



**SINO GRANDNESS FOOD INDUSTRY GROUP LIMITED**

56th Floor Tower A Union Plaza  
No 5022 Binhe Road  
Futian District Shenzhen  
Guangdong Province  
The People's Republic of China





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# CONTENTS

<b>4</b>	About the Group	<b>10</b>	Sustainability Risks and Opportunities
<b>5</b>	About this Report	<b>12</b>	Ethical Operations
<b>6</b>	Board Statement	<b>14</b>	Economic Presence
<b>7</b>	Sustainability Governance	<b>15</b>	Responsible Employer
<b>7</b>	Stakeholder Engagement	<b>16</b>	GRI-SGX Content Index
<b>9</b>	Boundaries of Material Factors		

# ABOUT THE GROUP

Sino Grandness Food Industry Group Limited 中华食品工业集团有限公司 (“Sino Grandness” or “the Company” and together with its subsidiaries, the “Group”) has been listed on The Singapore Exchange Limited (Stock Code: T4B) since 2009. Headquartered in Shenzhen in the People’s Republic of China (“PRC”), Sino Grandness is an integrated manufacturer and distributor of various food products, including its own-branded 鲜绿园 (“Garden Fresh”) juices, 振鹏达 (“Grandness”) canned fruits, and 好田园 (“Hao Tian Yuan”) snack food products. The Group has become one of the leading brands for loquat fruit juice in the PRC and one of the top exporters of canned asparagus, long beans and mushrooms from the PRC since its establishment in 1997.

The Group serves the fast moving consumer goods sector with distributors as its major type of customer. Its products are distributed within the PRC and globally across Europe, North America and Asia, in a range of supermarkets, discount stores and convenience stores. Regarding its supply chain, the Group sources its raw materials from local agricultural cooperatives and finished goods from its suppliers. Major suppliers are distributed across Henan, Jiangsu, Hubei, Shanghai, Yunnan, Sichuan, Guangdong, Fujian and Beijing in the PRC. The Group conducts further processing in its production facilities in four provinces, namely Shandong, Shanxi, Sichuan and Hubei.

The Group’s principal activities are divided into three product segments: Beverages, Canned Products (Overseas) and Canned Products (Domestic). Details of the product segments and their economic performances are listed below:

Segment	Beverages	Canned Products (Overseas)	Canned Products (Domestic)
Operating Subsidiaries	“Garden Fresh Beverage” “Garden Fresh Group” “Garden Fresh (HK)” “Garden Fresh (Shenzhen)” “Garden Fresh (Hubei)” “Anhui Garden Fresh” “Garden Fresh (Sichuan)”	“Grandness (HK)” “Shanxi Yongji Huaxin” “Shenzhen Grandness” “Grandness (Anhui)” “Grandness (Sichuan)” “Dongpeng (Chengdu)” “Grandness (Shanxian)” “Grandness (Hubei)”	“Grandness (HK)” “Shanxi Yongji Huaxin” “Shenzhen Grandness” “Grandness (Anhui)” “Grandness (Sichuan)” “Dongpeng (Chengdu)” “Grandness (Shanxian)” “Grandness (Hubei)”
Quantity of products sold	595,598 tonnes	38,376 tonnes	49,730 tonnes
Revenue (RMB’000)	2,567,608	497,428	442,318
Proportion (%)	73.2	14.2	12.6
<b>Total number of employees</b>	The Group	2,480	
	The Group’s office in Shenzhen, the PRC	192	
	The Group’s manufacturing facility in Hubei, the PRC	79	

<sup>1</sup>The operating subsidiaries of Sino Grandness include: Grandness (HK) Industry Co., Limited (“Grandness (HK)”), Shanxi Yongji Huaxin Food Co., Ltd. (“Shanxi Yongji Huaxin”), Shenzhen Grandness Industry Groups Co., Ltd. (“Shenzhen Grandness”), Grandness Group Co., Limited (“Grandness Group”), Garden Fresh (HK) Fruit & Vegetable Beverage Co., Limited (“Garden Fresh (HK)”), Grandness (Anhui) Foods Co., Ltd. (“Grandness (Anhui)”), Garden Fresh Group Holding Co., Ltd (“Garden Fresh Group”), Garden Fresh Beverage Group Co., Limited (“Garden Fresh Beverage”), Grandness (Sichuan) Foods Co., Ltd. (“Grandness (Sichuan)”), Dongpeng (Chengdu) Agricultural Development Co.,Ltd. (“Dongpeng (Chengdu)”), Grandness (Shanxian) Food Co., Ltd (“Grandness (Shanxian)”), Grandness (Hubei) Foods Co., Ltd (“Grandness (Hubei)”), Hao Tian Yuan Industry (Shenzhen) Co. Ltd. (“Hao Tian Yuan”), Garden Fresh (Shenzhen) Fruit & Vegetable Beverage Co. (“Garden Fresh (Shenzhen)”), Limited, Garden Fresh (Hubei) Food & Beverage Co., Limited (“Garden Fresh (Hubei)”), Anhui Garden Fresh Fruit & Vegetable Beverage Co., Limited (“Anhui Garden Fresh”), and Garden Fresh (Sichuan) Fruit & Vegetable Beverage Co., Limited (“Garden Fresh (Sichuan)”), as of 31 December 2017.

