing Process Inspections" and on all final products in accordance with the "Procedures for Managing Final Checks". These extensive operating procedures ensure that all products are consistently and fully compliant with national and industrial standards.

280 product sampling inspections were conducted on the Group's products nationally and locally in 2020, and all products were qualified.

Malaysia and Taiwan, China

All Vinda factories in Malaysia and Taiwan, China are certified in the ISO 9001 Quality Management System and ISO 14001 Environmental Management System.

Our Malaysia factories are guided by a quality management system containing of relevant procedures, including quality core training modules for employees and engineering solutions. It covers the implementation and revision of "5S" workplace management principles and "Foreign Contaminants Control Policy and Procedures" with relevant hygiene aspects for workers as well as production and warehouse environments. Specific procedures for cleaning, operations, pest control and the maintenance of equipment and facilities are also part of the quality management system. These different aspects come together to deliver our quality policy requirements. All materials and products handled in our factories go through quality checks at the receiving and converting stages; our converting and packaging lines are also equipped with automated quality detection systems.

In addition to complying with local regulation related to product liability in Taiwan, China market, we also implement quality controls on incoming materials, production, packaging, protection, storage, and delivery. Product quality is effectively managed through quality control systems, data analysis, internal quality audits, and quality education and trainings for employees. In terms of environmental maintenance, we continue to adopt "6S" workplace management principles and pest control measures. These procedures provide a strong environment for stable and safe production, in turn ensuring product quality that meets the needs of consumers. During the Year, Vinda also passed the product quality sampling inspection carried out by local authorities.

Increase Production Capacity to Meet Domestic and Overseas Demand

"Fight Coronavirus, Maintain Quality, Stabilize Production" was the Company's internal operating motto for 2020. In order to put our hygiene and coronavirus prevention products into production as quickly as possible, Vinda China acted in strict compliance with the government's "Eight One"⁷ and "Four Implementation"⁸ requirements for the resumption of operations. At the same time, Vinda China also proactively engaged with government departments to obtain authorization for the production and sale of Vinda face masks. There are dedicated production lines for face masks at Vinda's factories in Zhejiang and Guangdong. In addition, Vinda successfully achieved the European Union CE quality certification and was named on the approved "List of Medical Supply Manufacturers or Enterprises that have obtained Foreign Certifications or Registration" and are thus able to cater to the needs of hygiene and coronavirus prevention products for overseas markets.

In China, Vinda also received an honorary "Guangdong Province Pandemic Support Award (廣東省抗疫積極獎)" and received loans from Standard Chartered Bank to support the global fight against COVID-19.

Incoming Goods Contaminants Control

All vehicles entering Vinda factories must be sterilised and the driver shall act in accordance with the "Section 5 – Employees' Health Management and COVID-19 Prevention Measures" described in the Report. The Group's transportation vehicles are either fully enclosed or tightly covered with a canvas wraparound, while all raw materials are wrapped in sealed plastic bags as a double guarantee that raw materials are not contaminated during transportation. After unloading, goods are stacked separately until the surface of the goods are sterilised, following which they are placed, moved and transported to the incoming goods inspection area and material staging area. To further minimize the risk of contamination in our factories, operators are rotated in two production shifts and shifting in groups in the area. All operators must adhere to "Vinda Employees Health Management Guidelines" to prevent cross-infection.



New Product Development

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 Taiwan, China. The team includes master's degree, higher education and PhD graduates across broad disciplines such as chemistry, engineering, materials, food safety and quality, bio-industrial science, engineering, chemical engineering, etc.

⁷ "Eight One" includes those eight aspects of health management practices, i.e. reporting of health status, body temperature measurement, mask wearing, observation in quarantine room, phone calls, exploration of patriotic hygiene campaign, health education and humanistic care enhancement.

⁸ "Four Implementation" includes implementation of the preventive mechanism, scheduling of employee examination, availability of equipment and materials, adequacy of internal management, for ensuring the safety of employees in the Company.

Labelling and Advertising Management

To provide the most accurate product information, the quality control department is responsible for monitoring the update of laws and regulations related 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 as well as the Product Quality Law of the People's Republic of China (Amendment). We established labelling management systems such as Product Packaging Identification Regulations (產品包裝標識標注規定), Product Production Batch Number Identification Regulations (產品生產批號標注規定), etc.

Likewise, advertising should contain accurate descriptions of our products and are not misleading to our customers. The quality control and intellectual property departments are responsible to ensure that promotional content and product claims 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. These departments update the national laws and regulations to be adhered to in a timely way.

Information Security and Personal Data Protection

We recognize that Vinda's management of information security and personal data protection is an important subject for our customers. Information technology is a significant sales driver for our business and Vinda takes the management of personal data and information security very seriously. We are highly vigilant in this area to uphold Vinda's reputation and maintain the trust of our customers.

Personal data protection

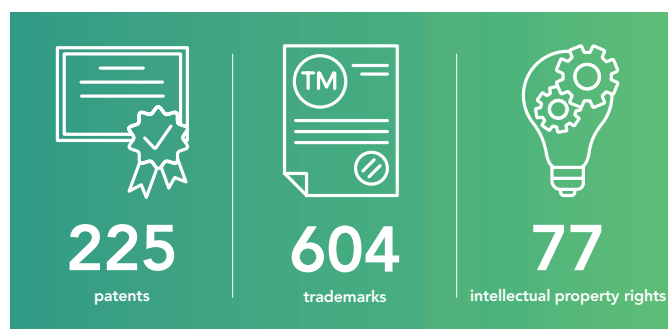
Vinda processes a reasonable amount of personal data and customer information as part of its business, we strictly comply with local laws and regulations governing the use and processing of personal and confidential data. The Group has also developed an information privacy protection policy to guide employees in the handling of personal data and regulate the use, collection and disclosure of information. Vinda strictly abides by the relevant laws and regulations for the protection and leakage of personal data⁹, and handles sensitive and personal data carefully. All information must be collected in accordance with the law and used only for hiring purposes or for the expressed purpose stated when such information was collected.

All Vinda employees are expected to act in accordance with our "Code of Conduct" in the fair and lawful collection and handling of the personal information of our consumers, employees and vendors, and to ensure that personal information is not accidentally accessed, processed, erased, lost or used without authorisation. If access to confidential information (i.e. information that is beyond the level of the employee's position to access) is needed, approval from an authorised, senior staff is required. Unless required by law, personal data shall not be disclosed to any unauthorised person under any circumstances. Any unauthorised or incidental access, processing, elimination, loss or transfer of personal data to a third party is considered illegal. The Group will not tolerate any illegal and improper behaviour by any individual, and all suspected or confirmed incidents must be reported to law enforcement agencies. Employees confirmed 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.

Protection of Intellectual Property Rights

To protect the intellectual property rights of the Group, Vinda has established an integrated knowledge and 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. The aim is to regulate the management of intellectual property rights, 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 must keep confidential any patented technology information they have access to during and after their employment.

All products of the Group with new packaging and new technology have obtained copyright registration or patent protection. As of 31 December 2020, the Group had 225 patents and 604 trademarks, and had registered 77 intellectual property rights. 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.



⁹ Defined as personal information that 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.



Network Security

The development of network technology together with the changes in the business environment has made the use of online apps and systems more prevalent in day-to-day operations. Vinda understands that these systems offer convenience and improve efficiency, but also create new security threats that carry significant risks to the Company's IT infrastructure.

Vinda considers both technology and systems management security when developing such online apps and systems. The Group has adopted different 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.

Customer Service

Vinda values feedback from customers and consumers. The marketing department conducts a consumer satisfaction survey and evaluation at least once a year. The scope of the consumer satisfaction survey is defined in the first step to determine factors such as the survey objectives, target audience and methodology. Questionnaires or interviews are then used to collect consumer feedback on areas such as product performance, packaging and advertising, either at the point-of-sales or at consumers' homes to fully understand and analyse their needs and expectations. At the same time, procedures for handling complaints, compensation, returns and even product recall have been established. Once a delivered product is found to have serious quality problem or health and safety hazards, a recall procedure will be initiated immediately to notify the relevant sales channels, 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 2020.

Quality and customer satisfaction are a high priority for Vinda. In accordance with our "Customer Opinion Handling Procedures (顧客意見處理程序)", 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. Every region has a unified service hotline that is manned by designated service staff. This offers consumers the convenience of providing feedback on the Company's product quality and sales service, while allowing the Group to gain timely insights to consumer needs and requirements, conduct consumer satisfaction surveys on a regular basis and take timely corrective measures to continuously drive improvements and enhance customer satisfaction.



Mainland China

We value all feedback and complaints from customers and consumers. Any complaints are rigorously evaluated, while regular feedback summaries are prepared and used as the basis about product improvement. In 2020, the number of customer complaints for dry tissue products in Mainland China was 0.87 for every 1,000 tons of tissue products sold. The complaint rate for wet wipe products was 2.0 and that for personal care products (incontinence and feminine care)¹⁰ was 0.35.

All consumer complaints are responsibly handled by the Company 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, Vinda 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 the 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.

Taiwan, China

The complaint rate in 2020 for personal care products (incontinence care) was 0.27 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 and in accordance with the "Consumer Complaints Handling Guidelines (消費者客訴處理準則)". Complaints are promptly handled and resolved with a view to continuously improve product quality, protect the rights and interests of consumers and uphold the Company's reputation. Our factory in Taiwan, China also publishes monthly quality performance and quality education updates, and organizes quality trainings every year. The aim is to strengthen employees' quality awareness and quality management capabilities, thus ensuring that products 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 2020 was 0.15 per million pieces. Consumer complaint cases are logged and managed by the consumer care department in accordance with the Company's "Product Complaint Management Procedures" and escalated to the quality department as required. The team registers complaints and feedback relating to consumer experiences in the "Consumer Care Information System (消費者維護資訊系統)", and holds regular review meetings with production, quality assurance and other relevant departments to understand the root cause of any quality issues or negative consumer experiences. This enables the Group to drive continuous improvements and provide consumers with clear responses to their feedback.

