



森美(集團)控股有限公司
Summi (Group) Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 00756

2022

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT





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ABOUT THE COMPANY

Summi (Group) Holdings Limited (the “Company”, together with its subsidiaries collectively referred to as the “Group”), headquartered in Hong Kong, was established in 1993 and listed on The Stock Exchange of Hong Kong Limited (“HKEX”) on 10 July 2008, with stock code 00756.HK. Among China’s leading agriculture enterprises listed on the main board of HKEX, the Group adopts an integrated business model, principally engaging in manufacturing and selling of Summi fresh orange juice and other products (the “Summi Products”), frozen concentrate orange juice (the “FCOJ”) and its related products. The Group has five highly efficient production plants that are strategically located in major citrus growing areas in Fujian and Hunan Provinces in China. Its products have received numerous international certifications and a high level of consumer appreciation recognition in China.



A MESSAGE FROM THE BOARD

We are pleased to present this Environmental, Social and Governance (the “ESG”) Report (the “ESG Report”) to provide an overview of our business management and performance in the realms of environmental, social and corporate governance.

Our business cycle starts with fresh fruits rooted in the soil of our natural environment, continues as our employees provide their unreserved efforts in our factories and offices, and ends with happy customers taking a sip of our product that we are all proud of. This process involves all aspects of ESG, and motivates us to incorporate the ESG principles in our corporate operation. The Board (the “Board”) of Directors (the “Directors”) of the Company is ultimately responsible for the formation of our ESG strategies, which would be made into goals and principles by the senior management team, who communicate these principles to the heads of departments and oversee their execution. Each department head collects the respective operation information and reports to the senior management from time to time. The senior management team then reports to the Board regarding the ESG achievements and flaws. When major ESG-related issues arise or primary goals and targets are missed, the Board alerts the management team and requests a change of strategies, the Board may then revisit its ESG strategies and make relevant amendments when considers necessary. During the year ended 30 June 2022 (the “Reporting Period”), no major issues were reported, and the Board considers ESG-related requirements met and ESG performances up to standard.

Through the management team, the Board also communicated with the stakeholders of the Group and conducted ESG materiality assessments to identify the most important matters in these aspects. The ways of communication and results of the assessment will be discussed further in this ESG Report.

During the preparation of this ESG Report, the Board granted access to necessary information to the ESG reporting team and reviewed this report. It considers the report true and complete, and welcomes comments and suggestions from stakeholders.



REPORTING PRINCIPLES AND SCOPES

This ESG Report mainly covers the information related to the Group's operation in the five production plants in the PRC and headquarters in Hong Kong.

The information enclosed in this ESG Report comprises the Group's public information, official documents, and internal statistics on the material environmental and social issues relevant to the Group's principal business of manufacturing and selling Summi Products, FCOJ and other related products during the Reporting Period as well as those for the year ended 30 June 2021 (the "Previous Period") for comparison purposes. The ESG Report complies with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules (the "ESG Reporting Guide"). When quantifying the group's impacts on the ESG aspects, the HKEX's ESG Reporting Guidance on Environmental KPIs and ESG Reporting Guidance on Social KPIs were followed.

This report covers our major operational processes, such as:

- i. Collection of orange
- ii. Washing and brushing
- iii. Sorting
- iv. Squeezing
- v. Pasteurization
- vi. Aseptic packaging and storage

STAKEHOLDERS COMMUNICATION

The Group emphasises communication with stakeholders and strives to understand their requirements and aspirations. Therefore, the Group has a variety of channels that allow different stakeholders to share their opinions and demands on its operation and performances on topics covering the environmental, social, and governance aspects. Our major stakeholders include our shareholders and investors, government and regulatory bodies, customers, employees, communities, media and environment. The table below is an overview of our communication channels with our major stakeholders.