As per unaudited financial statement announced on 1 March 2019, from 1 January 2018 to 31 December 2018 (the “reporting year”), the net profit was RMB 344.7 million. As at 31 December 2018, the total liabilities and total shareholders’ equity of the Group were RMB 1,347.4 million and RMB 3,440.4 million respectively. There was no significant change to the organisation and its supply chain in the reporting year.

Sino Grandness aims to be transparent and ethical in all its dealings and makes positive contribution to the community in which it operates. Led by the Board of Directors, the Group is committed to corporate responsibility, upholding the following core values in all aspects of its work:

- Clear direction, strong leadership and open communication;
- Customer focus;
- Equality, fairness and transparency;
- Development of positive working relationships with others; and
- Respect for people

# ABOUT THIS REPORT

This is the second Sustainability Report (the “report”) published by Sino Grandness. By reporting the policies, practices, targets and performances of the Group in terms of its material sustainability issues, it allows all stakeholders to understand the progress and development direction of the Group. The report has been uploaded to the website of the Singapore Exchange Limited (“SGX”) and Sino Grandness ([www.sinograndness.com](http://www.sinograndness.com)).

## REPORTING BOUNDARY

The report focuses on the operation of Sino Grandness’ business segment of sale of fruit juices (the “Garden Fresh” segment) in the reporting year. The reporting boundary covers the operation of the Group’s office and manufacturing facility in Shenzhen and Hubei, the PRC. Compared to the reporting boundary in 2017, the operation in Hubei, the PRC was added in 2018 for more comprehensive disclosure. While the report does not cover all of the Group’s operations, the aim of Sino Grandness is to consistently upgrade the internal data collection procedure and gradually expand the scope of disclosure.

## REPORTING STANDARD

This report is prepared in accordance with the ‘comply or explain’ provisions of SGX-ST Listing Rules 711A (“LR 711A”), as well as the guidance set out in the Practice Note 7.6: Sustainability Reporting Guide (“PN 7.6”) launched by SGX. The five reporting components prescribed by the SGX-ST Listing Rules 711B (“LR 711B”) underline the key structure of the report. It takes reference from the sustainability reporting framework provided by the Global Reporting Initiative (“GRI”), the GRI Standards (version 2016 and 2018). GRI’s Reporting Principles for defining report quality – accuracy, balance, clarity, comparability, reliability, and timeliness – form the backbone of the report.



To ensure the reporting quality and credibility, Sino Grandness commissioned a professional consultant, Carbon Care Asia, to conduct processes of report preparation and stakeholder engagement. In addition to the ‘required disclosures’ categorised by GRI, selected topic-specific disclosures are included for enhanced reporting. A complete GRI-SGX Content Index is inserted in the last chapter for reader’s easy reference.

## CONFIRMATION AND APPROVAL

Information documented in the report is sourced from the official documents, statistical data, as well as management and operation information of and collected by Sino Grandness according to the policies of the Group. The report has received the Board of Directors’ approval in March 2019.

## OPINION AND FEEDBACK

Sino Grandness values the opinion of stakeholders. If you have any questions or suggestions regarding the content or format of the report, please contact the Group via the following channels:

Address: 56th Floor, Building A, Union Square, 5022 Binhe Avenue, Futian District, Shenzhen  
Email: [sustainability@grandnessgroups.com](mailto:sustainability@grandnessgroups.com)  
Tel: +86 755 8282 1930  
Fax: +86 755 8282 1934

# BOARD STATEMENT



For Sino Grandness, sustainability hinges on coordinated development encompassing issues related to society, economy, culture, resources, the environment and lifestyle. Climate change is likely to have considerable direct and indirect impacts on food safety, placing public health at risk. In response to this significant and scientifically backed issue, the Group adopts a people-centric approach towards sustainability by putting the interests of customers, employees and the environment first.

While we commit ourselves to compliance with laws and regulations and fulfilment of regulatory requirements, we acknowledge that it is just the beginning of our pursuit of sustainability. The Group has in place an established framework that studies and assesses the potential risks brought by issues related to sustainability. Measures and solutions are delivered through discussions in the management level. We are confident that this mechanism can help us rise above the competition in an ever changing environment.

To effectively manage the implementation of sustainability policies, each department is tasked with monitoring the execution of new policies, predicting potential challenges and reporting findings to the management and observing macroscopic trends that could be relevant to us. Through regular communication, the management closely follows the environmental and social performance of the whole group and guides the Group as a whole towards its set targets in an established, systematic manner.