Responsible Production

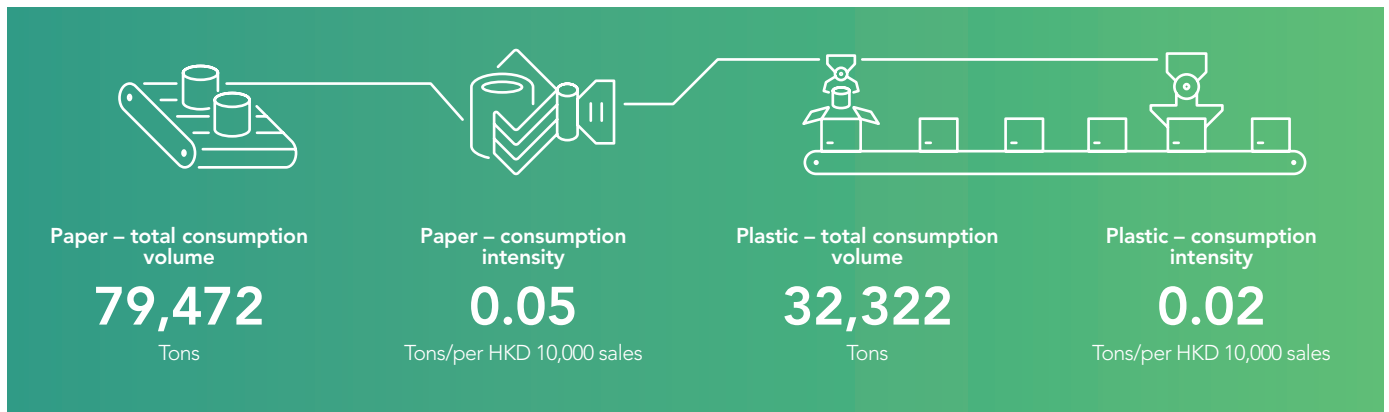
Vinda is the first fast-moving goods company in Hong Kong to raise green loans and successfully obtain the Green Finance Pre-issuance Stage Certificate issued by the Hong Kong Quality Assurance Agency. 100% of the Group's procured pulp is certified by recognised forest management standards (FSC/PEFC/CFCC). In addition, Vinda aims to engage its top twenty raw and auxiliary material suppliers (excluding wood pulp suppliers) based on purchasing volume to achieve the ISO 14001 Environmental Management Systems certification by 2025 or earlier.

100%
of the Group's procured
pulp is certified by
recognised forest
management standards
(FSC/PEFC/CFCC)



¹⁰ The base of the complaint rate was calculated per million pieces, and the sample size of wet wipes was 1,000 tons.

PRODUCT PACKAGING MATERIAL CONSUMPTION



Green Procurement

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

Priority is placed on using wood pulp certified by recognised forest management certification systems, such as the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC) or China Forest Certification Council (CFCC). 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 2020, most of Vinda's procured wood pulp was certified by recognised forest management systems and the remaining wood pulp was strictly managed in accordance with FSC standards. These are the principles that Vinda insists on for the procurement of wood pulp.

In addition, Vinda also promotes sustainable development and renewable sourcing concepts in the industry. Some of the Group's factories have achieved FSC certification and have developed management systems based on FSC Chain of Custody (FSC COC) requirements to produce FSC products in accordance with certification requirements. The Group also promotes Vinda's sustainability efforts to consumers on e-commerce retail platforms and social media. In Taiwan, China, Vinda plans to designate the International Day of Forests on 21st March in the coming year as "Libero Forest Day".

For chemicals, our preference is to source from chemical suppliers who can provide us with a Material Safety Data Sheet (MSDS). We only purchase appropriate chemicals that comply with respective local laws and regulations and opt for greener, healthier options when possible. In response to the COVID-19 pandemic during the Year, the Group also purchased additional alcohol handdrubs and surface sanitisers to prevent the spread of the virus.



Mainland China

In 2020, all 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 (GB/T36420). 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.

Last year, Vinda collaborated with chemical suppliers to jointly develop a new type of felt cleaning agent in our tissue machines. 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.

Taiwan, China

In 2020, all our chemical suppliers are required to provide a Safety Data Sheet (SDS) for safety. In addition to the regulatory requirements under the Regulations for the Labelling and Hazard Communication of Hazardous Chemicals, chemicals management also complies with regulatory requirements under the Hazardous Chemicals Assessment and Hierarchical Management Measure, as well as 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 possessing 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 during the year.

Malaysia

All chemical suppliers are required to provide a Safety Data Sheet (SDS) for safety and health assessment and extended to environmental impact assessment 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.

Corporate Governance

Good corporate governance instils excellent business practices that will enable the Group to be an industry leader and enterprise role model.

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"¹¹, "Internal Investigation Procedure", "Conflict of Interest Reporting System"¹² and a set of information security related systems to prevent contract fraud, corruption, information leaks, insider trading, unfair competition and other illegal conduct. Vinda has always complied with global anti-money laundering laws and regulations. We require employees to stay alert to suspicious activity 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. Vinda's internal control department conducts independent audits on a regular basis and relevant audit results are directly reported to the Audit Committee of the Board.

According to the annual internal audit plan as approved by the Audit Committee, the internal control department implemented a total of 38 internal audit programmes during the Year. A total of 416 management staff participated in an internal Audit training that covered all regions and positions of the Group and aimed to facilitate the timely discovery and elimination of non-compliance risks.

Directors

All Board members participated in a one-hour anti-corruption training to become familiar with the latest corruption laws and standards.

¹¹ The fraud prevention measures mentioned in the "Anti-Corruption System" mainly include: employees receive code of conduct training and understanding of reporting channels before entering the job, anti-commercial bribery agreements must be signed when collaborating with external parties, annual risk assessment of potential fraud, fraud cases must be reported in time after investigation, and conduct background or integrity check before entering certain positions.

¹² Applies to all departments and employees of the Group.

Employees

Every new Vinda employee signs an Employee Confidentiality Agreement during the onboarding process. Employees are also required to sign an additional Non-Disclosure Agreement or contract with relevant confidentiality clauses when working with suppliers on projects that involve any confidential information of Vinda. In addition, employees can report suspected Code of Conduct breaches through multiple channels including a dedicated email and telephone contact; the relevant director will then authorise the internal control department to conduct an internal investigation into any such reported breaches. During the Year, we have carried out special internal control projects such as the "Employee Conflict of Interest Declaration", "Corporate Risk Assessment" and "Internal Control Self-Assessment". These initiatives aimed to bolster the risk management awareness of managers and employees at all levels, as well as to identify and control potential risks or weaknesses in a timely manner.

The Group investigated one reported case of breach of conduct during the year and corresponding actions were taken against the relevant employee. No corruption lawsuits were filed against the Company or its employees in the same Year.



ANTI-CORRUPTION TRAINING



Supplier Code of Conduct

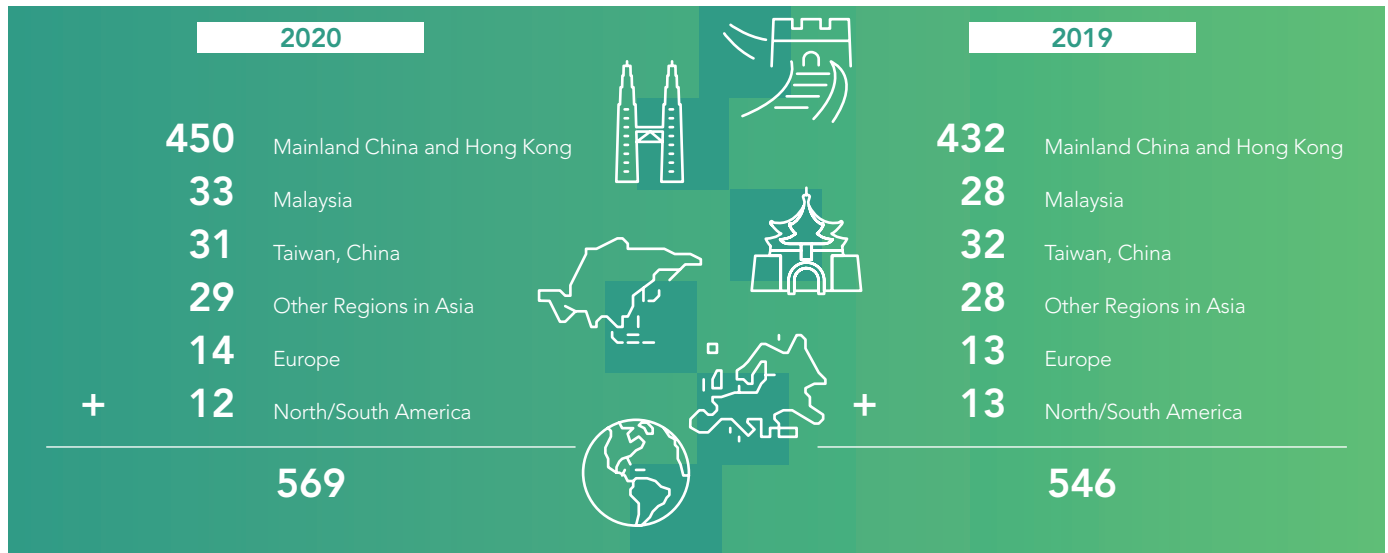
Vinda expects our business partners, including suppliers, consultants and independent contractors to comply with the explicit and implied standards of Vinda's Code of Conduct and Intellectual Property and Confidentiality Agreement. If the behaviour of any business partner violates these standards, we will communicate with them to agree on relevant corrective measures.

Supply Chain Management

We have dedicated departments in various locations to manage supplier relations and related sourcing activities. Establishing long-term partnerships with suppliers supports the stability and reliability of our operations, and proved to be particularly important in the challenging year of 2020.

As of 31 December 2020, the number of active material suppliers¹³ for each region where Vinda has manufacturing operations are:

NUMBER OF ACTIVE MATERIAL SUPPLIERS



¹³ Material suppliers generally refer to 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 material suppliers who have provided services/materials to the Group during the statistical year.

