



Vinda International Holdings Limited

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

*Healthy Lifestyle
Starts with Vinda*

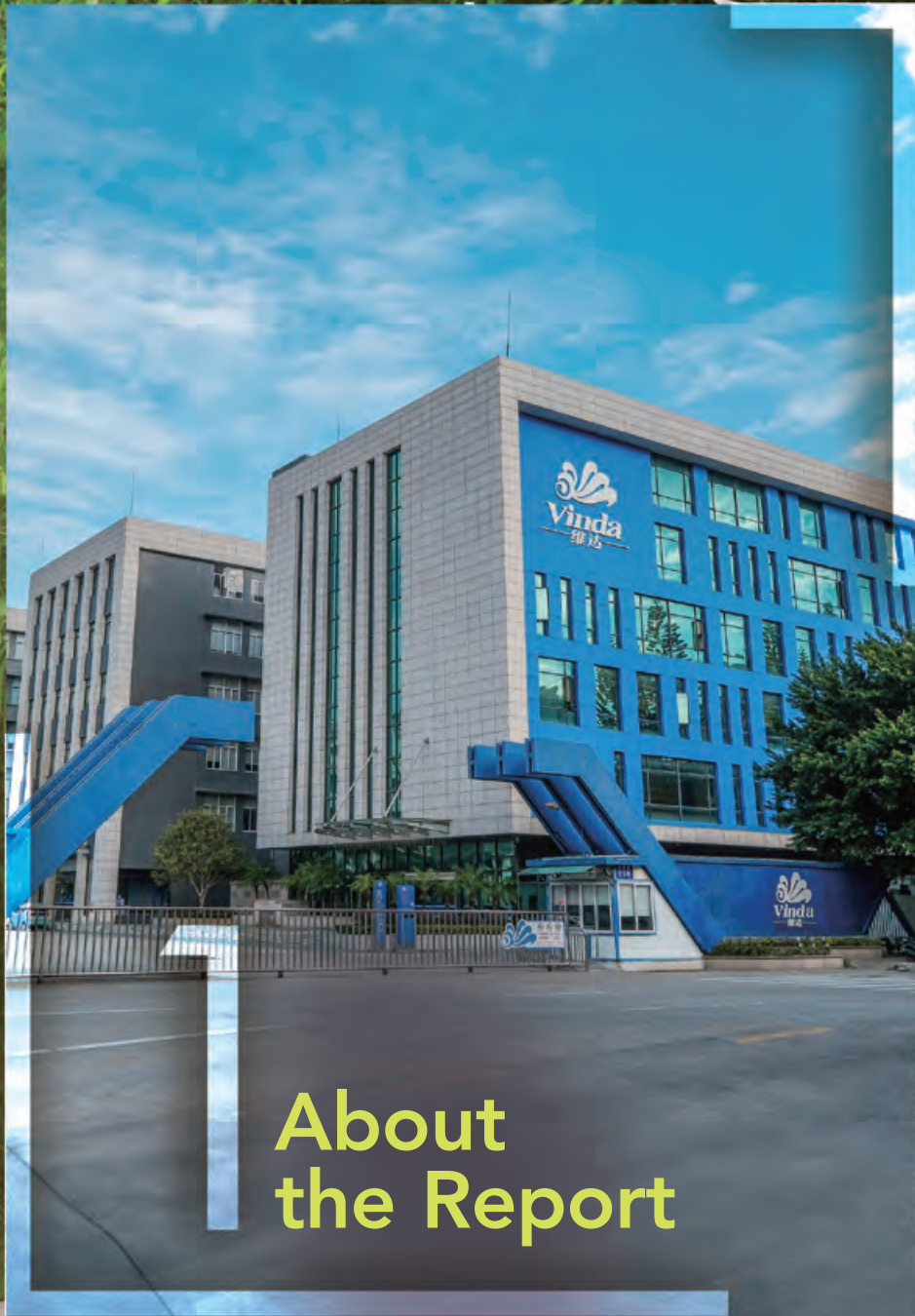


2023

Environmental, Social and
Governance Report

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About the Report

About the Report

Scope of the Report

The main revenue of Vinda International Holdings Limited (“Vinda” or the “Company” and together with its subsidiaries as the “Group”, “we”, “us”) is derived from its tissue and personal care segments in China, Southeast Asia and Korea. The scope of disclosure in this Environmental, Social and Governance Report 2023 (the “Report”) covers the sustainability initiatives and performance of the Group’s ten factories in operation (or eight as classified by “legal entities”¹) in Mainland China, two factories in Malaysia and one factory in Chinese Taiwan for the year ended 31 December 2023 (the “Year”).

Reporting Period

The Report aims to objectively and fairly review the Group’s performance and effectiveness based on Environmental, Social and Governance (“ESG”) standards in 2023. To increase the comparability and completeness of the report, certain contents may date back to previous years where applicable.

Standards of the Report

The Report is formulated based on the Environmental, Social and Governance Reporting Guide (the “Guide”) published by the Stock Exchange of Hong Kong Limited (the “Exchange”). The Report

complies with all “comply or explain” provisions of the Guide, and reports on all required disclosures of the Guide. The Report is prepared with reference to the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD).

Contacting us

The electronic version of this Report has been published on the website of the Exchange and is available on the Company’s sustainable development website at <http://www.vinda.com>.

If you have any questions or feedback about this Report and its contents, please email us at esg@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.

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.

Balance

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

Quantitative

The Group has recorded and estimated quantitative data 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.

Consistency

Since 2015, we have followed the 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.



About
Vinda

About Vinda

Company Profile

Vinda was founded in 1985 and has its headquarters in Hong Kong. Vinda, a large-scale hygiene products company in Asia, was listed on the Main Board of 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 daily necessities, with its high-quality hygiene products and services in the market. Vinda has been in the leading position of the industry with innovation and establishment of high-quality brands to improve the well-being and health of life of consumers continuously. Vinda also integrates the principle of sustainable development into its business operations, refining products, safeguarding the ecosystem,

caring for employees, working together, and contributing back to the community. Vinda aims to realising multi-win situation in terms of economic, environmental, and social benefits, with a view to becoming “Asia’s first choice for hygiene products and services”.

Brand operations

Vinda has established top ten advanced production bases in mainland China, one in Chinese Taiwan, and two in Malaysia. It is mainly engaged in tissue, incontinence care, feminine care, baby care and professional hygiene solution, with main known brands, such as *Vinda*, *Tempo*, *Tork*, *TENA*, *Dr. P*, *Libresse*, *Libero* and *Drypers*.

*Healthy Lifestyle
Starts with Vinda*

CORPORATE CULTURE AND VISION

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



About Vinda

CORE PRINCIPLES

SUSTAINABILITY

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

EMBRACE CHANGES

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

INNOVATION

- Investing 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

HIGHLIGHTED PERFORMANCE OF ESG IN 2023

Economic Performance



Operation revenue
HK\$ **19,999** million



Net profit HK\$ **253** million

Environmental performance



Active use of green energy, with approximately **24 million** kWh of photovoltaic power generation used at each plant in 2023, and expected to reach **35 million** kWh in 2024



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



2 industry carbon neutral standards officially implemented

Social performance



Provided **1,890** hours of voluntary service



614 volunteers participated in the events

Honours and Awards for the Year 2023

Over the past years, Vinda has been adhered to the concept of sustainability and created sustainable values for customers and society through upgrading products and optimising services, winning multiple awards and recognition from government authorities, industry constitutions and media platforms.

Overall performance of Sustainability



Company Name	Award/Recognition	Organiser
Vinda International Holdings Limited	Outstanding Award for Green and Sustainable Loan Issuer	Hong Kong Quality Assurance Agency
Vinda International Holdings Limited	Asia's longest-running ESG awards – Platinum Awards	The Asset
Vinda Paper (China) Company Limited	Advanced Unit of Contribution to Enterprise Economy Development in 2022	Committee of the Chinese Communist Party (CPC) of Sanjiang, Sanjiang County People's Government of
Vinda Paper (Zhejiang) Company Limited	2022 TOP 30 Manufacturing Enterprise of Quzhou City	Enterprise Entrepreneur Association of Quzhou City
Vinda Paper (Zhejiang) Company Limited	2022 Special Award of the County Chief, Top-10 Import and Export Enterprise, Higher-level Award, Outstanding Contribution Entrepreneur	Committee of the CPC of Longyou County, Longyou County People's Government
Vinda Paper (Zhejiang) Company Limited	Top 5 Chain Leading Enterprises in the Industry Chain of Longyou County	Industrial Base Leading Panel Office of Longyou County
Vinda Paper (Shandong) Company Limited	Outstanding Enterprises of Quancheng	Committee of the CPC of Jinan City, Jinan Municipal People's Government
Vinda Paper (Sichuan) Company Limited	2023 Key "Leading Roles" Enterprise of Deyang City	Deyang City People's Government
Vinda Malaysia Sdn Bhd	Bronze – Pro Bono/Festive/CSR/Govt/Cultural/Entertainment	The APPIES Malaysia 2023
Vinda Malaysia Sdn Bhd	Malaysia Manufacturing Innovation of the Year – Consumer Goods for the "Automated inspection of 100% of the products" project	Manufacturing Asia Awards 2023

About Vinda

People



Company Name	Award/Recognition	Organiser
Vinda International Holdings Limited	2023 China Talent Management Innovation Award	A human resources service provider in China – Beisen
Vinda International Holdings Limited	Best Practices in Corporate Culture Award, and awarded with “2023 KNX Rising Award of Human Resources Digitalisation Best Practices Pioneer of the Year” and “2023 KNX Rising Award Top 50 of Human Resources Digitalisation Cases of the Year”	A human resources service provider in China – KNX
Vinda International Holdings Limited	Favorite Employer Award 2023 from Shixiseng.com	A human resources service provider in China - Shixiseng.com (實習僧)
Vinda Paper (China) Company Limited	Jiangmen City Industrial Engineers Alliance Paper and Paper Products Industry Chain Sub-Alliance	Human Resources and Social Security Bureau of Jiangmen City
Vinda Paper (Zhejiang) Company Limited	Model Home of Workers of Quzhou City	Labor Union of Quzhou City
Vinda Paper (Zhejiang) Company Limited	The Excellent Case of deepening the construction and reform of Non-public Enterprises’ industrial workers of Quzhou City	Working Coordination Office of Industrial Workers in Quzhou City to promote the construction and reform in the new era
Vinda paper (Liaoning) Company Limited	Outstanding Employer Branding Award	Office of the Leading Group for Building Harmonious Labor Relations of Anshan City
Vinda Paper (Shandong) Company Limited	Member of Safety Development Union	Industrial & Commercial Enterprise of Jinan City
Vinda Paper (Beijing) Company Limited	China Preferred Employer in 2022	A human resources service provider in China - Zhaopin.com (智聯招聘)
Vinda Trading Company Limited Shenyang Branch	2022 China Best Employer of the Year Nomination Award	A human resources service provider in China - Zhaopin.com (智聯招聘)

Environment



Company Name	Award/Recognition	Organiser
Vinda Personal Care (China) Company Limited	Green Plant	Ministry of Industry and Information Technology
Vinda Paper (China) Company Limited	2023 "Leader in Energy Efficiency" of the Paper Industry in Guangdong	Guangdong Paper Association
Vinda Paper (China) Company Limited	2023 "Leader in Water Efficiency" of the Paper Industry in Guangdong	Guangdong Paper Association
Vinda Paper (China) Company Limited	Clean Production Enterprise of Jiangmen City	Industry and Information Technology Bureau of Jiangmen City
Vinda Paper (Shandong) Company Limited	Demonstration Unit of Industrial Water-saving of Jinan City	Industry and Information Technology Bureau of Jinan City, Urban and Rural Water Affairs Bureau of Jinan City

Community



Company	Award/Recognition	Organiser
Vinda Paper (China) Company Limited	Outstanding Volunteers Services Team: Vinda Voluntary Services Team	Volunteers Association of Xinhui District, Jiangmen City
Vinda Paper (China) Company Limited	2022 Top 10 Basic-Level Trade Unions in the New Era of Jiangmen City	Labor Union of Jiangmen City
Vinda paper (Zhejiang) Company Limited	2022 Special Award of People's Government of Quzhou City: Second Prize of Social Contribution Award	Quzhou City People's Government
Vinda paper (Sichuan) Company Limited	2022 "Woman Pace-setter Group" of Deyang Economic Development Zone	Women's Commission of Deyang Economic and Technological Development Zone
Vinda paper (Sichuan) Company Limited	National May Fourth Red Flag Youth League Branch	Central Committee of the Communist Youth League
Vinda paper (Sichuan) Company Limited	2020-2022 Charity and Caring Enterprise	Hebi City People's Government, Foreign Investment Association of Deyang City
Vinda Malaysia Sdn Bhd	2023 Singapore Red Cross Award	Singapore Red Cross Awards



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Our
Sustainability
Governance

Our Sustainability Governance

Vinda adheres to core principles of sustainability and continues to drive sustainability management integrating into daily operation. To realise optimised allocation of resources and promote the sustainability agenda more efficiently, we have established sustainability governance structure, engaged in in-depth communication with stakeholders, conducted materiality assessment of sustainability-related topics, confirmed the focus and priorities of sustainability management for the Year, and actively promoted the achievement of the sustainability goals in line with our mission, vision, development strategy and business model.

Statement of the Board

The Board of Vinda attaches great importance to sustainable development, greatly believes that sound sustainable development governance system is the internal foundation for the efficient fulfilment of corporate external environmental and social responsibilities, and has closely integrated the concept of sustainable development management with its development strategy. To achieve the Group's sustainable development objectives, we continue to strengthen our sustainable development risk management, regularly review the progress of our sustainable development, and reasonably adjust our sustainable development governance approach. Meanwhile, we maintain close communication with internal and external stakeholders, listen to the opinions of multiple parties, and fully incorporate the sustainable development idea in our operational decisions.

We maintain close communication with stakeholders and conduct regular assessments of materiality topics based on the external macro environment and internal development strategies. Related outcome of the materiality assessment are submitted to the Board for review. For details of the assessment process and outcome, please refer to the sections "Stakeholder Engagement" and "Material Topics Assessment" in this Report.

The Board has overall responsibility for assessing and determining the nature and tolerance extent of risks (including those related ESG) identified by the Group in the risk management system and internal monitoring system. We adopt a rigorous and consistent approach to identify, assess, respond to and report on opportunities and risks that affect the Group's objectives and ESG strategy. The Group holds regular management meetings to ensure that the measures against identified risks are implemented in accordance with the requirements of the Group strictly. In addition, we are deeply aware that climate change poses risks and opportunities that could have a significant impact on the Group's business, strategy, or financial performance. During the Year, we have continued to identify climate change risks and opportunities in terms of physical risks, transformation risks and potential opportunities, and have taken actions to address them. For the outcome of identified risks and opportunities and the measures, please refer to the section "Topic: Our Climate Action" in this Report.

The Report disclosed details of the progress and effectiveness of the Group's sustainability management efforts in 2023, as reviewed and approved by the Board. The Board and all Directors of the Group warrant that 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 with no false information, misleading statements or material omissions. We have also engaged an independent professional organisation, SGS-CSTC Standards Technical Services Co. Ltd., to conduct an independent audit on the greenhouse gas emissions data stated in the Report, so as to verify the accuracy of the disclosed data.

Vinda's Sustainability Strategy and Vision

Sustainability is one of Vinda's core principles

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

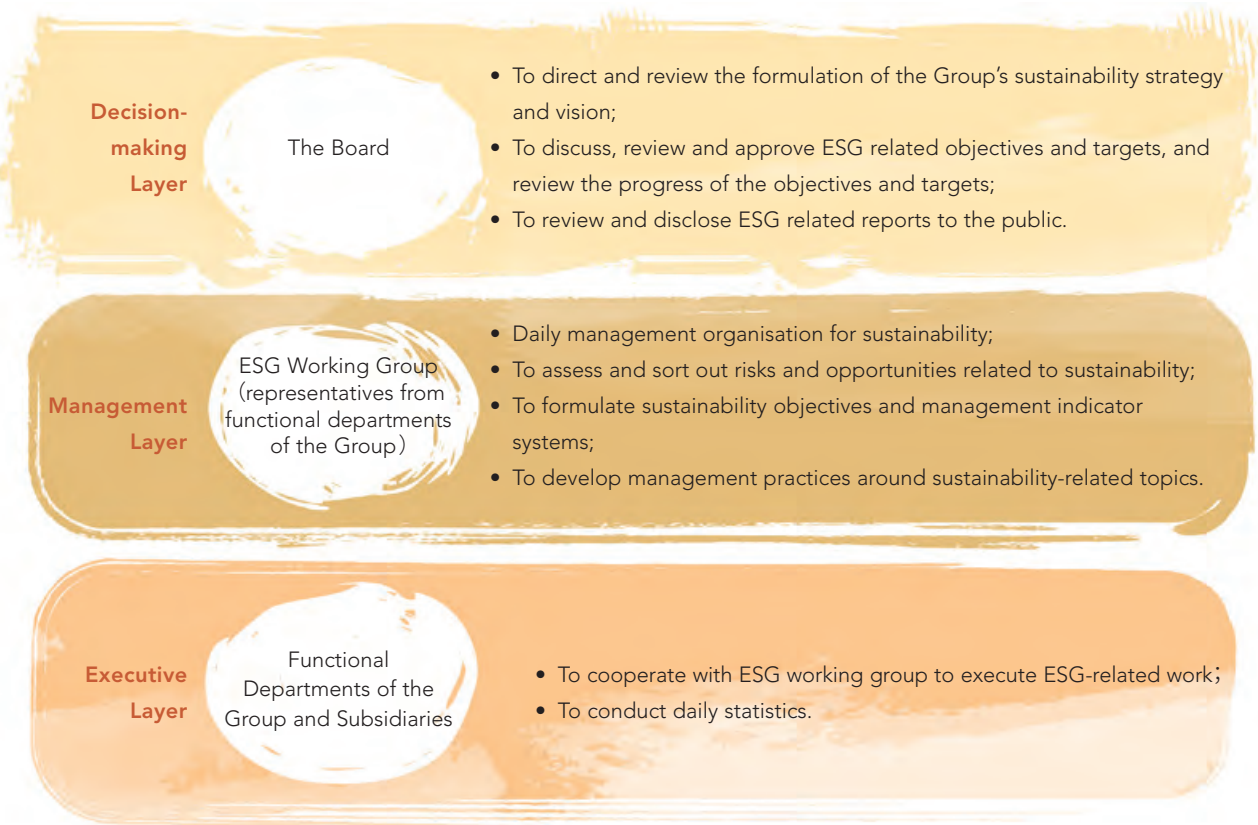
We work closely with our stakeholders to minimise our environmental impact across different areas such as sourcing, production and sales

Our Sustainability Governance

Sustainability Governance System

Vinda continuously improves the top-level design of sustainability governance and has established a three-layer sustainability governance structure from top to bottom. The decision-making layer represents the Board, with the Chief Executive Officer and Executive Directors making sustainability decisions of the Group. The management layer represents the cross-functional ESG working group, comprising of members from the quality management, human resources, procurement, administration, marketing, investor relations and internal control centre across three major regions: Mainland China, Chinese Taiwan and Malaysia. The working group's responsibilities are to determine ESG risks, formulate sustainability objectives and manage indicator system, and delegate the work related to the key sustainability topics to the responsible departments and subsidiaries. The executive layer represents the Group's functional departments and subsidiaries, which are responsible for the daily statistics and concrete implementation of ESG-related work.