Stakeholder engagement is an essential process in the achievement of sustainability in line with transparency and ethical principles. To understand the views and expectations of internal and external stakeholders, we commissioned a consultant to conduct stakeholder engagement in the form of survey and management interview. Continuous collection of feedback allows us to regularly review and adjust the implementation of sustainability measures and policies to fulfill the needs of stakeholders.

Sustainability is at the core of the national development strategy of China where our business is situated. In the future, the Group will continue to pay close attention to the country's sustainable development strategy and invest in meticulous compliance with laws and regulations, in order to accomplish a progressive sustainability vision for the benefit of society.

## **HUANG YUPENG**

Chairman and Chief Executive Officer  
Sino Grandness Food Industry Group Limited

# SUSTAINABILITY GOVERNANCE

The Board of Directors of Sino Grandness takes sustainability issues in consideration as part of its strategic formulation and reviews management performance. To assist the Board of Directors in carrying out its principal functions, the Board of Directors is supported by the Audit Committee, the Nominating Committee and Remuneration Committee. The Group's CSR policy continues to guide the review of the Group's policies, standards and impacts with regard to environmental and social issues; as well as key stakeholders such as regulators, suppliers, customers and employees.

The Group's subsidiary, Garden Fresh Group, is a member of Shenzhen Agriculture Industrialization Association.

Sino Grandness' canned products are compliant with international standards, including the Hazard Analysis and Critical Control Point ("HACCP") food safety system, British Retail Consortium ("BRC"), International Food Standard ("IFS") and International Organization for Standardization ("ISO") certifications. With these qualifications, the Group's canned products can be exported to overseas customers including the European Union, which has strict import requirement for food product in the aspects of environmental and food safety.

The Group is in the process of setting up a Sustainability Committee to better respond to the socio-environmental challenges.

# STAKEHOLDER ENGAGEMENT

As a key in the management of Sino Grandness, stakeholder<sup>2</sup> participation helps the Group review potential risks and business opportunities. Communicating with stakeholders and understanding their views allow the Group to better fulfil their needs and expectations with its business practice and manage different stakeholders' opinions.

The Group constantly communicates with key internal and external stakeholders via various channels. This ensures that they have the opportunity to learn about the Group's development and operation directions. It also offers the Group the chance to listen to their views in order to identify the priority of issues and develop corresponding policies.

## Main means of stakeholder engagement

		 Stakeholders	 Means of Communication
 Internal	Board of Directors	Direct mails, regular meetings	
	Management	Direct mails, regular meetings, internal memo via WeChat/ QQ	
	General employees	Direct mails, internal memo via WeChat/ QQ	
External	Shareholders	Direct mails, regular meetings, Annual General Meetings	
	Investors	Phone calls, regular meetings	
	Customers	Visits/ study trips, communication Apps such as WeChat/ QQ	
	Suppliers	Visits/ study trips, communication Apps such as WeChat/ QQ	
	Local community groups	Visits, phone calls, local activities	
	Regulatory agencies	Visits, phone calls	

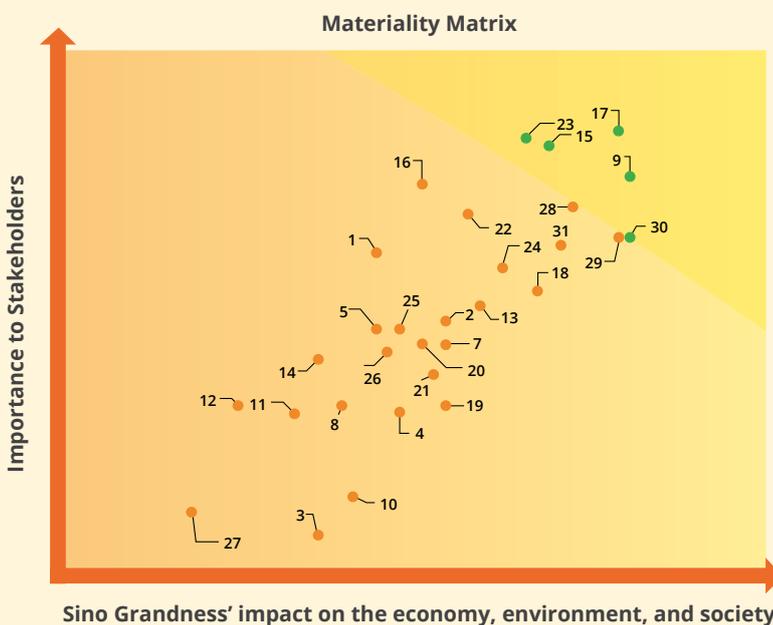
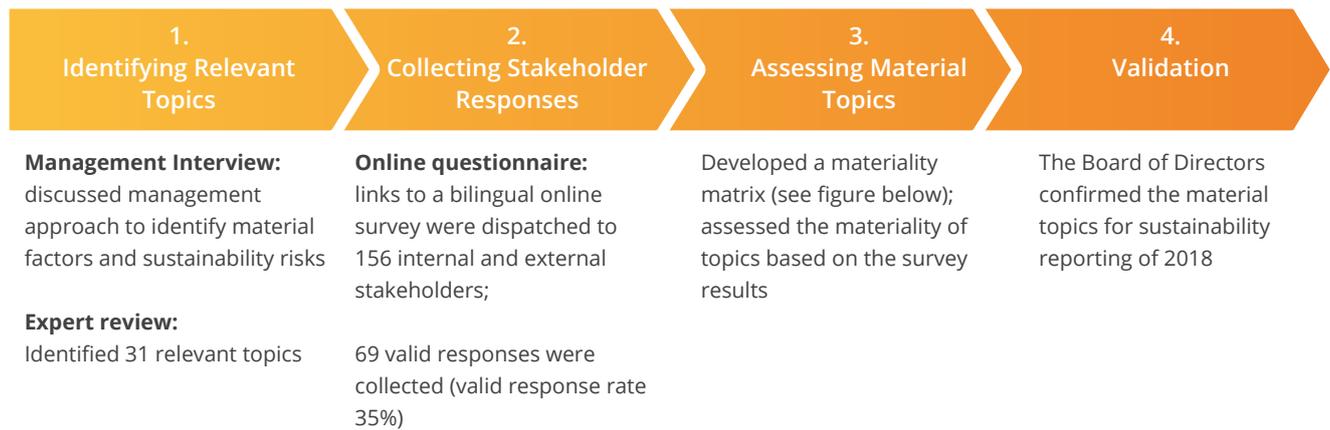
<sup>2</sup>Stakeholders refer to groups or individuals materially influencing or affected by the Group's business.