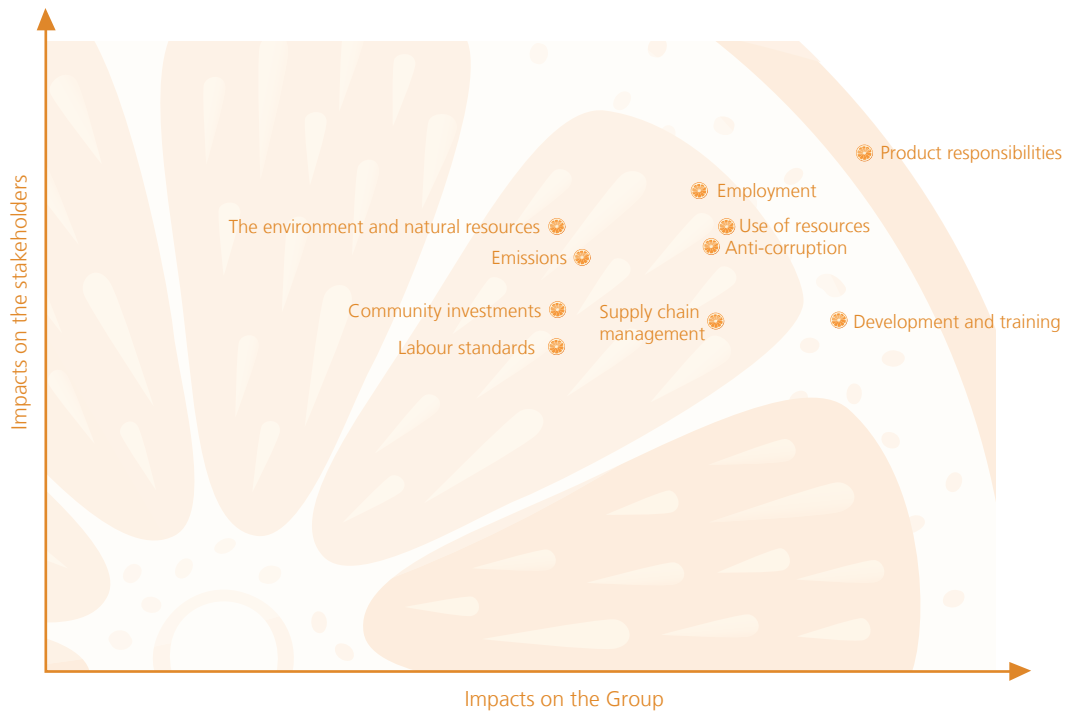
Major Stakeholders	Demands and Expectations	Communication Channels
Shareholders and Investors	<ul style="list-style-type: none"> – Good corporate governance – Sustainable profitability – Production safety – Management of operational risks 	<ul style="list-style-type: none"> – Company announcements – General meetings – Financial reports – Roadshows – One-on-one meetings
Government and Regulatory Bodies	<ul style="list-style-type: none"> – Compliance and operation 	<ul style="list-style-type: none"> – Supervision and evaluation
Customers	<ul style="list-style-type: none"> – High-quality products – High-quality services – Cost-effectiveness – Information security – Communication channels – Corporate social responsibilities 	<ul style="list-style-type: none"> – Business communication – Customer service hotline – Customer feedbacks – Industry exhibitions – The Company's website
Employees	<ul style="list-style-type: none"> – Good corporate governance – Job security – Improvement in employee's remuneration and welfare – Career development – Workers' rights and interests 	<ul style="list-style-type: none"> – Staff meetings and activities – Staff training – Workers' congress – Staff manual and internal publications – Recruitment
Communities	<ul style="list-style-type: none"> – Supporting public welfare activities – Improving community environment – Promoting employment 	<ul style="list-style-type: none"> – Communication with communities and local government – Charity activities
Media	<ul style="list-style-type: none"> – Transparent information – Improving product quality and maintaining business stability 	<ul style="list-style-type: none"> – The Company's website – The Company's advertisements – Business interviews
Environment	<ul style="list-style-type: none"> – Energy conservation – Reduce emission of pollutants – Reasonable use of water 	N.A.

The Group highly appreciates stakeholders' feedback on our environmental, social and governance approach and performance. Please share your opinions and suggestions with us via the message board at our Company's website <http://hksummi.com/>.



MATERIALITY ASSESSMENT

During the Reporting Period, the Company conducted a comprehensive materiality assessment, mainly involving interviews and/or surveys with internal and external stakeholders, to identify which ESG-related areas have the most significant impacts on our business. The chart below briefly shows the results of the assessment.