When the Group is selecting a new supplier, the 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 factory environmental standards, risk assessment, manufacturing emissions, hazardous solid waste treatment, occupational health and safety risk assessment, on-site safety management, employee health examination and fire inspection report, etc. All new suppliers have completed all Vinda 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 introduced a Supplier Incentive and Elimination Mechanism program to stimulate healthy competition through a bidding process: this helps to continuously enhance the overall performance and service of our suppliers and improve our supply costs. 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. During the Year, a total of 16 new suppliers were added to Vinda's list of qualified suppliers and all existing suppliers passed our annual supplier review. Vinda also requires all suppliers to strictly comply with all relevant national environmental protection and social policies.

Taiwan, China and Malaysia

We select material suppliers in accordance with our "Supplier Management Standards" and assess the performance of suppliers on a regular basis. Assessment standards are developed to meet the specific needs of each Vinda factory, ensuring that suppliers meet our strict quality and service criteria. In 2020, the average performance evaluation scores of Vinda suppliers in Malaysia and Taiwan, China were 5.96 and 5.75 (out of 6) respectively.

These evaluation scores reflect a supplier's performance in terms of delivery 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 about 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 recognized standards and management systems. As of 31 December 2020, all suppliers have signed our supplier standards. In 2020, 9 new suppliers were qualified for our Malaysia operations and one was qualified to supply to Taiwan, China. A total of 66 suppliers passed the supplier review.

Suppliers' Environmental and Social Responsibility Risks

To support the identification of suppliers' environmental and social responsibility risks, Vinda has been gradually adding information about our suppliers' environmental performance, social responsibility initiatives, as well as 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 companies supplying to Vinda is steadily increasing and currently comprises 95%, 42% and 59% of the overall share of supply to Vinda in Mainland China, Malaysia and Taiwan, China 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 2020, **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 added unforeseen variables to business operations, and the global demand for hygiene products – including products to prevent the spread of the coronavirus – has put a lot of pressure on the transportation and supply chain. Vinda has minimized the impact of transportation uncertainty 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 safety inventory levels.

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

Mainland China

The cost of raw materials related to coronavirus prevention products increased during the pandemic and their supply became tight; in particular, the supply of non-woven fabrics was especially challenging. Several of our raw material suppliers were placed under the coordination of the government as exclusive suppliers of materials for coronavirus prevention efforts. Vinda China set up a task force for the supply of non-woven fabrics, with the Chief Operating Officer leading the task force to drive solutions together with teams across our R&D, procurement and production departments. The R&D department was responsible for finding new suppliers and confirming material specifications; the procurement team was responsible for material supply and delivery planning while production units were responsible for adjusting machine settings to the use of these new materials upon arrival at the factories. During the Year, we quickly started working with three backup suppliers and increased the purchase quantity of materials from overseas suppliers.

Malaysia

Our manufacturing unit in Malaysia also established a pandemic emergency response team comprising the regional management team, heads of product supply departments and product developers. The team closely followed suppliers' processes by monitoring the upstream delivery of materials to their factories, their production schedules, delivery timetables, freight availability and arrivals. To maintain a stable raw material supply, Vinda supported suppliers with advice on how to comply with pandemic related regulations, provided alternative routes of delivery or even dispatched trucks to pick up the materials.

In the event that raw materials cannot be delivered as planned, the team will activate standby or substitute suppliers to fill the supply shortage. Our Malaysia factories currently adopt a dual procurement policy where each high-risk and high-volume raw material can be supplied by at least two suppliers. The qualification of alternative materials is also prioritized if needed.

Vinda's products are categorized as "essential" in Malaysia so transporters are authorised by the government to carry our relevant products. As a preventive response to the current tight supply of raw materials, our safety stock in inventory has been increased up to a range of 4 weeks to 3 months depending on the type of raw material. Extra warehouse space has been secured for this purpose. To minimize delays at congested ports, containers are redirected to less congested ports, or sea freight is replaced by land delivery, such as materials crossing over land from Thailand.

Taiwan, China

In the early stage of the pandemic, the management team of Taiwan, China set up a "Pandemic Work Command Team" and "Emergency Response Centre" to manage a series of related activities. The key task was to keep close control of supply chain and delivery status, as well as establish an emergency management mechanism for raw materials. The purchasing department conducts weekly inspections and tracks the supply risks of suppliers – including raw material and machine spare parts suppliers – and shares updates with the management team for aligned information.

Risk levels are divided into four tiers: A, B, C or D. "Level A" refers to vendors located in coronavirus hotspots and are the only supply source for the Taiwan, China Kaohsiung factory; these suppliers are at the highest risk level. "Level B" vendors are also based at coronavirus hotspots; however, the Kaohsiung factory has alternative sources to diversify this supply risk. "Level C" and "Level D" suppliers present even lower levels of risks. Among these four tiers, the top priority is to address and prevent risks for "Level A" suppliers.

After the risk assessment conducted by the purchasing department, only two out of the 52 raw material vendors were classified as "Level A" vendors, while the remaining vendors – including machine spare parts suppliers – were within the range of controllable risk. Therefore, projects to stock up inventory levels and develop alternative materials were activated for these two "Level A" vendors. As both suppliers were able to quickly resume production, there were no issues faced with their subsequent supply and therefore, no time pressure on the development of alternative materials. The factory also successfully completed the development of alternative materials in about three months, thus eliminating the "Level A" risk completely.

During the pandemic, the purchasing department implemented a strategy to increase the inventory level of raw materials used to manufacture coronavirus prevention products, such as face masks and protective clothing. These included materials such as non-woven fabrics and PE films, where current stocks are between 20% to 30% higher than normal inventory to respond to supply changes; sales growth increased in the first quarter due to consumer 'panic buying' and these buffer stocks were utilized by our factory to ramp up production. These two key raw materials are in strong supply in Taiwan, China and despite the pandemic, there has not been any supply shortage of non-woven fabrics or PE films.

5. People



5. People

Employees are the most valuable assets of Vinda. Vinda believes that cultivating our employees' sense of belonging, satisfaction and collaboration can help us to retain outstanding talents, expand the team while strengthening the capabilities of team members. We advocate equality and fairness, provide a comprehensive and professional training program alongside professional development plans, provide employees with equal opportunities and continuously aim to provide competitive salaries and benefits. Our unique "Vinda family culture" fosters a harmonious and caring work environment with a family-like bond between employees. A job with Vinda not only offers employees a career with a clear development path, but the opportunity to also be part of a big and caring family.

Safety First

Occupational Health and Safety Protection

Occupational health and safety is our top priority and we aim to manage production with the goal of zero workplace accidents. We encourage all factories to run safety and occupational health activities for "Safe Production Month" and "National Fire Safety Day" every year. In addition, the administration department (行政管理中心) 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

The Company's safety processes are continuously being systemised and standardised, through the development of a comprehensive safety management system that includes a set of dangerous work management systems such as the "Safe Production Monitoring and Inspection System", "Workplace Injury and Accident Management System" and "Safety Training and Education Management System" among others.

During the year, we continued to carry out behaviour-based safety observations: a site safety inspection model that focuses on eliminating unsafe behaviours among employees. Over 60,000 safety observations were submitted by employees through this work. We also conducted a Job Hazard Analysis (JHA) and identified 20 core operational areas as key safety concerns, including crane operations, operations in a restricted space, mother roll handling, etc. Through the JHA, we have conducted 676 special safety inspections across our factories. These initiatives have highlighted existing operational risks at our sites, enabling the improvement of both safety protection measures and our employees' ability to detect safety risks.

We continue to optimise and upgrade our "V-safety" mobile app with different features. Currently, information about five key areas – potential hazards management, operations management, behaviour management, incident management and emergency management – can be easily accessed by employees on the Company's online information platform, allowing them to instantly participate in safety initiatives and plans via their mobile phones. The platform provides a convenient channel to strengthen employees' engagement with the Company's safety efforts.

To constantly improve the agility of factories to deal with emergency safety situations, we have organised various emergency drills at our factories, including fire evacuation, simulated chemical leakage, gas leakage in the boiler room and equipment anomalies. In addition, we have focused on improving the effectiveness of emergency drills, increasing the number of emergency drills run during the night, and ensuring the participation of all employees. A total of 252 emergency drills were run during the year.

In view of the continuous decline in the number of work-related accidents within the Company, we have shifted the focus of our safety efforts towards the stronger management of near-misses, encouraging employees to actively report near-misses and guiding all factories to conduct potential hazard inspections and rectifications in a consistent way, so as to eliminate near-misses promptly and avoid the occurrence of any safety incidents.

During the Year in Mainland China, Vinda has organised a total of 2,773 safety trainings and provided a total of 60,990 training hours to reach 121,979 participants. This was an increase compared to 2,149 safety trainings and 49,520 training hours delivered in 2019. The content of safety trainings includes the results of potential hazard inspections, safety incident refreshers, safety signages, etc.

Safety Trainings

Training Hours
60,990

Number of participants
121,979



Mainland China

Taiwan, China

We comply with all relevant regulations under the Occupational Safety and Health Law and have established a safety and health committee to monitor and review the effectiveness of safety and health management on a regular basis. During the Year, we have also achieved the ISO 45001 Occupational Health and Safety Management System certification. We launched the “V-safety” mobile app in 2019 to encourage employees to proactively report potential safety risks and minimize the risk of workplace accidents. There was one LTA (Lost Time Accident) in 2020. During the Year, 316 participants joined in two safety trainings that accounted for a total of 1,406 training hours.

To further comply with the requirements of Regulations for the Occupational Safety and Health Equipment and Measures, we have installed partitions to the electrical panels of electrical equipment around the factory to prevent employees from accidental electrocution.