# SUSTAINABILITY GOVERNANCE

## MATERIAL SUSTAINABILITY TOPICS IN THE REPORTING YEAR

To formulate the Group's sustainability strategy and direction and to identify material sustainability topics for the Group and its stakeholders, the Group commissioned an independent consultant to conduct a management interview. Combining the results of the interview and expert advice, the Group selected five critical issues to focus on in the report.

### Procedures for materiality analysis



Areas	No.	Material issues
Social	17	Occupational Health and Safety
Environment	9	Water and Effluents
Social	15	Employment System
Social	23	Forced or Compulsory Labour
Social	30	Customer Privacy

To ensure the effectiveness of stakeholder engagement, the Group dedicates itself to establishing communication mechanisms for transparency, integrity, accuracy and providing timely response. In the future, the Group plans to formulate a more systematic annual stakeholder engagement plan by integrating it with the Group's operation plan and development goals, as well as to establish an evaluation mechanism to support the formulation of the Group's sustainability strategy.

# BOUNDARIES OF MATERIAL FACTORS

The table below summaries where impacts occur for each material factor identified in the reporting year. All topics are material within and outside of the Group.

Material Factors	Boundaries		Impacts addressed in this Report
	Within the Group <sup>3</sup>	Outside the Group <sup>4</sup>	
 Occupational Health and Safety	Employees of Sino Grandness	Regulatory agencies	Responsible Employer, [Page 10]
 Water and Effluents	Sino Grandness	Suppliers, regulatory agencies	Protecting the Environment, [Page 13]
 Employment System	Employees of Sino Grandness	Regulatory agencies	Responsible Employer, [Page 10-12]
 Forced or Compulsory Labour	Employees of Sino Grandness	Regulatory agencies	Responsible Employer, [Page 12]
 Customer Privacy	Sino Grandness	Distributors, customers	Ethical Operations, [Page 14]

<sup>3</sup>The boundary for impacts within the Group aligns with the reporting boundary.

<sup>4</sup>The boundary for impacts outside the Group takes reference from the key external stakeholders identified for the reporting year.

# SUSTAINABILITY RISKS AND OPPORTUNITIES

With regard to the material sustainability issues identified from the stakeholder engagement exercise, the Group has identified the following risks and opportunities.