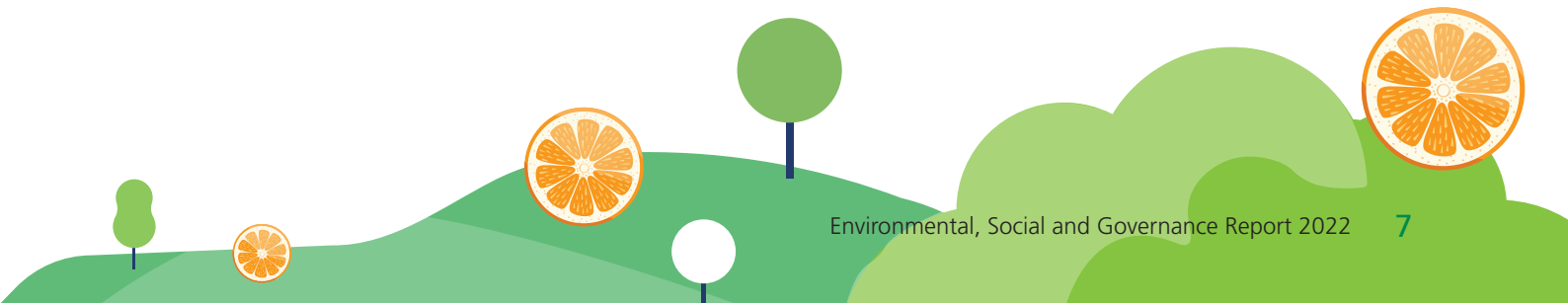
Based on the materiality assessment results, the use of resources, employment issues, anti-corruption, and product responsibilities are considered the most important to the stakeholders and the Group, similar to the assessment done in the Previous Period. The Group strives to review these issues from time to time to achieve continuous improvement and sustainable business development.

GREEN PRODUCTION

POLLUTION CONTROL AND WASTE MANAGEMENT

As a leading agricultural product processing enterprise in the PRC, the Group connects deeply with the environment and considers natural reservation its fundamental obligation. Advocating sustainable business models, the Group complies with environmental laws and regulations, including but not limited to the Environmental Protection Law of the PRC, Law of the PRC on the Prevention and Control of Atmospheric Pollution, Law of the PRC on Prevention and Control of Water Pollution, Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste and Law of the PRC on Environmental Impact Assessment, etc. No material non-compliance cases were discovered during the Reporting Period. Though the Group's production is deeply connected with the natural environment, and the overall climate affects the quality and quantity of fruit harvest, the Group had been able to work in harmony with the natural environment and no specific climate-related issue stands out as the most significant impact to the Group for the Reporting Period. The discharge of fruit pomace and acidic water, as well as the emission of greenhouse gas ("GHG") are the most significant impacts the Group has on the environment. Our fruit pomace is treated in the factories and fed to livestock, while acidic water is handed to professional companies to provide proper treatment.

At the beginning of the previous year, the Company set a green production target to reduce total GHG emissions by 10%. After the previous ESG Report was published, popular comments included to consider overall revenue when determining environmental targets. After discussion, the Group decided to use GHG emission and resource consumption intensities as its indicators for environmental targets. In the first year adopting these indicators, the Group aimed for a modest target of maintaining all GHG emission and resource consumption intensity (per million Hong Kong dollar revenue) at a stable level as compared to the previous year. The steps taken in each aspect and their results will be disclosed in the sections to follow. All in all, as the business environment was tumbled by an unstable overall economy and global market, the Group's revenue dropped sharply during the Reporting Period, making it challenging to evaluate the emission and consumption intensities; thus, some targets were missed while some were met, which would be shown and discussed in each respective section of the ESG Report.



GREEN PRODUCTION

The Reduction of Air Pollution and GHG Emission

The Group uses electricity to power its offices and plants, and fossil fuel for its vehicles to transport its products. The use of energy together with vehicle exhausts comprise the major environmental impacts from the Group's production and operating activities, which are emission of GHG, and key air pollutants, including Nitrogen Oxide ("NO_x"), Sulphur Oxide ("SO_x") and Particulate Matters ("PM"). On the other hand, the orange plantations, as the beginning of the production cycle, helps to eliminate the GHG from the air and contributes to the wellbeing of the planet. As a well-known juice brand in China, the Group is environmentally conscious when making every major business decision, hoping to bring ethical products from farms to shelves. To develop our business sustainably, we impose high-standard environmental control to reduce pollution during our production process. As a listed company, the Group follows relevant laws and regulations strictly and is not aware of any non-compliance incident in relation to air pollutants and GHG emissions during the Reporting Period. The Group's GHG and key air pollutants emissions were as follows:

	For the year ended 30 June			
	2022		2021	
	Key emissions	Key emissions intensity (per million Hong Kong dollars of revenue)	Key emissions	Key emissions intensity (per million Hong Kong dollars of revenue)
Greenhouse gas emissions (kg in CO₂ equivalent)				
Total	909,413	30,113	2,926,228	26,362
Direct (Scope 1)	222,657	7,373	654,642	5,898
Indirect (Scope 2)	686,756	22,740	2,271,586	20,465
Key Air Pollutants (g)				
NO _x	1,668,540	55,250	3,918,300	35,300
SO _x	1,235	41	5,585	50
PM	163,720	5,421	381,950	3,441

Wastewater Discharge and Treatment

For the Reporting Period, wastewater discharged from our production process was recorded at 400,000m³, a significant decrease from the 1,200,000m³ recorded during the Previous Period, in line with the decline in business during the Reporting Period, as a result of a challenging exporting environment. The wastewater was passed to a third party with a qualified recycling system near our production plants, where the highly acidic wastewater was adequately treated before disposal.

GREEN PRODUCTION

Hazardous Wastes Discharge and Treatment

The Group has handled hazardous wastes in strict compliance with the Solid Wastes Pollution Prevention Law of the PRC. Professional agencies treated the sludge generated by the Group after dehydration, and any other hazardous wastes were handed over to qualified third parties for hazard treatment and proper disposal. The amount of hazardous wastes produced by the Group is insignificant; thus, no quantified record was kept.

Non-Hazardous Wastes Discharge and Treatment

Our non-hazardous wastes consist of fruit pomace and waste paper, recorded 1,500 tonnes and 80 tonnes respectively for the Reporting Period, a significant drop compared to the Previous Period, as less product was produced and sold. Fruit pomace is the by-product of fresh orange juice production, non-hazardous to the environment by nature, while it could be treated and reused to produce different products. Our fruit pomace is sold, after dehydration, to third parties for the extraction of pectin, whereas internal departments were assigned the duty of recycling waste paper.

	For the year ended 30 June			
	2022		2021	
	Annual Waste Produced (tonnes)	Non-hazardous Waste Intensity (per million Hong Kong dollars of revenue)	Annual Waste Produced (tonnes)	Non-hazardous Waste Intensity (per million Hong Kong dollars of revenue)
Fruit Pomace	1,500	50	3,000	27
Waste Paper	80	3	210	8
Total	1,580	52	3,210	29

GREEN PRODUCTION

USE OF RESOURCES

The Group's business operation consists of direct and indirect energy consumption, of which direct energy consumption includes the use of non-renewable fuel, such as diesel oil, unleaded petrol and LPG from mainly production facilities and vehicle use; and the indirect energy consumption is contributed by the purchased energy generated by other parties, such as electricity. Other resources consumed are water and packaging material used for our end products.

By monitoring the Group's use of energy and consumption of resources, we understand our consumption patterns and formulate effective energy and resource efficiency measures. On top of strict consumption controls, the Group keeps its equipment up-to-date to meet the latest technological trends and efficiency standards.

To balance environmental protection and sustainable business growth, the Group has established and implemented a set of measures set as below:

- Constantly improve and optimise production process to enhance energy utilization efficiency and reduce the emission of greenhouse gases, pollutants and wastes.
- Encourage staff to use a video conference system to decrease carbon emissions from unnecessary business trips.
- Encourage staff to choose public transport over private vehicles for work purposes to reduce carbon emissions.
- Minimise the use of hazardous substances, and reduce other industrial waste;
- Recycle resources whenever possible.
- Provide education and training to staff to enhance their awareness of environmental protection and ensure effective environmental measures are carried out.
- For energy-saving purposes, advocate green office practices where the indoor temperature is maintained at 24-26°C in summer.

