

Sustainability Report 2019



China Jishan Holdings Limited

About This Report

This Sustainability Report seeks to inform investors of China Jishan Holdings Limited ("China Jishan", and together with its subsidiaries, "the Group") about our sustainability performance in a transparent and responsible manner.

● Reporting Period

China Jishan's Sustainability Report is published on an annual basis and this is the third Sustainability Report of the Group. This report covers the Financial Year 2019 from 1 January 2019 to 31 December 2019.

● Reporting Scope

This Sustainability Report covers the Head Office of China Jishan, Zhejiang Jishan Printing and Dyeing Co, Ltd, and Polar International Trading Company, the latter two entities being the Group's wholly-owned subsidiaries, as well all the operating factories.

● Reporting Process

The preparation of the report was led by China Jishan's Board of Directors ("BOD"), which comprises the Independent Chairman, Chief Executive Officer, Executive Directors, and Independent Directors, together with the senior management from all divisions, supported by a team of staff at the department head-level responsible for a well-planned report preparation strategy. Information and data for this report are collected from various departments and factories, and the accuracy and credibility of the data are validated through documentary evidence or past operational performance. The Group will continue to work on this process to ensure that our data collection is effective and robust.

● GRI Guidelines

This report was prepared in accordance with the Global Reporting Initiative ("GRI") Reporting Guidelines, issued by the Global Sustainability Standards Board ("GSSB") in 2016, and in line with the core option, where applicable. We have not pursued external assurance for this report.

● Feedback

Whether you are our staff, clients, partners, industry associations, government departments, general public, media or social organizations, you are welcome to read this Sustainability Report and send your feedback and suggestions to the Group by email, so that the Group can continuously improve its sustainability performance.

Tel: (86) 575 8520 2622

Fax: (86) 575 8520 2699

Email: zavierong@august.com.sg



Page 1	Chairman's Message
Page 2	About China Jishan Holdings Limited
Page 5	Corporate Governance
Page 7	Strategic Leadership
Page 9	Safety Management
Page 11	Environmental Management
Page 19	Employee Care
Page 24	Quality Control
Page 25	Community Responsibility
Page 26	GRI Content and Index

Chairman's Message

Looking back to 2019, we uphold our long-standing philosophy, continue to integrate sustainable development into our business operations, and make subtle adjustments to the original management strategy in order to better adapt to the new environmental, social and governance challenges that the Group encounters in the new economic situation. We constantly explore and innovate our own business model, actively cultivate our core competitiveness, and improve our own sustainable development strategy. Notwithstanding the Group's current stage of development, the Group will assume more responsibility, invest more in social welfare undertakings with greater enthusiasm, and achieve common progress of enterprise development and social harmony. From a practical perspective, the Group develops new development paths based on its core expertise and integrates corporate development with social responsibility.

The Group has contracted with and leased factory land, plant and equipment to independent third parties for operation, ensuring full use of production capacity while ensuring income sources, seeking more stable cash flow with its relatively complete production system, and focusing more on energy conservation, environmental protection and social responsibility.



At the same time, we will also strengthen the supervision and management of the lessees, increasing their awareness of safe production and energy saving and emission reduction, and ensuring that the Group's development philosophy is consistent with that of each lessee.

On behalf of the BOD, I would like to thank all shareholders, lessee and customers for their long-term support and trust in the Group, and sincerely thank all employees for their hard work. The Group will continue to uphold the philosophy of seeking corporate excellence, practise sustainable development, and contribute more to society.

Mr. Lien Kait Long
Independent Chairman
China Jishan Holdings Limited

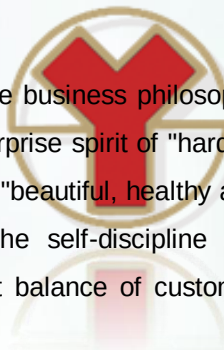
About China Jishan Holdings Limited

Company Overview

China Jishan is a limited liability company incorporated in the Republic of Singapore, and has been listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") since 2004. The registered office of the Company is at 112 Robinson Road, #05-01, Singapore 068902.

Company Culture

The Group has consistently adhered to the business philosophy of "innovation as the source and being integrity-based", advocated the enterprise spirit of "hard-working, efficiency, pragmatism and innovation", and took the construction of a "beautiful, healthy and warm" harmonious society as the responsibility of corporate citizens. In the self-discipline of "infinite innovation, never being mediocre", we constantly pursue the best balance of customer value, employees growth, social expectations and corporate benefits.



Production Facilities

Production facilities are strategically located within the Shaoxing Binhai Industrial Zone in China (5728 Xingbin Rd, Binhai Industrial District, Shaoxing, China), widely known as "Blueprint Town". The principal business activity of the Group is the leasing of factory space, plant and equipment to businesses involved in fabric processing, printing and dyeing, and sale of print and dye finished products and garments.



