



2021

Environmental, Social and Governance Report

C.BANNER

C. banner International Holdings Limited
千百度國際控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 1028

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ABOUT THIS REPORT

Introduction

C.banner International Holdings Limited (“C.banner”, the “Company”, together with its subsidiaries, the “Group”, “C.banner Group” or “we”) considers sustainable development as one of our most important social responsibilities. The Environmental, Social and Governance Report 2021 (the “Report”) presents the Group’s achievements from continuous effort towards sustainable development in 2021. Through this Report, we hope to communicate our values and beliefs in sustainable development with our stakeholders.

BASIS OF PREPARATION

This Report has been prepared in accordance with Appendix 27 – Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and the amendments thereto.

REPORTING PRINCIPLES

This report has been prepared in accordance with the four principles of materiality, quantitative, balance and consistency as mentioned in Appendix 27 – Environmental, Social and Governance Reporting Guide of the Listing Rules.

REPORTING SCOPE AND PERIOD

This Report mainly covers the business scope of C.banner International Holdings Limited and its subsidiaries, namely Meihong Footwear Company Limited (“Meihong Footwear”), Dongguan Mayflower Footwear Corporation Limited (“Dongguan Mayflower”), Xuzhou C.banner Shoes Co., Ltd. (“Xuzhou C.banner”) and Jiangsu Mega Shoes Co., Ltd. (“Jiangsu Mega”).

The period covered by this Report is from January 1, 2021 to December 31, 2021.

SOURCES OF DATA

The data in this Report are obtained from internal information systems, files and statistics, and are compiled by the Group for the preparation of this Report.

REPORTING LANGUAGE

The language of this Report is English. The Chinese version of this Report is available on the Group’s official website or the website of the Hong Kong Stock Exchange.

ACCESS TO THIS REPORT

This Report can be accessed from the Group’s official website via <http://www.cbanner.com.cn> or the official website of Hong Kong Stock Exchange via <https://www.hkex.com.hk>.

CONTACT

The Group values all stakeholders’ suggestions and comments regarding the Report and our efforts in sustainable development. We welcome all stakeholders to send suggestions and comments to ESG@cbanner.com.cn.

ABOUT THE GROUP

C.banner International Holdings Limited (stock code: 01028) was founded in 1995 with the launch of its first brand – “C.banner”. The Group became listed on the Main Board of the Hong Kong Stock Exchange in 2011. With the vision of “Becoming a leading ladies’ fashion footwear branded group in the PRC”, C.banner always upholds its brand values of “elegance, charm and fashionable”. After 26 years of continuous growth, the Group now operates seven brands, including six self-developed brands of C.banner, EBLAN, sundance, MIO, Badgley Mischka and natursun and one licensed brand of United Nude.

As a leading footwear brand in China, C.banner has stores in first, second and third-tier cities across China. We also operate online stores on all major e-commerce platforms. By the end of 2021, C.banner has 1,172 stores, including 975 proprietary stores and 197 third-party stores. The Group not only operates and manufactures its self-developed brands and licensed brands, but also exports footwear products overseas through original design manufacturing (ODM) and original equipment manufacturing (OEM). Currently, the Group is headquartered in Nanjing and operates two production facilities in Dongguan and Suining, as well as a design centre in Foshan.

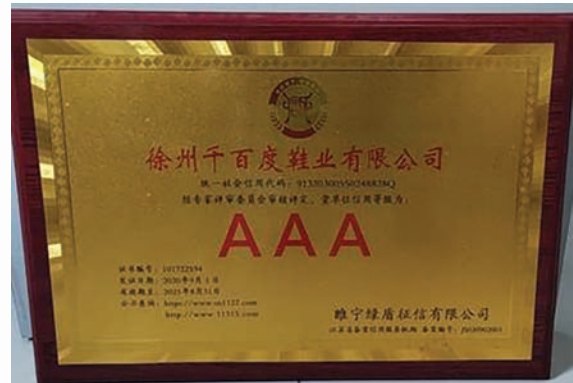
By adhering to the diversified brand development strategy, C.banner manages the overall operation from design and development to product sales with outstanding research and development capabilities and well-developed sales networks, thereby meeting various demands of customers. In 2021, with the effective control of the COVID-19 pandemic in China, our business has gradually recovered with satisfactory results. As a well-established footwear manufacturing and retailing group in the market, C.banner will further integrate with the fashion industry to capitalise on its market resources and strengthen its market presence.