Vinda's Sustainability Governance Structure



During the Year, the Board of the Group has assessed and reviewed the Group's work process in the environmental, social and governance areas. In the future, we consider incorporating the sustainability management performance into the annual assessment of each of our underlying businesses and matching incentive system, so that all employees will be fully aware of the importance of sustainability management and the Group will be driven to think about long-term sustainability strategies and approaches to better avoid ESG risks and grasp ESG opportunities, thereby bringing long-term sustainability value to the Group.

In addition, to implement in depth the Group's sustainability idea and vision, we have established Integrated Management System (IMS), which defines the management requirements in the four dimensions of product quality, occupational safety and health, environmental impact and corporate social responsibility, to further standardise our business activities.

Our Sustainability Governance

Vinda's consolidated management system

01 Product Quality

- The product must be safe to use for its intended purpose.
- Products shall meet the requirements of applicable stakeholders.
- To control supply chain process through raw materials, production, warehousing, and delivery to provide safe and high-quality products to customers and consumers.
- Continuous improvement and regular review of operational content through ISO 9001 and best practice sharing.

02 Occupational Safety and Health

- To comply with applicable laws and relevant requirements. To provide safe, healthy and secure working conditions for all personnel and applicable parties by preventing work-related injuries and adverse effects.
- To identify, control and eliminate hazards that may cause accidents or illnesses.
- To encourage workers to consult and participate in matters related to safety and health.
- With appropriate and sufficient resources available to implement the safety and health program.
- To improve continuously and review regularly safety and health performance through ISO 45001 and best practices sharing.

03 Environmental Impact

- To comply with applicable laws and relevant requirements.
- To maintain systems and procedures to minimise the impact on the environment due to operations, reduce emissions, and prevent pollution.
- To effectively protect natural resources, materials and energy use.
- To improve continuously and review regularly environmental performance through ISO 14001 and best practices sharing.

04 Corporate Social Responsibility


- To conduct our activities in accordance with our Code of Conduct (CoC) and comply with the applicable requirements of the rules.
- To respect basic human rights. To provide non-discriminatory working environment for our employees and treat all business partners fairly without favour.
- To manage good sources/raw materials from forests and wood products and act in accordance with supplier standards.
- To contribute socially to the communities in which the enterprise already operates.



Our Sustainability Governance

Sustainability Risk Management

The Group recognises deeply the significant impact that known environmental and social risks around the world can have on stakeholder interests, corporate reputation, financial position, operational management, and sustainability performance. We identify and address the external risks we face actively and review and rectify the risks within the Group. We hold regular management meetings to perform comprehensive assessment of Vinda’s nature of business and the locations in which we operate, identifying a range of potential sustainability risks and formulating risk response measures to moderate negative impacts they bring.

Type of Risk	ESG-related Risks	Risk Response Measures
 <p>Human Capital Development</p>	<p>The Group’s sustainable development could be affected by increased costs resulted from rising employee turnover rates, human capital loss due to natural attrition, and decline in the ability to attract talent of enterprises.</p>	<p>Employees are always one of the most essential assets of the Group. We have improved our human resources management system and requirements with the focus on talent attraction, talent development and occupational health and safety to provide our employees with comprehensive interests’ protection, aiming to enhancing employee cohesion and satisfaction.</p> <p>For details of human capital management, please refer to “Chapter 6 - Sustainable Community” of the Report.</p>
 <p>Clean Technology</p>	<p>In the recent years, the communities are paying increased attention to environmental issues, while different countries and regions continue to tighten environmental laws, regulations, and standards. It is expected that the Group will face stricter laws and regulations on energy conservation, carbon reduction and environmental resource management.</p>	<p>We have actively adopted new equipment and developed new technologies to reduce overall energy consumption and carbon emissions by enhancing energy efficiency. In terms of clean energy use, we have made full use of the favourable sunshine conditions in our operations to roll out distributed photovoltaic power generation facilities and promote the Group’s low-carbon transformation.</p> <p>For details of energy, water, and management of waste and emissions, please refer to “Chapter 5. – Sustainable Ecology” of the Report.</p>
 <p>Climate Change</p>	<p>Climate change will trigger a variety of physical risks including extreme weather often accompanied by natural disasters in various regions. This can affect the day-to-day business operations of enterprises, and threaten the health and safety of employees.</p>	<p>We have set carbon emission targets and identified climate-related physical risks, transformation risks and opportunities. Based on the identified physical risks, we have implemented a series of measures to reduce their effect on the Group’s production, operations and supply chain.</p> <p>For details of measures against climate change risk, please refer to the section “Topic: Our Climate Actions” of the Report.</p>


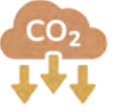
Our Sustainability Governance

Sustainable Development Targets

With the Guide of the United Nations' Sustainable Development Goals (SDGs) of 2030, we have formulated the sustainable development roadmap for the next five years to clearly define Vinda's future direction. The Board will annually review the implementation and the progress of the targets and raise requests and recommendations for action on management initiatives that need improvement.

Vinda's Sustainable Development Targets include energy management, carbon emissions, waste recycling, water resources, sustainable procurement, community service and fair employment. Through setting targets, we further specify the Group's sustainability focus areas and priorities, promote the integration of sustainability into daily business operations, and facilitate Vinda to continuously improve its sustainability management.

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



Targets	Progress in 2023	Implementation during the Year	SDGs
 Energy Management	To reduce the Group's use of standard coal in energy consumption by 500,000 tons, as benchmarked against the advanced value ² of China's national standard.	Reduced use of standard coal in energy consumption by 357,600 tons in total.	In progress
 Carbon Emissions	To reduce the Group's carbon emissions by 1 million tons, determined by comparing against the benchmark ³ released by the Guangdong Provincial Department of Ecology and Environment in 2019.	Reduced carbon emissions by 889,600 tons in total.	In progress



² 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).












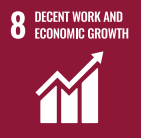
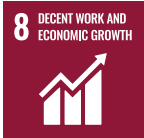
³ Benchmark is 1.301 tons CO₂/ton of paper during the tissue converting process in the paper manufacturing industry, in accordance with the "Guangdong Province 2019 Carbon Emission Allowance Allocation Implementation Plan (廣東省2019年度碳排放配額分配實施方案)" issued by the Guangdong Provincial Department of Ecology and Environment.

Our Sustainability Governance

Targets		Progress in 2023	Implementation during the Year	SDGs
 <p>Waste Recycling, Resources Recycling, Packaging Materials</p>	<p>More than 90% of all packaging to be made of renewable/recyclable materials.</p> <p>Research and develop the use of biodegradable plastics as raw materials, and gradually increase the proportion of biodegradable materials in products.</p> <p>95% of waste⁴ to be recycled or used for energy recovery.</p> <p>To maintain 100% of hazardous waste to be managed by qualified third parties for disposal.</p>	<p>100% packaging was made of renewable/recyclable materials.</p> <p>The biodegradable plastics development project continued as planned. Completed biodegradable materials related tests, and carried out pilot production and sales.</p> <p>Approximately 95% of waste was recycled or used for energy or material recovery.</p> <p>100% of hazardous waste was managed by qualified third parties for disposal.</p>	<p>In progress</p>	
 <p>Green Supply Chain</p>	<p>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.</p>	<p>100% of the Group's top twenty raw and auxiliary material suppliers (excluding wood pulp suppliers) in terms of purchasing volume were ISO 14001 certified in environmental management.</p>	<p>Achieved</p>	

⁴ Non-hazardous wastes, such as papers, plastics, coal residues, oven residues, metal products, etc.

Our Sustainability Governance

Targets		Progress in 2023	Implementation during the Year	SDGs
 <p>Water Resources</p>	<p>To reduce the Group's water consumption by 100 million cubic metres⁵.</p> <p>Water recycling rate: > 98%.</p>	<p>Reduced water consumption by 70,500,000 cubic metres in total.</p> <p>Water recycling rate: > 98%.</p>	In progress	 
 <p>Sustainable Sourcing</p>	<p>To source wood pulp from controllable forest land.</p>	<p>The wood pulp we sourced came from controllable forest land.</p>	In progress	  
 <p>Community Service</p>	<p>To provide 8,000 hours of voluntary service</p>	<p>Provided 5,834 hours of voluntary service</p>	In progress	
 <p>Fair Employment</p>	<p>Vinda is an equal opportunity employer that practices gender equality. Our average male-to-female employee ratio has been 56:44 for the past 3 years and Vinda will continue to maintain this gender balance in our workplaces.</p>	<p>Our male-to-female employee ratio was 57:43</p>		 
	<p>To manage all production operations with a target of maintaining zero workplace fatalities.</p>	<p>Workplace fatalities was 1</p>		

⁵ 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.

Our Sustainability Governance

Stakeholder Engagement

Stakeholder Identification

We attach great importance to keeping communication closely with internal and external stakeholders and actively respond to their concerns. Vinda has established diversified and effective communication channels to understand expectation from each of stakeholders timely and conducted negotiation and response to the sustainability topics they concerned about, so as to steadily promote the orderly implementation of the Group's various sustainability efforts.

Stakeholder Communication Channels and Appeals

Stakeholder Identification	Communication Appeals	Communication Channels
Customers and Consumers	<ul style="list-style-type: none"> • Product Safety • Business ethics • Privacy protection • Service quality • Continuous innovation 	<ul style="list-style-type: none"> • Telephone/email • Customer surveys • Consumer satisfaction surveys • Consumer complaints and opinion handling • Customer visits and factory audits • Tradeshows
Employees	<ul style="list-style-type: none"> • Rights protection • Training development • Caring about employees • Appeals communication • Salaries and benefits • Occupational health 	<ul style="list-style-type: none"> • Occupational health and safety trainings • Regular meetings • Internal publications (e.g. announcements, newsletters) • Advice feedback platforms (such as suggestion boxes, letters and email) • Performance reviews • Surveys
Shareholders and Investors	<ul style="list-style-type: none"> • Governance standards • Strengthening risk control • Steady operation • Value creating • Information disclosure 	<ul style="list-style-type: none"> • Annual general meeting • Annual report and interim reports • Annual and interim results announcements • Corporate website • Investor meetings, calls and video conferences • Site visits
Regulators	<ul style="list-style-type: none"> • Compliance with laws and regulations • Payment of taxes in accordance with the laws • Job creation 	<ul style="list-style-type: none"> • Government website • Seminars, visits and workshops • Supervision/inspection and evaluation
Suppliers	<ul style="list-style-type: none"> • Operation with integrity • Openness and fairness • Timely communication • Win-win development 	<ul style="list-style-type: none"> • Telephone/email • Site visits • Supplier annual audit • Surveys
Local Communities	<ul style="list-style-type: none"> • Community development • Society value 	<ul style="list-style-type: none"> • Community development programmes • Volunteer service activities

Our Sustainability Governance

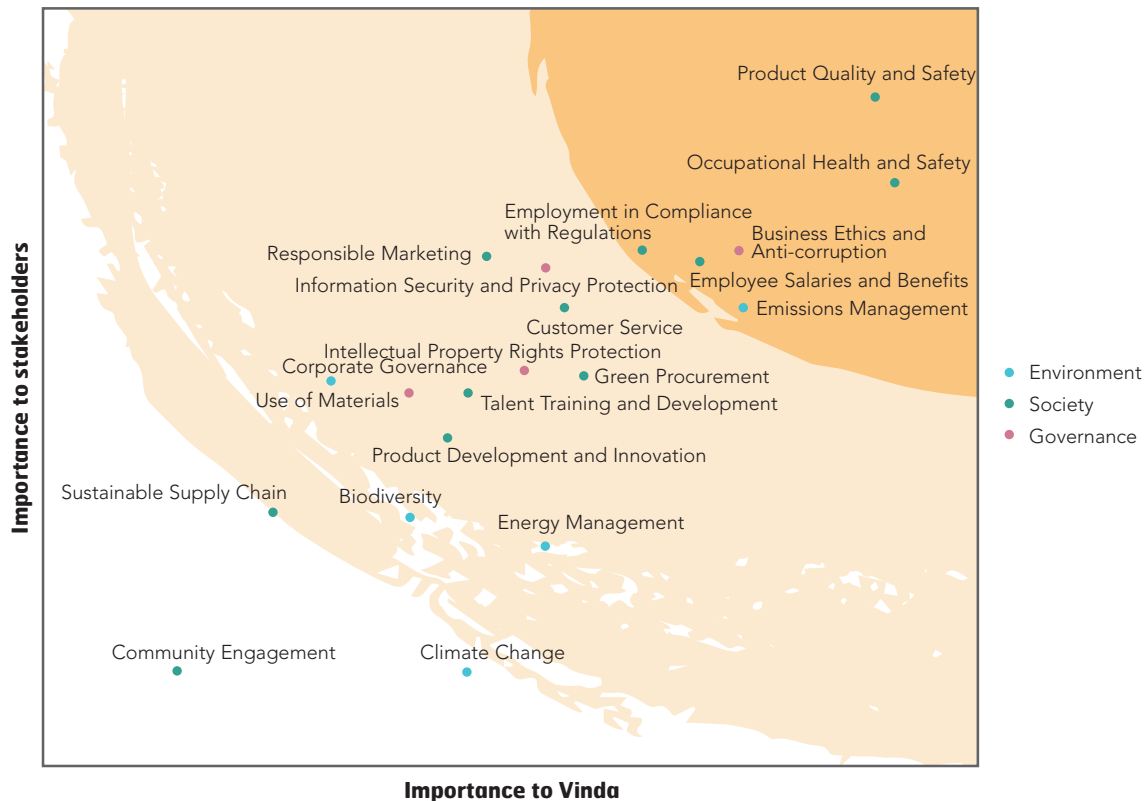
Material Topics Assessment

During the Year, Vinda engaged an external consultant to conduct surveys for internal and external stakeholders to understand their expectations and suggestions on the material sustainability topics. We assessed the materiality of sustainability topics during the Year as the basis of the Report after updating the topics, conducting stakeholder surveys, analysing the outcome, and ranking the materiality of the topics.

We determined the material topics through the four steps below:

01 Updating Topics	To update the list of materiality topics for the Year after reviewing the outcome of the material topics assessment for the Year 2022, considering factors including the Group's development strategy, industry development trend, regulatory and capital market requirements, as well as reference to the advanced ESG management practices experience of peer enterprises.
02 Topic Surveys	To invite stakeholders to participate in surveys to understand their focus, when respondents covering senior management, customers and consumers, shareholders and investors, suppliers and regulators. In 2023, we received a total of 496 valid questionnaires.
03 Topic Ranking	Taking the outcome of peer benchmarking and stakeholder engagement into account, to rank the topics in order of importance in terms of two dimensions: materiality to external stakeholders, and to Vinda.
04 Topic Disclosure	To submit the material topics assessment report to the management, and to determine its disclosure focus based on the outcome of assessment after the review and approval by the management, and to prepare the matrix of material topics for the Year.

Vinda's Matrix of Material Topics in the Year 2023




Our Sustainability Governance

Vinda's List of Sustainability Topics in 2023

Importance Level	No.	Sustainability Topic
Very important	1	Product quality and safety
	2	Occupational health and safety
	3	Business ethics and anti-corruption
	4	Employment in compliance with regulations
	5	Employee salaries and benefits
	6	Emissions management
Important	7	Information security and privacy protection
	8	Customer service
	9	Responsible marketing
	10	Green procurement
	11	Intellectual property rights protection
	12	Talent training and development
	13	Corporate governance
	14	Use of materials
	15	Product development and innovation
	16	Energy management
	17	Biodiversity
Less important	18	Sustainable supply chain
	19	Climate change
	20	Community engagement

Responding to Stakeholders' Concerns

We considered that incorporating stakeholders' concerns in our business operations will help the enterprise create social value and enhance stakeholders' trust in our company. Based on the outcome of the material topics assessment in the Year, we have concluded that the top three material topics that stakeholders are most concerned are: product quality and safety, occupational health and safety and business ethics and anti-corruption. The table below sets out our efforts to respond to them.

Top 3 materiality topics	Our actions
 <p>Product quality and safety</p>	<ul style="list-style-type: none"> We have set internal operation monitoring standards higher than national or industry standards and equipped each factory with professional quality management teams to strictly monitor the production and processing of our products; We commissioned a qualified third party to monitor some of our samples each year, and send samples to national testing centres on a regular basis to ensure that the quality of our products can withstand inspection; All Vinda factories are certified in ISO 9001 Quality Management Systems and ISO 14001 Environmental Management System and other corporate operation management standards. All factories in mainland China have passed ISO 22000 Food Safety Management System and some have passed GMP, BRC and other customer-specific certifications.

Our Sustainability Governance

Top 3 materiality topics Our actions



Occupational health and safety

- We manage production with the goal of “zero accidents” and organise various safety and occupational health related activities such as “Work Safety Month” and “Vinda Workplace Safety and Health Day;
- We revised the “Work Injury and Safety Accident Management System” to improve the management standards for the entire process of prevention, reporting, investigation and analysis of workplace injuries and safety accidents, and issued the “Safety Red Line Management System” to clarify the bottom line of the Group’s production safety supervision;
- We hold safety work analysis meetings at the security departments of each factory to regularly summarise the problems of production safety work in the factories and propose improvement measures.