Rotary screen printing



Molding machine shop



Flat screen printing

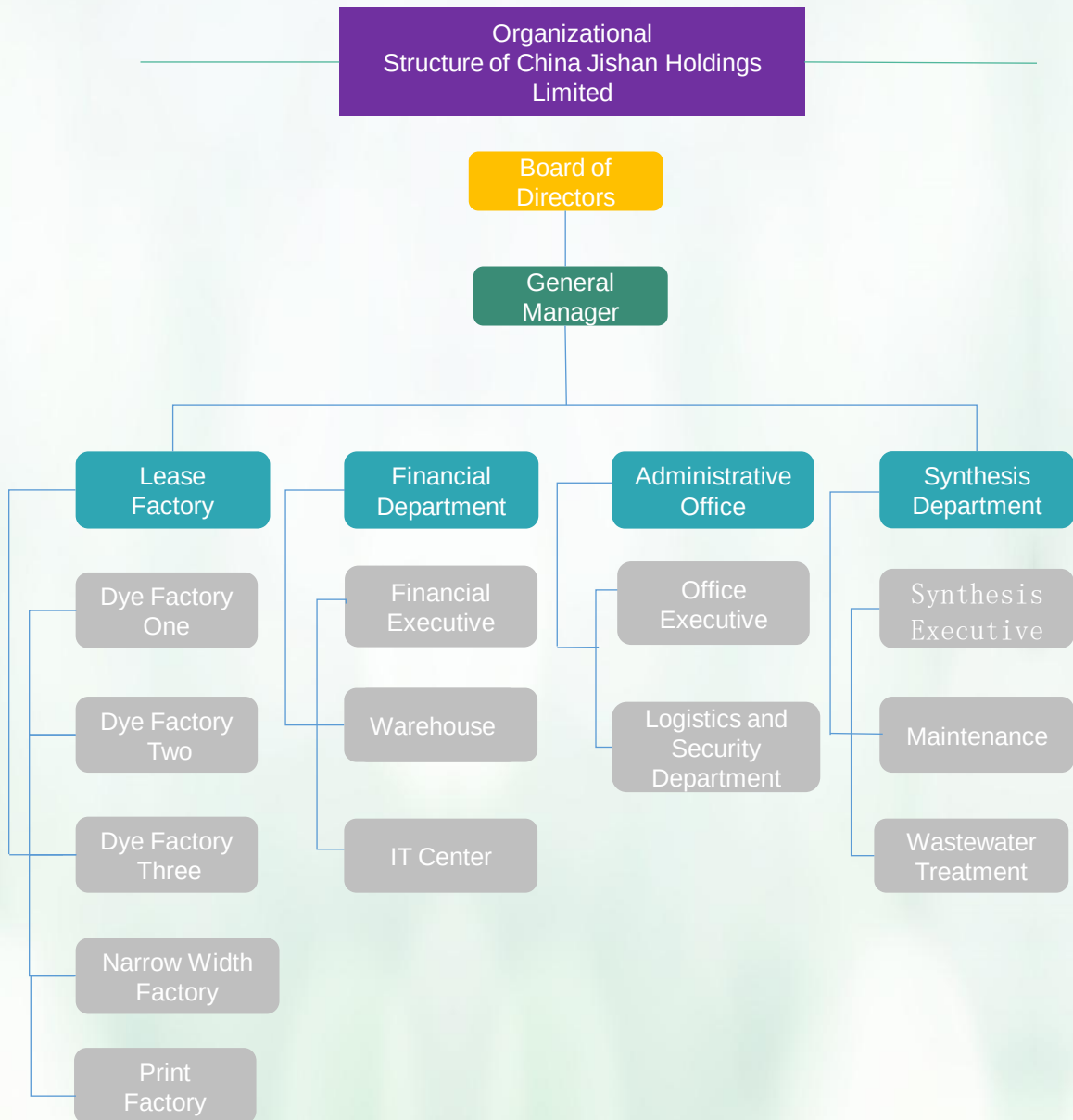


Awards and Certifications

In recognition of our strong brand equity and service excellence, we have received numerous awards including "Shaoxing City Famous Brand" by the Shaoxing Administration for Industry and Commerce in 2012, "Zhejiang Provincial Famous Brand" by the Zhejiang Administration for Industry and Commerce in 2010 and 2013, "China's Quality Print and Dye Fabric Top Award" by the China Dyeing and Printing Association in 2013 and 2014, "Specially Invited Vice President Unit" issued by China Printing and Dyeing Industry Association in 2018, and "2010 Model Enterprise Award for Labour Security and Integrity" by the Human Resources and Social Security Bureau of Shaoxing County. Some of the awards are set out below:



We are also an ISO9001: 2008 and ISO14001: 2004 certified printing and dyeing service provider, which attests to the Group's track record in delivering high quality products in a balanced and environmentally responsible manner.



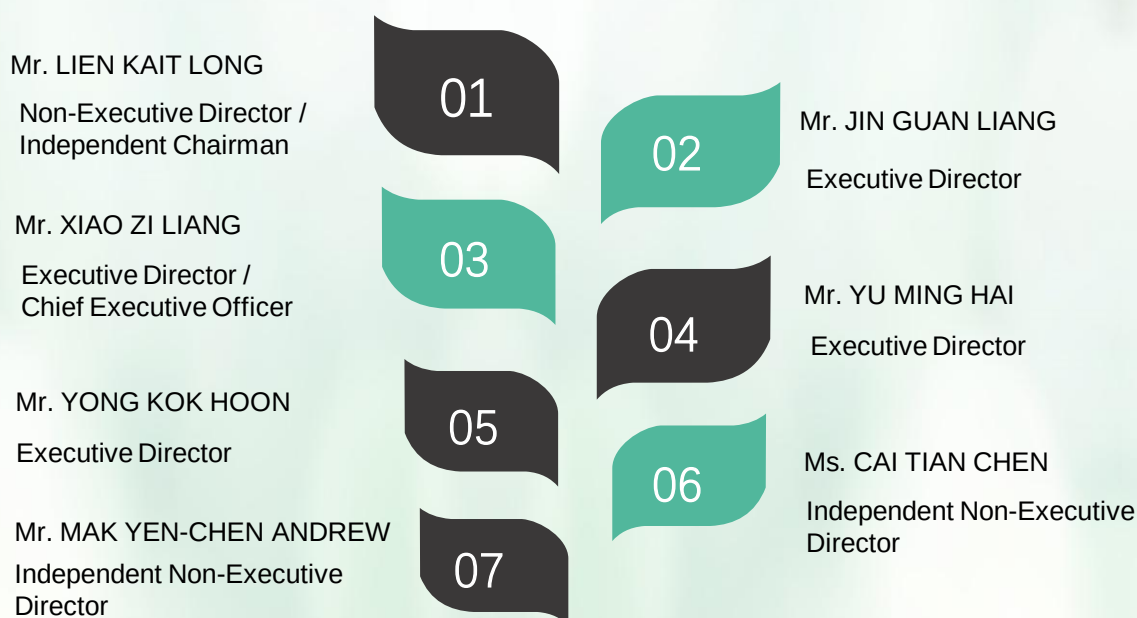
Corporate Governance

Standardized Corporate Governance

The BOD and Management of China Jishan are dedicated to constantly improving shareholder value by setting and maintaining high standards of corporate governance, integrity, competence and commitment across all aspects of our operations, cemented by effective internal control and risk management systems.