AWARDS AND CERTIFICATIONS OF 2021



AWARDS AND CERTIFICATIONS OF 2021



CHAIRMAN'S MESSAGE

Despite challenges and adversities, we will never stop until we succeed. In 2021, C.banner Group maintained stable operation with steady progress. Looking back on the year, we followed the development trend of the post-pandemic era and seized the opportunity of the gradual recovery of the retail industry to further optimise and adjust our retail network, continued to increase the coverage of our offline retail shops in first, second and third-tier cities in China, and continued to expand our online sales channels. We also used big data analysis tools to facilitate the launch of various digital marketing activities, and strived to provide our customers with better O2O shopping experience and facilitate the recovery of the industry through our actions. In addition, we proactively assumed social responsibility, actively participated in public welfare activities, paid attention to local disasters, donated basic supplies, and persisted in creating value for and sharing dividends with the society.

During the year, we monitored the international and domestic trade situation, and seized the opportunities to overcome difficulties. With the increasing product competitiveness of various domestic brands, more and more domestic consumers start to prefer domestic brands. As a leading domestic mid-to-high-end ladies' footwear company in China, C.banner adhered to the Group's diversified branding strategy, actively optimised its research and development resources, and combined fashionable elements and eco-friendly concepts with high value-for-money ratio, thereby providing the domestic market with a strong, stylish and eco-friendly product portfolio that not only attracts the younger generation of customers, but also further enhances the loyalty of existing customers and strengthens the brand influence.

During the year, we continued to adhere to the people-oriented business philosophy and valued the health and development of our staff. We have established an occupational health management system that integrates systems, training and measures to comprehensively protect the physical and mental health of our employees. We further refined our ranking system and designed targeted training programs to facilitate the career development of our staff and help them realise their value in their work. We have also designed a recruitment plan with the characteristics of C.banner to promote our corporate culture, attract innovative talents and enrich our talent pool. We value the well-being of our staff and seek positive interaction with them for mutual growth.

During the year, we continued to practice the concept of sustainable development and assumed the responsibility of environmental protection. We have established a new supplier admission system, with sustainability as a key supplier assessment criteria, to select green suppliers with common values. In addition, we further optimised our production methods, adopted environmentally friendly materials, improved resource utilisation rate, developed environmentally friendly materials, and reduced energy consumption and pollutant emissions, thereby contributing our efforts to building a beautiful, clean and green society.

Boundless is the ocean where we sail with the wind. In the future, we will continue to forge ahead with hard work and bravery, improve our business standards, pay attention to social trends and persist in sustainable development, so as to create glorious moments of C.banner in the new journey.

Chen Yixi

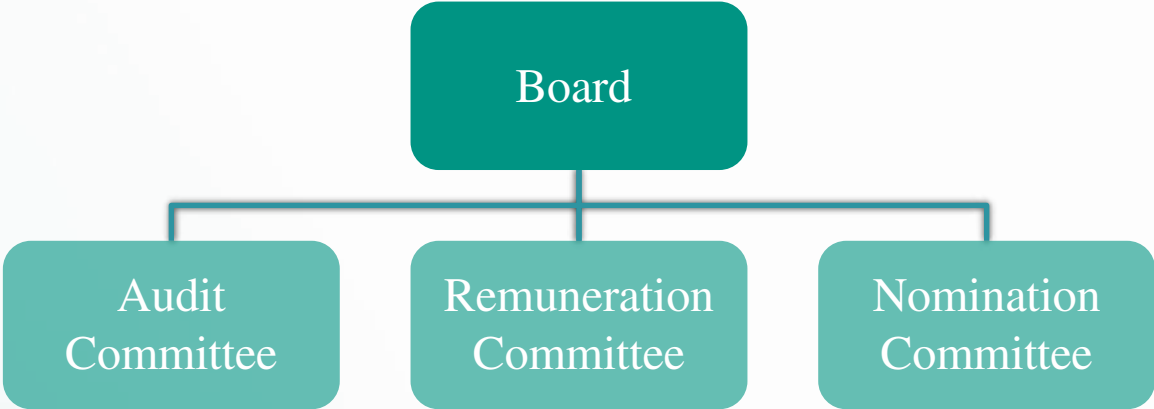
Chairman

CORPORATE GOVERNANCE

Diversified Governance

The Company is committed to promoting high-quality corporate governance practices and procedures and we firmly believe that good corporate governance is vital to boosting investors’ confidence in the Company. As of the end of the reporting period, the board of directors of the Company (the “Board”) comprised eight members, including four executive directors, one non-executive director and three independent non-executive directors, and established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Board is responsible for the overall leadership and management of the Company, overseeing the Company’s business, investment and strategic decisions, and maintaining effective risk management and internal control systems for the Company. These systems are used to identify, manage and mitigate various operational risks. In addition, the Board performs compliance management duties. The Group strictly complies with the laws and regulations of the places where it operates and the relevant policies of the Hong Kong Stock Exchange. We have zero tolerance for breaches of laws and regulations.



Audit Committee: The main duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor; to approve the remuneration and terms of engagement of the external auditor; to review financial information and oversee the financial reporting system and internal control procedures.