Top 3 materiality topics Our actions



Business ethics and anti-corruption

- We have set up the complete and comprehensive whistleblowing mechanism, enabling internal and external stakeholders to report any suspected cases of misconduct, fraud, impropriety, immorality, or unfair treatment to senior management;
- We hold regular anti-corruption trainings for directors and employees and adopt diversified approaches of employee training and self-study to promote and consistently enforce the latest anti-corruption related legal norms and internal standards of conduct.





Sustainable
Business



Sustainable Business

As a leading manufacturing enterprise, Vinda always puts consumers first and is committed to providing them with high-quality products and services. We continue to optimise various quality management, select supplier partners that meet our sustainable development philosophy, and ensure that our high-quality, all-round product standards and requirements are met through rigorous control and supervision at all levels. We always focus on the needs of consumers. While providing them with high-quality products and services, we pay attention to protecting the legitimate rights and interests of consumers, continuously improve consumer satisfaction, create sustainable value with consumers, and promote the sustainable development of our business.

Design and New Product Development

Vinda adheres to the consumer-centric philosophy, actively responds to market changes, and continues to increase the research and development of environmentally friendly products to meet the increasing consumer demand. We optimise the use and management of materials from the source to reduce the impact of business activities on the environment while ensuring product safety.

Product Development and Innovation

We have established "New Product Development Procedure" and other related documents to stipulate the new product development and design process, clarify the responsibilities of relevant departments, and ensure that the products and services designed and developed conform to the brand planning and satisfy customer needs. In order to continuously foster product development and innovation and meet the diversity needs of the market, we have research and development teams in Mainland China, Malaysia and Chinese Taiwan. Each team consists of highly educated individuals with multi-disciplinary background, including master's degree holders, researchers and PhD graduates in various disciplines covering chemistry, engineering, materials, food safety and quality, bioindustrial science, chemical engineering, etc.

We have always insisted on product innovation and devoted ourselves to the research and development of safer and healthier environment-friendly products to fulfill the growing green and environmental protection needs of customers. In the process of product design and development, we used environmentally friendly and safe raw materials, increased the use of recyclable and renewable ingredients in packaging materials, optimised product design, and strengthened consumer environmental protection publicity to minimise the carbon footprint of products and environmental pollution.

Products with Safe and Environmentally Friendly Ingredients



No Additives in Baby Diapers

When developing baby diaper products, we not only pay attention to the babies' skin health, but also consider the impact on the environment. We strictly follow the evaluation of raw materials with reference to safety regulatory requirement in European Union. Drypers baby diapers are produced without the addition of fragrance, skin lotion, rubber/latex, and are free from chlorine content. Our Skinature by Drypers products have been laboratory tested to exclude the 26 potential allergens defined by the European Union Cosmetic Regulation (REGULATION (EC) No 1223/2009) and therefore suitable for sensitive skin.



Toluene-free Ink and Water-based Ink

Toluene is a solvent in ink that can cause liver and kidney damage and is banned in the food industry. To ensure product safety, we strictly select toluene-free inks which used in the non-woven fabric components, knitted components and PEF backing layers of our diapers, and ensure that any product in direct contact with the baby's skin is not exposed to this solvent. In addition, during the production process, we also ensure that the production team does not touch or inhale toluene to protect the health of relevant employees. Drypers Wee Wee Dry and Drypers Drypantz, our baby diaper products, also use toluene-free ink, while all of our shipping cartons use water-based ink.



Healthier and More Environmental-friendly Feminine Care Products

In the Chinese market, we launched Libresse botanical sanitary napkins which involved plant-based layer to reduce the use of plastic. We used plant-derived fibers as the raw material for moist flushable toilet tissue and introduced reusable and washable menstrual pants in the Malaysian market. Meanwhile, we worked with our suppliers to give priority to renewable materials and other environmentally friendly certified ingredients.

Sustainable Business

Packaging Materials can be Recycled or Reused

2019 Drypers DryPantz/Drypers Classic – 8% less plastic consumption in polybag compared with the previous generation; Drypers Classicpantz – 18% less plastic consumption on polybag compared with the previous generation; Libresse Night TwinPack/MultiPack – 60% less plastic consumption on polybags compared with the previous generation.

2020 We introduced 500ml refill pouches that reduced the use volume of plastic in Drypers Baby Care products. Compared with the 750ml bottle packaging, the 500ml refill pouches reduce plastic consumption by 75%, which provided consumers with an environmentally friendly alternative.

2021 We continued to use 3% recycled plastic in promotional transparent packaging for feminine care products. Meanwhile, we introduced the Drypers Wee Wee Dry Mega Pack, which used 7% less plastic compared with the previous generation.

2022 The packaging for Drypers Touch baby diaper and baby pants diapers contain 15% recycled material, and its cartons contain 95% recycled material.

2023 We replaced the plastic film in tissue box packing with 100% paper materials sourced from sustainable sources. We introduced 5% recycled material in the plastic bags for Open Baby, Pants Baby, Adult and Femcare. The plastic consumption in the value packs and large-capacity sets of Femcare’s 24cm and panty liner series products has been reduced by approximately 50%. All of these changes effectively reduced Vinda’s impact on the environment and are in line with its environmental philosophy.

Optimisation of Product Design

2012 We have improved the product design of Drypers Wee Wee Dry to reduce the material loss of non-woven fabrics by up to 16%.

2016 We improved supply chain and core design of Drypers Wee Wee Dry to reduce raw material use by 15%, energy consumption by 6% and carbon footprint by 19%. We have optimized the product design of Drypers DryPantz by adjusting the cutting method for medium, large, and extra-large sizes, which allowed us to reduce non-woven fabric wastage by 12% while ensuring consistent product performance and experience for consumers.

2020 A SIRIM (Standard and Industrial Research Institute of Malaysia) Carbon Footprint Assessment was carried out on Drypers Wee Wee Dry and Drypers DryPantz to test the impact of the GHG reduction and removal measures.

2021 We completed SIRIM carbon footprint assessment for TENA Proskin AIO, TENA Lady local production, Libresse liners V-Fresh and Libresse Towels. The carbon footprint of the upgraded TENA Proskin AIO products remained unchanged as compared to the 2011 model. The carbon emission level for local production and European production of TENA Lady are similar, while the local transport can effectively reduce carbon emissions more compared to shipping from Europe. The upgraded Libresse liners V-Fresh feminine products remained unchanged in carbon emissions compared to the 2011 model. 2021 model of Libresse Towels have improved in terms of performance and functionality as compared to the 2011 model while maintaining the same carbon emissions.

2023 We have enhanced the design of our adult diapers by repositioning the absorbent cotton to improve dryness for the users. Furthermore, we have implemented ADL application equipment and a process of laminating an air-permeable film onto the product while it is being produced, along with a highly breathable PE film for the bottom layer, which have optimized product performance and strengthened our competitive position in the market.

Consumers Environmental Awareness Campaign



“One Less Plastic Solution”

In Malaysia, we have been encouraging consumers to reuse the polybags of our products as garbage bags, aiming to minimize the use of new bags and disposable medical plastic products, thus decreasing the amount of plastic waste in landfills. Our newly launched product, including feminine care and incontinence care products, will carry relevant educational information to guide consumers in reducing the use of plastic bags. “One Less Plastic Solution” have applied to both Drypers Wee Wee Dry and Drypers Drypantz series products.



To Promote Concept of Sustainability through Products Design

We have drawn various animal motifs on the baby diaper products of the Skinature by Drypers, such as seals, turtles, whales, polar bears and koalas, allowing parents to guide their children to understand the importance of environmental protection in their daily lives and jointly explore the mystery of nature in the world.



To Reduce Waste and Resource Consumption through Smart Product Design

By optimising product settings, we integrate the concept of sustainable development into our products to help enterprises reduce costs, improve efficiency and minimise resource consumption. The toilets provided by Tork are equipped with Tork SmartOne[®] tissue paper. By setting the dispenser to dispense a single piece of paper at a time, the dispenser maintenance cost and the waste of resources can be reduced, and tissue consumption can also be effectively decreased by up to 40%.

Use of raw materials

Being a manufacturer of hygiene products, Vinda uses wood-based pulp as the key raw material in daily operations, and pays high attention to the procurement and use of wood pulp. We insist on using wood pulp from renewable, environmentally friendly and sustainable forest resources, and place priority to wood pulp certified by recognised forest management certification systems to ensure that the use of raw materials meets the environmental protection standards. We strictly control the procurement process of wood pulp, and require wood pulp suppliers to provide valid certificates for fibre products and documents for the traceability of raw wood to ensure the compliance and sustainability of wood pulp sources. In 2023, all wood pulp procured by Vinda came from the sustainably managed forest lands or the suppliers with forest conservation certification.

Product Responsibility

Vinda always adheres to its commitment to product responsibility and puts consumers’ needs and brand reputation first. We have established the Product Quality Management System that follows industry standards to strictly control the entire product life cycle and deeply implement comprehensive quality management. We are committed to achieving the optimal level in product quality, function, performance and safety, providing consumers with confidence in our products at all times and winning their support and trust.

Product quality management

We continuously optimise the product management system, and improve product quality through formulating management requirements from raw material inspection, manufacturing inspection and final product inspection to hygiene standards for operators and production sites. Before all new product development, we will strictly monitor new products and formula, conduct strict safety tests, including toxicological tests: skin irritation tests, vaginal mucosal irritation tests, skin hypersensitivity tests;

Chemical safety tests: formaldehyde, fluorescent whitening agents, mobile fluorescent substances, acrylamide, chloropropanol, etc.;

Physical properties tests: strength, whiteness, powder loss rate, dispersion, appearance of dust, bacteria, fungi, etc.

In addition to each batch of our internal physical properties and microorganism tests, we regularly entrusted third-party qualified national testing institutions to monitor and determine the quality of various products each year to ensure that the product quality could withstand the test, so that consumers could feel at ease with its use.

Sustainable Business

In order to ensure that our products comply with high-quality requirements, we have formulated internal operation monitoring standards higher than national or industry ones, and equipped each factory with professional quality management team to strictly monitor the production and processing process of products. All Vinda factories are certified in ISO 9001 Quality Management Systems and ISO 14001 Environmental Management System and other corporate operation management standards. All factories in mainland China have passed ISO 22000 Food Safety Management System and some have passed GMP, BRC and other customer-specific certifications. In addition, we refer to government departments, including environmental management departments, market regulatory authorities, and their official websites, media, consulting companies, industry associations, consumers and other sources to learn and comply with the latest standards and regulatory requirements, which will be identified and sorted out for each of our factories to execute accordingly. Our factories implemented the internal enterprise standards during their operation process and all kinds of products indicators are higher than the national standards. We ensure that our products satisfy current national standards of Mainland China, including GB 15979, GB/T 20810, GB/T 20808, etc., before the products are being released. Once a delivered product is found to have serious quality problem or health and safety hazards, we will immediately initiate the recall procedure to recall the defective products as soon as possible. In 2023, the Group had neither no any incidents of non-compliance with laws and regulations related to product quality, nor any recall cases related to serious quality problems or health and safety issues.

Mainland China

We regularly conduct product quality tests to ensure the comprehensive monitorings of product production at all stages in accordance with the testing protocols and product quality standards to guarantee that the final products are of the highest quality. In case of special circumstances that require a product recall, we will initiate timely recalls in accordance with the "Notification and Revocation Control Procedure" for any non-compliant or potentially unsafe products discovered after delivery or during use.

Chinese Taiwan and Malaysia

We formulate quality control plans covering all stages of production and manufacturing, including raw material control, production and manufacturing control, inventory control and shipment control, etc., to monitor the product manufacturing process and ensure that products meet quality standards.

Chemical Safety

Vinda is deeply aware of the importance of chemical safety management. In the procurement process, we give high priority to suppliers who can provide Material Safety Data Sheets (MSDS)/ Safety Data Sheet (SDS) and actively cooperate with them to ensure a thorough understanding of chemical risks and safe utilising practices, which allows us to prioritise the safety of chemicals. Additionally, we strictly adhere to local laws and regulations to ensure the legality and compliance of the chemicals we purchase.

Meanwhile, we are concerned about spillage management of chemicals to prevent the impact of chemical spillage on the environment and on atmosphere, soil and water bodies. We require each factory to strengthen inspections of the use of chemicals on site to ensure compliance with safety regulations regarding the use of chemicals on-site. This measure aims to prevent chemical dripping and spillage and require employees to procure chemicals exclusively from approved lists. We formulate comprehensive emergency plans, including the Emergency Preparedness and Response Plan for Chemical Spillage (《化學品洩漏應急準備與響應預案》) and Emergency Preparedness and Response Plan for Strong Corrosive Chemical Accidents (《強腐蝕性化學品事故應急準備與響應預案》). In addition, we have established robust procedures for managing chemical spills, guaranteeing timely and effective responses in such situations. To improve employees' emergency response capabilities in the face of chemical spillage or other emergencies, we regularly carry out chemical spillage trainings and drills, such as spillage control trainings and EPR trainings, to effectively prevent and deal with emergencies and minimise possible adverse effects.

Waste chemicals and chemical containers will be properly packaged by the respective departments as per standard procedures, labeled with "Dangerous Chemicals/Scheduled Wastes" and placed at the designated collection area. The administrative or environmental protection department holds the responsibility of appointing the qualified institutions to handle waste chemicals and chemical containers. They are also responsible for maintaining and managing the record accordingly to ensure the safe and compliant handling of these materials.

Mainland China

We attach great importance to the safety and environmental friendliness of chemicals and ensure that all chemical suppliers have MSDS certificates to meet our strict quality requirements. We fully promote 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 (GBT36420).

We adopt a water-based stripping agent to replace the use of traditional, oil-based stripping chemicals which 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 9685-2016 regulations. The water-based stripping chemical agent is biodegradable, less volatile and has a lower impact on the environment and human health.

In addition, the new type of fabric cleaner in our tissue machines jointly developed by chemical suppliers and us have been widely used at Vinda factories, accounting for 75% of the Group's use of fabric cleaner. This innovation improves the continuous production efficiency and also reduces the energy consumption of our tissue machines.



Chinese Taiwan

Our chemical management and operation strictly comply with the regulatory requirements under the Regulations for the Labelling and Hazard Communication of Hazardous Chemicals, the Hazardous Chemicals Assessment and Hierarchical Management Measure, and the Registration Measure for Information on New Chemical Substances and Existing Chemical Substances, to ensure that all our chemical suppliers have a complete Safety Data Sheet (SDS) for safety. In order to effectively control the source and quality of chemicals, we have implemented comprehensive measures, including establishing a complete list of chemicals, implementing proper labelling and safety information sheets, classifying and controlling the hazardous characteristics of chemicals, and continually enhancing supplier source management. At the same time, prior to the use of chemicals, we submit the materials to our Product Safety Department for human safety assessments. We follow the regulations established by the European Union for food, cosmetics, and pharmaceuticals to ensure proper control. For potentially hazardous substances that may be present in the chemical manufacturing process, we undergo verification by third-party organizations. If any risk substances are identified, we require suppliers to make improvements and conduct retesting. In 2023, we replaced chemicals used in two production lines in our Kaohsiung factory and obtained safety certifications for chemicals used in three production line and five products.

In addition, we attach great importance to the health and safety of our employees when handling chemicals. We provide employees with appropriate personal protective equipment. Additionally, we regularly organize training sessions to enhance their understanding and proficiency in the use and handling of chemicals and organic solvents. These measures ensure that employees operate with precision, effectively safeguarding their safety and minimizing potential harm to the environment.

Sustainable Business

Malaysia



We implement stringent standards in chemical management, requiring all chemical suppliers to comply with the Occupational Safety and Health (Classification, Packaging and SDS of Hazardous Chemicals) Regulations 2013 and provide SDS for safety and health assessment as well as environmental impact assessment. Meanwhile, we have implemented a rigorous evaluation process for new chemical suppliers before including them in our approved supplier list. Only after successfully passing our assessment can they be approved for collaboration. This stringent evaluation ensures that the potential impact of chemicals is thoroughly considered when selecting suppliers.

In addition, before new chemicals are put into use for production, our relevant departments will conduct detailed assessments in terms of environmental impact, occupational health and safety risks and product safety. Only after passing the assessments will those new chemicals be included in the Approved List of Chemicals. We require employees to select chemicals on the list only when initiating procurement applications to ensure the safety of chemical use.

Responsible Marketing

We strictly abide by 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, Product Quality Law of the People's Republic of China and other laws and regulations, as well as GB/T 191 Packaging – Pictorial Markings for Goods Handling, JJF1070 Rules of Metrological Testing for Net Quantity of Products in Prepackages with Fixed Content, GB 12904 Bar Code for Commodity – Retail Commodity Numbering and Bar Code Marking, GB 5296.3 Instruction for Use of Consumer Products – General Labelling for Cosmetics, and other standard requirements. We formulate and implement management systems such as labelling management systems such as Product Packaging Identification Regulations (產品包裝標識標注規定) and Product Production Batch Number Identification Regulations (產品生產批號標注規定), while establishing product monitoring lists, and continuously updating such list in a timely manner in accordance with the latest requirements to ensure the compliance and accuracy of product information.

Sustainable Supply Chain

Vinda is committed to building a sustainable green supply chain. We strive to enhance supply chain management, effectively mitigate social and environmental risks within the supply chain, continuously conveying the concept of sustainable development to suppliers, and foster win-win cooperation with suppliers.

We formulate “Supplier Factory Facilities Assessment Regulations (供應商工廠設施評估規定)” and other management systems to standardise supplier access and evaluation and to improve supplier management efficiency. When selecting new suppliers, we comprehensively evaluate the production site of suppliers, focusing on their performance in quality, environment, occupational health management system, etc. The assessment covers on-site safety management, hazardous solid waste treatment, environmental protection commitment and risk assessment, emission of environmental pollutants, factory fire acceptance report, occupational health and safety risk assessment, employee health examination and other dimensions. In 2023, all new suppliers have completed all Vinda assessments and satisfied these evaluation requirements.

We attach great importance to the prevention and management of supply chain risks, and establish Supplier Relationship Management (SRM) system, which incorporates suppliers' performance and system certification in terms of social responsibility initiatives and environmental protection, as to effectively identify and regulate suppliers' environmental and social risks. We require 100% of our top twenty raw and auxiliary material suppliers (excluding wood pulp suppliers) to achieve the ISO 14001 Environmental Management Systems certification. In addition, we actively promote local procurement, give priority to cooperation with local suppliers, and encourage all factories to purchase local materials, aiming to reduce the negative impact on the environment during the transportation of materials while promoting local economic development. As of 31 December 2023, the proportions of local material procurement in Mainland China, Chinese Taiwan and Malaysia were 99.2%, 52%, and 41% respectively.