The BOD of China Jishan comprises Non-executive and Independent Chairman Mr. Lien Kait Long, Executive Director Mr. Jin Guan Liang, Executive Director Mr. Xiao Zi Liang, Executive Director Mr. Yu Ming Hai, Executive Director Mr. Yong Kok Hoon, Independent Non-executive Director Ms. Cai Tian Chen and Independent Non-executive Director Mr. Mak Yen-Chen Andrew. They come from diverse backgrounds with wide-ranging expertise in finance, business, legal, marketing and management fields. The principal functions of the BOD include setting the direction of the Group's strategic direction, reviewing and approving annual budgets and financial plans, as well as supervising and monitoring the Group's performance, and ensuring the Group's compliance with all relevant laws and regulations.

The BOD currently comprises the following members:



Note: pages 6 and 7 of the annual report provide a complete introduction to the members of the BOD.

Length of Service

Newly appointed Directors serve an initial term of three years, after which they are considered for re-nomination for another term. Their re-nominations are subject to the recommendations of the Nominating Committee and the BOD. New Directors appointed in the year, as well as retiring Directors, are subject to retirement and re-election by shareholders at the next Annual General Meeting.



Strengthening Information Disclosure

The quality of information disclosure directly affects investors' perceptions of the company. China Jishan continues to improve the information disclosure system so as to improve the quality of disclosure and ensure the timely, accurate and complete disclosure of material information; enrich the content of information disclosure; and improve the presentation of information through visualization methods such as charts and pictures.



In 2019, China Jishan complied with requirements and released the 2018 annual report, the 2018 sustainability report, and the financial results for first quarter, second quarter and third quarter of 2019.

Combating Corruption and Upholding Integrity

We have updated the anti-corruption/anti-bribery practices in our latest policy and included the relevant clauses in our new contracts that require all suppliers to comply with all local laws where they operate. In addition, suppliers should disclose to us immediately if they learn of any such violations.



In addition, we have improved the relevant rules in our code of conduct on clean governance, with the aim of creating an enterprise free of corruption through the supervision of our corporate management system. To further enhance business transparency by our staff and to facilitate a channel for any misconduct or violations to be reported, a whistleblowing policy has also been established to reveal conduct that is procedurally noncompliant or which may lead to potential frauds.

Operation in Accordance with Law

The Group will continue to improve its compliance system and compliance management, to achieve governance compliance, system compliance, and transaction compliance, to ensure the Group's ability to continue operations in accordance with law.

Strategic Leadership

China Jishan's sustainability strategy has been established by the BOD and we believe our sustainability framework allows us to practice good corporate citizenship, along with making contributions to the development of the local area and the markets that we operate in. Our sustainability framework is divided into three stages: the BOD charts the Group's strategic plan for sustainable development; the senior management team develops the specific policies and monitors their execution; and the department heads implement the policies and carry out the action plans. We define employee development, environmental protection, production safety management, product quality, and support to the community as key elements of our sustainability strategy.

01

Safety Management

The Group has always adhered to the policy of "safety first, focusing on prevention, and taking comprehensive governance", and strictly abides by the laws and regulations such as the *People's Republic of China Work Safety Law* and *Interim Provisions on the Investigation and Treatment of Hidden Hazards in Work Safety Accidents of the People's Republic of China*. Safety is an important part of the Group's business philosophy. The Group continuously improves its safety management mechanism from three aspects: safety technology, safety education and safety management.

02

Environmental Management

The Group adheres to the core values of safety, environmental protection and green and low carbon, and strictly follows the *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, *Law of the People's Republic of China on Environmental Impact Assessment*, and *People's Republic of China Water Pollution Prevention Law* and *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other environmental laws and regulations. Under the premise of sustainable development of the environment, we operate the company's business in a responsible manner, and maximize the management of resources, waste, and emissions throughout the entire operation process, effectively reducing the negative impact of the Group's operations on the environment.



03

Employee Care

The Group has always adhered to the "people-oriented" concept to protect employees' rights, interests, health and safety. Without the hard work of employees, there will be no success for the Group. We will always strive to provide each employee with an equal and harmonious working environment, so that they have equal opportunities to realize their potential.

04

Quality Control

The Group has always adhered to the quality policy of "quality always leads", constantly strengthening the foundation of quality management, and strictly controlling project quality and service quality. When providing products, our lessees must strictly abide by the relevant quality standards to ensure the quality and safety of products and improve customer satisfaction.

05

Community Responsibility

The Group adheres to the concept of "integrity and norms, win-win cooperation, return to the local area, and contribute to the prosperity of the local economy", and actively assumes social responsibility while the Group pursues growth. The Group gathers a volunteer team of employees, builds infrastructure projects to improve the local people's livelihood, helps in the fight against poverty, and carries out targeted assistance, charitable donations, and donations to support schools, and supports the long-term development of the community.



Safety Management

The Group has always adhered to the policy of "safety first, focusing on prevention, and taking comprehensive governance", and strictly abides by the laws and regulations such as the *People's Republic of China Work Safety Law* and *Interim Provisions on the Investigation and Treatment of Hidden Hazards in Work Safety Accidents of the People's Republic of China*.

Employees are the most valuable asset of the Group. Therefore, we attach great importance to the safety management of employees and have been committed to increasing the Group's emphasis on safety. Abiding by the guiding policy of "Safety First", the Group has been improving its occupational health and safety systems and policies, and providing protective measures (including the requirement on wearing workshop uniforms) for its employees to prevent any potential risk of health and safety.

The lessees are required to pay great attention to labor security and we have organized various training sessions related to safety management all year round to strengthen employees' safety awareness through continuous training. The training sessions are a combination of theoretical and practical training, including safety training, fire protection training, fire drill, expert first aid speech, and machine operation training. In 2019, 1,230 people has attended the training sessions.

Safety Training Sessions

In 2019, many safety training sessions were organized, including the annual safety training session, safety alert education training course and fire first aid training course.

Annual Safety Training Session

In April 2019, the Group organized the annual safety, emergency and ambulance training courses and required all employees to attend the sessions.



The theoretical knowledge of first aid was introduced on site, and the first aid demonstration was carried out by professionals.



Thereafter, the employees proceeded to have their practical sessions.



Security Emergency Drill

In order to prevent sudden accidents such as fires and explosions, and minimize casualties and economic losses, the Group and its lessees formulate comprehensive and various emergency plans, and carry out multiple emergency drills and training activities such as flood control drills, fire emergency evacuation drills, etc. We also examine the staff's ability to handle emergencies, improve the Group's emergency management level, and review the emergency plans for any deficiencies.