Remuneration Committee: The main duties of the Remuneration Committee are to make recommendations to the Board on the Company’s policy and structure for the remuneration of directors and senior management and on the remuneration packages of individual executive directors and senior management. Details of the remuneration of each director for the year are set out in the annual report.

Nomination Committee: The main duties of the Nomination Committee are to review the structure, size and composition of the Board; to identify individuals suitably qualified to serve on the Board; to assess the independence of the independent non-executive directors; to make recommendations to the Board on any proposed changes to the Board or the selection of persons for nomination as directors; and/or to make recommendations to the Board on the appointment and reappointment of directors.

The Board promotes Board diversity policy with the aim of enhancing the efficiency of the Board and maintaining a high standard of corporate governance, and recognises and believes in the benefits of Board diversity for the development of the Company. In accordance with the Board diversity policy, in order to achieve a diversity of perspectives, skills and experience within the Board, various factors, including but not limited to gender, age, cultural and educational background, length of service, skills, geographical and industry experience, will be taken into account when deciding on any candidates for appointment to the Board and their continued appointment. In forming a diversity of views, the Company will carefully consider and evaluate the views of all parties in the light of its business development needs to ensure that the Board makes the best decisions.

Risk Management

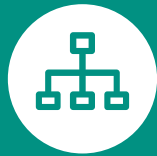
Since the establishment of C.banner in 1995, in addition to being committed to creating brand value, we also endeavour to assume social responsibility. Over the past 25 years, we have intensively explored and used new materials while integrating fashionable design concepts with the classic design of C.banner to provide consumers with a more diverse collection of footwear, thereby continuously growing and expanding the brand portfolio of the Group. We practice green brand development by valuing our employees, prioritizing quality and complying with relevant laws and regulations to establish a healthy and win-win ecosystem among the Group, the environment and the society, thereby creating a sustainable future.

Sustainable development risks	Responses	Relevant section(s)
Product quality risk	<ul style="list-style-type: none"> • Set up a quality control department, formulate a quality management system in strict accordance with national regulations, and clarify various inspection standards and procedures to ensure product quality at source. • Inspect incoming materials in accordance with the Company’s relevant rules on raw material inspection and management and issue “Fabric Quality Inspection Report”, “Leather Inspection Report” and “Base Material Quality Inspection Report”. • Inspect and manage all semi-finished and finished products in the factory in accordance with the Company’s quality inspection and management rules for semi-finished and finished products and quality management rules for outsourced processes, and issue “Quality Report” and “Defective Product Record”. • Handle all defective shoes and used defective shoes in the factory in accordance with the Company’s rules on management of returned defective shoes, and have the quality control department issue a “Report on Returned Defective Shoes” and “Statistics on Original Defective Shoes”. 	Product Responsibility
Business integrity risk	<ul style="list-style-type: none"> • Committed to corporate integrity and follow the principles of fairness, honesty, trustworthiness and transparency in our business activities, and establish the corporate culture of operating with integrity and an effective risk control mechanism. • Sign the “Sunshine Agreement” with partners and conduct regular training to require the staff and management at all levels to observe the ethical red line of honesty and integrity at all times. 	Supplier Management Anti-Corruption

Sustainable development risks	Responses	Relevant section(s)
Occupational health and safety risk	<ul style="list-style-type: none"> • Strive to create a safe, healthy and environmentally-friendly factory by upholding the principle of “Life and Safety First”. • Establish a production safety management system, develop and continuously improve various production safety and occupational health management standards and systems. • Conduct regular staff training on production safety and occupational health and organise staff medical check-ups to provide multidimensional safety protection for staff. 	Employee Needs Model
Environmental risk	<ul style="list-style-type: none"> • Strictly comply with national environmental protection laws and regulations, and integrate environmental protection and emission reduction into the entire process of production and operation activities. • Increase investment in emission reduction and promote the installation of emission monitoring devices to enable dynamic and real-time monitoring. • Set scientific and reasonable emission reduction targets and measures and optimise production methods to achieve the targets and effectively reduce the environmental impact of business operations. 	Energy Saving and Emission Reduction for Sustainable Development
Resource consumption risk	<ul style="list-style-type: none"> • Strictly comply with national laws and regulations on the use of resources, and integrate resource conservation into the entire process of production and operation activities. • Develop energy consumption monitoring measures, monitor resource consumption in real time and issue early warnings when necessary. • Set scientific and reasonable consumption reduction targets and measures and optimise the ways of resource utilisation to achieve the targets. 	Energy Saving and Emission Reduction for Sustainable Development

Corporate Sustainable Development Management

The Board, as the highest governing and decision-making body of the Company, has overall responsibility for the sustainable development of the Company. A scientific, stable and effective sustainable development management system is the cornerstone for promoting high-quality corporate development. Therefore, the Company has established a three-tier sustainable development management system with the Board as the core of management. The Board, as the decision-making body on environmental, social and governance (“ESG”) matters, will assess and manage sustainability risks, clarify the ESG governance structure, management systems and policies and performance indicators, and integrate ESG concepts into all aspects of the Group. The Company has established an ESG management office at the management level, comprising the management members of the Company, to lead the day-to-day management of various sustainability-related issues of the Company and report regularly to the Board on the progress of its work. In terms of detailed implementation of sustainable development issues, persons in charge of relevant departments form an ESG working group, which is responsible for the collection of various sustainable development indicators and the implementation of targets, and shall report regularly to the ESG management office on the completion of its work.