Mainland China

We formulate management systems such as “Materials Purchasing Management System” and a Supplier Incentive and Elimination Mechanism program, requiring suppliers to strictly comply with national policies and regulations on environmental protection and society. In order to elevate suppliers quality, we actively promote a spirit of constructive competition among suppliers through our bidding processes, and strive to achieve cost-effectiveness and service quality optimisation. At the same time, we conduct regular performance evaluations of our suppliers and establish rating standards that align with the specific needs of each factory to ensure that suppliers can meet our quality and service requirements. In 2023, we conducted an annual review of suppliers based on the evaluation criteria, covering product quality, service quality, procurement cost, quality tracking, etc., to check whether suppliers have strictly implemented management requirements. The supplier performance rating score in Mainland China was 93.95 out of 110.

Chinese Taiwan and Malaysia

At Vinda, we select suppliers who share our commitment to sustainable development based on our “Supplier Management Standards”, and require suppliers to adopt internationally recognized standards and management systems, including code of conduct, quality, product safety, environment, chemicals and cleanliness control. As of 31 December 2023, all suppliers have signed our supplier standards.

In terms of supplier evaluation, we rate suppliers based on material delivery and packaging quality. The rating covers the material quality of suppliers as well as their impact on the environment, health and safety. In 2023, the supplier performance rating scores for Taiwan and Malaysia were outstanding, with scores of 5.84 and 5.95 out of 6, respectively.

Customer Service

Vinda is committed to delivering high-quality products and services to consumers. We listen to consumers’ feedback and meeting their needs based on their needs and experience. By improving service capabilities and consumer satisfaction, we further strengthened our connection and trust with consumers.

We establish “Customer Opinion Handling Procedures (顧客意見處理程序)” and implemented a consumer complaint platform. We set up an automated database transmission and aggregation system to receive consumer complaints in a timely manner. In order to enable front-line sales staff to effectively record and convey consumer opinions, we launch easy information access via mobile devices and establish a unified service hotline various region. Dedicated personnel are assigned to collect and respond to consumer inquiries, promptly addressing their concerns and optimizing our offerings based on their feedback. In addition, we conducted regular consumer satisfaction surveys to comprehensively analyse consumer needs and expectations. We take necessary corrective measures based on the survey results to continuously improve the quality of our products and services.

Sustainable Business

Mainland China



We carefully analyse each consumer complaint and regularly summarise its data, using it as an important reference for improving quality of our product and service, which enable us to continuously improve our consumer service levels. In 2023, based on the number of consumer complaints received per 1,000 tons of paper products sold, the customer complaints rate for dry tissue products was 1.27. The complaint rate for wet wipe products was 2.64 (calculated per 1,000 tons) while for personal care products (incontinence and feminine care) was 0.27 (calculated per million pieces).

Chinese Taiwan



We formulate "Consumer Complaints Handling Guidelines (《消費者客訴處理準則》)" to clarify the process and principles of handling customer complaint, and set up a dedicated toll-free line to handle consumer feedback and complaints in a timely manner to protect consumer rights and interests. In order to reduce the number of customer complaints, we publish quality performance every month, set up a quality education column, and regularly carry out quality education and training for employees to improve their service awareness and level. In addition, based on consumer's product usage habits, we actively cooperate with suppliers to optimise the performance of raw materials and better meet consumer's needs. In 2023, the complaint rate for personal care products (incontinence care) was 0.13 (calculated per million pieces).

In order to further evaluate the quality of our products and services, in 2023, we conducted a customer satisfaction survey to enhance our understanding of consumer's opinions in a timely manner through the distribution of a satisfaction survey form. The results revealed an annual average score of 9.23 (out of 10), reflecting an improvement as compared to the previous year.

Malaysia



We formulate Product Complaint Management procedures to standardise the process of handling consumer complaints. The Consumer Care Department is responsible for recording and managing consumer complaints, and forwarding them to the Quality Department for further follow-up. The consumer care team is responsible for documenting consumer complaint cases and feedback in the consumer maintenance information system. We hold regular review meetings with production, quality assurance and relevant departments, to analyse the reasons for consumer complaints. Based on the identified issues, we implement improvement measures and provide clear responses and resolutions to consumer feedback. In 2023, the complaint rate for personal care products (incontinence care, feminine care such as sanitary napkins, and baby diapers etc.) was 0.110 per million pieces.



5

Sustainable
Ecology

Sustainable Ecology

Faced with increasingly severe environmental risks, strengthening ecological protection and responding to climate change has become a social consensus. Vinda upholds the principles of green practices, low carbon emissions and environmental protection. We earnestly fulfil our environmental protection responsibilities and strive to minimise the impact of our business operations on the ecological environment and natural resources. We continuously explore diversified energy conservation and emission reduction measures, proactively addressing the risks posed by climate change. We adhere to the development path of ecological priority, green and low-carbon, and work together to achieve harmonious coexistence between human and nature.

Topic: Our Climate Actions

Climate change has gradually become a serious threat and challenge to the contemporary and future production and development of mankind, while taking active measures to cope with climate change has already become a global consensus. The 28th United Nations Climate Change Conference (COP28) on United Nations Framework Convention on Climate Change held in 2023 highlighted the importance and urgency of dealing with rising global temperatures, reached consensus on low-carbon measures such as transitioning away from fossil fuels, and urged countries to comprehensively improve their national independent contribution goals. China has put forward the “carbon peaks, carbon neutrality and dual carbon goals” in September 2020, established dual carbon policy systems to respond to the increasingly serious climate change challenges.

As a loyal practitioner of the concept of green and low-carbon development, Vinda has been committed to analysing and responding to the potential threat of climate change risks to every production stage of the value chain, continuously strengthening climate change governance, and promoting the achievement of carbon emission reduction goals. We has taken multiple measures to help the Group’s low-carbon transformation and promote the sustainable development of the disposable paper product industry. During the year, we continued to disclose climate change related priorities with reference to the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), focusing on four core elements: “Governance”, “Strategy”, “Risk Management” and “Indicators and Targets”. We constantly step up our efforts in the construction of the risk management system to promote the sustainable development of the Group.

Governance

Under the leadership of the Board, six major committees (Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, Executive Committee and Strategic Development Committee) regularly supervise and review the Group’s sustainability issues on a regular basis, including environmental management and climate change-related matters, and the identification and assessment of climate-related risks and opportunities. They need to be regularly updated on the climate-related goals and action plans to ensure that the Group effectively manages climate change risks and improves climate resilience in the course of operation.

For more information on our sustainability governance, please refer to “03. – Our Sustainability Governance” in this Report.

Strategy

Risk Identification

Physical Risks	Transformation risks
– Flood caused by heavy rain	– Tightening government regulations and laws
– Global temperature rise leads to rising water levels in low-lying areas	– Increased concern of stakeholders for sustainability
– Continuous high temperature weather affects the health and safety of employees	– Changes of consumer preference which tend to support more environmentally friendly products
– Extreme weather poses a risk to warehouse safety	– The development and use of low-carbon technologies and equipment will increase production costs

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



Emergency Management of the Supply Chain

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



Warehouse structure

Extreme weather brings excessive rainfall, which poses a risk to the safety of our warehouses, such as the long-term corrosion of roofing sheets and screws. A sudden increase in the number of days of heavy and continuous rainfall can aggravate the corrosion and lead to roof leaks on rainy days, increasing the risk of water damage to stored materials. Therefore, we conduct regular inspection and maintenance on the warehouse to ensure that the roofs are in good condition. In 2023, in Sichuan, China, a restructuring of the partitioned hazardous waste storage facilities was carried out, along with the implementation anti-seepage measures, to mitigate the risks of water infiltration caused by heavy rainfall.



Container storage

Heavy rainfall might cause flood and affect scheduled waste storage area. This might cause contamination to water/land. Scheduled waste containers are inspected periodically to ensure in good condition and secure. Competent person will arrange more frequent collection by appointed contractor should such risk arise.



Employee health

Continuous high temperature weather can easily lead to heatstroke and harm the health of employees. We continue to improve the ventilation measures of the factory, use cooling equipment to improve the working environment of employees, and reduce the health risk caused by high temperature.



Beyond Compliance

In the face of tightening government regulations and increasing public expectations for carbon reduction in the business sector, Vinda develops internal codes of practice that go beyond basic compliance requirements. On top of strict compliance with local environment-related laws and regulations⁶, Vinda refers to a number of International Organisation for Standardisation (ISO) standards for environmental management, including ISO 14064 Greenhouse Gas (《ISO 14064溫室氣體》), ISO 14001 Environmental Management System Requirements and Guidelines for Use (《ISO 14001環境管理體系要求及使用指南》), ISO 50001 Management System Requirements (《ISO 50001管理體系要求》) and ISO 9001 Management System Requirements (《ISO 9001管理體系要求》).

Besides, the Stock Exchange has published the Consultation Paper on *Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework*, which propose mandatory requirements on all the issuers about disclosure of climate-related information in their ESG reports. Those requirements will take effect on 1 January 2025. Vinda has currently published details in four aspects, namely climate-related "Governance", "Strategy", "Risk Management" and "Indicators and Targets", in accordance with the TCFD recommendations in order to adapt to the new regulations as early as possible, thereby maintaining Vinda's competitiveness and leading edge in the industry.

⁶ Including the Notice of the State Council on the Issuance of the Action Plan for Achieving Carbon Peaks by 2030 (《國發[2021]23號國務院關於印發2030年前碳達峰行動方案的通知》), the Technical Guidelines for Self-Monitoring of Pollutant Discharging Units – General Rule (HJ 819-2017) (《HJ819-2017排污單位自行監測技術指南總則》), and the Technical Guidelines for Self-Monitoring of Pollutant Discharging Units– Papermaking Industry (HJ 821-2017) (《HJ 821-2017排污單位自行監測技術指南造紙工業》) in mainland China, as well as the Environmental Quality Act 1974 (《1974年環境質量法》) and its 2012 amendments and the Environmental Quality (Industrial Effluent) Regulations 2009 (《2009年環境質量(工業廢水)規例》) in Malaysia.

Sustainable Ecology



Soil protection

The healthy soil enables the trees to hold onto the soil and prevent soil erosion. We built new waste staging areas and intercepting drains to reduce the soil pollution risks caused by waste (including superabsorbent polymers) spillage to protect the soil safety.



Investment to Climate Change Mitigation

In addition to the aforementioned climate change plans, we actively invest resources in the improvement of production facilities or technologies to reduce energy consumption and minimise greenhouse gas emissions, thereby mitigating the effects of climate change. For example, we have made efforts to reduce environmental pollution caused by equipment operations by purchasing and upgrading dust removal equipment.

Opportunity Identification

Sustainable products – Under the theme of sustainable development, the public's preference for using green products has gradually increased. The Group can adapt to market trends, adopt green raw materials, optimise packaging and quantitative design, and produce sustainable products.

Sustainable operation – We continue to promote the concept of green operation through energy-saving technology, purchase of green electricity, self-generated green electricity, resource recycling and reuse, etc., to improve the efficiency of resource and energy use and reduce operating costs.

Sustainable Philosophy – We integrate sustainable development and climate change strategies into the Group's brand strategy. We also use our own strength to help the low-carbon transformation of the industry and guide consumers to live a low-carbon life, so as to improve our corporate image and stimulate the power of carbon reduction in the society.

Contributing to the Industry's Carbon Neutrality Goal

- Developing industry standards for carbon neutrality

In January 2023, Vinda collaborated with renowned universities and institutions such as Fudan University, South China University of Technology, Nanchang University, as well as SGS-CSTC Standards Technical Services Co. Ltd., and Guangdong Paper Association, to develop and release two significant standards: the Evaluation Guideline of Disposable Paper Products Carbon Neutrality (《一次性紙製品碳中和評價指南》) and the Implementation Guideline of Disposable Paper Products Manufacturer Carbon Neutrality (《一次性紙製品生產企業碳中和實施指南》). These standards were officially implemented, marking a pioneering achievement in the industry. These standards play a crucial role in evaluating the carbon neutrality of the disposable paper product industry. They provide guidance and establish standardized practices for enterprises to reduce carbon emissions during their operations. Furthermore, they serve as a valuable reference for industry-wide efforts towards achieving carbon neutrality.

- Awarded the cooperative unit of the Paper Industry Double Carbon Strategic Development Centre (造紙產業雙碳戰略發展中心合作單位)

In August 2023, the China International Paper Innovation and Development Forum was held in Shanghai. With the theme of "focusing on high-quality development, innovating and innovating new carbon peaking and carbon neutrality technologies", the forum discussed hot topics such as carbon peaking and carbon neutrality technologies, raw material protection, green ecology, green packaging, and pulp moulding, and established a dual carbon strategy development centre for the paper making industry. Vinda Paper (China) Company Limited was awarded the cooperative unit of the Paper Industry Double Carbon Strategic Development Centre for its outstanding commitment to green and low-carbon practises. This award reflects our unwavering dedication to fulfilling our responsibilities and steadfastly pursuing a path of green, low-carbon, and high-quality development.



Risk Management

The management regularly conducts regular assessments of the physical and transformation risks associated with climate change and takes appropriate management measures in response. For physical risks, each of the Group's plants identifies potential hazards by analysing the risks specific to the location and past incidents, and formulates appropriate emergency measures to keep production and operations running under these conditions. Emergency drills are conducted at least once a year by the relevant departments to ensure that all relevant employees are familiar with the implementation of these emergency plans. In relation to transformation risks, the Group actively monitors government regulatory trends, responds to stakeholders' and consumers' green initiatives, takes proactive steps such as developing and using low-carbon equipment, incorporating green or natural raw materials and launching high-quality green products. These efforts are aimed at minimising the risks and costs of sustainable transformation.

Indicators and Targets

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

Energy Management

Energy management system

We continue to improve the energy management system, formulate the energy management system, strengthen the management and supervision of energy use. By taking the dual measures of management and technology, we strive to improve the efficiency of energy use. We select suitable and effective energy supplies according to the actual needs of each factory. At the present, the main energy sources used for production in Vinda are electricity, coal, natural gas and purchased steam, etc.

Energy management system

- We have formulated and implemented a series of environmental management related management plans such as Environmental Management Plan for Workshop Temperature Reduction and Noise Reduction (《車間降溫降噪環境管理方案》), Management Plan for Steam Pipeline Energy Conservation Transformation (《蒸汽管道節能改造管理方案》), and Environmental Management Plan for Ultra-low Emission Transformation of Boiler Flue Gas (《鍋爐煙氣超低排放改造環境管理方案》) to improve the system guarantee.

Energy management initiatives

- We have an energy management system covering key energy indicators and related production equipment, and implement energy-saving management systems and carbon emission control systems in each factory. We regularly conduct data statistics, analysis and assessment to fully grasp the energy consumption used in operations and achieve low-carbon and efficient production

Energy monitoring system

- 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 rates, production capacity, etc. to reduce unnecessary energy consumption

Clear and specific goals can provide useful guidance and strong impetus for energy consumption management. We formulate energy management targets by comprehensively considering factors such as the prevailing environmental protection technology, the current energy use and the development plan of the Group. For details of our targets in energy consumption reduction, please refer to "Vinda's Five-year Sustainable Development Targets from 2021 to 2025" under "Sustainable Development Targets" in the Report.

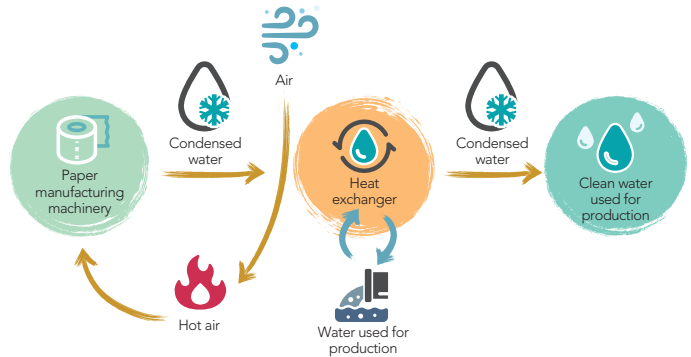
To achieve the sustainable development goals of the Group, we have established key energy consumption performance indicators to regularly review and monitor the performance of each production site. We have also set up an incentive system within the Group to reward teams that demonstrate outstanding performance in energy efficiency and reduction of energy consumption.

Sustainable Ecology

Green Plants

Energy saving and consumption reduction

In order to improve energy efficiency and reduce energy consumption, the Group actively adopts new equipment and develops new technologies, aiming to reduce greenhouse gas emissions by reducing energy consumption or waste.



Save the use of steam in the papermaking process



Recycle and reuse the water from the condensation process



Recycle hot air from paper machines

In 2023, we implemented the following projects in our factories to improve energy efficiency.

Energy Saving Measures in 2023	Energy Saving Performance
<p>Sichuan, China</p> <ul style="list-style-type: none"> – Reducing time for pulping high-concentration pulps 	36% reduction in electricity consumption per ton of paper
<ul style="list-style-type: none"> – Replacement of water ring vacuum pump with turbine vacuum pump 	Hourly electricity consumption savings of 110 kWh and annual electricity savings of 80,000 kWh
<p>Shandong, China</p> <ul style="list-style-type: none"> – replacement of energy-saving fans and multi-stage centrifugal vacuum pumps 	Electricity consumption per ton of paper decreased by 56% and 46% respectively
<p>Hubei, China</p> <ul style="list-style-type: none"> – Replacement of Turbine with ceramic bearing type vacuum pumps 	Reduction in electricity consumption of approximately 360,000 kWh per year

Use of renewable energy

According to local conditions, we leverage the favorable sunshine conditions in the region where we operate to build a distributed photovoltaic power generation system. This initiative not only help us effectively reduce power consumption in the factory and also contributes to a gradual reduction in greenhouse gas emissions, achieving economic and social benefits. In 2023, approximately 24 million kWh of photovoltaic power generation is used at each plant, and expected to reach 35 million kWh in 2024.