Malaysia

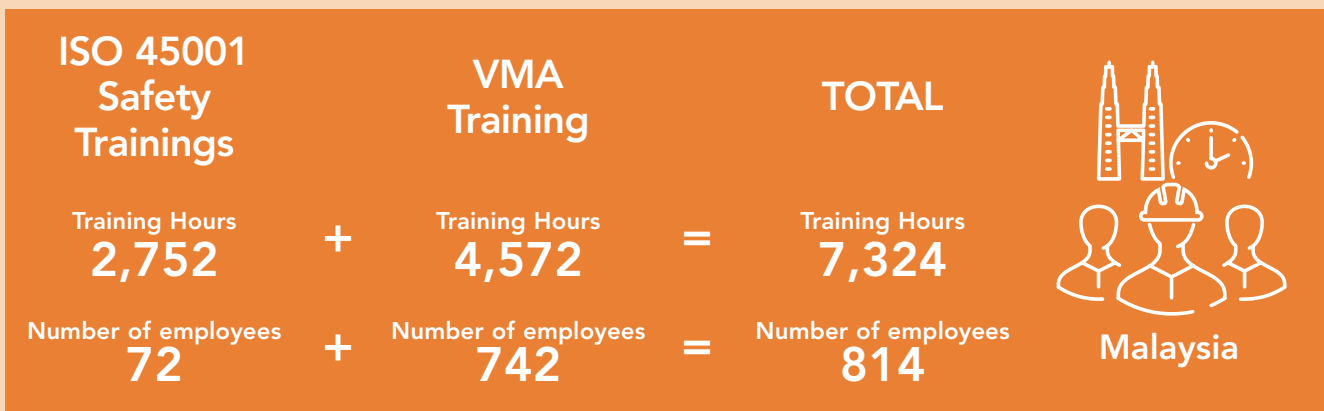
We comply with local safety and health laws and regulations, such as the Occupational Safety Health Act 1994 and Factories and Machinery Act 1967 (Revised – 1974).

We conducted a series of safety training programmes such as training relevant employees to safely operate a “scissor lift”. To ensure the safety of working in confined spaces, we imposed authorisation requirements for the entry of “Entrant and Standby Person”, “Authorised Gas Tester” and “Entry Supervisor” roles to confined spaces. In addition, we initiated a hearing protection campaign and provided audiometry tests for all employees. During the year, we periodically organised emergency drills, a firefighting training with Malaysia’s Fire Brigade as well as targeted trainings to bolster employees’ first aid capabilities, so as to minimise the health and safety risks for all employees.

We also implemented a behavioural safety and unsafe condition reporting mechanism via mobile app to enhance employees’ involvement and 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 three consecutive years. Our commitment to safety has also been recognised for three consecutive years with a Gold Class award by the Malaysian Society of Occupational Safety and Health (MSOSH), a non-governmental safety organization. Globally, we have received a Silver Award by Essity for reaching 750,000 total working hours without any LTAs (Lost Time Accidents). Our factories in Malaysia have been certified in the OHSAS 18001 Occupational Health and Safety Management System since 2015. In 2020, these factories additionally achieved their ISO 45001 Occupational Health and Safety Management System certifications.

During the Year, Vinda arranged ISO 45001 safety trainings that covered 5 different topics. A total of 72 managers, executives and engineers participated in these trainings that spanned 2,752 training hours. Our sites in Malaysia have also launched the “Vinda Manufacturing Academy (VMA)” online training platform that comprises a total of 13 safety training modules. Around 742 employees have completed the VMA training curriculum, accounting for 4,572 training hours. A total of 814 employees completed 7,324 safety training hours in 2020.



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	
	2020	2019
LTA (Lost-Time Accident) (case)	14	17
DLA (Lost-Day from Accident) (day)	808	1,613

Vinda has zero work-related fatalities in the past three years (including 2020).

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 of 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 (疫情应急管理及防控措施要求)", "Coronavirus Prevention Work Guidelines (新型冠状病毒防疫工作指引)" and "SP-005 Workplace Major Infectious Disease Management Measures (SP-005 工作場所重大傳染病管理辦法)" 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 minimizing 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 factory such as canteens, dining places, meeting rooms, offices, pantries, common areas, company vehicles, manufacturing areas and equipment are regularly sanitised. The Company also makes effective use of technology and instant messaging for swift communication.



Mainland China

We have quickly formed a pandemic prevention and control communication team to establish a general publicity column for epidemic prevention and make use of the Company's internal online communication management platform to share relevant updates, care tips and the latest COVID-19 prevention requirements with all employees. We introduced the use of the "Health Check-in (健康打卡)" WeChat app to understand 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 short "Resilient Vinda People (能抗事的維達人)" video clips, engaged in numerous media interviews and provided timely updates to help all stakeholders understand the latest status around the resuming of work and production.

Taiwan, China

We set up a COVID-19 emergency response team responsible for implementing 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 of body temperature, sanitising of hands and wearing of masks to enter the factory. Other measures included the availability of 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 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. After work was resumed, no more than half the total number of employees were permitted to work on site; hence, a shift system was implemented to split the working time of staff members into different shifts and minimize physical contact.



Online meeting to avoid crowd gathering

Employment and Employee Benefits

The Group strictly abides by the employment and labour laws of various jurisdictions. To protect the rights of employees, the Company 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, expenses for medical, unemployment, work injury or maternity fees, 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.

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.

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.

During the Year, we have also organised initiatives such as a Woman's Day Ultra Strong Kitchen Innovations (慶三八韌性新煮意) internal event for female employees to show off their cooking talents, Riding the Wind and Waves (乘風破浪) summer camp for employees' children, Vinda Strikes (維達好球) staff ball games competition, Light and Shadow Talent (光影達人) photography exhibition and Love Life Photography (愛生活·愛攝影) outdoor activity, as well as festive themed events such as the Passion Dragon Boat Festival (濃情端午節) and Happy Mid-Autumn Toughness Festival (韌性中秋樂融融), the second Battle Heroes (戰役英雄) employee e-sports competition, Health and Safety Cup (安康杯) knowledge contest and fire safety competition, the second LOHAS Vinda (樂活維達) art festival, an Amazing Vinda (技能達人行) employee talent competition, Vinda Tea Language (維茶語) literary club as well as a staff jazz dance club, gardening interest group and other team building activities.

The human resources department or labour union in each region organises at least one employee "townhall" every year that is attended by employee representatives from all departments, divisions and manufacturing units. Employee representatives are chosen by other colleagues in their respective departments.

Taiwan, China

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 working environment for employees by introducing different online and on-ground internal activities. To further provide a conducive working environment for employees, we have refurbished our nursing rooms for mothers and training rooms, and constructed a recreational lounge for employees. During the COVID-19 outbreak, we organised online fitness classes, a chef challenge competition, mental health assistance programmes, online game competitions and other activities to continue to interact with colleagues.

Equal Opportunities and Human Rights

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 (excluding the illegal recruitment of underaged minors in all regions), nationality, race, religion, gender, sexual orientation, marital status, pregnancy, disability or political stance.

We strictly forbid the recruitment of labor under the minimum working age as stipulated by law in a bid to prevent child labor and forced labour. Vinda pledges not to force employees to work

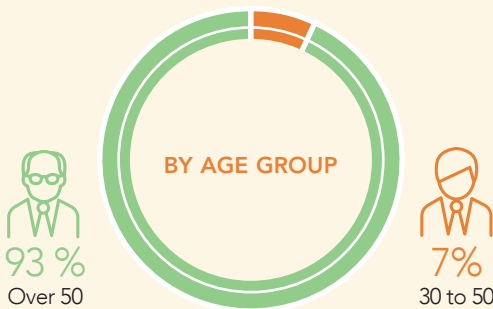
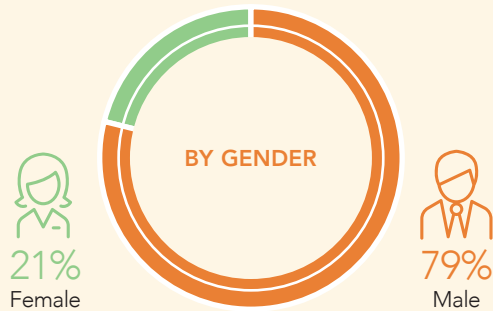
overtime through threats, violence or illegal restrictions on personal freedom, as well as to respect and protect employees’ rights in accordance with the laws.

According to our policies, the prospective employees are required to provide personal identification documents and related information during the hiring process and shall ensure such information is true and accurate. The human resources department conduct review and information verification of the documents and information provided to prevent applicants who are under the legal age of employment from providing false information and fraudulent identity. We are determined to prevent child labour and forced labour. Such employment shall be immediately terminated upon discovery, in accordance with relevant laws and regulations. No incident of child labour or forced labour took place during the Year.

Board of Directors Composition

As of 31 December 2020, our Board comprised of 14 Directors (including the 2 alternative Directors).

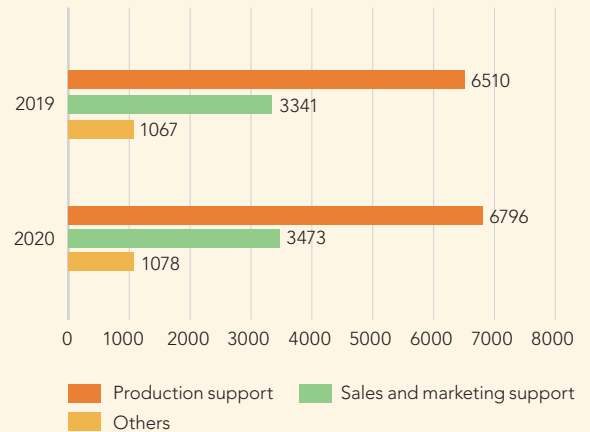
BOARD MEMBER COMPOSITION



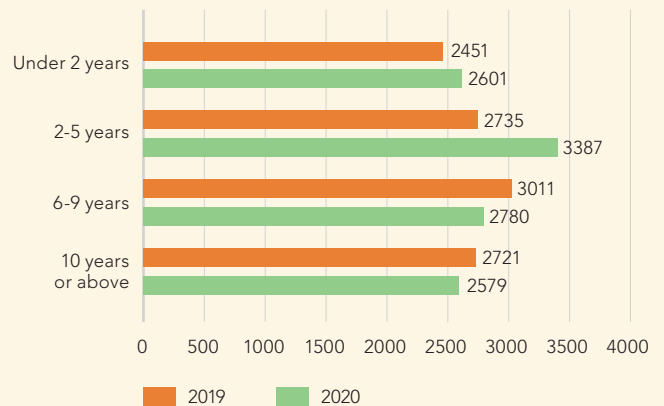
Employee Composition

As of 31 December 2020, we had a total of 11,347 full-time¹⁴ employees and the employee turnover rate for the year was 14.72%¹⁵, which was lower than the previous year 17.52%.