Highest governing body – the Board of the Company

Responsible for identifying, ranking and managing key sustainability-related issues based on stakeholder communications and materiality assessment results, assessing the Company's sustainability risks, formulating social responsibility strategies, setting performance targets and regularly reviewing progress towards completion.



Management level – ESG management office of the Company

Responsible for communicating with stakeholders on a regular basis, identifying sustainability risks, setting sustainability targets based on the actual situation of the Company, tracking the progress of achievement of sustainable development targets on a regular basis and reporting to the Board on the progress in achieving the targets.



Execution level – ESG working group of the Company

Responsible for the day-to-day management of the Company's sustainable development, formulating specific implementation plans for each target and organising their implementation. Regularly collecting and analysing data on various ESG indicators and reporting to the ESG management office on the completion of the Company's sustainable development work.

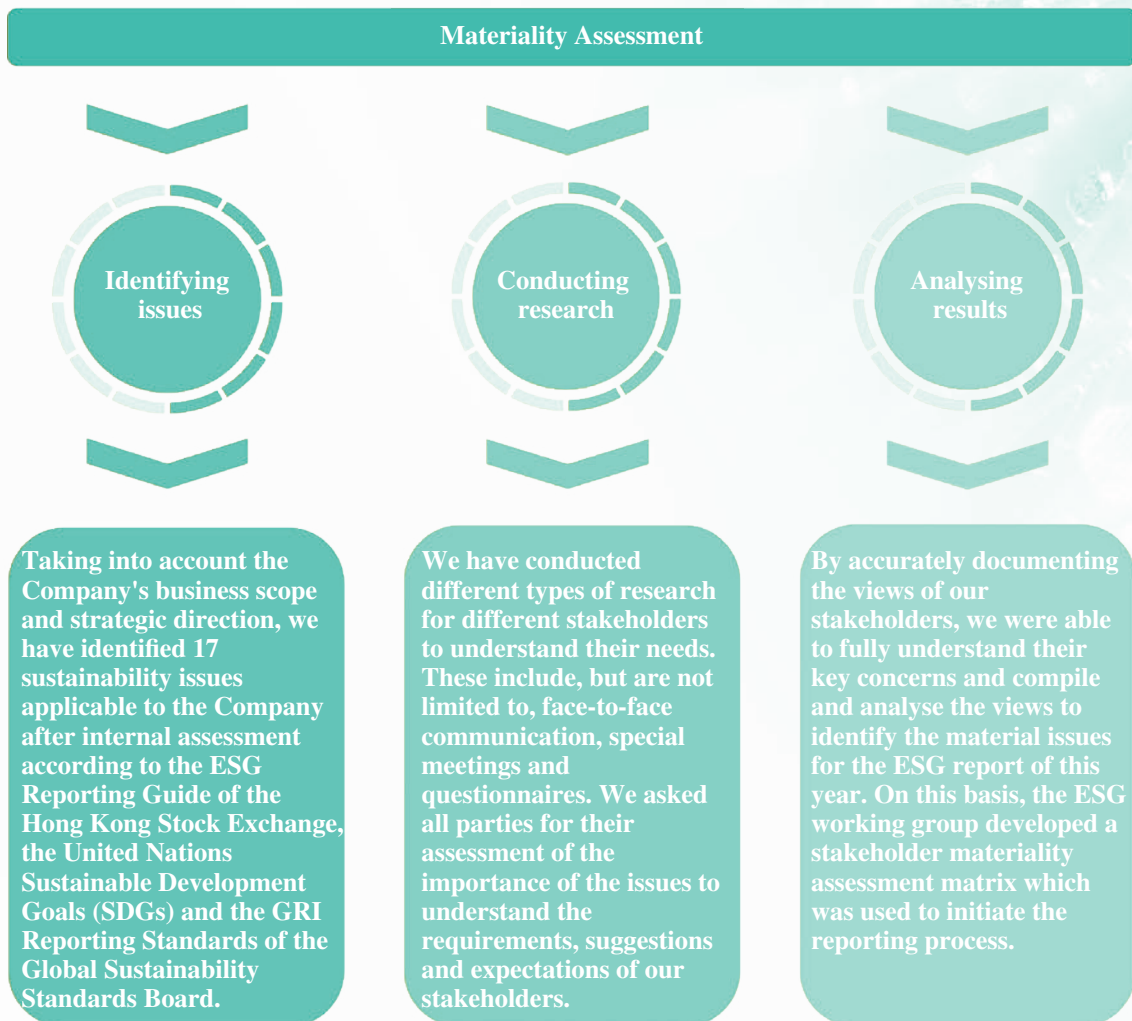
Stakeholder Communication

Stakeholders play an important role in the Group's development. Through internal and external research, we consider that the Group currently has six key stakeholders that are important to its sustainable development, namely the investors, employees, clients, suppliers and partners, community and government and regulatory authorities. We attach great importance to the views of our stakeholders, communicate with them through various channels, incorporate their views into the issue of sustainable development of the Company and respond positively with practical actions.