Fire Drill



In May 2019, a fire-first-aid training was organized. Experts from the fire department were invited to demonstrate how to operate fire equipment and how to perform fire rescue. The training taught our staff how to respond quickly to situations and how to protect themselves from fire accidents.



Experts from the fire department also demonstrated the correct way of using the fire extinguisher and how to put out a fire using a hydraulic-sprayer, which is essential for processing workshop employees because the fabrics are made of flammable materials.

Environmental Management

Sustainability Policy

The Group strictly abides by the relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other laws and regulations.



We have achieved initial results through controlling environmental risks, strengthening on-site pollution prevention, carrying out the verification of carbon asset inventory, continuing the use of clean energy, and adopting the sustainable development strategy of "ecological civilization construction" and "being green and low-carbon". We ensure that our business operations, as well as those of our lessees, are carried out in a responsible manner and we do our best to minimize any negative impact relating to carbon emissions, waste and the consumption of energy and resources.

Environmental Pressure

Textiles are a fundamental part of everyday life and an important sector in the global economy. In terms of value, the global market size of the textile staples market is expected to expand from approximately US\$125 billion in 2017 to over US\$200 billion by 2027, and to register a compound annual growth rate of 4.9% during the forecast period 2017-2027. As printing and dyeing is a crucial processing stage in the textiles industry, it will also be in an upward trend in the long run.

However, with the development of the industry, the environmental pressure that the world bears continues to increase. The UN Intergovernmental Panel on Climate Change ("IPCC") estimates that global emissions will increase from the current 2% to 3% by 2050. IPCC also estimates that global temperatures will rise by 4 degrees Celsius by the year 2100, if no action is taken to reduce emission of anthropogenic greenhouse gas emissions. Although only responsible for a comparatively small percentage of global emissions, the print and dye industry is making efforts to reduce its carbon footprint.



Energy Use and Consumption

The principal sources of energy used by the lessees' business operations are electricity, water and steam. Electricity is used to power the machines in the workshops, which is essential for business operations. Water consumption is used to print and dye the fabrics. After processing, water effluent is discharged to wastewater treatment plants for further treatment.

The steam is used for processing fabrics. Two types of steams are used in the factory: low-pressure steam for fabric treatment; and middle-pressure steam for heat setting. Currently, energy is mainly utilized by lessees in the factories and the Group is responsible for supervising and regulating their operations and production, including energy utilization.

The following table illustrates the energy utilization from different energy sources in 2018 and 2019. Due to a 1.18% increase of production from 228.89 million meters in 2018 to 231.58 million meters in 2019 by the lessees, electricity utilization increased by 0.62% ; but due to the company's improved production process and greatly increased resource utilization efficiency, water consumption, steam consumption decreased by 5.14% and by 5.00%, sewage disposal decreased by 6.80%.

Energy Type (Unit)	2018	2019
Electricity Consumption (GWh)	50.36	50.67
Water Consumption (10,000 ton)	162.80	154.43
Sewage Disposal (10,000 ton)	182.70	170.28
Steam Consumption (10,000 ton)	63.98	60.78



Energy Intensity

$$\text{Energy Intensity consumption} = \frac{\text{Annual energy consumption}}{\text{Total annual textile output}}$$

Compared with 2018, energy intensity in 2019 decreased by 6.24% for water resources, 6.11% for steam consumption, and 7.88% for sewage disposal, and the energy intensity of electric energy is basically the same. The following table shows the energy intensity of different energy sources in 2018 and 2019:

Energy Type (Unit)	2018	2019
Average electricity consumption for finished goods (kWh/meter)	0.22	0.22
Average water consumption for finished goods (kilogram/meter)	7.11	6.67
Average sewage disposal for finished goods (kilogram/meter)	7.98	7.35
Average steam consumption for finished goods (kilogram/meter)	2.80	2.62

Carbon Emission

The indirect (Scope 2) carbon emissions in metric tons of CO₂ is calculated in the table below and Global Warming Potential ("GWP") rates from the Fourth Assessment Report ("AR4") by Intergovernmental Panel on Climate Change ("IPCC") in 2007 are used. Comparing with 2018, carbon emissions decreased by 3.87% due to the reduction of steam consumption.

Emission (Unit)	2018	2019
From electricity used (tons)	23,670	23,816
From steam used (tons)	94,305	89,588
Total (tons)	117,975	113,404



Carbon Emission Intensity

$$\text{Carbon emission intensity} = \frac{\text{Carbon emissions from different energy sources}}{\text{Total annual textile output}}$$

The indirect (Scope 2) carbon emissions intensity in metric tons per 10,000 meters is calculated in the table below, by dividing carbon emissions from different energy sources by the total textile production per year. Due to the improvement of the production process in 2019, the carbon emission intensity of electricity consumption remains the same as in 2018; the carbon emission intensity of steam consumption has decreased by 6.11% compared to 2018.

Energy Type (Unit)	2018	2019
Average emission from electricity consumption for finished goods (tone/10,000 meter)	1.03	1.03
Average emission from steam consumption for finished goods (tone/10,000 meter)	4.12	3.87





Electricity Consumption

Due to the increased textile production by lessees in 2019, electricity consumption increased by 0.31 million kWh compared with 2018, and energy intensity decreased by 0.55%, which is basically the same as in 2018. At the same time, the Group has also taken actions to improve operational efficiency:

- 1、Introducing new and efficient equipment and disposing old facilities;
- 2、Adding operational efficiency as a key indicator in the employees' performance review program;
- 3、Changing the reporting mechanism from “staff reporting to workshop supervisors” to “staff reporting directly to department head”;
- 4、Increasing the frequency of self-assessment in the workshop from monthly to weekly .

In the construction of the new factory, energy-efficient facilities were introduced to reduce carbon emissions. These include energy-saving electric appliances, LED lights and thermal insulation windows and walls.