JOB FUNCTIONS OF EMPLOYEES IN 2019 AND 2020



YEARS OF SERVICE OF EMPLOYEES IN 2019 AND 2020












¹⁴ 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.

¹⁵ Method of calculation: Total number of employees who resigned / (total number of employees at the start of the year + total number of new joiners of the year).

Diversity, Equal Opportunities and an Inclusive Workplace

Vinda advocates fairness and gender equality. We have maintained our male-to-female employee ratio at 55:45 for the past three years and aim to upkeep this gender balanced workforce going forward. At the same time, we are also committed to promoting gender equality. For details, please refer to "Section 7 – Community Education" in this Report.

NUMBER OF EMPLOYEES

	2020		2019	
	Pax	Percentage	Pax	Percentage
BY GENDER				
 Male	6,275	55.3%	5,980	54.8%
 Female	5,072	44.7%	4,938	45.2%
BY AGE GROUP				
 Below 30	2,782	24.5%	3,527	32.3%
 30-50	8,116	71.5%	7,047	64.5%
 Above 50	449	4.0%	344	3.2%
BY GEOGRAPHICAL REGION				
 Mainland China	9,539	84.1%	9,172	84.0%
North Asia	384	3.4%	380	3.5%
Southeast Asia	1,424	12.5%	1,366	12.5%
BY EMPLOYEE CATEGORY				
 Senior executive	81	0.7%	71	0.7%
 Middle management	1,836	16.2%	1,759	16.1%
 General staff	9,430	83.1%	9,088	83.2%

Employee Turnover Rate	2020		2019	
	Pax	Percentage	Pax	Percentage
By gender				
Male	1,179	15.8%	1,402	19.0%
Female	780	13.3%	917	15.7%
By age group				
Below 30	1,028	21.3%	1,035	22.5%
30-50	832	10.3%	1,227	14.9%
Above 50	99	27.8%	57	15.0%
By geographical region				
Mainland China	1,671	14.9%	1,827	16.6%
North Asia	53	12.2%	72	15.9%
Southeast Asia	235	14.2%	420	23.5%

Talent Retention and Development Opportunities

Vinda offers fair development opportunities for all employees and has established a professional and clear career development platform.

Vinda organises and reviews the performance of employees regularly. We review career development plans with them based on their abilities and aspirations, and provide them with development opportunities, such as internal or external training courses, job rotations, etc., to further strengthen their professional skills. When vacancies arise, we examine our internal talent pool for suitable internal candidates to fill those positions; internal transfers are given priority when the vacant job position is a good match to the identified talents. Such opportunities support employees' continued growth and progression within the Company.

We work to attract, retain and reward outstanding talents through different schemes, such as long-term incentive plans for senior managers and short-term incentive bonuses for all employees.

Recognising the importance of core professionals for the development of our business, Vinda also provides dual career development channels for teams engaged in technology and e-commerce design in China, so as to cultivate and retain specialist talents for the Company in these areas. Vinda will continue to develop other professional dual development channels where appropriate to strengthen Vinda's professional team.

Comprehensive Training

We are committed to enhancing the professionalism and competitiveness of our staff through comprehensive trainings across various training formats such as workshops, hands-on exercises, experience sharing, online courses, lectures, etc.

Mainland China

In 2020, the "Talent Management Cycle" programme was put in place to enhance our employees' capabilities through comprehensive assessments, evaluation of employees' strengths and potential, as well as the development of more targeted and systematic training initiatives. To build up a talent core, we have implemented the "Talent Development Elite Programme" to actively strengthen the management skills of employees with leadership potential, create a learning roadmap for production staff to clearly understand the requirements of his/her next role and provide them with access to learning materials to support the development of relevant capabilities. Technical teams can also share their experiences and access a knowledge base in our "Papermaking Technology Centre" platform.

In 2020, a total of 827,859 training hours were provided to 9,028 employees in Mainland China.

Taiwan, China

We organise professional and management related courses in accordance with the Company's "Training Management" guidelines. In 2020, we have organised various breakthrough sales, self-awareness and strategic presentation courses to strengthen the collaboration and capabilities of the sales team. We also achieved a 100% participation rate in the Group's "Anti-Corruption Online Training".



In 2020, a total of 4,758 hours of training were provided to 231 participants in Taiwan, China.

Malaysia

In 2020, in addition to the continuation of a three-year "The 7 Habits of Highly Effective People" learning journey, we also embarked on a two-year "Vinda Way of Working for Sales Team (W.O.W.S)" project. The key objectives for the W.O.W.S project are to create a more unified sales behaviour and culture which will eventually translate into the core values of Vinda. In addition, Vinda Malaysia has also rolled out a "Coaching Journey" to develop leadership skills among line managers of the business team. We have also introduced a mindfulness plan to help our employees to cope with stress during the COVID-19 pandemic.

As of 31 December 2020, a total of 25,470 training hours were provided to 984 employees in Malaysia.

TOTAL NUMBER OF EMPLOYEES TRAINED

	2020		2019 ¹⁶	
	Pax	Percentage ¹⁷	Pax	Percentage ¹⁸
 BY GENDER				
Male	5,917	52.2%	5,862	53.7%
Female	4,326	38.1%	4,994	45.7%
 BY EMPLOYEE CATEGORY				
Senior executive	48	0.4%	23	0.2%
Middle management	1,548	13.6%	1,406	12.9%
General staff	8,647	76.2%	9,427	86.3%
 Total number of employees trained	10,243	90.3%	10,856	99.4%
Total training hours	858,087	N/A	149,851	N/A

2020

Average Training hours per employee^{19, 20}

84

By gender

Male	71
Female	101

By employee category

Senior executive	23
Middle management	65
General staff	87

¹⁶ The data for training in 2019 does not include the number and hours of training in Malaysia.

¹⁷ Method of calculation: total number of trained employees in this category / total number of employees in this category

¹⁸ Method of calculation: total number of trained employees in this category / total number of employees in this category

¹⁹ Method of calculation: total training hours in this category / total number of trained employees in this category

²⁰ There is no record regarding the number of trained employees and training hours occurred in Malaysia for 2019.

6. Environment



6. Environment

Environmental protection is an indispensable part of our sustainable development strategy and Vinda has consistently left no stone unturned in its environmental efforts. From the sourcing of raw materials to the production process, Vinda is committed to maintaining a balance between business and sustainable development from end-to-end. The Group not only complies with relevant legal requirements, but in many cases, also proactively adopts advanced international management standards and industry best practice cases to minimise its impact on the environment while contributing towards environmental efforts.

Solid Waste Management

Operating units in all regions strictly comply with relevant local laws and regulations, including but not limited to Taiwan, China's Waste Disposal Act and Malaysia's Environmental Quality (Scheduled Wastes) Regulation and Solid Waste and Public Cleansing Management Act, etc. 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 (e.g. domestic waste, etc.) is processed by appointed general contractors. Each factory stores hazardous waste in designated controlled locations until ready for collection, whereby the hazardous waste will be handed over to companies that are qualified for hazardous waste disposal, to avoid polluting the environment. 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.

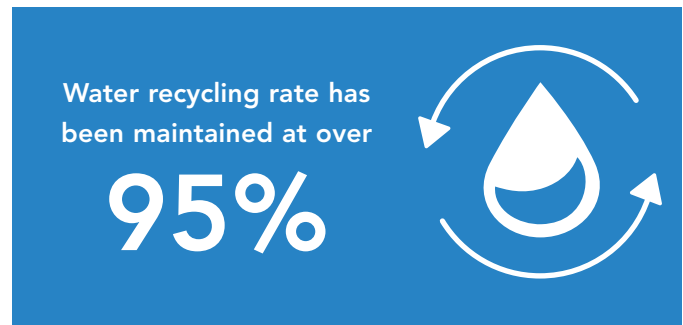


Water Conservation

Sewage Discharge

Vinda's papermaking facilities in Mainland China adopt wastewater discharge methods based on the situational requirements of respective locations. 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 included in 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.

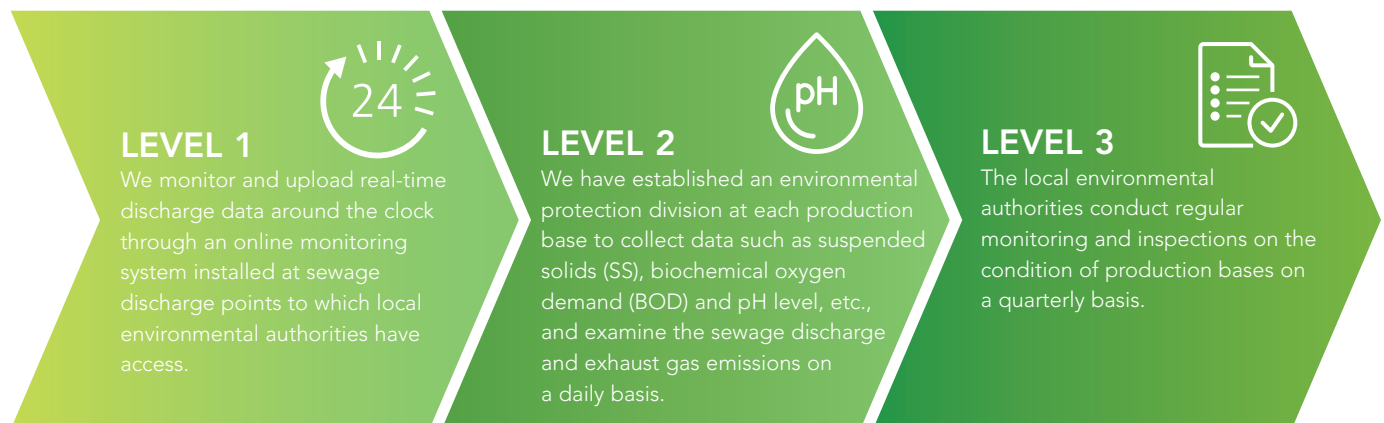
Local governments of every district advocate centralising the sewage systems and streamlining wastewater discharge standards in industrial parks. Currently, seven of our Chinese factories in Jiangmen, Hubei, Zhejiang, Liaoning, Shandong, Sichuan and Yangjiang have included sewage discharge into their local industrial park sewage treatment systems. For factories not included in the centralised sewage treatment of 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 standards²¹.