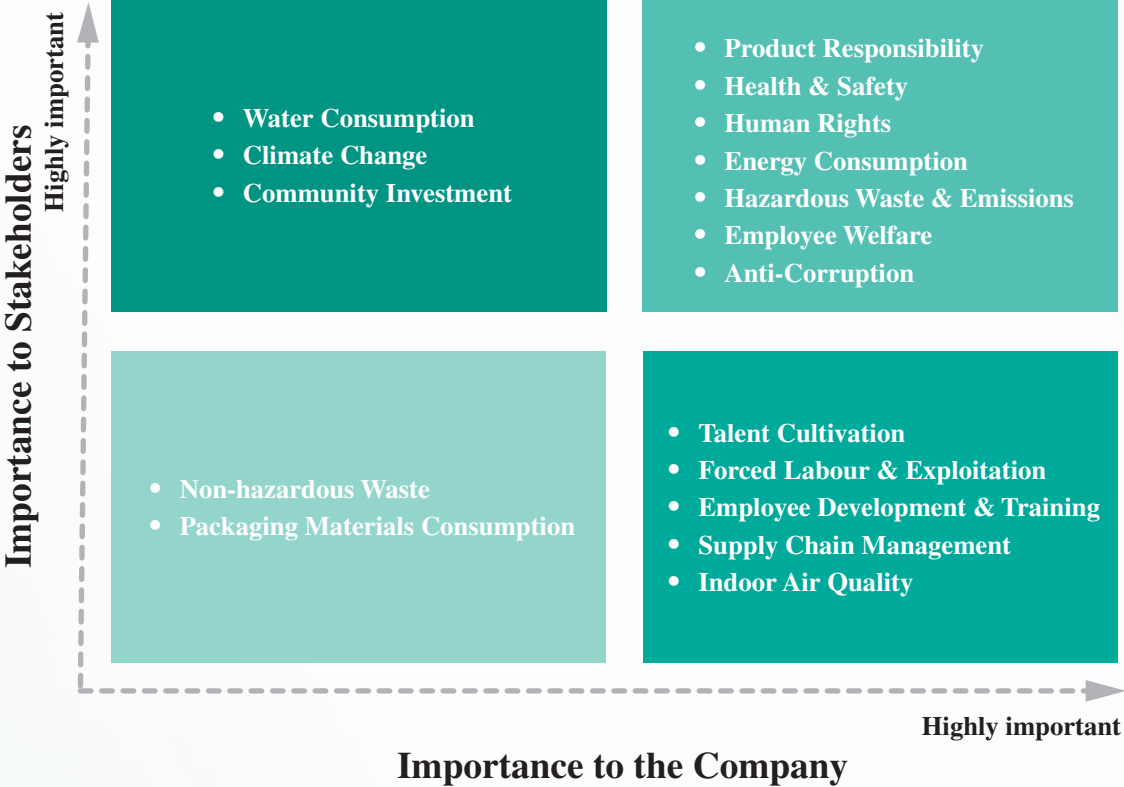
Stakeholders	Demands and expectations	Communication channels
Investors	<ul style="list-style-type: none"> Protecting investors' rights Corporate compliant operation Accurate disclosure of information Investment returns 	<ul style="list-style-type: none"> General meetings Company announcements Company website/email Investor conference
Employees	<ul style="list-style-type: none"> Protecting the legitimate rights and interests of employees Occupational health and safety Employee benefits Equal employment and development opportunities 	<ul style="list-style-type: none"> Staff meetings Daily communication Staff feedback mailbox Staff training
Clients	<ul style="list-style-type: none"> Product safety and quality Product design Market recognition Delivery management 	<ul style="list-style-type: none"> Communication with customer service staff Communication with sales representatives Company website/email Feedback on social media platforms
Suppliers and partners	<ul style="list-style-type: none"> Win-Win cooperation Equal opportunity for competition Long-term orders 	<ul style="list-style-type: none"> Daily communication and visits Supplier conference Supplier assessment
Community	<ul style="list-style-type: none"> Community involvement Public welfare activities Donation of money and materials 	<ul style="list-style-type: none"> Visits Communication through voluntary activities Communication through public welfare activities
Government and regulatory authorities	<ul style="list-style-type: none"> Legal and compliant corporate operation Long-term stable business development Safe operation Social contribution 	<ul style="list-style-type: none"> Responding to inspections Participation in government meetings Submitting work reports Regular seminars and exchanges