Total Electricity Consumption:





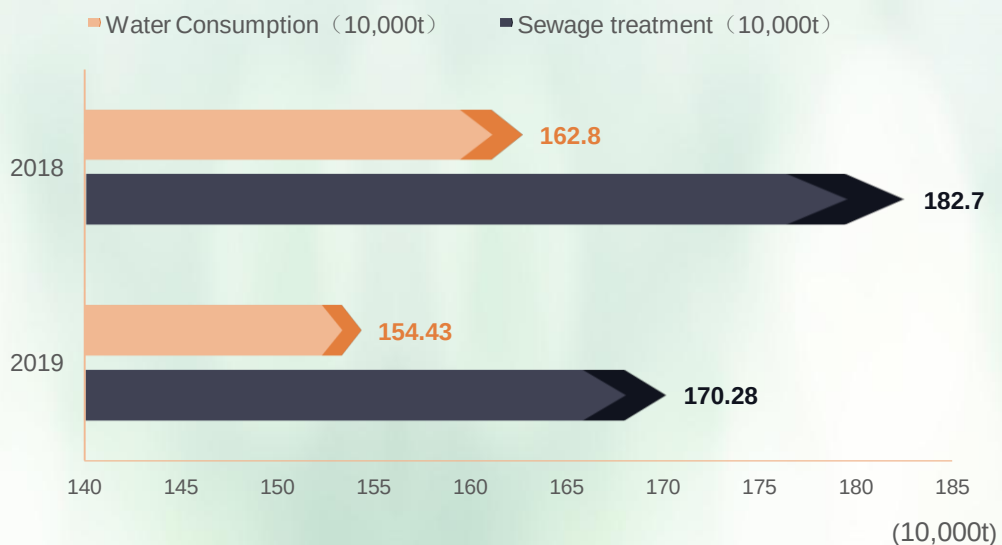
Water Consumption and Sewage Disposal

Comparing with 2018, water consumption in 2019 decreased by 5.14%. The main reason for the reduction is that the Group has improved production processes and environmental protection measures. Recycling water resources in the production process has greatly increased the efficiency of water resources utilization. In 2018, the lessees built a wastewater pool in the factory. The wastewater pool has been used consistently until now. Comparing with 2018, the wastewater treatment efficiency is high, and water consumption in unit sewage disposal decreased.



The constitution of the sewage and its treatment are illustrated in the next two pages. In 2018 sewage disposal was approximately 12.22% higher than the volume of water consumption, as chemical additives in the print and dye processing are mainly fluids. The dyeing effluent would be discharged with the water consumed during the processing. In 2019, sewage disposal was approximately 10.26% higher than the volume of water consumption. The sharp decrease of water consumption in unit sewage disposal in 2019 was led by improvements in processing efficiency that required less water to produce the same amount of fabric.

Total water consumption and sewage treatment volume:



Sewage Disposal

Wastewater from dyeing processes is one of the biggest contributors to textile effluent. The wastewater mainly includes residual dyes and auxiliary chemicals.



The Main Components of Wastewater:

Dye Class	Fiber	Loss to Effluent (% applied)
Acid	Polyamide (nylon)	5-20
Basic	Acrylic	0-5
Direct	Cotton	5-30
Disperse	Polyester	0-10
Metal-complex	Wool / Polyamide	2-10
Reactive	Cotton	10-50
Sulphur	Cotton	10-40
Vat	Cotton	5-20

Improvement of Textile Auxiliaries to Protect Environment

With the development of technology, the textile industry is taking on the responsibility of protecting the environment. Print and dye processing industry now uses environmentally friendly textile auxiliaries instead of chemical auxiliaries, our lessees use environmentally friendly textile auxiliaries, which are environmentally friendly and in compliance with European standards, thus contributing to less pollution from the effluent discharged from our factory.



Wastewater Management

Apart from using environmentally friendly textile auxiliaries, in 2018, the lessee built a waste pool for pre-treatment before discharging wastewater to the wastewater treatment plant. The pre-treatment capacity of the waste pool is 2,500 tons/day. The construction of the waste pool reduced the sewage discharge from the factory to a certain extent.

The factory was relocated to Binhai District, Shaoxing City at the end of 2016 and this district is equipped with one of the largest wastewater treatment facilities, with an average flow rate of 900,000 cubic meters per day (m³/day). Wastewater discharged from different mills in Binhai District will be treated uniformly so that the water quality meets the national standard and is safe to be discharged into the nearby river. The construction of the third phase of the sewage treatment plant by government was completed in 2018. It greatly improved the sewage treatment capacity of the Group.

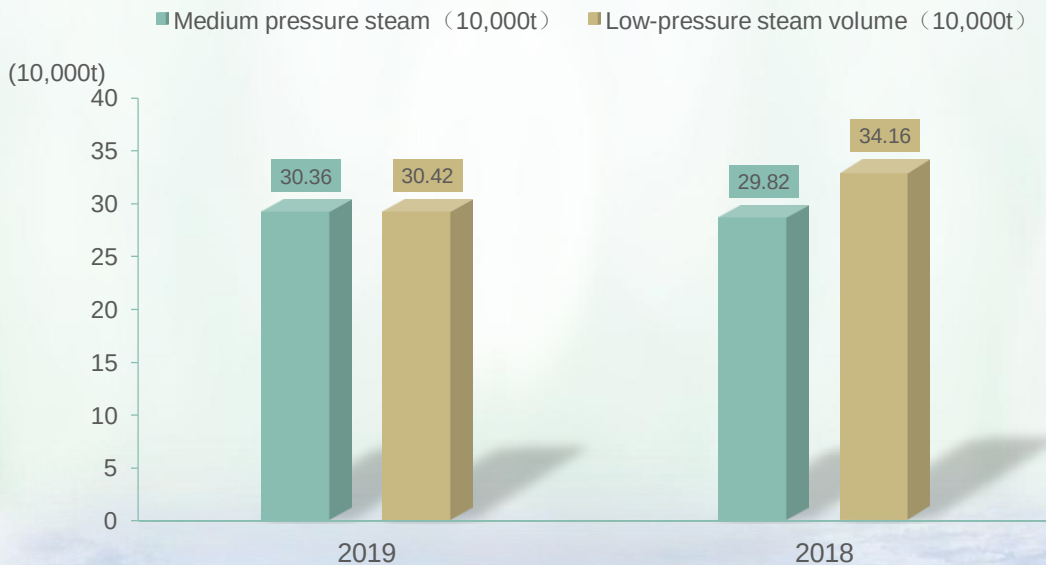


Steam Consumption

Comparing with 2018, the steam consumption in 2019 decreased by 5%. Due to the Group's improved production process, the resource utilization efficiency has been greatly increased, so that the kinetic energy consumed when producing the same amount of textiles is reduced, which in turn leads to the reduction of steam consumption and the improvement of the steam utilization rate.