GREEN PRODUCTION

Among all the resources the Group consumes, water is the most crucial. The Group has been working for years to adapting to natural environment by adopting the latest production technology to ensure the efficient use of water. There was no issue in sourcing water for the Reporting Period. The table below shows the Group's consumption of resources and consumption intensity for the Reporting Period and those of the Previous Period for comparison:

	For the year ended 30 June			
	2022	Consumption Intensity per million Hong Kong dollars in revenue	2021	Consumption Intensity per million Hong Kong dollars in revenue
	Annual Consumption		Annual Consumption	
Fuel – Diesel oil (L)	8,201	272	251,234	2,263
Fuel – Unleaded petrol (L)	75,000	2,483	128,000	1,153
Fuel – LPG (kg)	565	19	3,420	31
Electricity (kWh)	1,000,150	33,118	2,261,300	20,372
Water (m ³)	610,150	20,204	1,300,000	11,712
Paper (kg)	N/A	N/A	900	8
Paper packaging (tonnes)	250	8.28	350	3
Plastic packaging (tonnes)	5	0.17	9	0.08
Wooden packaging (tonnes)	76	3	55	0.5

The Group has put effort into energy-saving management, gradually phasing out high-polluting, high-energy-consumption equipment. As for the aforementioned environmental impacts the Group causes, we will continue to search for room for improvement and strive for better practices in reducing our ecological footprint.

CARING WORKPLACE

EMPLOYMENT AND EMPLOYEES RIGHTS AND BENEFITS

As a listed company, we ensure strict compliance with regulations to safeguard our employees' lawful rights. All employees of the Group in Hong Kong are covered by the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong); while employees in the PRC are covered by the Labour Contract Law of the PRC, Social Insurance Law, Juvenile Protection Act, Measures for Paid Annual Leave, the Minimum Wage Regulations, and our female labours are also protected by Female Workers' Labour Protection Regulations of the PRC. No non-compliance cases were reported during the Reporting Period.

Beyond mere compliance, in Summi (Group) Holdings Limited, we believe that greater creativity and productivity are cultivated in a caring workplace, so we strive to providing the best possible work environment and employee benefits, including fair remuneration packages, on-the-job training, attractive career growth path, work-life balance, health support, etc. Under the corporate governance team's supervision, our human resources department executes a range of internal policies, which are revised and updated from time to time. We also include these policies in our internal communication to keep our employees well-informed of their rights and benefits.

For the Reporting Period, detailed employee statistics of the Group categorised by employment type, job function, gender, age group, and employment location are laid out below:

	As at 30 June	
	2022	2021
By Employment type		
Long-term Service Contract	110	103
Short-term Service Contract	15	13
By Job Function		
Executive Directors and Senior Management	6	7
Project Management and Supervision	3	3
Finance and Accounting	6	7
Administrative and Human Resources	12	13
Production Workers	1	1
Site Workers	80	67
Security	4	4
Janitorial	4	4
Maintenance	4	4
Warehousing	3	3
Loading and Unloading	1	1
Procurement	1	1
Logistics	0	1

CARING WORKPLACE

	As at 30 June	
	2022	2021
By Gender		
Male	72	70
Female	53	43
By Age Group		
≤30	11	12
31-50	75	79
51-60	39	22
≥61	0	0
By Employment Location		
PRC	119	110
Hong Kong	6	6
Total	125	116

EQUAL OPPORTUNITIES

As an equal opportunity employer, we do not discriminate any personnel based on their gender, age, marital status, ethnicity, or religious belief during our recruiting and employee appraisal processes. The Group's remuneration packages are determined based on employee's skillset and contribution to their position. The Group endorses a fair and open competing environment and provides relevant training schemes to our employees in various roles. More about development and training will be explained in the sections to follow. During the Reporting Period, the Group did not receive any complaints regarding inequality at work.

REMUNERATION AND BENEFITS

In an increasingly competitive business world, being able to retain a stable workforce gives the Group its edge in achieving excellence and efficiency. We believe that work satisfaction and generous remuneration packages help our employees stay happy and motivated. Therefore, remuneration and benefits are adjusted according to regular performance appraisals. Discretionary bonuses and social insurance are also provided. Besides, the Group guarantees all the employees enjoy sufficient rest days, including statutory holidays and leaves. There were no resignations during the Reporting Period; the employee turnover rate was thus 0.