Materiality Assessment

Communication with stakeholders can reasonably ensure that the Group’s business and development directions are aligned with the objectives of stakeholders. In 2021, we made every effort to communicate with stakeholders on sustainability and invited them to complete the Sustainability Materiality Assessment Questionnaire to assess and rank the Group’s sustainability objectives. By understanding the needs of our stakeholders, the Group adopts and balances the views of all parties to set corporate objectives and enhance corporate value. We have compiled the results of the stakeholder assessment, and based on the importance of each sustainability issue, we have prepared the following matrix to showcase the issues of concern to stakeholders and the Company’s sustainability objectives.



Materiality Assessment Results



Extracts of Stakeholders' Feedback



The Company has set up a "C.banner Employee Needs Model" for us. It provides comprehensive protection for us in terms of our physical need, safety need, need of love and sense of belonging, need of being respected and need of self-actualization. For example, the Company continuously enhances our remuneration and benefits to meet our expectations of employee benefits. The Company has a comprehensive occupational health and safety system and production safety system in place to meet our need of health and safety. In addition, the Company has developed a talent cultivation program to tailor the training content for employees at different levels and in different positions, which greatly satisfies our need to realise our self-worth.

An employee of C.banner



It is understood that C.banner has always attached importance to the diversification of its supply chain and is very willing to establish partnerships with suppliers from different regions and cultures when selecting suppliers, as they believe this will enrich the Company's product line and offer more diversified options for consumers. C.banner has also brought the concept of sustainability into our cooperation. They are very concerned about the environmental protection and sustainability of materials, and have imposed stringent requirements on us, and even led us to join the green supply chain together. We sign the Sunshine Agreement with C.banner every year, and their zero-tolerance attitude towards corrupt practices has greatly enhanced our confidence in a win-win partnership.

A supplier of C.banner

RESEARCH AND DEVELOPMENT AND INNOVATION

Keeping abreast of technological innovations and developments is an important factor in maintaining a sustainable business model for the Company. C.banner's ability to produce and apply innovative designs, materials and production processes is key to differentiating the Company from other market players.

By developing an online sales channel, the Company can use big data analytical tools to better identify the qualities, factors and issues that customers consider when making a purchase. We use the results of our analyses to continuously refine our product designs to better meet consumer expectations. These tools have proven to be effective in optimising and integrating our research and development resources and have delivered excellent results.

The Company’s research and development department regularly publishes research and development trend reports within the Company to capture market trends in real time and apply them to product design.

- LIFESTYLE HOLIDAY

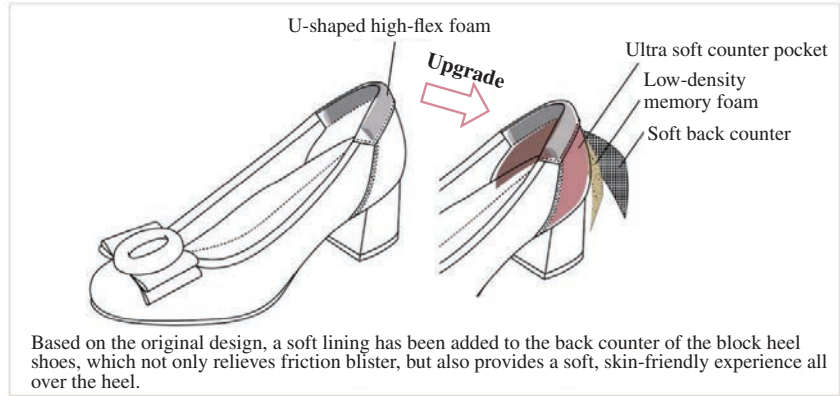
Analysis of trendy accessories

Analysis of trendy colours

Analysis of trend patterns

Innovation Case 1

 - LIFESTYLE HOLIDAY 假期「U」枕
Our shoes and accessories are designed and produced in a responsible and ethical manner.



Innovation Case 2

 - LIFESTYLE HOLIDAY 假期「U」枕
Our shoes and accessories are designed and produced in a responsible and ethical manner.

Wider coverage (wider palm area)
 Quieter walking (silent technology)
 Softer wrapping (air cotton in toe area)



Upgraded massage cushions
 for more comfort



New upgrade of silent shoes



Elegant and quiet
 Silent high heels

ENERGY SAVING AND EMISSION REDUCTION FOR SUSTAINABLE DEVELOPMENT

ENVIRONMENTAL PROTECTION

To achieve the goals of “carbon peaking” and “carbon neutrality”, we need to adhere to systematic concept and actively explore scientific approaches. As a leading comprehensive retailer in China, C.banner is committed to achieving the “30-60” global warming target by incorporating energy saving and emission reduction and green operation concepts into daily corporate management of all major operational chains, including design and development, outsourcing, manufacturing, marketing, distribution and sales of products.