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 as much as possible, and the water recycling rate has been maintained at over 95%.

Ink is one of the most important substances to be handled in factory sewage and involves the discharge of liquid waste from the ink cleaning process. 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.

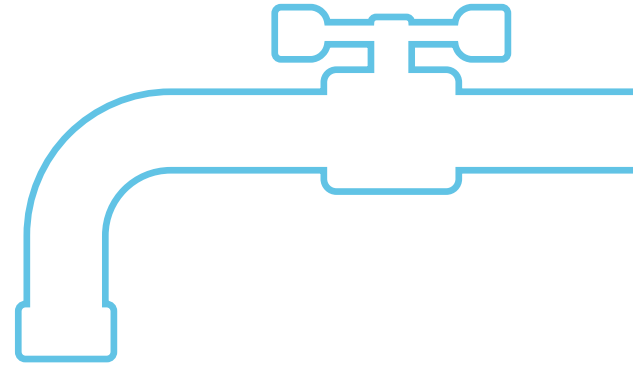


²¹ Compliance with the local discharge standard, such as Beijing Municipal Standard "DB11307-2013 Comprehensive Standard for Discharge of Water Pollutant (《DB11307-2013 水污染物綜合排放標準》)", Guangdong Provincial Standard "DB44/26-2001 Regulatory Standard for Discharge Limits of Water Pollutants (《DB44/26-2001 水污染物排放限值的標準規定》)".


Reduction in Water Use

The Company uses different methods 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; we also recycle water from the fire pump for testing. In suitable locations, water taps are equipped with sensors to reduce water wastage during hand washing. In addition, we continue to promote the message of "saving water" and promptly identify and rectify related facilities and behaviours as part of day-to-day management. For example, a dedicated department regularly inspects water equipment to effectively reduce water consumption; if leaking water equipment is discovered during these inspections, they will be repaired 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.

During the Year, our revenue from tissue and personal care categories accounted for 82% and 18% of the Group's total revenue respectively. As water consumption within our tissue (papermaking) operations is the main driver of water consumption for the Group, the water consumption of our tissue production operations and the water consumption per ton of paper are published here.



WATER CONSUMPTION

		2020	2019
	Unit		
Water consumption (Tap water)	m ³	8,551,062	7,925,957
Water consumption (Underground water)	m ³	1,125,872	1,218,852
Water consumption (Surface water)	m ³	1,591,543	1,480,419
 TOTAL CONSUMPTION	m ³	11,268,477	10,625,228
Water consumption intensity	ton/ten thousand revenue	6.82	6.61

TISSUE SECTOR

Water consumption	m ³	10,553,699	9,994,573
Water consumption per ton of paper	m ³ /ton	10.29	10.12

Exhaust Gas and Carbon Dioxide Emission

We understand that carbon emissions are one of the main culprits of climate change, and of the air pollution caused by industrial waste gas. Vinda strictly abides by 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 Taiwan, China and "Environmental Quality Act" in Malaysia, etc. There were no major violations related to exhaust emissions during the Year.

Heat is an important source of energy in the papermaking process. Based on the situational requirements of each location, the Group's tissue production sites adopt a heating source in this order of preference: centralized heating, steam boiler or coal-fired boiler. Out of the ten tissue production bases of the Group, three in Xinhui, Hubei and Yangjiang 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", etc.

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 when appropriate. For example, electric stackers are a prioritised choice when considering the replacement of our diesel-powered stacker and employees are asked to plan 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.

LEVEL 1

We monitor and upload real-time emissions data around the clock through an online monitoring system installed at emission points to which local environmental authorities have access;



LEVEL 2

We set up environmental protection departments at each production base to control the emissions of sulphur dioxide (SO₂), dust, and nitrogen oxides (NO_x); the boiler departments operate in strict accordance with the regulations, and keep track of the status of the bituminous coal stocks, as well as the operation and monitoring of boilers;



LEVEL 3

The environmental protection bureau where each production base is located conducts quarterly supervisions and inspections, or engages a qualified independent third-party for inspection and testing.





EXHAUST GAS EMISSION

	Unit	2020	2019
Nitrogen oxides (NO _x)	ton	150.89	194.17
Nitrogen oxides (NO _x) emission intensity	kg/ten thousand revenue	0.09	0.12
Sulphur dioxide (SO ₂)	ton	42.25	83.99
Sulphur dioxide (SO ₂) emission intensity	kg/ten thousand revenue	0.03 ²²	0.06

CARBON DIOXIDE EMISSION

	Unit	2020	2019
Direct emission ²³ (Scope 1)	ton	359,244	383,214
Energy indirect emission (Scope 2)	ton	787,150	716,456
Total emission	ton	1,146,394	1,099,670
Total emission intensity	kg/ten thousand revenue	0.69	0.68



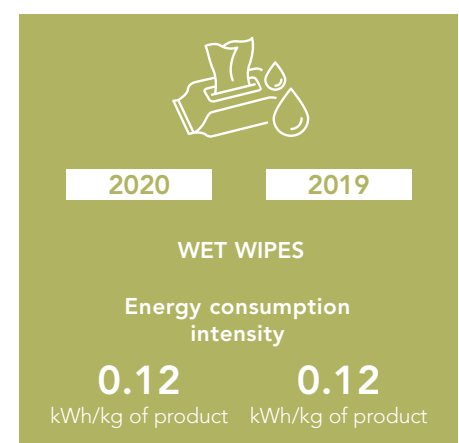
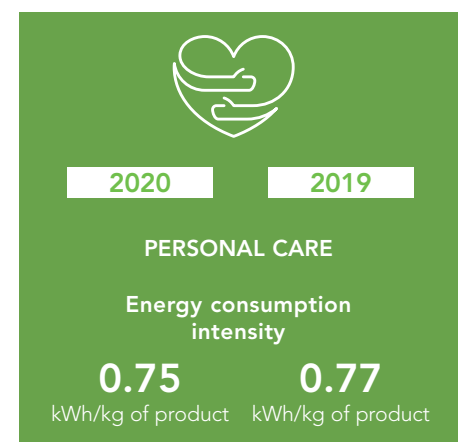
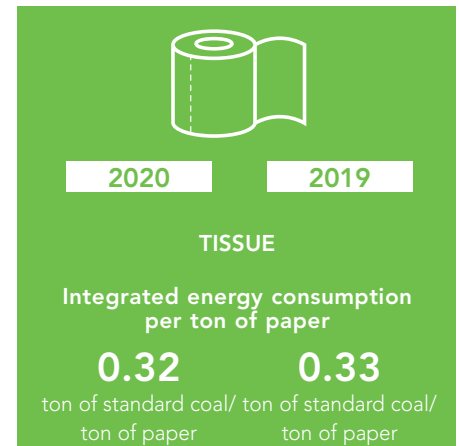
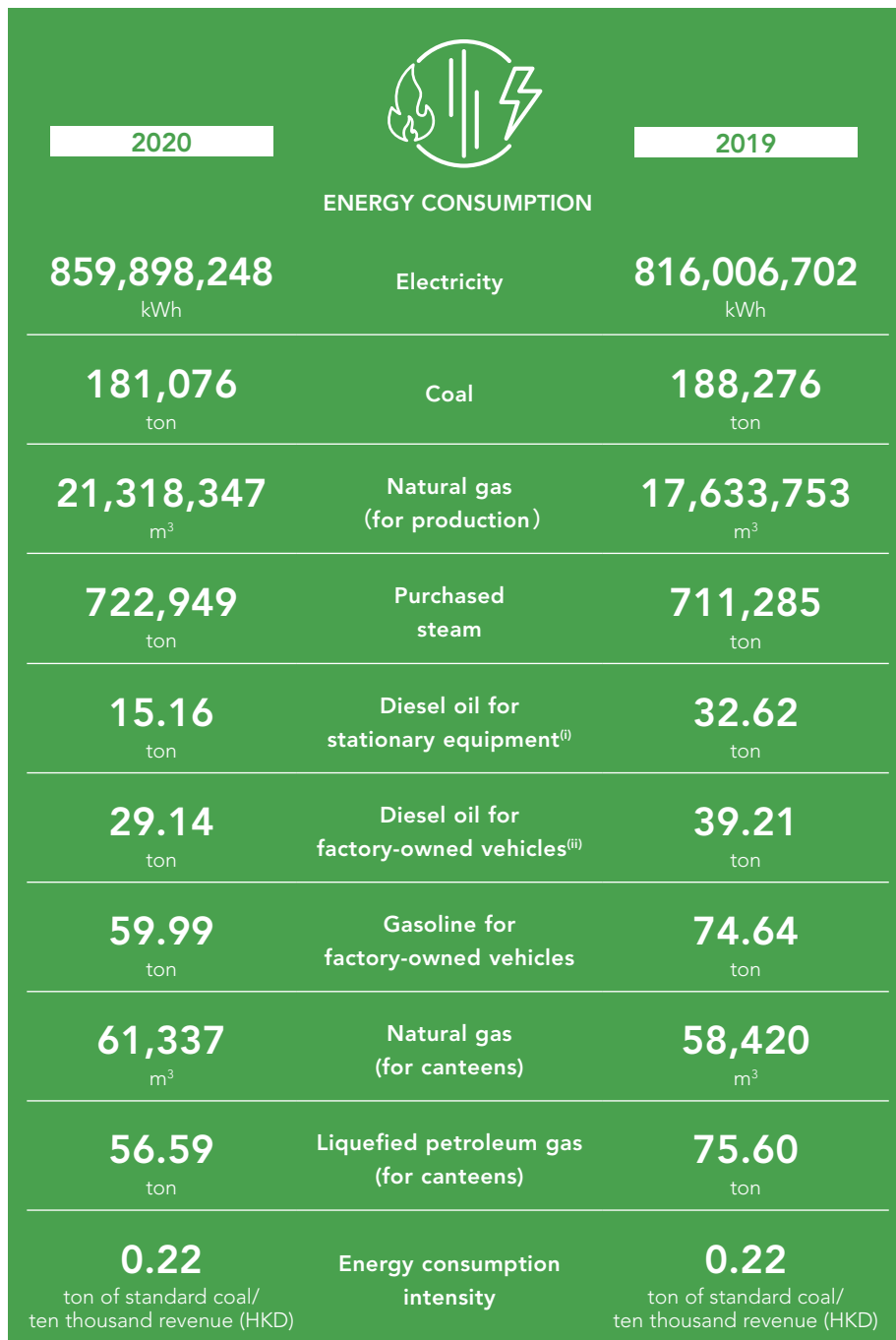
²² Compared with the previous year, the emissions of nitrogen oxides and sulphur dioxide have been significantly reduced, due to the fact that the Xinhui plant has proceeded modification on the low-nitrogen combustion of boilers and has modified facilities in 3 sets of boilers for reduction of nitrogen oxide emissions, as well as the desulfurization towers of boilers for reduction of sulphur dioxide emissions.