OCCUPATIONAL HEALTH AND SAFETY

The frontline workers in our factories handle machinery on a daily basis. Though not heavy, these machines still pose some threats to our workers' safety and health. Keeping our employee's wellbeing in mind, we strive to improve workplace safety standards.

First and foremost, we closely observe the development of workplace laws and local regulations and strictly follow the latest rules in the PRC, including the Work Safety Law, the Law of the PRC on the Prevention and Control of Occupational Diseases, the Regulations on the Safety Management of Hazardous Chemicals and the Provisions on Fire Control Safety Education and Training of the PRC.

CARING WORKPLACE

We provide all frontline staff with necessary protective equipment according to their relative duties. Workshop managers review production lines regularly to enforce good safety protocols. For transportation teams, we assign department heads to regularly inspect their driving behaviors in order to reduce the risk of incidents. For our back office staff, work-related safety issue is insignificant.

There were no work-related injuries or deaths of employees for the Reporting Period and the Previous Period; thus, there were no lost days due to work injury.

EMPLOYEE DEVELOPMENT AND TRAINING

We aim to help our employees refresh their professional knowledge and train their vocational abilities to keep up with today's ever-changing industry. We also strive to provide opportunities for our employees to discover and realise their full potential. Thus, our human resources department engages third parties to provide various lectures and training to our employees covering topics like technical improvement, safety education, corporate values, professional ethics and management ability, operation skills, and quality control system.

The table below summarises training statistics recorded for the Reporting Period:

By Categories	For the year ended 30 June 2022		
	Total number of employees trained	Average Training hours completed per employee (hours)	The percentage of employees trained
Employees trained, by gender			
Male	30	20	69.8%
Female	13	20	30.2%
Employees trained, by job categories			
Executive Directors and Senior Management	6	20	23.1%
Project Management and Supervision	3	20	11.5%
Finance and Accounting	1	20	3.8%
Administrative and Human Resources	1	20	3.8%
Production Workers	11	20	42.3%
Site Workers	1	20	3.8%
Security	0	20	0.0%
Janitorial	0	20	0.0%
Maintenance	0	20	0.0%
Warehousing	0	20	0.0%
Loading and Unloading	1	20	3.8%
Procurement	1	20	3.8%
Logistics	1	20	23.1%

CARING WORKPLACE

For the Reporting Period, the percentage of male employees trained was approximately 69.8%, and the percentage of female employees trained was 30.0%, similar to that of the Previous Period and in line with the total number of employees categorised by their gender. In terms of job categories, the Group has provided comparatively more training to its production workers, logistics staff, and executive directors and senior management team during the Reporting Period.

LABOUR STANDARDS

The Group strictly follows the Employment Ordinance of Hong Kong and Labour Contract Law of the PRC. The Group forbids the employment of child labour, forced labour, black-market labour, or any illegal labour force; as such, the human resources department is required to carefully scrutinise all necessary qualifications during the recruitment process so as to ensure all employees hired by the Group hold legally authorised work permit, and meet the legal working standard of Hong Kong or the PRC region, depending on the employment location of each position. If any information is found in violation of employment laws or standards, the recruitment process will be terminated immediately. If an employee is found to be violating any of the aforementioned rules and regulations, necessary legal action will be taken. During the Reporting Period, no such non-compliance cases were found.

STRINGENT OPERATION MANAGEMENT

SUPPLY CHAIN MANAGEMENT

As customers' trusted brand, we strive to ensure the quality of our products, starting by sourcing the best and safest raw materials. Thus we carefully choose our suppliers. On top of product and service excellence, we aim to work with companies which share the same values with us and cares about the natural environment and social warfare.

Our supplier evaluation criteria covering areas such as pricing, service, quality, reputation, past business history, after-sales support, and environmental consciousness, is made clear to our procurement teams, who maintain a list of trusted suppliers, and review their performance at least once a year to determine future cooperation.

The Group has established long-term relationships with some of our suppliers with excellent products and services over the years. Still, we explore new regions and contact different companies to update our database. For the Reporting Period, the majority of the Group's suppliers are located in the PRC, where our production lines are located.