Environmental Management Policies

The Group strictly complies with the Environmental Protection Law of the People’s Republic of China, the Water Pollution Prevention and Control Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Energy Conservation Law of the People’s Republic of China and other laws and regulations, and effectively implements energy conservation measures, properly discharges and disposes of pollutants to ensure that emissions meet the relevant standards. During the reporting period, we did not violate any laws and regulations relating to environmental protection, nor did we receive any environment-related complaints.

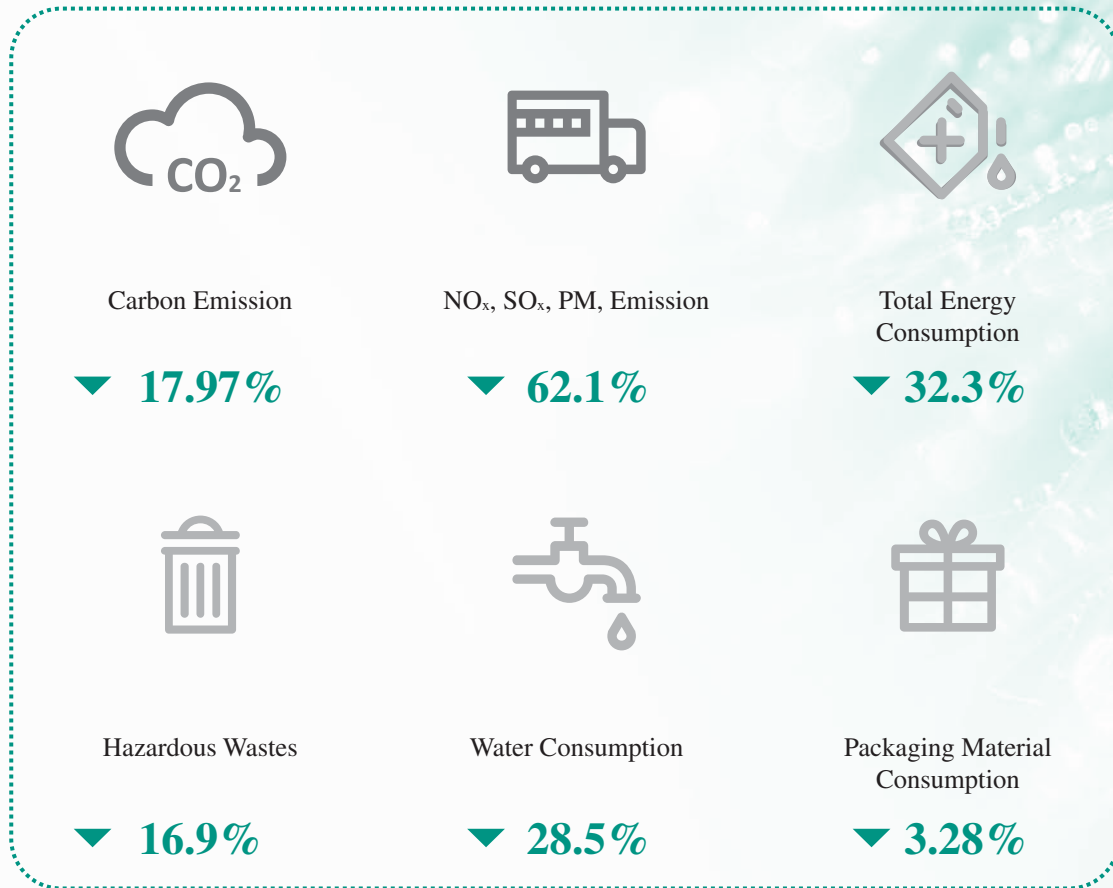


Environmental Management System Certification

In 2021, Xuzhou C.banner, a subsidiary of the Company, successfully passed the ISO14001:2015 environmental management system inspection and certification. The effective implementation of the ISO14001 environmental system can help us produce environmentally friendly, green and low-carbon products by using eco-design, renewable energy and clean production processes, thereby contributing to the development of a circular economy, a resource-efficient and environmentally friendly national economy and the sustainable development of economy, environment and society.



Highlights of Environmental Protection Progress in 2021



* The significant decrease in emissions and resource consumption was due to the Group's cooperation with a third party logistics company to reduce the use of the Group's vehicles and the closure of the factory of Nanjing Soft Garment & Footwear Co., Ltd.