Currently, lessees use two types of steam in factories: low-pressure steam for fabric treatment and medium-pressure steam for heat setting. Lessees are attempting to adapt new technology in the future for fabrics processing to improve production efficiency and reduce steam consumption.

Total Steam Consumption:



Employee Care

The Group has always adhered to the "people-oriented" concept to protect employees' rights, interests, health and safety. As a leading player in China's textile industry, China Jishan remains committed to enhancing the productivity and manufacturing capabilities of its core print and dye business. In line with this internal strategy, we are determined to recruit professional and dynamic individuals from diverse backgrounds. During the year of 2019, the Group has rented out all the factory plants and equipment to ensure a stable and recurring income stream. The Group is responsible for the human resources of the employees which include those subcontracted to the lessees.



Our workforce can be divided into two main functions: factory workers (subcontracted workers for lessees) and non-factory staff. Factory workers are employees working for lessees in the factories. Non-factory staff are employees working for China Jishan who are in charge of all operational work, including the management team, as well as the financial department, administrative department and synthesis department. The Group is in charge of the human resources procedures for all employees (both factory and non-factory workers). In 2019, factory workers made up 96.25% (1,259) of the total workforce due to the labour intensive characteristic of the print and dye industry. In 2018, factory workers made up 96.26% (1,285) of the total workforce. The proportion of factory employees remained stable.

Total Workforce by Function :

Year	2018		2019	
	Factory	Non-Factory	Factory	Non-Factory
Number of Employees	1,285	50	1,259	49
Total	1,335		1,308	

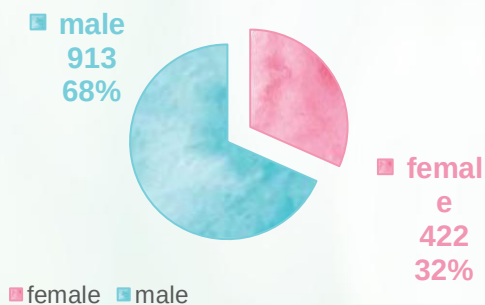


Equality and Diversity

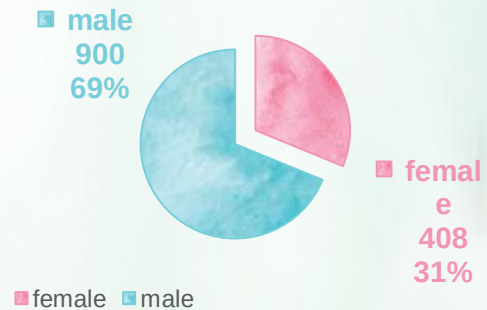
The employees come from a range of places in China, including Henan Province, Anhui Province, Guizhou Province, Sichuan Province, Hunan Province, Yunnan Province, Jilin Province, Jiangxi Province, Hebei Province, Guangxi Zhuang Autonomous Region, Shanxi Province, Gansu Province, Jiangsu Province, Shandong Province, Heilongjiang Province, Zhejiang Province, Shanghai, Chongqing and Inner Mongolia Autonomous Region.

We employ the workforce from 20 provinces of China. By the end of 2019, the number of our employee reached 1,308, a 2.02% decrease compared to the previous year.

2018 Male to Female Ratio



2019 Male to Female Ratio



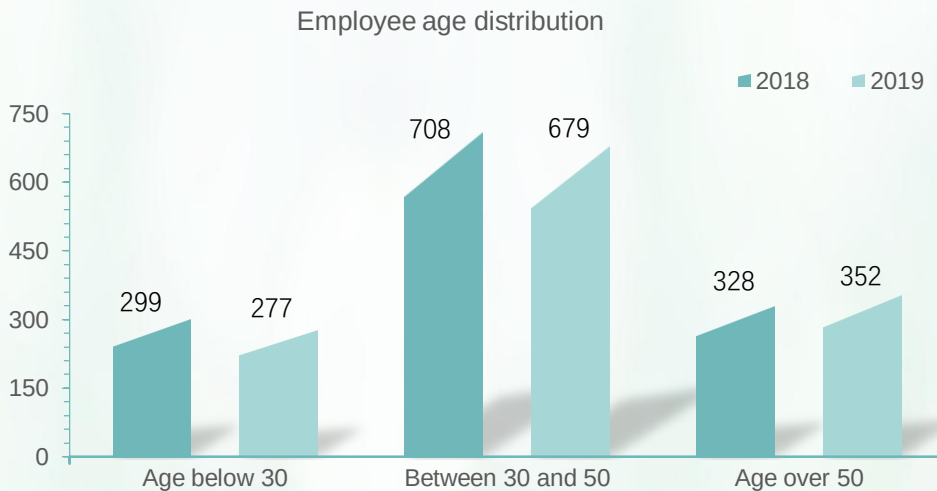
Total Workforce by Gender and Rank:

Year		2018		2019	
Gender		Male	Female	Male	Female
Number of Employees	Senior Management	5	1	5	1
	Middle Management	52	2	54	3
	General Staff	856	419	841	404
Total		1,335		1,308	

The gender ratio of our employees is relatively stable. Comparing with 2018, the ratio of men and women in 2019 is basically the same. In 2018 and 2019, the ratio of male to female employees is about 2:1. However, men account for a large proportion of middle-level managers, which are 26:1 and 18:1, respectively. This data shows that men still occupy a dominant position among managers.



Comparing the age distribution of employees in 2018 and 2019, we can see that the age structure of our employees is relatively balanced. Employees between the ages of 30 and 50 have become the main strength of the Group and the main driving force for business activities. In 2018, there were 708 employees between the ages of 30 and 50, accounting for 53.03% of the company. There are 679 employees between the ages of 30 and 50 in 2019, accounting for 51.91% of the company, and the ratio is basically the same for two years. Most of the employees above 50 are senior employees of the company. They have witnessed the success of the Group since the 1990s. The following figure shows the age distribution of employees in 2018 and 2019:



In 2018, 336 employees left the Group, most of them having voluntarily resigned. The turnover rate was approximately 20.10%. In 2019, a total of 539 employees left the company and the turnover rate was approximately 29.18%. In 2019, the overall turnover rate began to increase, among which the number of employees leaving the main force of the Group aged 30-50 increased by 96, and the number of employees under 30 increased by 86.