²³ 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, Taiwan, China and Malaysia.

Energy Management

We select appropriate and effective energy sources based on the situational requirements of each factory location and have established a complete management system to improve the monitoring of energy consumption. At present, the main energy sources used for production are electricity, coal, natural gas and purchased steam, etc. The energy management system covers these main energy sources and related equipments. Some of our

production sites are equipped with an intelligent Energy Monitoring System (EMS) to collect and monitor real-time operational data such as start-up rate, production capacity, etc. We analyse and summarise this data on a regular basis to develop improvement plans and continually optimise our production.

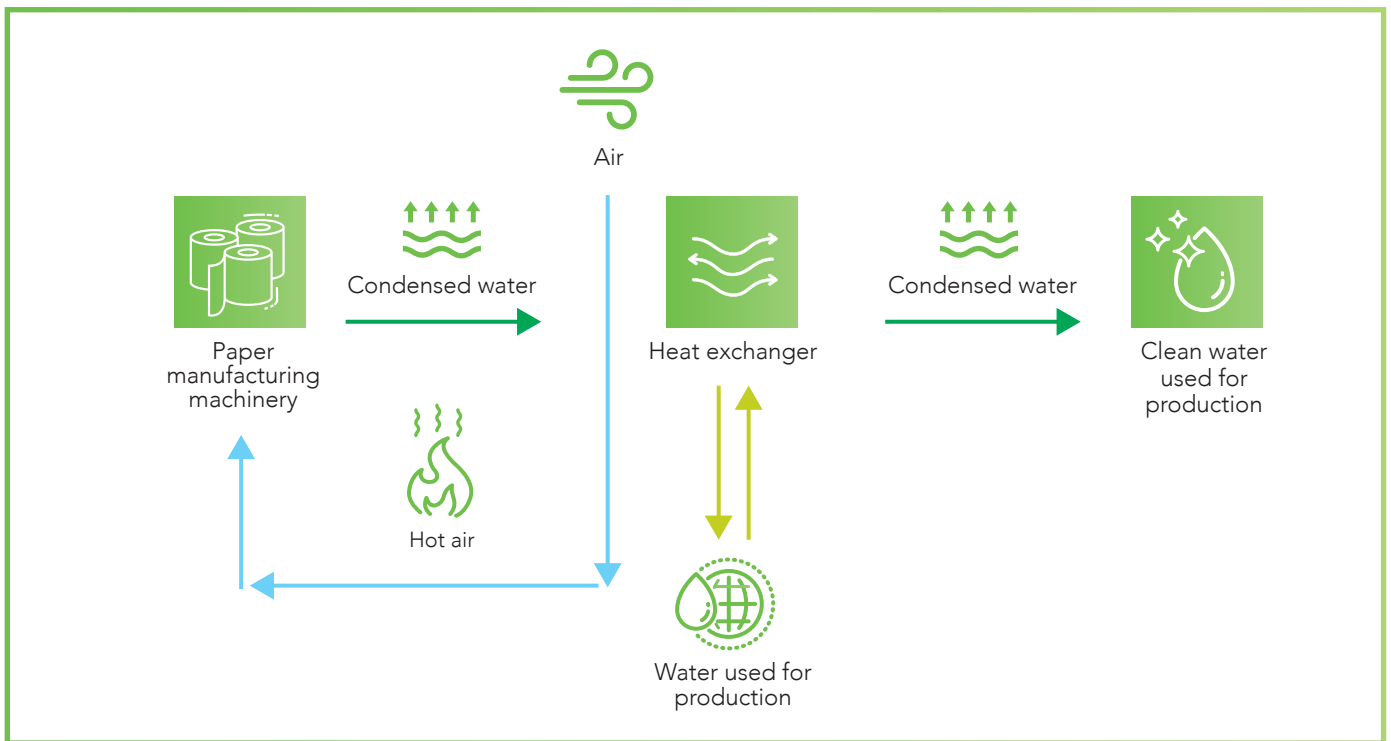


Notes

- (i) The significant reduction in diesel oil consumption by stationary equipment compared to the previous year was due to a switch from the use of diesel oil to electricity for the Jiangmen, China factory's canteen operations.
- (ii) The significant reduction in diesel oil consumption by vehicles compared to the previous year was due to the reduced use of owned vehicles in Malaysia, as a consequence of engaging external subcontracted transportation to replace one company-owned vehicle which was out of order during the reporting period.

To support the long-term sustainable development goals of the Group, we have formulated key energy consumption performance indicators to be regularly reviewed and controlled for each production site, and have also set up an incentive system within the Group to reward teams with outstanding performance on energy efficiency and reduction of energy consumption.

The Group actively adopts new equipment, and develops new technologies to improve energy efficiency, reduce energy consumption or wastage and indirectly reduce greenhouse gas emissions. For example, in 2020, we have driven several energy saving projects, such as saving steam in the papermaking process, reusing water from the condensation process and effectively recycling hot air from the papermaking machine.



New Energy Saving Measures Implemented in 2020	Energy saving performance
<p>Liaoning, China – The use of improved drying technology and additional fresh heated-air in the tissue making process increases the drying efficiency of the paper machines and reduces steam consumption</p>	<p>Annual purchased steam savings of 6,200 tons, based on the annual output of 42,000 tons</p>
<p>Liaoning, China – The technical optimisation of the pulp refinement process directly generates savings in electricity consumption</p>	<p>Average monthly energy consumption savings of 96,000 kWh</p>
<p>Taiwan, China – The upgrade of pulp shredding systems to lower energy consumption models significantly reduces the consumption of electricity in the production process</p>	<p>Annual energy consumption saving of 650,000 kWh</p>

Photos of equipment prior to enhancement

Photo of equipment after enhancement



Rough shredding equipment



Fine shredding equipment



Direct release to storage tanks after shredding

In 2020, the following projects have been developed to reduce greenhouse gas emissions and increase the use of renewable energy.

Measures	Achievement
<p>Northern China – 18 sets of street lamps in our factories were changed from traditional lights (80 Watts) to solar powered lighting (100 Watts)</p>	<p>Directly reduced electricity consumption through the switch to solar powered lighting while improving the brightness of the street lamps</p>
<p>Shandong, China – since May 2020, 30% of the bituminous coal used in the boiler was replaced with subbituminous coal of lower carbon content, in accordance with the government’s coal reduction requirements</p>	<p>Reduced coal consumption per ton of paper produced by about 10%</p>

In addition to initiatives in our factories, the Group is also actively implementing 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, installing heat-reflecting window films, etc. 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.



Climate Change

The management regularly assesses the risks brought about by climate change, and identifies extreme weather as the main risk brought about by climate change, which would eventually lead to damage caused by typhoons and heavy rainstorms. Each factory manages the different risks specific to their local area by analysing the Company's risk factors and past incidents, determining potential hazards and formulating appropriate emergency plans to keep production and operations running under these conditions. Relevant departments are required to organise at least one emergency drill every year to ensure that relevant employees are familiar with the implementation of these emergency plans.

Container Storage

Heavy rains 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.

Warehouse Structure

The heavy rainfall brought by extreme weather poses a potential risk to the safety of some of our warehouses, such as the long-term corrosion of roofing sheets and screws. Sharp increases in the number of consecutive heavy rain days can also accelerate rusting and resulting in leakages on rainy days, which increases the risk of water damage to stored materials. Regular inspections and maintenance are required to ensure the solid roofing of our warehouses.

Emergency Management of the Supply Chain

The risks of floods caused by heavy rains can hinder our supply and transportation routes and affect the timeliness of raw material supply and shipments. In addition, climate change has increased the global temperature of the earth and caused water levels in low-lying areas to rise, thus affecting the sustainability of relevant raw material planting areas, and in turn, presenting certain supply risks from our current material suppliers. Thus, the Company has formulated relevant procurement principles and a list of alternative suppliers for emergency purposes. We avoid purchasing from a single supplier or a single area (except for specific materials required by the customer) and strive to prepare a second (or more) source of supply materials to diversify such potential risks that can cause disruption or other negative effects to our supply chain.

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 reduce greenhouse gas emissions, thereby mitigating the effects of climate change. Examples include striving to reduce 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.

The Environment and Natural Resources

Along the entire value chain from product design to production, transportation, storage, and of course to the consumer, we actively consider the integration of green concepts to reduce our environmental impact and make good use of natural resources. The research and development of green consumer initiatives cover these four aspects:

i. Products with environmentally friendly ingredients

ii. Packaging materials that can be recycled or reused

iii. Product design

iv. Promotion to consumers about environmental protection

i) Products with 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 environment, we consider the suitability of ingredients in the development of baby diapers and strictly follow European Standards of Product Safety Assessments. *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* range are certified to be free of the 26 allergens defined by the European Union and therefore suitable for sensitive skin.

Use of Eco-Friendly Ink in Packaging and Products

Toluene-free Ink

Currently 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. We ensure that any product in direct contact with the baby's skin will not be exposed to this solvent. During the production process, we also ensure that the production team will not touch or inhale toluene.

Water-based Ink

All our shipping cartons use water-based ink. Water-based ink does not contain toxic chemicals and its use is beneficial to printers, consumers and our environment.