RISKS	RESPONSES/ OPPORTUNITIES
<p><b>PRODUCT RESPONSIBILITIES</b></p> <p>The Group is subject to laws and regulations concerning product safety and health of the target market. Since the Group serves a diverse customer base across Asia and Europe, it is a priority to observe the applicable laws and regulations. Product defect and product safety issues may lead to loss of customer trust. Non-compliance with regulatory standards may result in lengthy litigation, monetary and non-monetary sanctions, and threaten business reputation.</p>	<p><b>PRODUCT QUALITY CONTROL</b></p> <p>Across the Group, various departments, such as the Procurement Department and the Quality Control Department are responsible for monitoring product quality according to the policies and procedures established by the Group. For instance, the “Quality and Safety Management Manual” was in place to guide employees to ensure hygiene conditions are in compliance with relevant laws and regulations. Applicable to both existing products and the development of new products, responsible personnel also follow the “Quality and Safety Management Manual” in identifying, assessing and managing potential food safety risks.</p> <p>As part of its established procedures in product quality control, the Quality Control Department is responsible for sampling and inspecting each lot of outbound goods to ensure that the quality and hygiene conditions fulfil the Group’s criteria before distribution. In addition, the Group has in a place an “Unsafe food recall management system”, through which the Group would report any unsafe cases to local regulatory agencies, and recall the products.</p>
<p><b>CUSTOMER PRIVACY</b></p> <p>With growing attention to the handling of customer data, the Group continues to enhance data governance to safeguard the customer data it collects from customers and suppliers in its business activities. Loss of data and breach of customer privacy can result in erosion of customer trust and reputation.</p>	<p><b>DATA PROTECTION MEASURES</b></p> <p>The Group has implemented a set of measures to protect customer privacy, such as setting standard practices for employees to follow, providing awareness training and enhancing data security system.</p>
<p><b>OCCUPATIONAL HAZARDS</b></p> <p>Without proper management, workers at production facilities may be exposed to occupational hazards ranging from operation of machines to use of chemicals, compromising employee wellbeing and productivity. Non-compliance with regulatory requirements on health and safety may also result in fines and non-financial sanctions which impact operations and affect reputation.</p>	<p><b>SAFETY MANAGEMENT SYSTEM</b></p> <p>The Safety and Environmental Department has the oversight of identification of safety hazards, and implementation of safety inspection, accident investigation and mitigation measures. Safety guidelines and training are provided to employees. The Group can implement safety management systems to control the risks associated with occupational hazards.</p>
<p><b>TALENT ATTRACTION AND RETENTION</b></p> <p>Recruiting and retaining qualified and highly skilled employees is a constant challenge presented to the manufacturing industry.</p>	<p><b>EMPLOYMENT SYSTEM AND EMPLOYEE DEVELOPMENT</b></p> <p>A fair employment system and, learning and development opportunities are key drivers of an engaged and talented workforce. In conjunction with the Group’s policies and plans on employee training and development, the management identifies training needs, formulates training plans and evaluates training effectiveness on an annual basis. Employees are encouraged to participate in external training courses for career development.</p>

# SUSTAINABILITY RISKS AND OPPORTUNITIES

RISKS	RESPONSES/ OPPORTUNITIES
<p><b>SOCIALLY RESPONSIBLE CONDUCT</b> Employment malpractice, such as discrimination, harassment, child labour and forced labour, and accompanying negative publicity can pose threat to employee morale and customer trust. In the event of socioeconomic non-compliance with laws and regulations, businesses may suffer from lengthy litigations, monetary sanctions and reputation erosion.</p>	<p><b>MANAGEMENT OVERSIGHT IN SUSTAINABILITY</b> The Group is aware of its obligation to comply with applicable regulatory requirements. The Group will consider setting up an active monitoring system to observe changing social norms, legal requirements, and administrative regulations in different areas of operations.</p> <p>The Board of Directors will continue to take sustainability issues into consideration as part of its strategic formulation, so as to provide timely response to changing needs of the stakeholders and local communities, and ensure socially responsible conduct of the Group.</p>
<p><b>POLLUTION AND ENVIRONMENTAL CONTAMINATION</b> The Group is subject to laws and regulations concerning water and effluents. Taking into account its business nature, the Group operates with a latent risk of contamination in the surrounding environment and communities. Environmental non-compliance may result in monetary and non-monetary sanctions. Tightening regulatory controls entail investments in cleaner production process and effective treatment of effluent and waste.</p>	<p><b>POLLUTION CONTROL SYSTEM</b> The Group has been proactively managing the potential pollution and adverse environmental impact of its production. We ensure the quality of effluent is in compliance with regulatory requirements through on-going monitoring and third-party testing. In addition to articulating an emergency response plan, we constantly communicate with the community in which we operate.</p>
<p><b>CLIMATE CHANGE</b> Greenhouse Gas (“GHG”) emissions from manufacturing facilities constitute a significant source of physical and transition risk to current and future operations. Shifting weather patterns and extreme weather events could lead to decreased productivity and higher cost of raw materials. Tightening regulatory standards on GHG emissions or the introduction of carbon tax may pose regulatory risks to the Group.</p>	<p><b>ENERGY EFFICIENCY</b> Considering that energy use is the primary source of GHG emissions of the Group, it endeavours to enhance energy efficiency to reduce its operating costs and GHG emissions.</p> <p><b>ALTERNATIVE ENERGY SOURCES</b> The Group may benefit from opportunities created by new energy sources around the operation areas, and be able to utilize policy incentives for energy efficiency and renewable energy.</p>

## PROGRESS TOWARDS SUSTAINABILITY-RELATED TARGETS FOR 2017

In line with the approach adopted in 2017, Sino Grandness devised targets for material factors identified in 2018. The following details the progress towards targets set for the material issues identified in 2017. Although these issues were not identified as material issues for 2018, progress towards the targets is disclosed for stakeholders’ reference.