Mainland China

- Zhejiang plant: photovoltaic project with an annual power generation capacity of approximately 18.64 million kwh/year; the second phase is expected to be commissioned in November 2023, with an estimated annual power generation capacity of 4.6 million kwh;
- Beijing plant: annual power generation capacity of approximately 3.2 million kwh; the second phase is expected to be commissioned in December, with an estimated annual power generation capacity of 1.9 million kwh;
- Jiangmen plant: commissioned in October, with an estimated annual generation capacity of 2.4 million kwh.

Chinese Taiwan



- The annual PV power generation in 2023 is 2.1 million kWh.

Malaysia



- Vinda Malaysian factory is operating solar panel, phase 1, since end of Aug 2023 (1,000kwp), and phase 2 since 27 of February, 2024 (1,500kwp), total installed capacity 2,500kwp.
- Total power generated 595,460 kWh (Aug 2023 - Feb 2024), 2.81% of total power consumed

Green Office

We adhere to the concept of Green Office, and form a long-term green office management mechanism by taking measures such as energy conservation, water conservation, paper reduction, and resource recycling. We advocate employees to develop green and environmentally friendly habits in daily office work, reduce unnecessary consumption, and jointly promote the sustainable development of society.

Green Office Measures in 2023

Awareness of energy conservation



- Advocate the healthy lifestyle of "Green Office, Low-carbon Life"
- lighting use way of "People Go, Lamp Off"

Energy conservation



- In the daytime, the energy consumption for lighting shall be minimised, and the phenomenon of permanent lighting shall be avoided.
- The indoor air conditioning temperature in summer is set within a reasonable range according to regional climate.
- Turn off the fan equipment and lights when it is not in use.
- Replace fluorescent lights with more energy efficient LED lights, and use automatic on/off sensor lights
- Install heat-reflecting window films

Water conservation



- Make reasonable use of water resources, switch off the water tap after use, close the water dripping faucet in time, and report to the relevant department immediately for repair if there is water spillage of the faucet, water pipe, toilet, etc.

Office supplies reduction



- Transfer data through Internet as much as possible to save various office consumables

Paper reduction



- Reduce the number of repeated printing and copying, use of printing paper on both sides to reduce waste of paper

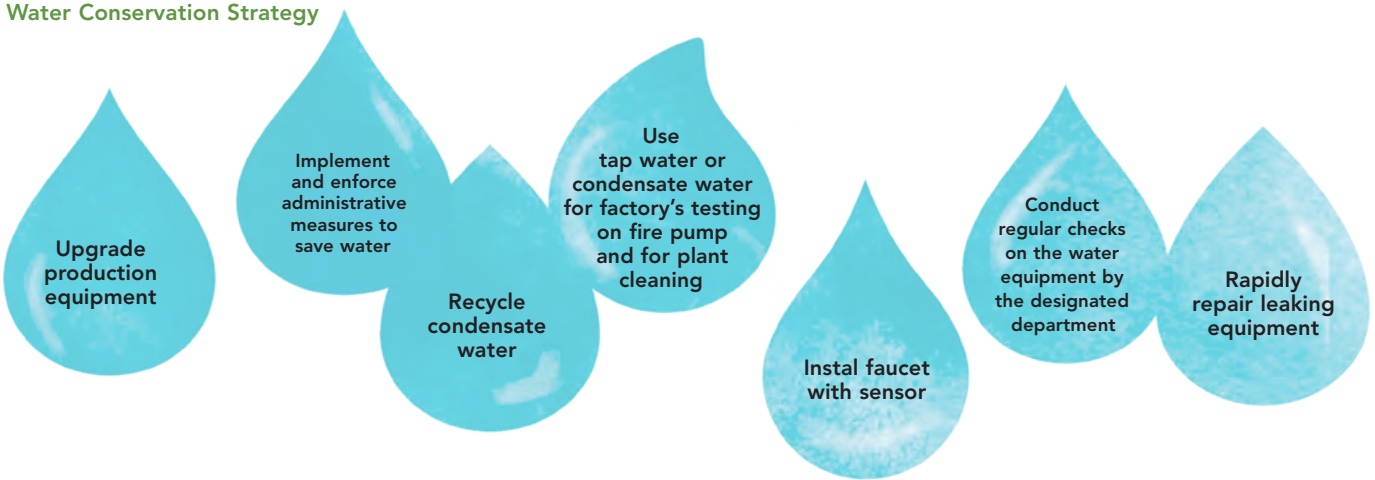
Sustainable Ecology

Water Management

Vinda adheres to the concept of “water conservation”, actively implements water management plans, and attaches importance to the efficient use of water resources in the process of operation. We eliminate the waste of water resources, correct any waste of water resources in a timely manner, formulate various water conservation measures, and explore the recycling of water resources to steadily achieve the Group’s water use efficiency goals. During the Year, we did not encounter any problems in accessing applicable water sources.

For details of our reduction in water consumption and achievement of water recycling goals, please refer to Vinda’s Five-Year Sustainability Targets from 2021 to 2025 under the “Sustainable Development Goals” section of this Report.

Water Conservation Strategy



Specific Measures for Water Conservation



In 2023, we implemented the following projects to reduce water consumption:

Measures	Effect
Xinhui Plants, China – Improve the surface decontamination process by installing submersible sewage pumps at the lowest ground level in the tanks and discharging the sludge to the original discharge pipeline	The concentration of surface water pollutants decreased, the water quality increased, the effective volume of the tanks doubled, and the new water demand of the tanks decreased
Malaysia Plants – Carry out the project to reuse rainwater from cooling towers, and use water from the rainwater harvesting system for gardening	Convert rainwater into horticultural water effectively and reduce water consumption through water resource recycling

Waste and Emissions Management

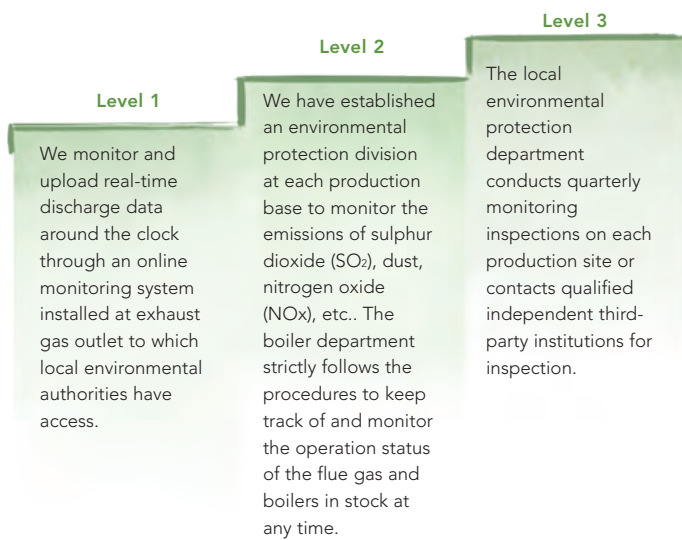
Waste gas management

Vinda complies with all laws and regulations related to environmental pollution, including “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, GB3095-2012 Ambient Air Quality Standards in Mainland China, “Air Pollution Control Act” in Chinese Taiwan and “Environmental Quality Act” in Malaysia, etc. Vinda continues to strengthen the in-depth emission reduction management of sulphur dioxide (SO₂), dust, nitrogen oxide (NO_x) and other exhaust gases. There were no major violations related to exhaust gas 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. Among the top ten paper production bases of the Group, three plants in Zhejiang, Jiangmen and Shandong adopt central heating from the park. There are four plants in Guangdong, Beijing, Sichuan and Liaoning that use natural gas boilers for heating. The rest of three in Hubei, Xinhui and Yangjiang have adopted advanced desulfurization and denitrification waste gas treatment technology, so that the flue gas can reach ultra-low emission standards.

Our three-level emissions management system closely monitors the real-time data of waste gas emissions of boilers at our plants and ensures that emission levels are lower than the national and local standards, such as GB13271-2014 “Emission Standard of Air Pollutants for Boilers” and GB16297-1996 “Integrated Emission Standard of Air Pollutants”, etc.

Three-Level Emissions Management System



For the exhaust emissions of vehicles, we pay close attention to the exhaust gas emissions of our own vehicles, and strive to reduce the pollution emissions caused by vehicle operation by strengthening the management of official vehicles. Taking the stacker as an example, we will give priority to replacing the diesel-powered stacker with an electric forklift. At the same time, we advocate green travel for employees and encourage employees to effectively integrate travel trips to reduce the mileage and fuel consumption of official vehicles, thereby reducing exhaust emissions.

Waste Management

All operating units strictly abide by the local laws and regulations, including but not limited to the GB18599-2020 General Solid Waste Storage and Landfill Pollution Control Standards, the General Principles of National Hazardous Waste Identification Standards, the National Hazardous Waste List in Mainland China, the Waste Disposal Law in Chinese Taiwan and the Identification Standards for Hazardous Waste, the Environmental Quality (Controlled Waste) Regulations and the Solid Waste and Public Cleansing Management Act in Malaysia. No major violations related to waste emissions were found during the year.

Vinda attaches great importance to waste management. In addition to waste reduction at source, all plants are required to comply with ISO 14001 Environmental Management System and related regulations to effectively manage waste sorting and handling procedures. We continue to implement waste sorting, collect recyclable waste throughout the manufacturing process, and choose certified recycling suppliers for disposal. Non-recyclable wastes (such as domestic garbage) are handled by designated general contractors. To avoid damaging the environment, hazardous wastes are stored in designated supervision sites, and a certain amount of hazardous wastes will be disposed of by companies qualified for hazardous waste disposal.



Waste Reduction Initiatives

- All finished products are packaged with recyclable materials.
- We continued to optimise the production process of nursing supplies and established the standardised process of film receiving and cloth receiving. We also upgraded the visual system, reduced the frequency of abnormal shutdowns, and reduced the generation of waste in the production process.
- We improve and refine the equipment spot inspection and maintenance work in the wet wipes workshop to reduce the equipment failure rate. We reduce the waste of membrane, establish a loss analysis system, accurately calculate the loss points, and improve the utilisation rate of auxiliary materials.
- Unprinted and ink-free outer box rather than printed cartons, are introduced for e-commerce product packaging to improve the reuse rate.

Sustainable Ecology

In 2023, we carried out the following projects to strengthen waste management:

Sichuan Plant in the PRC – Hazardous Waste Storage Management	Redesigning the partitioned hazardous waste storage room, conducting anti-seepage treatment of hazardous waste storage room, and re-standardising label management
China Xinhui Plant – Desulfurization System Renovation	Through the upgrading and transformation of the desulfurization system, the sedimentation tank of the philtre tank was changed to clear water, and the gypsum was turned out into powder form to reduce the transportation volume and weight of waste
Chinese Taiwan Plant – Reducing Dust Pollution	Introduce dust compression equipment to effectively remove fine dust particles in the air and reduce air pollution

At the same time, we actively explore waste treatment and reuse technologies, cooperate with waste management experts and technical experts, and improve post-consumer waste solutions to maximise the resource and recycling of waste.



Industrial waste reuse project

We cooperated with local universities to launch the development project in the fourth quarter of 2023 to reduce waste to landfill.

For details of our solid waste reduction targets, please refer to Vinda’s Five-Year Sustainability Targets from 2021 to 2025 under the “Sustainable Development Goals” section of this Report.

Waste water management

Sewage discharge

Vinda complies with all relevant regulations on sewage discharge, including the General Principles of the HJ 819-2017 Technical Guidelines for Self-Monitoring of Pollutant Discharge Entities, the HJ 821-2017 Technical Guidelines for Self-monitoring of Pollutant Discharge Entities, the GB8978-1996 Integrated Wastewater Discharge Standard in Mainland China, as well as the Environmental Quality Act and its Amendment 2012 and the Environmental Quality (Industrial Wastewater) Regulations in Malaysia. During the Year, we comply with the regulations.

In addition, Vinda’s paper mills in Mainland China adopt a tailor-made wastewater treatment model for specific needs in each region. The direct discharge of municipal sewage pipe network must meet the requirements of national or local regulatory standards. Companies with centralised sewage treatment in industrial parks are directly included in the centralised sewage treatment model. At the early stage of construction, Vinda’s production bases across the country adhered to the “Three Simultaneities” environmental protection policy, that is, environmental protection facilities were designed, constructed and accepted simultaneously with the main project.

Sustainable Ecology

In accordance with the requirements of the local governments of each industrial park, we advocate centralised and unified discharge of sewage. At present, seven of our plants in China in Jiangmen, Hubei, Zhejiang, Liaoning, Shandong, Sichuan and Yangjiang have incorporated wastewater discharge into the sewage treatment systems of local industrial parks. For plants that are not included in the centralised treatment of industrial parks, we have established a three-level monitoring system for wastewater discharge to monitor the environmental protection indicators of wastewater discharge in real time to ensure that the discharge meets the standards⁷.



Wastewater treatment and water reuse rate

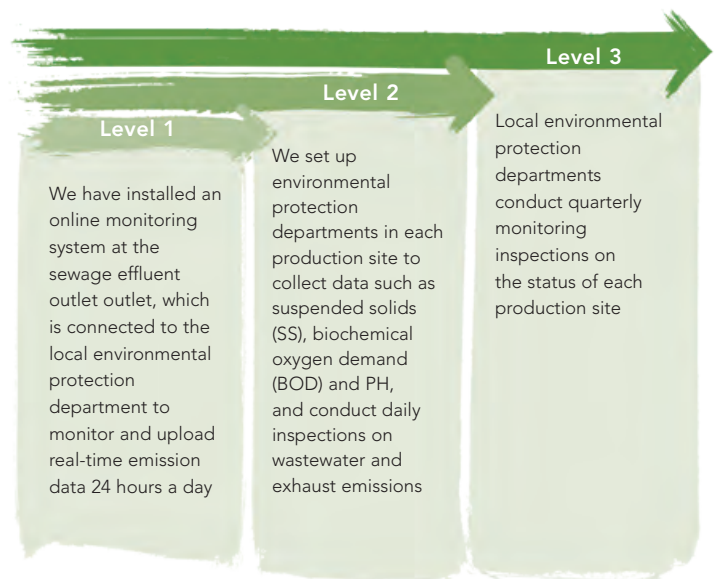
When selecting paper-making equipment, we consider the importance of water balance system, and maximise the use of recycled water in the production process.

The discharge of waste water during the ink cleaning process is one of the focuses of industrial waste water treatment. Our waste water is discharged after being concentrated and up-to-standard; After the concentration of wastewater, the concentrated liquid is only one-fifth of the volume of wastewater, reducing the overall discharge and the scheduled waste generated. In addition, the ink waste (SW417) formed a dry block after treatment, which significantly reduced the volume compared before treatment, thereby reducing the impact of factory discharge to water sources.

In 2023, we took the following measures to reduce wastewater:

Regular inspection	Regularly inspect the drainage pipes in the factory area to see if there is any spillage of sewage pipes
Wastewater reuse	The biochemical discharged water is recycled to the reclaimed water device through the philtre tank improvement pump, and then recycled to the production workshop after being treated by the reclaimed water device to reduce the amount of discharged water and tap water used in the water treatment workshop.
Optimising white water treatment	Optimise the white water treatment process of paper machines, increase the frequency of internal circulation of white water, reduce tap water consumption and reduce wastewater discharge

Three-level wastewater monitoring and management



⁷ Compliance with local emission standards, such as the Integrated Emission Standard of Water Pollutants of DB11307-2013, a local standard in Beijing, and the Standard Provisions on the Discharge Limits of Water Pollutants of DB44/26-2001, a local standard in Guangdong Province.



Sustainable
Community

Sustainable Community

At Vinda, we believe that our employees are our most valuable and essential assets. We are dedicated to fostering a caring and harmonious "Family Culture" work environment. We respect the value of our employees and provide them with fair opportunities for promotion. Additionally, we prioritise unleashing the potential of our employees by offering comprehensive training and development programs, creating a solid foundation for their growth. Meanwhile, we care about our employees' interests, welfare, and their overall well-being. We encourage them to actively participate in charitable activities, contribute to society, and embrace their social responsibility.

Employment in Compliance with Regulations

Standardise Employment

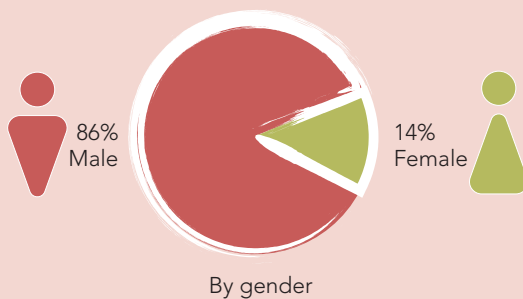
Vinda strictly complies with the employment and labour laws and regulations of various jurisdictions, including the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Labour Standards Law of the People's Republic of China, Employment Services Law of the People's Republic of China, Law on Gender Equality in Employment, and Children and Young

People (Employment) Act 1966. We formulate the Recruitment Management System to standardise the employee recruitment process, carry out recruitment work in an orderly manner according to the actual needs of business development, and actively expand recruitment channels. We assess talents based on objective criteria such as academic qualifications, work experience and personal skills, and provide them with job opportunities based on their competence to ensure the fairness and professionalism of the selection process. As of 31 December 2023, we had a total of 11,465 employees.

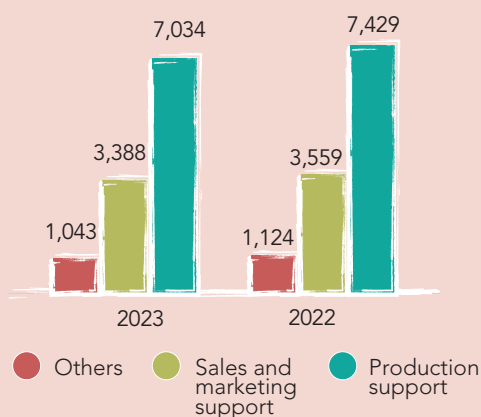
Prohibition of Child Labour and Forced Labour

Vinda strictly abides by the relevant laws prohibiting child labour or forced labour and strictly prohibits the employment of child labour or forced labour in any form. During the recruitment process, we step up effort to conduct information reviews to ensure the accuracy and validity of the candidates' information. We establish preventive measures and response mechanism. To comply with the applicable laws of various nations and jurisdictions as well as international standards regarding the minimum working age, our human resources departments diligently verify the employees' ages through their employment records. In the event of instances of child labour and any illegal employment or forced labour, we will immediately set up a dedicated task force to investigate the matter and eliminate such incidents. In case of child labour, we will immediately determinate the employment relationship, investigate the cause of misemployment, and implement effective measures to prevent the recurrence of similar incidents. In 2023, no significant violations related to child labour or forced labour were detected within our Group.