New Employee Hires by Age Group in 2018 and 2019

Age above 50	Age above 50
107	111
22.77%	21.68%
Age 30 and 50	Age 30 and 50
252	244
53.62%	47.66%
Age below 30	Age below 30
111	157
23.61%	30.66%
Total	Total
470	512

Employee Departures by Age Group in 2018 and 2019

Age above 50	Age above 50
66	87
19.64%	16.14%
Age 30 and 50	Age 30 and 50
177	273
52.68%	50.65%
Age below 30	Age below 30
93	179
27.68%	33.21%
Total	Total
336	539



Employee Benefits

Full-time employees enjoy the following benefits:

- 1、Marital leave, maternity leave, leave for returning to hometown, national service leave and special leave.
- 2、Transportation allowances.
- 3、Luncheon allowances.
- 4、Staff travel.



Health and Safety

The Group provides the free annual physical examination for every employee. Besides, the lessees also provide occupational health examination for factory workers. We want to help our factory workers in preventing occupational diseases or in lessening the impact of those afflictions, so as to build a promising future for them and their families. In 2019, a total of 290 employees received occupational health checks.

Activities Organized in 2019 :



Health Initiatives:

- 1、Free annual basic physical examination
- 2、Occupational health examination for factory workers
- 3、Lecture/Workshop
- 4、General health lectures
- 5、Healthy diet lectures



Training and Team Building:

- 1、Staff travel
- 2、Group table tennis tournament
- 3、Group hike and trek
- 4、Excellent employees recognition activities

1

2019 annual employees physical examination





2



In March 2019, some employees of the Group went to Xianglufeng to participate in group activities.

3



Youth Day activities

Employee Code of Conduct

All employees must recognize the Group's core values, including integrity and teamwork, customer first, safety and pursuit of excellence. These core values run through the business activities of China Jishan and are also reflected in the employee code of conduct.

The employee code of conduct covers various matters, such as non-discrimination, anti-harassment, anti-corruption, diversity and equal opportunity as well as other subjects in accordance with the Chinese Labor Law.

Staff are required to be in strict compliance with the employee code of conduct, with the related content also included in their employment contracts. We have established a monitoring mechanism for recording and correcting any misconduct, as well as the guidance of appropriate actions.

A whistleblowing policy has also been established to report conduct that is procedurally noncompliant or which may lead to potential frauds. Employees can report severe disciplinary violations to the BOD directly via a whistleblowing email address and hotline. The Audit and Risk Committee is responsible for following up on the report and conducting an investigation into the potential violations.



Quality Control

Product Quality

China Jishan always adheres to the quality policy of "quality always leads", continuously strengthening the foundation of quality management, and strictly controlling project quality and service quality. Our lessees must strictly abide by the quality standards of washing fastness, rubbing fastness and light fastness when providing product quality, so as to be responsible to our customers and communities. Our lessees produce goods that have undergone quality inspections, and issue inspection reports that comply with national production standards.



Green Production

Our lessees choose suppliers according to strict standards. The textile auxiliary equipment they produce is environmentally friendly and meets European standards. We have been aiming to save energy, reduce consumption and reduce pollution during the production process and implement pollution control throughout the production process. Therefore, our factory emits less waste water, waste gas and other wastes, and less pollution.

Management of Lessees

In order to strengthen the management of lessees, we have formulated a system for managing lessees, and established a management team comprising the general manager as the team leader, the heads of various functional departments (such as the finance department, the general department, and the office) and the lessees. The unit's sewage volume, COD concentration and other sewage indicators, water, electricity, steam and other flow data are measured, air quality and other waste management and equipment are supervised, and the lessees shall strictly collect the waste hazards generated during the production process according to government requirements, supervise the on-site management system, and find that whether there is a phenomenon that does not meet the requirements of the government for on-site management. Manufacturing processes shall be in line with the requirements of customers and locations of operations.

Community Responsibility

China Jishan adheres to the concept of "integrity and norms, win-win cooperation, return to the local area, and contribute to the prosperity of the local economy", and actively assumes social responsibility while the Group pursues growth. The Group gathers a volunteer team of employees, builds up fundamental infrastructure projects to improve local people's livelihood, helps in the fight against poverty, and carries out targeted assistance, charitable donations, and donations to support schools, and supports the local communities' long-term development. Our success would not have been possible without the support from our community. As such, we believe in reinvesting into the community. We actively promote a good relationship with the communities in which our operations are located, including engaging in charitable and voluntary work to support the long-term development of the community.

The Group has invested in the education of young people. We have established long-term technical cooperation with the National Dyeing and Finishing Engineering Research and Development Center, Zhejiang Sci-Tech University and other research centers. We are eager to provide work opportunities for young people who have passion for the print and dye industry.

We also encourage the staff to make contributions to our community. At the same time, the Group is also actively involved in poverty alleviation to strength our relationships with governmental organizations, charitable organizations and social organizations. The Group makes donations to local poverty alleviation funds each year, benefiting poor villagers.



GRI Content Index

GENERAL STANDARD DISCLOSURES		
GRI Code	Description	Page Reference and remarks
ORGANIZATIONAL PROFILE		
G102-1	Name of the organization	About China Jishan Holdings Limited (Pg 2)
G102-2	Activities, brands, products, and services	About China Jishan Holdings Limited (Pg 2)
G102-3	Location of headquarters	About China Jishan Holdings Limited (Pg 2)
G102-4	Location of operations	About China Jishan Holdings Limited (Pg 2)
G102-5	Ownership and legal form	About China Jishan Holdings Limited (Pg 2)
G102-6	Markets served	About China Jishan Holdings Limited (Pg 2)
G102-7	Scale of the organization	Employee Care (Pg 19-23)
G102-8	Information on employees and other workers	Employee Care (Pg 19-23)
G102-9	Supply chain	Quality Control (Pg 24)
G102-10	Significant changes to the organization and its supply chain	Nil
G102-11	Precautionary Principle or approach	Nil
G102-12	External initiatives	Employee Care (Pg 19-23) Community Responsibility (Pg 25)
G102-13	Membership of associations	Nil
STRATEGY		
G102-14	Statement from senior decision-maker	Chairman's Message (Pg 1)
G102-15	Key impacts, risks, and opportunities	Chairman's Message (Pg 1)
ETHICS AND INTEGRITY		
G102-16	Values, principles, standards, and norms of behavior	Corporate Governance (Pg 5-6) Employee Care (Pg 19-23) Quality Control (Pg 24)
G102-17	Mechanisms for advice and concerns about ethics	Employee Care (Pg 19-23) Quality Control (Pg 24)
GOVERNANCE		
G102-18	Governance structure	Corporate Governance (Pg 5)
G102-19	Delegating authority	Corporate Governance (Pg 5)
G102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance (Pg 5) Strategic leadership (Pg 7-8)
G102-21	Consulting stakeholders on economic, environmental, and social topics	Strategic Leadership (Pg 7-8) Annual Report (Pg 29)
G102-22	Composition of the highest governance body and its committees	Corporate Governance (Pg 5)
G102-23	Chair of the highest governance body	Corporate Governance (Pg 5)
G102-24	Nominating and selecting the highest governance body	Corporate Governance (Pg 5)