Material Factors	Targets for 2017	Status	Progress
Customer Health and Safety	Zero incident of non-compliance with regulations concerning the health and safety impacts of the Group’s products	Achieved	No incident of non-compliance with regulations concerning the health and safety impacts of the Group’s products
Socioeconomic Compliance	Eliminate the use of child labour	Achieved	No case was found for the use of child labour
	Eliminate all forms of forced or compulsory labour	Achieved	No case was found for the use of forced or compulsory labour

Targets for material issues devised in 2018 will be elaborated in the respective sections of the report.

# RESPONSIBLE EMPLOYER

## OCCUPATIONAL HEALTH AND SAFETY

Sino Grandness strives to provide a safe workplace for employees by establishing the Occupational Health and Safety Responsibilities Regime. The regime defines the roles and responsibilities of different functions and level across the Group. To ensure the employee work in a safe manner under a safety working environment, the Group set up in-house safety rules.

The Safety and Environmental Department is responsible for communication of the national safety regulations, guidelines, code of practices, methodologies to the relevant departments across the Group. The department is also responsible for identifying sources of safety hazards, formulation of safety rules, conducting regular safety inspection, performing accident investigation and proposing mitigation measures, conduct safety training, and control of the delivery of personal protective equipment.

In the reporting year, Sino Grandness did not hire workers who are not employees but whose work and/or workplace is controlled by Sino Grandness. The total number of hours of work recorded at the Shenzhen and Hubei facilities were 271,440 and 164,952 respectively. Information on work-related injuries and ill-health is summarised below:

Material Factors	Shenzhen		Hubei	
	Number	Rate	Number	Rate
Fatalities by work-related injury	0	0%	0	0%
High-consequence work-related injuries (excluding fatalities)	0	0%	0	0%
Recordable work-related injuries	0	0%	0	0%
Fatalities by work-related ill health	0	0%	0	0%
Recordable work-related ill health	0	0%	0	0%

In the reporting year, the Group did not identify any violation of regulations and complied with the Production Safety Law of the People's Republic of China (中華人民共和國安全生產法). Implementation progress for target at 2018 are as follows:

Targets for 2018	Status	Progress
Adopt a zero-tolerance approach to safety accidents	Achieved	No work-related safety accidents
Increase participation in health training	Achieved	Hubei facility conducted two safety trainings
Facilitate employees' participation in the review of the occupational health and safety management system	To be implemented	Setting up regular safety meetings involving frontline employees

To ensure the system covers all potential occupational health and safety hazards, and eliminates hazards and minimize risks with control measures, Sino Grandness will improve the occupational health and safety system according to the future plan.

## EMPLOYMENT SYSTEM

Sino Grandness has in place a recruitment system to hire suitable talents. The Employee Handbook issued by the Garden Fresh (Shenzhen) Fruit & Vegetable Beverage Co., Ltd. stipulates the recruitment procedures of both Shenzhen and Hubei operations.

Applicants have to present their identity cards and fill in the application form during the process. Acting on behalf of the Group, the Human Resources and Administration Department will consider the suitability of the applicant according to his or her educational levels, relevant experiences and physical fitness. The Employee Handbook also stipulates the working hours, holiday, training, performance review, remuneration, promotion and termination arrangement.

# RESPONSIBLE EMPLOYER

In the reporting year, the Shenzhen and Hubei operations hired a total of 192 and 79 employees respectively. Full-time employees were covered by the basic pension, medical insurance, unemployment insurance, work injury insurance and maternity insurance according to the Labour Law of the People's Republic of China (中华人民共和国劳动法), the Social Insurance Law of the People's Republic of China (中华人民共和国社会保险法), the Regulations on the National Social Security Fund (全国社会保障基金条例), the Regulations on Unemployment Insurance (失業保險條例) and the Trial Measures on Childbirth Insurance of Employees (企业职工生育保险试行办法).

Number of Employees		Shenzhen		Hubei		Total by age group
		Male	Female	Male	Female	
	Under 30 years old	37	43	1	2	83
	30-50 years old	81	25	16	47	169
	Over 50 years old	4	2	12	1	19
	Total	122	70	29	50	271
	Total by location	Shenzhen		Hubei		
	Total by gender	Male		Female		

Number of New Employees		Shenzhen		Hubei		Total by age group
		Male	Female	Male	Female	
	Under 30 years old	11	20	1	1	33
	30-50 years old	18	12	6	17	53
	Over 50 years old	1	0	3	0	4
	Total	30	32	10	18	90
	Total by location	Shenzhen		Hubei		
	Total by gender	Male		Female		
Rate of new employee hires (%)	By location	Shenzhen		Hubei		
	By gender	Male		Female		