Number of Suppliers by Geographic Region



STRINGENT OPERATION MANAGEMENT

PRODUCT RESPONSIBILITIES

Quality Control

Our products fully comply with the Food Safety Law of the PRC, Product Quality Law, Law on Protection of the Rights and Interests of Consumers and other relevant laws and regulations. Our products have passed the ISO22000 certification, the HACCP certification, the SGS certification, the SGF certification and the HACCP certification on food safety. During the Reporting Period, no recall of products was recorded.

Further than laws and regulations, we also take pride in the quality of our products as a well-know brand in the country, and the first orange juice producer to be certified with the Certificate of Sustainable Agriculture Guiding Principles (“SAGP”) from one of our clients, a leading international beverage giant. SAGP recognition praises our products for being environmentally friendly, high in quality, safe, and sustainable. To maintain such quality and reputation, we must practice precise protocols along all of our production processes.

Our product quality control starts from sourcing raw ingredients with strict standards, followed by high hygiene standards implemented throughout the production lines, and a comprehensive and technology-based product inspection process to ensure that only the best products are packed. Before shipping the products to our distributors, we still conduct random checks. If any flawed products were found, the shipment would be put on hold until we investigate and remove those that don't meet our standards.

Once the products are shipped, we set up channels to receive customer feedback. If any complaints are received, we will go through inspections and determine the necessary actions. If defective products are found, we will launch our recall procedures immediately and assign a team to investigate possible causes. Those investigation records would then be stored in our database to prevent repeated mistakes.

Protection of Intellectual Property

Alongside stringent quality control, some intellectual properties, including product formulas, production techniques, packaging design, etc. contribute to our success in the retail market. Thus we understand the importance of these intangible properties as we protect the intellectual properties of our own while respecting that of our business partners.

We implemented a comprehensive intellectual property management mechanism to safeguard both internal and external intellectual properties. We also set out contingency guidelines for possible solutions in case any intellectual property-related infringement arises. During the Reporting Period, the Group recorded no material infringement of intellectual property.

STRINGENT OPERATION MANAGEMENT

Protection of Customer Information and Privacy

As our products are mass-produced, we only need to obtain minimum client customer information, a proportion of which is publicly available. Thus, we consider the risk of leaking customer information and privacy low. Yet to prevent any breach of the regulations in this matter, we prohibit our employees from attempting to access unnecessary personal information during sales processes while no unauthorised access to client information is allowed in our offices. We also install firewalls and anti-virus software in our work computers to protect the data stored digitally from outside hackers.

The Group strictly abides by the Contract Law, the Regulations of the PRC for Safety Protection of Computer Information Systems, the Law on the Protection of Consumer Rights and Interests and relevant laws and regulations of the PRC. No leak of customer information and privacy was found during the Reporting Period.

Advertising and Labeling

Prevention of false advertising and upholding clear and accurate labeling help to maintain our brand image and gain consumers' trust, which is crucial to a retail brand. Keeping this in mind, we set clear rules to regulate our advertisement covering its design, style, content, and placement. This enables us to maintain a consistent brand image and ensures that our marketing materials reflect the actual products. As for labeling, we accurately describe the content of the products to comply with the laws and regulations. The Group strictly complies with relevant laws and regulations in the PRC, such as Advertising Law, Trademark Law, etc. During the Reporting Period, no breach of the aforementioned laws and regulations was recorded.