Use of Renewable Materials

Furthermore, we are committed to cooperating with suppliers to use renewable materials in product manufacturing. For example, in 2020, our feminine care products were produced using PEFC (Programme for the Endorsement of Forest Certification) certified paper supplied by Mondi Heerlen.

ii) Packaging Materials that can be Reused or Recycled

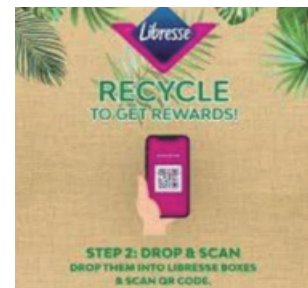
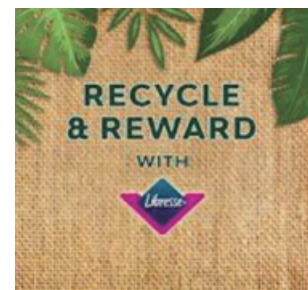
In 2019, we reduced the use of plastic materials in polybags of baby diapers and feminine care products as follows:

- *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

By 2020, the Company had taken the environmental initiative of introducing 500ml refill pouches that aim to reduce the use of plastic in *Drypers Baby Care* products; compared with the 750ml bottle packaging, the refill pouch reduces plastic consumption by 75%. This product provides consumers with an environmentally friendly alternative.



The Group's *Libresse* brand also launched a "Recycle & Reward Programme" at a chain of 50 Watsons pharmacies in the same year. A product collection box was integrated as part of a *Libresse* retail product display and prominently located in each store; empty feminine hygiene product polybags of any brand could then be disposed of in the collection box. To encourage the active participation of customers and consumers in this programme, coupons that could be redeemed on the next purchase occasion were given to consumers for each polybag they recycled. Collected polybags were then sent back to Vinda for recycling.



iii) Product Design

We are committed to reducing the carbon footprint of our products through the continuous improvement of our product design. 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* – brands embarked on a carbon footprint assessment conducted by SIRIM, a premier industrial research and technology organization in Malaysia. Our voluntary participation in this assessment aims to track the effectiveness of our GHG emission reduction and GHG removal measures.

iv) Promotion 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!
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. In 2020, the baby diaper products of the *Skinature by Drypers* range were 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. Restrooms 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 restrooms.



Public restrooms fulfilled by *Tork* at Shijiazhuang Zhengding International Airport

7. Community





Community

Vinda places great emphasis on establishing meaningful relationships with institutions and communities, and understands that we have a responsibility to contribute to the communities we operate in. Through the efforts of Vinda volunteers, the Vinda Charity Foundation and product donations, we actively support community welfare initiatives in several areas such as gender equality, education, elderly services, home safety and critical illness aid, etc. We carry out community education and continue to uphold the “Home Care” ideal. This year, fighting the pandemic was clearly one of our community focus areas.

Giving Back to Society

In the next five years between 2021 and 2025, Vinda will continue to engage in voluntary service with a goal to provide a total of 8,000 volunteer hours.

Vinda Volunteer Team

In 2020, activities organised by the Vinda volunteer team in Mainland China included a “Caring for Youth” (護苗有愛你我同心) education fundraiser and a donation initiative with the Volunteer Service Federation of Xinhui District (新會區志願服務聯合會) to support students in poverty. Vinda volunteers also participated in the emergency maintenance of face mask production equipment and supported with condolence activities. As of 31 December 2020, 399 Vinda employees in Mainland China provided 1,451 hours of community service through various activities.

In Hong Kong, Vinda sponsored the “Lifeline Express Charity Run” fundraising event for the sixth consecutive year; the initiative aims to provide free surgery for cataract patients in poverty-stricken areas in the Mainland.

Due to lockdowns in Malaysia that restricted the movements of people, the main volunteer activities during the year were donations amounting to more than 335,000 Malaysian ringgit made by Vinda to the Yayasan Food Bank Malaysia, Hospital Sungai Buloh and Hospital Kuala Lumpur to support the fight against COVID-19.

In Taiwan, China, Vinda has donated about 64,000 New Taiwan, China dollars worth of baby diapers and adult diapers to support 17 organisations, including the Taiwan Maple Urological Association and the Taipei City Lishin Charity Foundation (財團法人台北市立心慈善基金會). As of 31 December 2020, 42 Vinda employees in Taiwan, China provided a total of 160 hours of community service through various activities.

Vinda Charity Foundation

We have long supported underprivileged students, elderly and severely ill patients under the Vinda Charity Foundation for years. 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. There are now 12 “The Same Old Place with Vinda” food kitchens; 11 of which are in Xinhui city and the remaining one in Xiaogan. Approximately **46,000 free meals were served in 2020**. Due to the COVID-19 pandemic, these elderly food kitchens had to be closed from February to May 2020 but resumed partial operations in June.

“Warmth to the Home” is a program that organises home visits to the underprivileged elderly and others in need. In 2020, we visited and presented gifts to 340 elderly aged 80 years or above and living in different locations, and 11 people with special predicaments due to low income, disabilities, severe illness or other reasons.

The Vinda Charity Foundation also provided additional financial aid to 125 people living in hardship due to the COVID-19 pandemic.

In 2020, the Vinda “You Are the Best Education Fund” provided financial assistance for 38 underprivileged students to further their studies. The accumulative number of students who have received assistance from Vinda to date has reached 85 since 2014. The Vinda Charity Foundation encourages students who have received financial assistance to also volunteer their service in return and in the spirit of “Giving Love”; these students have contributed an accumulative 6,821 of voluntary service hours since the start of the project in 2014. Many students who graduated and have started working also proactively donate to the Vinda education fund every year, fulfilling the cycle of this “Inheritance of Love” in action.

Community Service

1,451 Hours

Free Meals

46,000



Community Education

Through the *Libresse*® feminine care brand, Vinda raises awareness about important topics related to health and hygiene among girls, boys, 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 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 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 continue breaking deep rooted social taboos that hold women back and inspire confidence in women.

Additional COVID-19 Relief

Vinda is fully aware that the COVID-19 pandemic has created financial pressure on some employees. The Vinda Charity Foundation cooperated with Vinda China to allocate care funds to identified employees affected by the pandemic in a systematic manner so as to help 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 fight the pandemic.



Vinda Group donated and distributed hygiene products at the pandemic frontlines



Since 25 January 2020, Vinda has donated batches of hygiene products to various pandemic prevention and control centres in Wuhan City and Xiaogan City of Hubei Province, including major hospitals, frontline medical professionals and their families and nursing homes etc. Product donations included 21,000 packs of *Vinda* napkins, 3,275 cartons of *Vinda* disinfecting wet wipes, 1,500 *Vinda* toilet rolls, 1,600 cartons of *Tempo* napkins, 4 cartons of *Tempo* moist flushable tissue, 100 sets of *Tork* hand sanitisers, 950 cartons of *Libresse* sanitary napkins, 920 cartons of *TENA* adult diapers, and more.

8. Our Commitment

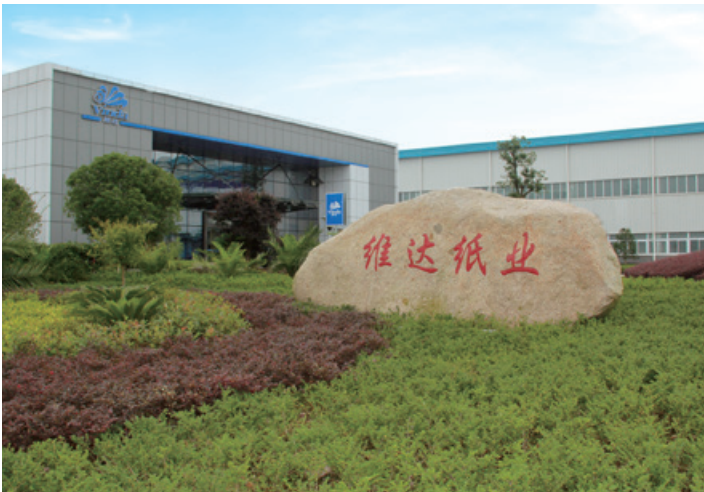


8.



Our Commitment

As a leading hygiene company in Asia, we are committed to continuously improve Vinda's environmental performance in a holistic manner. We actively seek out environmentally friendly technologies, drive product innovations and explore biodegradable materials to provide the market with more environmentally friendly and sustainable choices. We play a role in sustainability education and advocacy, and strive to fulfil our social responsibilities as a corporate citizen. We believe that only through continuous efforts and engagement to create value and "win-win" outcomes with our stakeholders, can we truly drive the sustainable development of our business.



APPENDIX 1

Index of the Exchange's ESG Reporting Guide to the Report Section

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 non-hazardous waste.	Section 6. Environment
KPI A1.1	The types of emissions and respective emissions data.	Section 6. Exhaust Gas and Carbon Dioxide emission
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. Exhaust Gas and Carbon Dioxide emission
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 6. Solid Waste 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. Solid Waste Management
KPI A1.5	Description of the emission target(s) set and steps taken to achieve them.	Section 6. Exhaust Gas and Carbon Dioxide emission
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 6. Solid Waste Management
Aspect A2: Use of Resources		
General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Section 6. Environment
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. Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Section 6. Water Conservation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Section 6. Energy 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 6. Water Conservation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Section 4. Product Responsibility
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. The Environment and Natural Resources
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. The Environment and Natural Resources

ESG Reporting Guide	Description	Section of The Report
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. 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. Climate Change
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 5. Fair Recruitment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Section 5. Fair Recruitment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Section 5. Fair Recruitment
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 5. 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 5. Safety First
KPI B2.2	Lost days due to work injury.	Section 5. Safety First
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Section 5. 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 5. Comprehensive Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Section 5. Comprehensive Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Section 5. Comprehensive Training
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 5. Employment and Employee Benefits
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Section 5. Employment and Employee Benefits
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Section 5. Employment and Employee Benefits

ESG Reporting Guide	Description	Section of The Report
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosures	Policies on managing environmental and social risks of the supply chain.	Section 4. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Section 4. Supply Chain Management
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 4. Supply Chain Management
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 4. Supply Chain Management
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 4. Supply Chain Management
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 4. Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Section 4. Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Section 4. Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Section 4. Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Section 4. Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Section 4. Product Responsibility
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 4. Corporate Governance
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 4. Corporate Governance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Section 4. Corporate Governance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Section 4. Corporate Governance
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 7. Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Section 7. Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Section 7. Community