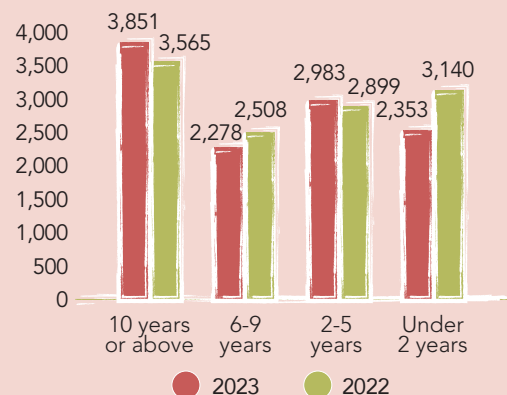
Composition of the Board



Job Functions of Employees



Years of Service of Employees



Sustainable Community

Equality, Diversity and Inclusion

Vinda values diverse workforce and advocates corporate value of fairness and equality. The Group establishes various systems, including Employee Work Rules and Sexual Harassment Preventive Measures (Grievance and Disciplinary Procedures), which prohibits employment discrimination based on race, class, and other factors. Additionally, it ensures that hiring decisions are made without any bias related to age, gender, marital or parental status, disability, nationality, religion, ethnicity, political opinion, social background, or sexual orientation. This commitment to non-discrimination aims to provide all employees with an open and fair environment, where they have equal opportunities to be recruited, selected, evaluated, and promoted. Vinda attaches great attention to the protection of female employees' rights and interests 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. Vinda opposes discrimination, advocates for equal opportunities, and safeguards the legitimate rights and interests of female employees. It is committed to provide equal employment and development opportunities for every single worker. The Group has maintained a male-female ratio of 56:44 for the past three years and 57:43 for the Year. Vinda will continue to strive to maintain a balanced gender ratio in the future.

In terms of diverse working environment, we fully understand the conventions and ethnic beliefs of the countries or regions in which we operate. We are committed to complying with local laws, regulations and policies, ensuring that all employees are treated with respect and equality. By listening to different voices and addressing various needs, we strive to cultivate an equal and inclusive working environment.

Talents Cultivation and Retention

Vinda places a strong emphasis to personal development of its employees. Through establishing comprehensive training systems, we facilitate employees to improve their skills and expertise, by providing them with a wide range of professional training and development programmes. We also value the protection of employees' interests and welfare, strengthen corporate humanistic care and adhere to the principle of fairness and justice, while offering them competitive remuneration and welfare. We strive to create diverse and fair working environment where every employee can learn and grow, stay passionate, create value with family-like support and care.

Training and Development

Vinda attaches great importance to the development and training of employees, improves the positive incentive mechanism, and provides employees with high-quality learning and growth opportunities. To achieve the above, we formulate the Training Management System and Internal Trainers Management Regulations, focusing on employee engagement, employee development and talent management. We design tailor-made training programs for employees at different levels and believe that professional talents are the key to business success. Since 2011, we have been providing Management Trainee Program for undergraduate/graduate students and Senior Management Programs for managers, which allowed us to establish a talent cultivation chain that spans from fresh graduates to middle and senior management positions. In 2023, the total training hours for Vinda's employees amounted to 161,323 hours, with a total participation of 10,051 individuals. This training initiative covered approximately 88% of our permanent employees.

Vinda adheres to the promotion principle of both integrity and ability, weighting ability and performance the same. Following the standard procedures and regulations outlined in the "Vinda Cadre Management Measures, the Group regularly conducts objective, fair and just promotion and evaluation of internal talents. When selecting candidates, Vinda gives priority to internal transfers by reviewing the internal talent pool and employee performance evaluation results. This approach allows employees to grow together with the Company. In terms of career advancement, Vinda provides a dual-pathway arrangement for core professionals and technical teams, with a view to developing and expanding the talent pool for the Company. Regarding the promotion mechanism, Vinda adheres to recognising and promoting individuals based on their. Vinda advocates gender equality and set a five-year sustainable development goal to maintain a balanced male-to-female ratio, thereby supporting the empowerment of female professionals in the workplace.



Mainland China

We provided a variety of training programs including in-house training within the company/department, oJT mentorship training, affiliate exchange and learning programme, or best practice sharing. Employees can independently select courses for self-learning and personal development through the online learning system. This allows them to meet the improvement needs for professional courses, leadership management skills, professional quality, and courses of personal interest. The reserve cadres are required to participate in the training of the Green Forest Programme, the Blue Ocean Programme and the Starry Sea Programme organised by the Human Resources Centre. When employees attend external training programmes organised by third-party institutions, we provide support for course fees and travel expenses. Furthermore, for employees who serve as internal trainers, they receive a certain amount of course incentive fee as compensation for their training services. In 2023, the total training hours of employees in Mainland China were 142,381.66 hours, with a total with a total participation of 9,374 individuals.

Chinese Taiwan

We have been committed to providing comprehensive training, and organize training activities such as workshops, project practices, experience sharing, online courses and lectures in accordance with the Training Management Regulations to strengthen the professional level and competitiveness of employees. In order to establish a sustainable and systematic human resources development system, we regularly conduct training demand analysis and annual training plan evaluation every year to equip employees with abilities and professionalism that are in line with the Company's strategic objectives. Employees can also submit internal and external training application in accordance with the Training Management Regulations. In 2023, the total training hours of employees in Chinese Taiwan were up to 6,107 hours, with a total participation of 246 individuals.

Case: Tena Workshop

In March 2023, we held Tena workshop where we shared and learned from the successful experiences of Tena solutions overseas. Combining the strengths of our marketing and business teams, we analyzed the incontinence care and business models of elderly care institutions in Taiwan. We also discussed customer needs and the strengths/weaknesses of competitive products, so as to build the marketing strategy and make brand premiumization. We also exercise employees' ability to think about business models and strategies for the future.



Tena Workshop Sharing



Sustainable Community



Malaysia

To better assure the diverse learning needs of our employees, we have thoroughly explored our training system and strengthened the professional skills of employees based on annual training. We have also implemented a personal development plan (IDPs) that comprise of 70% on-the-job training, 20% coaching, and 10% classroom learning. This approach aimed to bridge skill gaps and ensured that everyone can work efficiently. In addition, we have also introduced online learning courses and exploring educational assistance plans to offer financial support for employees applying for the external courses recognised by the company. This initiative aimed to encourage employees to obtain certifications, diplomas, degrees, or master's qualifications and facilitate the establishment of a training system that seamlessly integrates online and offline components. In 2023, the total training hours for employees in Malaysia were 12,834 hours, with a total with a total participation of 431 individuals.

Remuneration and Performance

Remuneration Management

The Group abides by the employment and labour laws and regulations of various jurisdictions, and formulates sound remuneration and welfare policies, covering areas such as the Remuneration Management System, the Performance Management System, the Benefits Management System, the Leave and Business Trip Management System, the Benefits for Contracted Employees System, to provide employees with safe living guarantee and implement them based on the principles of fairness, competitiveness, motivation, economy and legality.

Remuneration Design

The Group determines the specific remuneration of each employee based on their academic qualifications, professional titles, length of service, job value, work performance, supply and demand in the external labour market, etc. In terms of the salary adjustment, we determine the adjustment range by considering the annual assessment results of employees and the prevailing salary level in the external labour market. In addition, the Group has set up Short Term Incentive (STI) bonuses and Long Term Incentive (LTI) bonuses to motivate employees and share the results of the Company's development with employees.

Welfare and Care

Vinda provides caring welfare support for each of its employees. We formulate rules and regulations such as the Welfare Management Measures, Leave Management Measures and Administrative Measures of the Employee Welfare Committee. We make statutory social insurance payments, including pension, medical expenses, unemployment, work injury or maternity fees, and housing provident funds, as well as personal accident insurance. We also offer additional benefits (eg. the provision of "high temperature subsidies") according to local government requirements. With the promotion and application of digitalization, the Group has introduced a dual-channel system, combining both online and offline platforms, to provide employees with easy access to the employee handbook and the ability to engage in dialogue with the 24-hour online intelligent customer service representatives. This availability ensures that employees have immediate access to the latest information regarding policies on remuneration, retirement, and employee benefits.

Vinda continues to strengthen corporate humanistic care and focuses on internal communication and appeal process. For this purpose, we build mutual trust through open communication, striving to provide employees with fair, non-biased and mutually trusting communication channels to improve the transparency and effectiveness of decision-making. We achieved effective communication with each employee through various methods, including briefings, meetings, notices, bulletin boards, employee communication meetings, with a view to listening fully to the employees' voices. Employees can also report their demands through the Trade Union, E-MAIL, mailbox and other channels. We will ensure timely acceptance to effectively solve their problems.

Meanwhile, the Group organises a diverse range of staff activities aimed at fostering better understanding, communication, and team cohesion among employees.

Mainland China

We strictly abide by the “Law on the Protection of Women’s Rights and Interests” and “Rules on the Labour Protection of Female Employees” and other laws and regulations. In addition to the provision of maternity leave, breastfeeding leave, annual gynecological checkups and a health protection plan for female employees, we also provide nursing rooms at our workplaces to safeguard the legitimate rights and interests of female employees. As a company originated in the Guangdong-Hong Kong-Macao Greater Bay Area, we have warmly welcomed professionals from these regions in recent years by offering a series of supporting measures, including housing subsidies as well as guidance on children’s school enrollment and spouse’s employment.

In addition, we are proactive in holding various team activities, such as staff photography show, ball games competition, water sports meeting, Vinda Good Voice competitions, youth fellowship, to foster a strong sense of team spirit and enhance the cohesion among our employees.

Case: Employee Fun Games

To encourage employees to actively participate in sports and develop healthy lifestyle, Vinda Trade Union Committee, Female Employee Committee, and Sunflower Social Work Centre jointly held the “Happy Sports Promoting Health, Running and Fighting for Future” Employee Fun Sports Event in March 2023. A total of 20 teams and 240 employees participated. The Fun Sports Event enhanced cooperation and communication within the team and enabled employees enjoy warmth and happiness after busy work through five fun projects, namely “Unbreakable Forest”, “Wonderful Writing”, “Tetris”, “Cohesion” and “Skillful Catching”.



2023 Employee Fun Sports Event

Case: “Happy Summer, Fun Zongzi (a kind of Chinese traditional rice dumplings)” Activity

In order to enhance the communication and cooperation among employees, we held a Dragon Boat Festival celebration activity with the theme of “Happy Summer, Fun “Zongzi” in June 2023. The two meaningful activities of “Happiness in zongzi” and “Friendship in zongzi” created a joyful and caring atmosphere while promoting traditional Chinese culture.



Happy Summer, Fun “Zongzi” Activity in 2023

Sustainable Community

Chinese Taiwan



In accordance with Regulations on Employee Welfare and the Administrative Measures of the Employee Welfare Committee, we continuously make employee welfare better, such as tuition reimbursement, and cultural & recreational activities. By offering birthday bonus, elderly parents allowance, holiday bonus, travel benefits, subsidy for employee club activities, employee wedding cash gifts, funeral condolence payments, emergency assistance, employee scholarship. We do fully take care about our employees.

At the same time, we pay attention to the work and life balance of employees. When employees and their family members require in-person care in case of vaccination, critical illness, or other major accidents, we provide family care leave in accordance with the Leave Management Policy. When employees would like to take unpaid parental leave, they can make an application under the Regulations for Implementing Unpaid Parental Leave. This is aimed at helping them reduce the stress of conflict from work and family life.

Employees' physical and mental health is important to the company, therefore we motivated organize various activities such as the end-year party, the quarterly book reading sessions of Kaohsiung Plant, monthly birthday parties, and the Tena workshops to make employees enrich their cultural life in the spare time.

Case: Quarterly Book Reading Sessions

We held Book Reading Sessions every quarter to encourage employees to grow, learn and share constantly. In January 2023, we conducted the Book Reading Session by having a kick-off meeting; The first book was "Better Choices Better Life-Proven principles to make decisions that you won't regret.", we gathered together for the discussion and outdoor activities in March. In June, we led employees to explore self-growth under the guidance of *Atomic Habits*. Through these activities, discussions and games in Book Reading Sessions, employees can proactively interact and communicate with each other outside their work. They also can make themselves be someone's side, grow and make progress together.



Quarterly Book Reading Sessions in Kaohsiung Plant

Case: The North Asia Team Building

We arrange the activity such as mountain climbing for the North Asia team building in order to make the attendants have more concentration and patience. They had been starting to gel and getting close by participating these activities together and sharing experiences for each others. We also let the team trying to do archery. The flying arrows symbolized Vinda's strong commitment for our future goals.



Team Building – Mountain Climbing

Malaysia



Vinda places significant emphasis on ensuring a healthy work-life balance for its employees and establishes appropriate measures in accordance with the “Labor Leave Rules” and other regulations. We implement a “3+2 hybrid” working model, which grants employees without specific workplace requirements the opportunity to work remotely for two days each week. Additionally, we offer flexible work arrangements that enable employees to effectively manage their family care responsibilities alongside their professional duties, with a view to enhancing employee productivity and overall well-being.

In addition to the mandatory employment benefits, 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 pay attention to female care and provide nursing rooms and training rooms for employees in need to ensure the work environment is the best for our female employees.

We are also committed to meeting the spiritual and cultural needs of employees through carrying out a variety of cultural activities, such as lantern making competition, New Year’s Eve dinner and lion dance activities, green plant sales, health check and health lectures, to enhance employees’ sense of happiness and belonging.

Case: New Year Lantern Making Competition

To celebrate the Chinese New Year, we held the DIY Lantern Making Competition in January 2023. At the event, 5 staff members worked as a team to showcase their team spirit and creativity by utilizing limited resources. They collaborated seamlessly to craft lanterns with a rabbit theme, immersing themselves in the festive atmosphere and experiencing the joy that comes from effective teamwork.



Lantern making activities

Case: “Happiness Board”

In September 2023, we held a special “Happiness Board” event at Vinda Southeast Asia office. Employees wrote down moments of joy or positive emotions they experienced in their work on the board. The event allowed employees to look back to their simple happiness in work and life, making their day more fulfilling. Through this event, we created a relaxing working atmosphere and enhanced communication among employees.



“Happiness Board”

Sustainable Community

During the Year, Vinda’s employees participated in as many as 24 activities. The following is a summary of the activities:

Nature of activities	Employee Activities
Parental activity	“Different Childhood, Good Parental Time” Vinda Trade Union 2023 Summer Children Care Class
Interest groups	Quarterly Book Reading Sessions “Light and Shadow Affection: The 7th Year” – The seventh employee photography show organized by Vinda Trade Union Singing for the New Era, Boosting High-quality Development Chikan Town Art Collection Activity
Physical and mental wellbeing	“Happiness Board” “Your Wealth is Wealth”: Health Examination and Health Semina Sound Treatment Workshop
Caring Activities	Volunteer Day Summer Ice Cream Sharing Activity

Nature of activities	Employee Activities
Promoting Environmental Protection	Green Plant Promotion Activity
Team activities	The End-of-the-year Evening Party Mountaineering Team-building Activities Youth Fellowship Activity of “Gathering Youth, Lucky For Vinda To Have You”
Sports Activities	2023 Vinda Trade Union’s “Vinda Good Ball” Ball Games Vinda Trade Union – Fourth Water Sports Games 2023 Vinda Employee Sports Games
Festival celebrations	Malaysia Independence Day Eid Prayers Activity Monthly Birthday Parties New Year Lantern Making Competition New Year’s Eve Dinner and Lion Dance Activities Happy Summer, Fun “Zongzi” Activity

Occupational Health and Safety

Occupational Health and Safety Management

Vinda attaches great importance to the safety and health of employees and carries out production management with the goal of “zero accidents”. We adhere to compliant and standardised production operations, strictly abide by safety-related laws and regulations, and continue to improve the Group’s safety management system. Based on above, we organised various occupational safety and health activities such as “Safety Production Month” and “Vinda Occupational Safety and Health Day”, and formulated safety efforts priorities and strengthened the effectiveness of implementation.

In addition, we took accident risk management and monitoring as our focus of safety, continuously carried out accident risk point evaluation, and implemented safety monitoring to strengthen risk management and hidden danger investigation. In compliance with the guidelines of the Integrated Management System (IMS) for occupational safety and hygiene, we prioritise the provision of safe, healthy, and reliable working conditions for all employees and related parties by preventing work-related injuries and mitigating any adverse effects.

Sustainable Community

Mainland China

We rigorously abide by the Production Safety Law of the People's Republic of China (the Production Safety Law) and Fire Prevention Law of the People's Republic of China. We prepared the Potential Safety Risk Check and Management System of the Company according to the latest Production Safety Law, which specified the types, forms and requirements for safety inspection, to regulate the Group's work of checking and handling potential safety risks.

In 2023, we revised the Work Injury and Safety Accident Management System in accordance with relevant regulations to improve the whole-process management regulations for the prevention, reporting, investigation and analysis of work injury and safety accidents. We also issued the Safety Red Line Management System to clarify the bottom line of the Group's safety production monitoring and enhance the execution of safety efforts. In addition, we took accident risk monitoring as our focus of safety efforts, continuously carried out accident risk point evaluation, and implemented safety monitoring. Through the investigation of similar accident hazards and the comparison of accident risks, we have successfully identified a total of 155 accident safety hazards throughout the Year and have formulated rectification measures to improve the safety of the operation site. At the same time, we carried out comprehensive safety production inspection in August to systematically sort out and improve the management, process, mechanisms and work site, and promoted the safety management level.

In order to strengthen our grasp of the safety work of each factory, and establish the safety work sharing channel among factories, we have convened monthly safety work analysis meeting in the safety departments of each factory during the Year. We summarised the safety work problems on a regular basis and put forward improvement measures to promote the exchange and learning of safety work experience among factories and improve the safety production awareness and ability of employees.

Chinese Taiwan

We comply with the relevant regulations of the Occupational Safety and Health Law and establish a occupational safety and health committee. We continued to improve and review the effectiveness of safety and health management on a regular basis through the ISO 45001 Occupational Health and Safety Management System certification.

In 2023, in addition to the daily inspection, we have also carried out more than 5 safety inspections in which we found more than 204 safety hazards and issued more than 204 safety hazard rectification notices.