Number of employee turnover		Shenzhen		Hubei		Total by age group
		Male	Female	Male	Female	
	Under 30 years old	26	23	0	1	50
	30-50 years old	63	13	10	30	116
	Over 50 years old	3	2	9	1	15
	Total	92	38	19	32	181
	Total by location	Shenzhen		Hubei		
	Total by gender	Male		Female		
Rate of employee turnover (%)	By location	Shenzhen		Hubei		
	By gender	Male		Female		

# RESPONSIBLE EMPLOYER

	Male		Female	
	Shenzhen	Hubei	Shenzhen	Hubei
Total number of employees that were entitled to parental leave	0	0	11	0
	0		11	
Total number of employees that took parental leave	0	0	6	0
	0		6	
Total number of employees that returned to work in the reporting year after parental leave ended	0	0	1	0
	0		1	
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	0	0	1	0
	0		1	
Return to work rate (%) <sup>5</sup>	N/A <sup>6</sup>		20	
Retention rate (%) <sup>7</sup>	N/A <sup>8</sup>		50	

<sup>5</sup>Return to work rate = total number of employees that returned to work after parental leave/ total number of employees due to return to work after taking parental leave.

<sup>6</sup>Due to the total number of employees expected to return to work after taking parental leave is 0.

<sup>7</sup>Retention rate = total number of employees retained 12 months after returning to work following a period of parental leave/ total number of employees returning from parental leave in the prior reporting period(s).

<sup>8</sup>Due to the total number of employees returning from parental leave in the year 2017 is 0.

## FORCED OR COMPULSORY LABOUR

Sino Grandness adopts a fair hiring process under which employees offer their services voluntarily. Sino Grandness stipulates employees to work no more than 8 hours per day, no more than 44 hours per week and no more than 36 overtime work hours a month according to the Labour Law of the People's Republic of China (中华人民共和国劳动法). The Group compiled the Employee Handbook to define the working hours and holiday arrangement. As stipulated in the Employee Handbook, any overtime arrangement requires prior mutual agreement between the employees and their supervisors, and employees will be compensated according to their basic salary. The Human Resources and Administration Department evaluates the working hours of employee on monthly basis to ensure compliance with statutory requirements in relation to overtime work.

Going forward, the Group has set out the following targets:

Targets for 2019	
Occupational Health and Safety	<ul style="list-style-type: none"> <li>Develop a list of occupational health and safety risks identified in the Hubei facility</li> <li>Establish the corresponding control measures including developing additional in-house safety rules</li> </ul>
Employment system	<ul style="list-style-type: none"> <li>Turnover rate across the group of less than 20%</li> </ul>

# PROTECTING THE ENVIRONMENT

## WATER AND EFFLUENTS

To manage its environmental impact as a responsible corporation, Sino Grandness has developed the Environmental Management Regime. The regime defines the environmental rules for pollution control of operations, construction new, expanded and reconstruction projects, management of environmental facilities and management of environmental incidents. Within the regime, the Group has set up the Safety and Environmental Department (安全环保部) to control its environmental impact.

### Duties and responsibilities of the Safety and Environmental Department

- Monitor and supervise the observance of the Group's environmental management regime by various departments
- Plan and compile environmental annual objectives and targets; and monitor the implementation progress of the those objectives and targets
- Establish environmental rules and define emission standards of pollutants
- Monitor the environmental quality of the emission sources
- Monitor the environmental performance of the Group and analyse and report performance
- Participate in the environmental impact assessment for large-scale engineering projects of new construction, expansion and reconstruction
- Investigate environmental incidents and propose mitigation measures
- Promote the employment of advanced environmental management technologies and monitoring methods
- Assess the pollutant level according to the pollutant emission factors
- Conduct environmental training and communication
- Promote environmental education

Only office operation is carried out in Sino Grandness' headquarters at Shenzhen while the operational unit at Hubei has a manufacturing facility. Water consumption at Shenzhen is for sanitary usage only; whereas water consumed at Hubei is for sanitary usage, drinking, and consumption in the production line for ingredients cleaning, production of drink products, and routine cleaning.

In the reporting year, Hubei consumed 481.4ML freshwater, which was sourced from local water supply. Approximately 81% of it was attributed to production usage. Effluent in Shenzhen office was directly discharged to the communal sewerage system; while effluent of all types in Hubei operation were treated in the onsite wastewater treatment plant before discharging to the communal sewerage system.

In the reporting year, the Group did not identify any cases of non-compliance with laws and regulations with regard to water and effluent. It complied with the "National Environmental Protection Law (国家环境保护法)".

## CUSTOMER PRIVACY

Achievement progress of Year 2018 target in relations to customer privacy:

Targets for 2018	Status	Progress
Zero substantiated complaints received concerning breaches of customer privacy	Achieved	No complaints received concerning breaches of customer privacy

Sino Grandness acknowledges the importance of protecting the data privacy of its customers, including the distributors of the Group's beverage, canned fruit and canned vegetable products. Sino Grandness has established relevant procedures in the Employee Handbook to emphasise the operational practices for confidentiality. Employees are required to follow a series of standard practices of non-disclosure at work and refrain from disclosing confidential information in personal interaction or public events.