ANTI-CORRUPTION

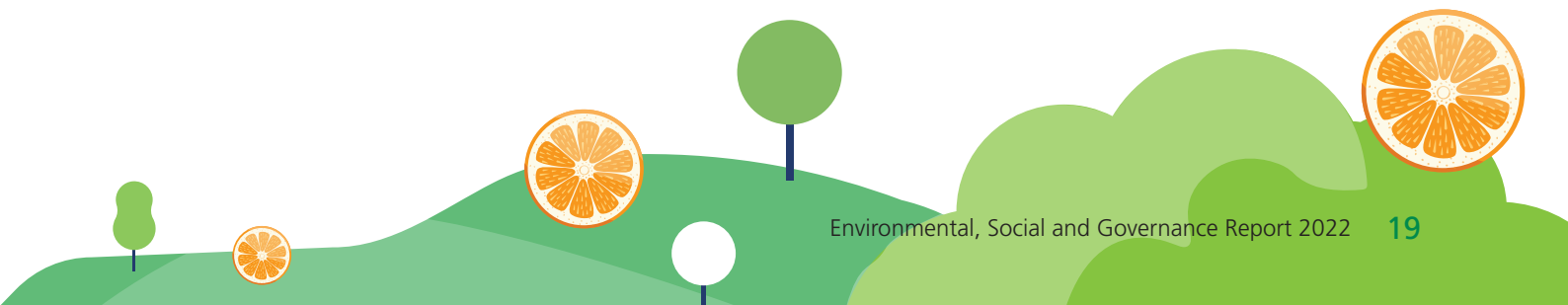
To create a business environment with fair competition and strictly lawful transactions, we have no tolerance for bribery, extortion, fraud or money laundering. The Group strictly abides by the Prevention of Bribery Ordinance in Hong Kong and all relevant anti-corruption laws in the PRC, such as the Criminal Law of the PRC, the Law of the PRC Against Unfair Competition, the Interim Provisions on Banning Commercial Bribery and the Opinions on Issues concerning the Application of Law in the Handling of Criminal Cases of Commercial Bribery. The Group has also applied the Code of Corporate Governance Practices, set out in Appendix 14 of the Listing Rules, to formulate the internal rules and regulations for integrity discipline and administration.

The Group sets out guidelines and procedures stating ethical and lawful standards to avoid corruption-related violations in its business activities. While bribery is prohibited, receiving and gifting personal gifts between our employees and suppliers or customers is discouraged. When valuable gifts are received from a business connection, the employee must report the case to their supervisor. The same happens when an employee plans to give a high-value gift to a customer. Their supervisor shall then determine the necessity of the gift. The Board welcomes any individual or organisation to report suspicion of bribery. In minor cases, employees found possibly guilty of corruption or bribery are subject to disciplinary actions, while in serious situations, they are to be held responsible and reported to the judicial department.

Though one anti-corruption training session was conducted during the Reporting Period, the Group recorded zero corrupted cases and breach of anti-corruption laws during the past two years, a result of our daily anti-corruption methods.

COMMUNITY INVESTMENT

Wellbeing of our customers and our community is at the core of the Group's values. By providing healthy and nourishing products, we hope to promote a green lifestyle. However, we understand that some less fortunate groups of our society need more tangible help, especially under today's challenging environment. COVID-19 relief is our area of focus this year, especially for the elderly and low-income families, since they are the most vulnerable under the pandemic. We encourage our employees to join charity works during their free time. As a company, we donated goods and juice boxes to charity organisations including Hong Kong Lutheran Social Service, Kwun Tong Methodist Social Service, People Service Centre and Food Angel. We hope to continue our charity work in the coming year and contribute to the community as much as possible.



CONTENT OF INDEX OF ESG REPORTING GUIDE

Subject Areas, Aspects and General Disclosures and KPIs		Section
A. Environment		
Aspect A1: Emissions	<p>General Disclosure 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 relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Pollution Control and Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Pollution Control and Waste Management
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution Control and Waste Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution Control and Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution Control and Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Pollution Control and Waste Management

CONTENT OF INDEX OF ESG REPORTING GUIDE

Subject Areas, Aspects and General Disclosures and KPIs		Section
A. Environment (continued)		
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.	Pollution Control and Waste Management
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources
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).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
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.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Pollution Control and Waste Management & Use of Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Pollution Control and Waste Management & Use of Resources

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Subject Areas, Aspects and General Disclosures and KPIs		Section
A. Environment (continued)		
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.	Pollution Control and Waste Management
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.	Pollution Control and Waste Management
B. Social		
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.	Employment and Employees Rights and Benefits
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Employees Rights and Benefits
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Remuneration and Benefits
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.	Occupational Health and Safety

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Subject Areas, Aspects and General Disclosures and KPIs		Section
B. Social (continued)		
Employment and Labour Practices (continued)		
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	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. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Employee Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Development and Training
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.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

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Subject Areas, Aspects and General Disclosures and KPIs		Section
B. Social (continued)		
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
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.	Product Responsibilities
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibilities
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibilities
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibilities

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Subject Areas, Aspects and General Disclosures and KPIs		Section
B. Social (continued)		
Operating Practices (continued)		
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibilities
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibilities
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.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment



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