Malaysia

We comply with local safety and health laws and regulations, including the Occupational Safety Health Act 1994 and Factories and Machinery Act 1967. We report behavioural safety and unsafe conditions via mobile APP to enhance employees' involvement and engagement in safety and health. The Safety and Health Committee convenes quarterly meetings to provide a valuable platform for important safety and health discussions among management and employee representatives.

In 2023, in addition to the daily inspection, we have also carried out 12 safety inspections in which we found 106 safety hazards and issued 106 safety hazard rectification notices and actions were carried out to close all 106 notices.

Sustainable Community

Occupational Health and Safety Culture

In order to protect the safety and health of employees and improve their safety awareness simultaneously, the Group vigorously promotes the construction of safety culture and formulates comprehensive safety policies and procedures. This will enhance employees' safety awareness and guarantee in the workplace, reduce the risk of work accidents and injuries, and improve production efficiency and work quality.



Mainland China

We organise various forms of safety activities, including safety red line publicity training, fire skills practical training, accident emergency drills, to stimulate employees' enthusiasm to participate in safety work and improve their safety skills and awareness in the form of educational activities. In 2023, we carried out a total of 1,866 special safety training sessions and 318 emergency drills.

We encourage employees to participate in safety efforts to create the safety atmosphere of "everyone is a participant". In 2023, we continued to collect behavioral safety reports from employees through the V-Safety mobile app. Throughout the year, employees reported more than 90,328 behavioral safety observations.

	Safety training hours	Number of Participants
Mainland China	49,736.23	5,825



Chinese Taiwan

We arranged workplace safety and health activities on the "World Day for Safety and Health at Work". With dynamic management and V-Safety mobile application, we encouraged employees to report potential unsafe conditions and minimized the risk of work accidents.

	Safety training hours	Number of Participants
Chinese Taiwan	846.68	190

Case: World Day for Safety and Health at Work

April 28 is the "World Day for Safety and Health at Work" while the week included this day is the "Occupational Safety and Health Week" in Chinese Taiwan. Kaohsiung Plant launched the campaign of "Vinda Occupational Safety and Health Day in Chinese Taiwan", adhering to the concept of safety first and health first. By promoting the implementation of safety measures and the optimising of workplace safety and health, Kaohsiung Plant continuously minimizes occupational risks, safeguards the safety, takes good care of physical and mental health of employees, and cultivates the awareness of occupational safety and health.



Vinda Occupational Safety and Health Day in Chinese Taiwan

Malaysia



In 2023, 4 sessions of safety training on ISO 45001 safety related training were arranged for managers, executives and engineers to participate with 46 participants in sum. In addition, a total of 1,781 participants completed safety related training modules in Vinda Manufacturing Academy (VMA).

	Safety training hours	Number of Participants
Malaysia	3,409	1,872

Case: “Your Health is Wealth” – Health Examination and Health Lecture

In October 2023, we cooperated with Beacon Hospital in Malaysia to organise the activity under the theme of “your health is wealth”, with the theme of “Managing your diet – diabetes and impact on health”, providing employees with health examinations and health seminars. It offered a series of wellness programmes to support our employees to possess healthy bodies and fulfilling lives while achieving work achievements. It enabled employees to have a deeper understanding of their physical and health conditions, and obtain personalised and professional health advice, which is beneficial to their healthier lives.



Health Examinations and Health Seminars

Charity and volunteer activities

Vinda always keeps in mind its corporate social responsibility, adhere to its corporate spirit of “From the Community, For the Community” and gives back to the public with practical actions. Over the years, Vinda has been upholding the concept of “Home Charity”, actively participating in community public welfare undertakings and providing assistance to people in need in the society. Every year, through Vinda Volunteer Team, Vinda Charity Foundation and other organisations, we actively participate in charity activities in the fields of education, elderly services, housing and relief of serious illnesses, and continue to contribute to the society.

Vinda Charity Foundation

Vinda has long supported underprivileged students, elderly and severely ill patients under the name of Vinda Charity Foundation (the “Foundation”) for years.

Education is the foundation of the 100-year plan. We actively undertake the responsibility of supporting the growth of young people and launched the education project of “You Are the Best Education Fund”, facilitating students in need to pursue their dreams. Since the establishment of the project in 2014, the sponsored students have contributed a total of 11,182 volunteer hours. In 2023, the Foundation subsidised 46 students in need under “You Are the Best Education Fund”, with accumulated students amounted to 122 students in total. To demonstrate the spirit of “Giving Love”, the Foundation encourages sponsored students to participate in volunteer activities where it receives donations from graduates every year. In 2023, the number of volunteer hours contributed by the sponsored students reached 1,837, showing the inheritance of “love” with actions. Over the years, the Foundation

In 2023, Vinda Charity Foundation funded **158** elderly people in need and donated a total of **747,800** meals, involving a cost of approximately RMB **521** million

Visited **584** elderly people aged over 75 years old, living with low-income, on the margins of minimum living security and extreme poverty.

Sustainable Community

has not only provided financial support for students in need, but also organised various activities to help students grow up. In August 2023, the Foundation organised a two-day and one-night team building activity. Through interesting games, the students gained happiness and friendship, developed skills in effective communication, self-expression, and collaboration.



Ignite Your Dreams --You Are the Best Education Fund Launching Ceremony

With the aging problem getting serious in China, Vinda has been continuously understanding and caring about the needs and concerns of the elderly over the years based on its own corporate advantages. Since 2013, the Foundation has been providing meal subsidies for elderly individuals aged over 60 years who dine in 12 designated canteens of "The Same Old Place with Vinda". Those elderly individuals are those who lives alone and have a low income, as well as individuals who are underprivileged and seriously disabled. In addition, Vinda Charity Foundation adheres to the original intention of "Charity with Heart", insists on holding the "Warmth to the Home" activity, regularly visits and condolences to the diaspora elderly living with low-income, on the margins of minimum living security and extreme poverty, and delivers gift packages and blessings to them. In January 2023, Vinda Charity Foundation visited the elderly individuals in Xinhui District, Jiangmen City, Guangdong Province. Those elderly individuals are living with low-income, on the margins of minimum living security and extreme poverty and were over the age of 75. The Foundation provided them with rice, noodles, cured food, hygiene paper and other condolence materials to warm them over the Chinese New Year.



Vinda Charity Foundation's "Warm to the Home" Activity

In December 2023, an earthquake of 6.2 magnitude struck Jishishan County, Linxia Prefecture, Gansu Province. Vinda activated the disaster relief response in the first instance and prepared all product categories of the Group to support the disaster area. We delivered more than 4,000 boxes of emergency daily necessities, including sanitary napkins, disinfectant wipes, toilet paper, adult diapers to the designated receiving point of the Red Cross Society of Jishishan Bonan, Dongxiang and Salar Autonomous County at the fastest speed, affording whatever assistance we could to the people in the disaster area and rescue personnel.



Anti-earthquake with Gansu, Vinda in action

Employee voluntary activities

Vinda aims to provide 8,000 hours of volunteering during the period from 2021 to 2025.

In Mainland China, the Vinda Volunteer Team provided 1,890 hours of volunteer services in total with 614 volunteers participated in 2023. Since June 2023, Vinda Volunteer Team has launched the "Scenic Spots and Enterprises Pairing" volunteer service programme for Liang Qichao's homely tourism. The programme aims to build a good window for culture and tourism, to promote the tourism business card of "the hometown of Chenpi (it. dried tangerine peels), the hometown of Qichao", and to provide civilised tourism guidance services for tourists, so that they can have a more comfortable tour experience. In addition to the above activities, the Vinda Volunteer Team continued to carry out voluntary activities such as duty shift, charity sales and home visits at the "Guifengshan Volunteer E Station" every Tuesday.

Sustainable Community

In Chinese Taiwan, Kaohsiung Factory organised charity voluntary events in June 2023 to visit elderly care institutions to spend joyful festival time with the elderly. We expressed our love and care for the elderly with singing and dance performances, bringing happiness and companionship to the elderly. In addition, employees made fragrance bags with the elderly, shared simple handicraft skills, communicated and interacted with the elderly. They cared about the elderly's living conditions and conveyed good wishes and warmth to them. The activity promoted the traditional virtue of respecting and caring the elderly, ignited the spark of love and hope, and demonstrated Vinda's social responsibility and commitment.

In Hong Kong, China, we participated in the "Lifeline Express Charity Run 2023" which was sponsored by Lifeline Express and co-organised by Clearwater Bay Golf and Country Club. We provided material sponsorships to support the "Lifeline Express" train hospital and its various blindness prevention and treatment efforts. The event was held in the Clearwater Bay Golf and Country Club in the morning of November 18, with a total of 15 Vinda employees participated to spread love and hope at their feet.



Community Education

Vinda values children's education. In May 2023, we held the children's ecological and environmental protection research activity under the theme of "Environmentally Friendly, Child-Friendly" – the collection of children's natural creative painting. With the theme of "Green Life, Blue Future", the activity aimed to guide teenagers to portray the harmonious coexistence of human and nature in the process of creating four-colour natural creative works, advocate a low-carbon life of energy conservation and emission reduction, and spread the concept of green and healthy environmental protection. The activity introduced the children's participation perspective into the ecological civilization education activity, created a new path for effective ecological civilization education for teenagers and children, and promoted children to enter the nature and practise charity.



"Environmentally Friendly, Child Friendly" Collection Activity of Creative Natural Painting

In 2023, we partnered with the local education bureau to donate 2,490 boxes of hand sanitizer to schools in Malaysia for students to use in their daily school activities. At the same time, we donated 49 boxes of dry diapers and other items to the charity, Kembara Kitchen, hoping that our products can enable poor children to grow in a clean and healthy environment.



7 Sustainable Governance

Sustainable Governance

Vinda strictly regulates sustainable governance, continuously strengthens risk management and internal control, identifies major risks that may be faced, and effectively controls them. At the same time, we attach great importance to the construction of business ethics and the improvement of anti-corruption system, protect the information security and intellectual property rights of the Company and its partners from infringement, and strive to form a corporate governance system that are internally controllable and external trusted.

Risk Management and Internal Control

Vinda has established robust and reliable risk management and internal control mechanisms to identify, monitor and manage risks associated with its business activities, and to implement effective and feasible control systems. The Board and its six committees (the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee, the Executive Committee and the Strategic Development Committee) regularly supervise and review the Group's overall strategy, risk control, financial position, corporate governance, sustainability and other

issues, and review the effectiveness of management approaches, including review of indicators, goals and action plans to enhance the accountability and quality of management processes. Through the Risk Management Committee and the Audit Committee, the Board has conducted an annual review of the effectiveness of the Group's risk management and internal control systems for the Year, covering the aspects of material financial, operational and compliance controls.

Risk management system

The Group continues to improve its risk management work, which is coordinated by the Risk Management Committee. At the same time, a corporate leadership team consisting of senior management members is responsible for driving the Risk Management Committee to report to the Board on material risks, material changes and relevant mitigation actions. The Risk Management Committee meets at least once a year and at any time when necessary or desirable. During the Year, the Risk Management Committee held a total of 2 meetings.

Primary duties of the Risk Management Committee

- To develop the Company's risk management strategies and make recommendations to the Board;
- To review and advise on risk management policies and guidelines and financial policies;
- To develop risk levels, risk appetite and related resource allocation and make recommendations to the Board;
- To advise on material decision-making matters affecting the Group's risk portfolio or threats and to give such directions as it considers appropriate;
- To advise on major financing proposals and treasury management proposals to the Executive Committee of the Company;
- To review the Group's risk management approach and approve the changes or improvements to be made to the key elements of its procedures and processes;
- To consider the identified key risks, risk register and related risk mitigation measures, including crisis management and report to the Board on these matters.



Sustainable Governance

Internal control and internal audit

Vinda attaches great importance to the internal control and internal audit system, and has a comprehensive internal audit mechanism to identify risks in all aspects. The Internal Control Centre conducts independent audits according to the annual internal audit plan approved by the Audit Committee every year, and is responsible for identifying, assessing, mitigating and monitoring the risks of its departments or business units. The audit projects mainly cover quality, environment, security and other ethical standards, including anti-corruption, information security, new product development and advertising, etc. The relevant major audit results will be directly reported to the Audit Committee of the Board. During the Year, we implemented a total of 55 internal audit projects, covering all regions and functions of the Group, so as to reveal and eliminate non-compliance risks in a timely manner.

Audit Policy

- Clarify the responsibilities, authorities and basic procedures of internal audit through the Internal Audit Charter;
- Based on risks, the Internal Audit Department formulates a plan at least once a year. During the planning process, we take into account the opinions of senior management and the Board to determine the focus of internal audit activities in line with the organisational objectives, which is ultimately implemented upon the approval of the Audit Committee of the Board.

Audit Procedures

- The Internal Audit Department sends the Internal Audit Notice to inform the audited unit of the scope and schedule of the internal audit project;
- The internal auditor of the project prepares the internal audit work plan according to the objectives and scope of the internal audit project, and records the internal audit implementation process to support the output of the internal audit results;
- Each audit result will be reported to the audited unit and the management of the Group via the internal audit report, and major findings in the internal audit will be reported to the Group's senior management or even the Audit Committee;
- The internal audit department will collect the response plan of the management team of the audited unit through the OA process and follow up the implementation.

Business Ethics

Vinda has always adhered to the "high ethical standards", strictly abided by the Company Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other laws and regulations, resolutely cracked down on any form of unfair competition, extortion, fraud and money laundering, created a clean and upright atmosphere, and promoted the compliant and orderly development of the enterprise.

Conflicts of Interest

Vinda has established a comprehensive conflict of interest declaration process. When our employee or his/her immediate family member has a direct or indirect conflict of interest with the Group, the employee shall report in accordance with the "Conflict of Interest Reporting Process". In order to prevent employees from harming the interests of the Group and shareholders due to conflicts of interest in the course of work, all employees are required to declare their interests that may affect the interests of Vinda (including induction declaration, annual declaration, updates at any time).

In order to ensure the authenticity and accuracy of the interest declaration, the human resources department is responsible for reviewing the Interest Declaration Questionnaire filled in by all employees, and if there is any question, it shall approach the party concerned for information and verify immediately. If necessary, direct supervisor or higher manager of the party concerned will be contacted to obtain additional information. In addition, the annual declaration of all employees will be summarised and filed with the Group's Human Resources Centre.





Whistleblowing Management

Vinda has a comprehensive whistle-blowing mechanism in place to encourage internal and external stakeholders to report any suspected cases of misconduct, malpractice, impropriety, unethical or unfair treatment to senior management. We standardise the reporting procedures and provide multiple reporting channels

to ensure that the appeals are expressed smoothly. At the same time, we pay attention to the management of privacy protection of whistleblowers, strengthen the confidentiality restraint mechanism, and take a number of measures to prevent retaliation against whistleblowers and effectively protect the rights and interests of whistleblowers.



Whistleblowing Procedures

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 - Under the leadership of the Audit Committee for whistleblowing, the Code of Conduct team (composed of the CEO and relevant senior managers) is the standing department for handling whistleblowing cases, while the internal audit department is the daily management department for whistleblowing cases.
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 - Vinda shall disclose the information of whistleblowing channels including whistleblowing telephone number, whistleblowing email, receiving address internally and externally through Vinda official website and in accordance with the Code of Conduct, the Anti-Corruption System and the Anti-Commercial Bribery Agreement, new employee training and annual anti-fraud training etc..
- 
 - The internal audit department will conduct a preliminary analysis of all whistleblowing cases and record them. The Code of Conduct team will decide whether to initiate an investigation and appoint the appropriate investigation team according to the seriousness of the case.
- 
 - Once the reported case is verified, Vinda will take disciplinary action against the those involved, with the serious one being fired or even transferred to the judicial authority. After the occurrence of fraud cases, the responsible department shall take corrective measures in a timely manner and evaluate and improve the internal control procedures.

Sustainable Governance

Whistleblower protection

Vinda has implemented the strictest confidentiality standard, and any information provided by the whistleblower will be kept confidential. Such information will only be used by persons who need to be informed of such information for the purpose of conducting investigations and resolving this case in accordance with the policies of Vinda, unless it is required by law to be disclosed or given to the relevant authority for the purpose of criminal litigation.

We also accept anonymous reports and respect the relevant appeal of whistleblowers, and carry out effective investigations based on the information provided by whistleblowers as much as possible. Any retaliation against reporting and intentional false reporting are strictly prohibited and will be subject to serious disciplinary action or even dismissal. In addition, after the reported case is verified, Vinda will give appropriate rewards to the whistleblower according to certain standards.

Anti-corruption

Anti-corruption system and measures

Vinda always adheres to the principle of integrity and compliance, adopts a zero-tolerance attitude towards anti-corruption, strictly abides by relevant laws and regulations in the regions where we operate, and formulates internal anti-corruption management systems, including employee basic code of conduct, anti-corruption work procedures, and daily anti-corruption management methods. At the same time, we also take various measures to prevent corruption and fraud, resolutely crack down on corruption, bribery, job embezzlement and other fraud, and create a clean workplace. During the Year, the Group was not aware of any material non-compliance with local laws and regulations related to anti-corruption.

Anti-corruption Internal management system

Employee's Basic Behaviour Norms

- Code of Conduct
- Employee Manual
- Management Measures for Senior Management Personnels
- Basic Code of Conduct for Sales Personnels
- Management System for Reward and Punishment of Employees

Anti-Corruption System

- Internal Investigation Procedure
- Internal Audit Charter
- Anti-Commercial Bribery Agreement
- Conflict of Interest Reporting System
- Guidelines on Internal Control
- Risk Assessment and Report System

Anti-corruption in Daily Management

- Measures on Business Transactions and Cost Approval Authorities
- Measures Governing Contracts
- Management Measures for Expenses Imbursement
- Management System on Confidentiality
- Measures Governing Tender Invitations

Measures to prevent corruption and fraud

Signing of Anti-Commercial Bribery Agreement

Any person who executes the contract with external parties on behalf of Vinda must sign the anti-commercial bribery agreement, or the content of which are included in the principal terms of the contract.

Annual Risk Assessment

The management team considers the potential fraud in every year's risk assessment project and constantly improves Vinda's anti-corruption procedure.

Investigation of fraud cases

After each fraud case being investigated, the human resources department will notify the case within proper range according to the case level.

Pre-employment Check of Key Personnel

When determining a person's employment or promotion to a high-trust position, we will consider conducting background check or integrity due diligence investigation.