GRI Content Index

GENERAL STANDARD DISCLOSURES		
GRI Code	Description	Page Reference and remarks
GOVERNANCE		
G102-25	Conflicts of interest	Annual Report (Pg 30)
G102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance (Pg 5)
G102-27	Collective knowledge of highest governance body	Corporate Governance (Pg 5)
G102-28	Evaluating the highest governance body's performance	Annual Report (Pg 26-30)
G102-29	Identifying and managing economic, environmental, and social impacts	Strategic Leadership (Pg 7-8)
G102-30	Effectiveness of risk management processes	Annual Report (Pg 22-26)
G102-31	Review of economic, environmental, and social topics	Annual Report (Pg 4)
G102-32	Highest governance body's role in sustainability reporting	Organizational structure (Pg 4) Strategic Leadership (Pg 7-8)
G102-33	Communicating critical concerns	Annual Report (Pg 40-43)
G102-34	Nature and total number of critical concerns	Strategic Leadership (Pg 7-8)
G102-35	Remuneration policies	Annual Report (Pg 19-22)
G102-36	Process for determining remuneration	Annual Report (Pg 19-22)
G102-37	Stakeholders' involvement in remuneration	Annual Report (Pg 19-22)
G102-38	Annual total compensation ratio	Annual Report (Pg 19-22)
G102-39	Percentage increase in annual total compensation ratio	Annual Report (Pg 19-22)
STAKEHOLDER ENGAGEMENT		
G102-40	List of stakeholder groups	Strategic Leadership (Pg 7-8)
G102-42	Identifying and selecting stakeholders	Strategic Leadership (Pg 7-8)
G102-43	Approach to stakeholder engagement	Strategic Leadership (Pg 7-8)
G102-44	Key topics and concerns raised	Strategic Leadership (Pg 7-8)
REPORTING PRACTICE		
G102-45	Entities included in the consolidated financial statements Disclosure	Annual Report (Pg 9)
G102-46	Defining report content and topic Boundaries	Overview
G102-47	List of material topics	Strategic Leadership (Pg 7-8)
G102-48	Restatements of information	Strategic Leadership (Pg 7-8)
G102-49	Changes in reporting	Not applicable
G102-50	Reporting period	Overview
G102-51	Date of most recent report	Overview
G102-52	Reporting cycle	Overview

GRI Content Index

SPECIFIC STANDARD DISCLOSURES		
GRI Code	DMA and Indicators	Page Reference and remarks
ENVIRONMENTAL		
Energy		
G302-1	Energy consumption within the organization	Environmental Management(Pg 12-13, Pg15)
G302-3	Energy intensity	Environmental Management(Pg 13)
G302-4	Reduction of energy consumption	Environmental Management (Pg 12)
Emissions		
G305-2	Energy indirect (Scope 2) GHG emissions	Environmental Management(Pg 14)
G305-4	GHG emissions intensity	Environmental Management (Pg 14)
G305-5	Reduction of GHG emissions	Environmental Management(Pg 14)
effluent and waste		
G306-1	Water discharge by quality and destination	Environmental Management (Pg 16-17)
COMPLIANCE		
G307-1	Non-compliance with environmental laws and regulations	There were no such incidents occurred during the reporting period
EMPLOYMENT		
G401-1	New employees hires and employees turnover	Employee Care (Pg 21)
G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Care (Pg 22-23)
G401-3	Parental leave	In total 163 employees were entitled to parental leave In total 11 employees took parental leave
OCCUPATIONAL HEALTH AND SAFETY		
G403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	There were no such incidents occurred during the reporting period
G403-3	Workers with high incidence or high risk of diseases related to their occupation	Not applicable. No worker in China Jishan belongs to this category
G403-4	Health and safety topics covered in formal agreements with trade unions	Not applicable
TRAINING AND EDUCATION		
G404-1	Average hours of training per year per employee	Operational staff: 24 hours per employee Factory worker: 12 hours per employee
G404-2	Programs for upgrading employees skills and transition assistance programs	Safety Management (Pg 9-10)
DIVERSITY AND EQUAL OPPORTUNITY		
G405-1	Diversity of governance bodies and employees	Employee Care (Pg 19-21)

GRI Content Index

SPECIFIC STANDARD DISCLOSURES		
GRI Code	DMA and Indicators	Page Reference and remarks
HUMAN RIGHTS		
Non-discrimination		
G406-1	Incidents of discrimination and corrective actions taken	Nil
Freedom of association and collective bargaining		
G407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Nil
Child Labor		
G408-1	Operations and suppliers at significant risk for incidents of child labor	We are in compliance with the Employment Act and Chinese Labor Law. All our suppliers are expected to comply with our Suppliers' Code of Conduct
Forced or Compulsory Labor		
G409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We are in compliance with the Employment Act and Chinese Labor Law. All our suppliers are expected to comply with our Suppliers' Code of Conduct
SOCIETY		
Anti-corruption		
G205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance (Pg 6)
G205-3	Confirmed incidents of corruption and actions taken	Nil
Local Communities		
G413-1	Operations with local community engagement, impact assessments, and development programs	Community Responsibility (Pg 25)



China Jishan Holdings Limited
No.276 Zhongxing Middle Road,
2nd Floor, Block A, Xiandai Building,
Shaoxing City, Zhejiang, PRC 312000