### Highlights of Customer Privacy Protection Measures

Upgrading the Group's computer and internet security systems to reduce the risks of data leakage;

Assigning designated employees to establish, distribute, use, copy, extract, store and dispose confidential information with oversight by the Chairperson. Designated employees must store confidential information in secured media when distributing or transporting the data within or out of the Group;

Conducting training programs to enhance employees' awareness in protecting customers' information;

Setting up penalty regime for potential or actual leakage depending on the nature of data and the economic impact on the Group

### Management of Data Leakage

In case of suspected data leakage, employees should take mitigation measures and report to the Human Resources and Administration Department. In cases where significant impact or economic loss for the Group does not result and mitigation measures are effectively implemented, Sino Grandness would issue a warning to the violator or impose a financial penalty.

Where significant impact or economic loss for the Group results from the incident, such as data theft, or abuse of authority which violates confidentiality, possible actions include dismissal, request of compensation comparable to the loss of the Group, or reporting to the judicial authorities.

### Performance

The number of substantiated complaints received concerning breaches of customer privacy is summarised as follows:

Targets for 2018	Status	Shenzhen	Hubei
Number of substantiated complaints received concerning breaches of customer privacy	Complaints received from external parties and substantiated by the organisation	0	0
	Complaints from regulatory bodies	0	0
Total number of identified leaks, thefts or losses of customer data		0	0

Going forward, the Group has set out social targets in terms of ethical operations:

### Targets for 2019

Customer privacy	Develop an internal communication channel for employees to report potential or suspended customer data leakage
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# GRI-SGX CONTENT INDEX

Disclosure	Description	SGX	Page	Remarks
GRI 102: General Disclosures 2016				
Organisational Profile				
102-1	Name of the organization		2	
102-2	Activities, brands, products, and services		2	
102-3	Location of headquarters		2	
102-4	Location of operations		2	
102-5	Ownership and legal form		2	
102-6	Markets served		2	
102-7	Scale of the organization		2	
102-8	Information on employees and other workers		2, 10, 11	
102-9	Supply chain		2	
102-10	Significant changes to the organization and its supply chain		2	
102-11	Precautionary Principle or approach		8	
102-12	External initiatives		5	
102-13	Membership of associations		5	
Strategy				
102-14	Statement from senior decision-maker	LR711B-1e	4	
102-15	Key impacts, risks, and opportunities	PN7.6-3.3	8-9	
Ethics and integrity				
102-16	Values, principles, standards, and norms of behaviour		2	
Governance				
102-18	Governance structure	PN7.6-3.1	5	
102-21	Consulting stakeholders on economic, environmental, and social topics	PN7.6-3.7	5-6	
102-29	Identifying and managing economic, environmental, and social impacts	PN7.6-3.3	6-7	
Stakeholder Engagement				
102-40	List of stakeholder groups		5	
102-41	Collective bargaining agreements		—	There were no employees covered by collective bargaining agreements in the reporting year.
102-42	Identifying and selecting stakeholders		5-6	
102-43	Approach to stakeholder engagement		5-6	
102-44	Key topics and concerns raised		6-7	
Reporting practice				
102-45	Entities included in the consolidated financial statements		2	
102-46	Defining report content and topic Boundaries		3, 7	
102-47	List of material topics		6-7	
102-48	Restatements of information		N/A	
102-49	Changes in reporting		6,7	
102-50	Reporting period			1 January 2018 to 28 December 2018
102-51	Date of most recent report			31 December 2018

# GRI-SGX CONTENT INDEX

Disclosure	Description	SGX	Page	Remarks
Reporting practice				
102-52	Reporting cycle		3	
102-53	Contact point for questions regarding the report		3	
102-54	Claims of reporting in accordance with the GRI Standards	LR711B-1d	3	GRI-referenced claim is included.
102-55	GRI content index		15-16	
102-56	External assurance	PN7.6-3.8	—	The group did not seek external assurance in the reporting year.
Material Topics				
GRI 303: Water and Effluents 2018				
103	Management approach disclosures	LR711B-1	13	
303-1	Interactions with water as a shared resource		13	
GRI 401: Employment 2016				
103	Management approach disclosures	LR711B-1	10-12	
401-1	New employee hires and employee turnover		10-12	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		10-12	
401-3	Parental leave		10-12	
GRI 403: Occupational Health and Safety 2018				
103	Management approach disclosures	LR711B-1	10	
403-9	Work-related injuries		10	
403-10	Work-related ill health		10	
GRI 409: Forced or compulsory labour 2016				
103	Management approach disclosures	LR711B-1	12	
GRI 418: Customer privacy 2016				
103	Management approach disclosures	LR711B-1	14	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		14	