Anti-corruption training

In order to implement the concept of integrity and compliance, we regularly organise anti-corruption training for directors and employees, and adopt diversified employee training and self-learning methods to publicise the latest anti-corruption related legal norms and internal behaviour standards. We require our employees to be vigilant and take reasonable measures to identify and assess the integrity of our business partners to ensure that they conduct legal business activities, and report any unexplained funds and suspicious business activities with the assistance of a professional team, and do not tolerate corruption.

2023	Number of Participants	Training hours
Anti-Corruption Training		
Managerial staff	1,791	2,801.19
General staff	7,637	7,886.15

Sustainable Governance

Employee anti-corruption training methods

- All employees must receive training on the Code of Conduct during induction training and understand the channels for reporting fraud;
- Issued the Code of Conduct and the Employee Handbook to all employees for self-study and daily review, and required employees to sign for receipt;
- Human Resources Department conducts online or face-to-face training for all employees every year, which includes the requirements of the code of conduct;
- During their employment, all employees are required to re-learn about Vinda's interest declaration and conflict of interest avoidance policies when declaring their interests every year to strengthen their awareness of anti-corruption.

Chinese Taiwan

We arrange code of conduct and anti-corruption training for every new employee to prevent contract fraud, corruption, spillage of confidential information, insider trading, unfair competition and other illegal matters, so as to ensure that every employee remains vigilant at all times and understands the latest anti-corruption related legal norms and code of conduct.

Supply chain integrity management

Good corporate governance can bring excellent business behaviour norms into the Group and become a model inside and outside the industry. We expect our business partners, including suppliers, consultants and independent contractors, to comply with Vinda's Anti-Commercial Bribery Agreement, Conflict of Interest Reporting System, Tendering Management Measures, Code of Conduct, Intellectual Property Rights Agreement and Confidentiality Agreement and other standards or similar standards. All suppliers must agree to the following standards:

Malaysia

We have established an online learning platform – the Learning Management System (LMS), which requires employees to complete a mandatory anti-bribery and anti-corruption training module to ensure that employees understand anti-corruption knowledge, track the percentage of employees who complete the training, and supervise employees' learning effectiveness.

From 13 June to 14 June 2023, we organised anti-bribery and anti-corruption training with the theme of "individual and corporate responsibility", focusing on compliance requirements and advocating the construction of a clean and upright corporate atmosphere.

Sustainable Governance

- I. When commercial partners participate in the bidding initiated by Vinda and sign contracts with Vinda, Vinda will sign the Anti-Commercial Bribery Agreement (Commitment) with them or include the main content of the Anti-Commercial Bribery Agreement in the contract.
- II. Conflict of Interest Reporting System requires employees to take the initiative to declare their interests with suppliers to avoid conflicts of interest.
- III. Tendering Management Measures specifies the principles and procedures for the selection of suppliers in major procurement matters.

If any of our business partners deviate from these standards during their cooperation with Vinda, we will communicate with them to ensure clarity on the necessary remedial actions to be taken.

Information Security and Data Protection

The development of information technology is in a new month. While profoundly changing the production and lifestyle, the resulting network threats and risks are also increasing. The importance of information security and data protection to enterprises continues to increase, which is an important factor for enterprises to build trust, protect reputation and achieve compliance.

Vinda adheres to the concept of creating value for customers and consumers, attaches great importance to information security risk control and customer privacy data security, strictly abides by the information security laws and regulations of the places where it operates, and is committed to building a safe and reliable network system and building a solid network security defence line.


In addition, we only collect, process and store personal information from customers, consumers, employees or third parties for legitimate business purposes, and will protect such personal information from unauthorised use or disclosure to protect data security.



- Protection through firewalls, anti-virus walls, and network application firewalls



- Antivirus software, security patch updates



- Multiple email gateway protection



- Use an advanced threat management system to identify and detect security threats

- Ensure that personal data is processed only with proper consent.

- Collecting and using personal data only for legitimate business purposes.

- The corporate and third party's information shall not be shared with units or individuals other than employees with legitimate business needs.

Sustainable Governance

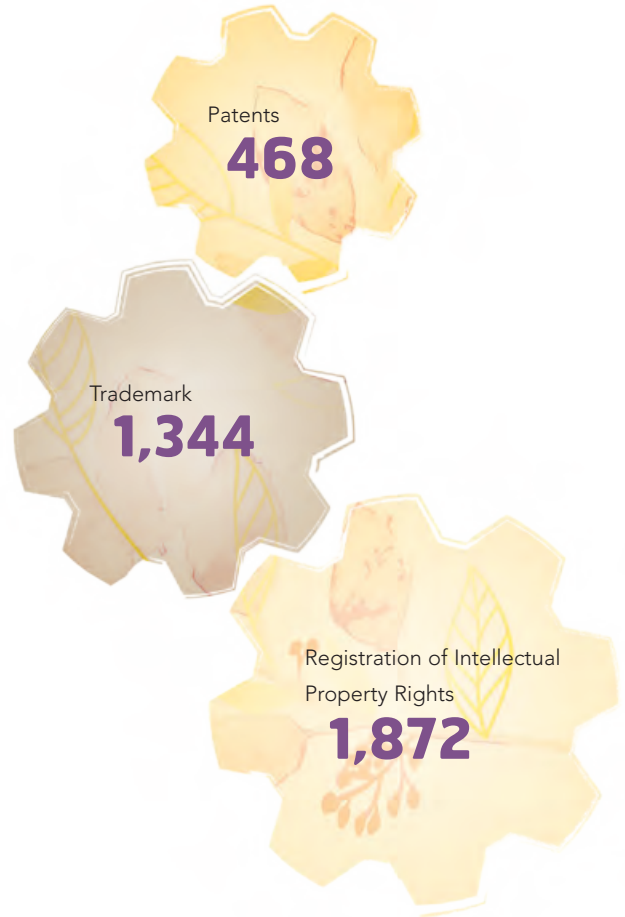
Protection of Intellectual Property Rights

Intellectual property rights are the cornerstone of enterprise innovation and development. Vinda attaches great importance to the protection of its own R & D achievements, makes full use of intellectual property tools to protect and promote the Group's brand building and independent innovation, and continuously improves the creation, application and management of intellectual property rights through measures such as improving systems, applying for patents and fighting against infringement.

We strictly abide by the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other regulations and standard documents, and have formulated a series of complete intellectual property management systems such as the Patent Management System for Scientific and Technological Innovation and the Trademark and Patent Management System based on the actual situation of the Group to provide institutional guidelines for intellectual property protection and R & D innovation. At the same time, we have set up a Intellectual Property Management Department to clarify the main responsibilities of the Intellectual Property Management Department, and list out the ownership and income distribution of intellectual property rights generated during work. All new packaging and new process products of the Group are subject to copyright registration or patent protection. When we encounter cases related to intellectual property rights, we will adopt various approaches, including initiating litigation or filing administrative complaints, to address them effectively, considering the specific circumstances involved. By taking these actions, we effectively safeguard the intellectual property achievements of the Group. During the Year, there was no violation of intellectual property rights by the Group.

Employees are the core force of intellectual property innovation. We have formulated and implemented the Intellectual Property Reward System to encourage employees to actively innovate and develop technology, promote the application of intellectual property rights, and improve the competitiveness and economic benefits of the Group. We also require employees to keep confidential all patented technology information they possess during and after their employment to reduce the risk of spillage of intellectual property achievements.

As of 31 December 2023, the Group owned 468 patents and 1,344 trademarks, and registered a total of 1,872 intellectual property rights.



APPENDIX I:

Key ESG Performance Indicators

Environment

ESG Indicators	Unit	2023	2022
Air emissions¹			
NOx	Tons	143.43	203.20
NOx emission intensity	kg/ten thousand revenue (HKD)	0.07	0.10
SO ₂	Tons	51.79	56.36
SO ₂ emission intensity	kg/ten thousand revenue (HKD)	0.03	0.03
Greenhouse gas emissions²			
Direct emissions (Scope 1)	Tons	423,560	435,052
Energy indirect emissions (Scope 2)	Tons	837,595	785,003
Total emissions	Tons	1,261,155	1,220,055
Total emissions intensity	Tons/ten thousand revenue (HKD)	0.63	0.63
Waste Discharge			
Solid waste recycled	Tons	89,152	86,158
Non-hazardous waste generated	Tons	94,051	91,861
Regulated hazardous waste generated	Tons	231	215
Hazardous waste emission intensity	kg/ten thousand revenue (HKD)	0.12	0.11
Non-hazardous waste emission intensity	kg/ten thousand revenue (HKD)	47.03	47.31
Energy use			
Electricity	kWh	981,335,767	928,607,145
Coal	Tons	183,714	178,786
Natural gas (for production)	Tons	32,687,152	31,049,233
Purchased steam	Tons	884,132	844,528
Diesel for stationary equipment	Tons	15.15	15.24
Diesel for factory-owned vehicles	Tons	92.88	96.86
Gasoline for factory-owned vehicles	Tons	57.19	47.76
Natural gas (for canteens)	m ³	101,174	90,485
Liquefied petroleum gas (canteen gas)	Tons	29.96	35.75
Energy consumption intensity	Tons of standard coal/ten thousand revenue (HKD)	0.20	0.20
Energy consumption intensity for tissue	Tons of standard coal/ten thousand revenue (HKD)	0.24	0.24 ³
Energy consumption intensity for personal care	Tons of standard coal/ten thousand revenue (HKD)	0.03	0.03

APPENDIX I: Key ESG Performance Indicators

ESG Indicators	Unit	2023	2022
Water consumption			
Water consumption (tap water)	m ³	9,668,826	9,729,768
Water consumption (underground water)	m ³	946,079	945,756
Water consumption (surface water)	m ³	1,396,354	1,206,586
Total water consumption	m ³	12,011,259	11,882,110
Water consumption intensity	Tons/ten thousand revenue (HKD)	6.01	6.12
Consumption of packaging materials for finished products			
Paper – total consumption volume	Tons	123,357	108,204
Paper – consumption intensity	Tons/ten thousand revenue (HKD)	0.062	0.056
Plastic – total consumption volume	Tons	36,556	32,085
Plastic – consumption intensity	Tons/ten thousand revenue (HKD)	0.018	0.017

Note:

1. Since motor vehicles and other sources of emissions are not significant in Vinda's operations, the data only covers emissions from boilers.
2. Direct GHG emissions include: stationary combustion of coals, natural gas, liquefied petroleum gas, diesel oil, acetylene; mobile combustion of diesel oil and petrol used in transportation; fugitive emissions from air conditioners/refrigerators/coolers/water dispensers/refrigerants used in business vehicles (R134A, R410A, R32, etc.), carbon dioxide fire extinguishers, heptafluoropropane fire extinguishers, septic tanks, sewage treatment plants, high-voltage transformer circuit breakers, WD-40 rust inhibitors. Scope of data covered the regions in Mainland China, Chinese Taiwan and Malaysia.
3. The energy consumption intensity for tissue in 2022 has been adjusted from 0.22 tons of standard coal/ten thousand revenue (HKD) to 0.24 tons of standard coal/ten thousand revenue (HKD).

APPENDIX I: Key ESG Performance Indicators

Society

Employees

Number Of Employees	2023		2022	
	Pax	Percentage	Pax	Percentage
By gender				
Male	6,562	57.2%	6,852	56.6%
Female	4,903	42.8%	5,260	43.4%
By age group				
Below 30	2,230	19.5%	2,719	22.4%
30-50	8,596	75.0%	8,792	72.6%
Above 50	639	5.6%	601	5.0%
By geographical region				
Mainland China	9,674	84.4%	10,157	83.9%
North Asia	385	3.4%	376	3.1%
Southeast Asia	1,406	12.3%	1,579	13.0%
By employee category				
Senior executive	90	0.8%	91	0.7%
Middle management	2,022	17.6%	2,019	16.7%
General staff	9,353	81.6%	10,002	82.6%

Employee Turnover Rate	2023		2022	
	Pax	Percentage	Pax	Percentage
By gender				
Male	1,541	19.0%	1,414	17.1%
Female	997	16.9%	818	13.5%
By age group				
Below 30	1,012	27.5%	952	22.8%
30-50	1,353	14.0%	1,176	12.2%
Above 50 years old	173	26.9%	104	19.6%
By geographical region				
Mainland China	2,085	17.7%	1,704	14.4%
North Asia	85	18.2%	88	19.0%
Southeast Asia	368	20.7%	440	21.8%

APPENDIX I: Key ESG Performance Indicators

Total number of employees trained	2023		2022	
	Pax	Percentage ⁸	Pax	Percentage
By gender				
Male	5,915	90.1%	5,980	87.3%
Female	4,136	84.4%	4,876	92.7%
By employee category				
Senior executive	84	93.3%	28	30.8%
Middle management	2,022	100.0%	1,468	72.7%
General staff	7,945	85.0%	9,360	93.6%
Total number of employees trained	10,051	87.7%	10,856	89.6%
Total training hours (hours)	161,323	N/A	163,192	N/A

Average training hours	2023
Average training hours per employee	14.1
By gender	
Male	15.7
Female	11.9
By employee category	
Senior executive	10.0
Middle management	14.5
General staff	14.0

⁸ Percentage of employees trained: the total number of employees trained in the category divided by the total number of employees in the category.

APPENDIX I: Key ESG Performance Indicators

Vinda's work-related accidents in the past two years:

	Group	
	2023	2022
LTA (Lost-Time Accident) (case)	22	28
DLA (Lost-Day from Accident) (day)	1,546	2,378

Region	Lost time accident in 2023 (case)	Lost-Day from accident in 2023
Mainland China	17	1,311
Chinese Taiwan	1	33
Malaysia	4	202
Total	22	1,546

The data of work-related fatalities in the past three years is as follows:

Work-related fatalities	2023	2022	2021
Total cases of work-related fatalities	1	1	0
Rate of fatalities as a result of work-related injury (per 100 workers) *	0.0087	0.0083	0

* Rate of fatalities as a result of work-related injury: Number of deaths as a result of work-related injury/number of workers * 100.

Supplier

The number of suppliers in different categories as of 31 December 2023 by each plant:

Number of active material suppliers ⁹	2023	2022
Mainland China and Hong Kong	414	406
Malaysia	30	39
Chinese Taiwan	32	33
Other Regions in Asia	26	30
Europe	16	12
North/South America	7	8
Total	525	528

⁹ Material suppliers generally refer to suppliers that provide Vinda with raw materials (such as wood pulp, chemicals) and subcontracting and processing services for the production of finished products. Active material suppliers refer to material suppliers that provide services or materials for the Group during the statistical year.

APPENDIX I: Key ESG Performance Indicators

Number of chemical suppliers	2023
Mainland China and Hong Kong	58
Malaysia	33
Chinese Taiwan	13
Other Regions in Asia	7
Europe	2
North/South America	0
Total	113

APPENDIX II:

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

ESG Reporting Guide	Description	Section of The Report
Corporate Governance	<p>I. Disclosure of the supervision on the Board's ESG issues;</p> <p>II. The Board's ESG management approach and strategy, including the process of evaluating, prioritising and managing material ESG-related issues (including risks to the issuer's business); and</p> <p>III. Description of how the Board reviews the progress based on ESG-related goals and an explanation of how they relate to the issuer's businesses.</p>	Chapter 3 Our Sustainability Governance
A. ENVIRONMENTAL		
Aspect A1: Emissions		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Chapter 5 Sustainable Ecology 5.2 Water Management 5.3 Waste and Emissions Management
KPI A1.1	The types of emissions and respective emissions data.	Appendix I: ESG Key Performance Indicators
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).	Appendix I: ESG Key Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: ESG Key Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: ESG Key Performance Indicators
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Chapter 5 Sustainable Ecology 5.2 Water Management 5.3 Waste and Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Chapter 5 Sustainable Ecology 5.3 Waste and Emissions Management

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ESG Reporting Guide	Description	Section of The Report
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Chapter 4 Sustainable Business 4.1 Design and New Product Development
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).	Appendix I: ESG Key Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: ESG Key Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Chapter 5 Sustainable Ecology 5.1 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.	Chapter 5 Sustainable Ecology 5.2 Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix I: ESG Key Performance Indicators
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Chapter 5 Sustainable Ecology
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Chapter 5 Sustainable Ecology
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Chapter 5 Sustainable Ecology Topic: Our Climate Actions
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.	Chapter 5 Sustainable Ecology Topic: Our Climate Actions

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

ESG Reporting Guide	Description	Section of The Report
B. Society		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Chapter 6 Sustainable Community 6.1 Employment in Compliant with Regulations 6.2 Talent Cultivation and Retention
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Appendix I: ESG Key Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: ESG Key Performance Indicators
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Chapter 6 Sustainable Community 6.3 Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: ESG Key Performance Indicators
KPI B2.2	Lost days due to work injury.	Appendix I: ESG Key Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Chapter 6 Sustainable Community 6.3 Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Chapter 6 Sustainable Community 6.2 Talent Cultivation and Retention
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: ESG Key Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: ESG Key Performance Indicators

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ESG Reporting Guide	Description	Section of The Report
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Chapter 6 Sustainable Community 6.1 Employment in Compliant with Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Chapter 6 Sustainable Community 6.1 Employment in Compliant with Regulations
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Chapter 6 Sustainable Community 6.1 Employment in Compliant with Regulations
Operating Practises		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Chapter 4 Sustainable Business 4.4 Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Appendix I: ESG Key Performance Indicators
KPI B5.2	Description of practises relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Chapter 4 Sustainable Business 4.4 Sustainable Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Chapter 4 Sustainable Business 4.4 Sustainable Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Chapter 4 Sustainable Business 4.4 Sustainable Supply Chain

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ESG Reporting Guide	Description	Section of The Report
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Chapter 7 Sustainable Governance 7.4 Information Security and Data Protection
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Chapter 4 Sustainable Business 4.2 Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Chapter 4 Sustainable Business 4.5 Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Chapter 7 Sustainable Governance 7.5 Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Chapter 4 Sustainable Business 4.2 Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Chapter VII Sustainable Governance 7.4 Information Security and Data Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Chapter 7 Sustainable Governance 7.3 Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practises brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Chapter 7 Sustainable Governance 7.3 Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Chapter 7 Sustainable Governance 7.2 Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Chapter 7 Sustainable Governance 7.3 Anti-corruption

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ESG Reporting Guide	Description	Section of The Report
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Chapter 6 Sustainable Community 6.4 Charity and volunteer activities
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Chapter 6 Sustainable Community 6.4 Charity and volunteer activities
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Chapter 6 Sustainable Community 6.4 Charity and volunteer activities