Practice **“Green Office”**, strictly control the use of water, electricity and gas, and arrange inspections by dedicated staff to reduce waste of resources



Support **“Green Logistics”**, cooperate with third party warehousing and logistics companies to integrate resources and reduce pollutant emissions



Insist on **“Green Packaging”**, reduce and recycle packaging and use eco-friendly packaging



Lead **“Green Travelling”**, gradually phase out fuel-powered vehicles and encourage staff to choose environmentally friendly transport and public transport



Promote **“Green Development”**, regularly engage third parties to measure emission related indicators to prevent environmental pollution

RESOURCES MANAGEMENT

We consider sustainable development as our core strategy and introduce energy-saving and low-carbon concepts into our business in all aspects, including organisation, culture and human resources. In addition, we actively promote resource management, optimise our energy consumption structure, upgrade energy-saving equipment and strengthen energy-saving supervision.



Energy Management

The Group’s energy consumption mainly includes purchased electricity and natural gas used in the head office, factories and retail outlets, and diesel and gasoline consumed by the Company’s vehicles. Reasonable energy consumption is an important part of our resource management. We encourage our employees to adopt a low-carbon approach in office, production and daily living. Each factory sets an annual energy consumption quota to reduce waste of resources through efficient use of electricity and gas. An electricity allowance is set for each staff dormitory to cultivate energy-saving and low-carbon lifestyle among staff.

We have made energy-saving improvements in our factories and offices. LED lights have significant advantages over ordinary lighting devices in terms of environmental protection, energy saving and long lifespan, etc. LED lights are made of environmentally friendly materials and do not produce pollution during use. They are also 10 times more efficient and last 50-100 times longer as compared to ordinary incandescent lights, making them a representative of “green lighting”. We use LED lights to replace ordinary lighting in our offices and factories, thereby reducing energy consumption costs for the Group while practising low-carbon environmental protection.



LED Lights in Office Area

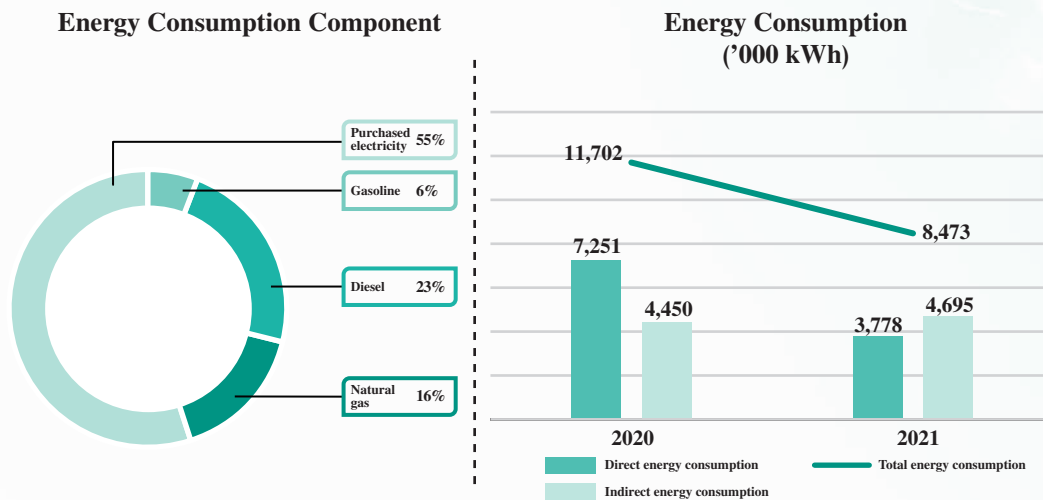


LED Lights in Factory District

Energy Consumption in 2021	
Direct Energy Consumption	
Gasoline	52,898 Liters
Diesel	126,423 Liters
LPG	5,500 Kilograms
Natural Gas	126,286 Cubic meters
Indirect Energy Consumption*	
Electricity Purchase	4,695 '000 kWh
Total Direct Energy Consumption	3,227 '000 kWh
Total Indirect Energy Consumption*	4,695 '000 kWh
Total Energy Consumption	7,922 '000 kWh
Total Energy Consumption Intensity **	4.86 '000 kWh/RMB million in revenue

* Indirect energy sources include electricity, heating, air conditioning and steam, and the Group uses only purchased electricity

** The “density” ratio in this Report uses “RMB million in revenue” as the indicator for the reporting period



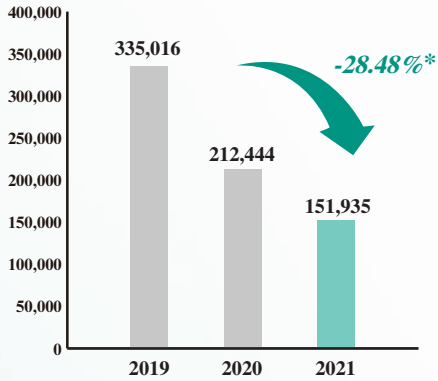


Water Resource Management

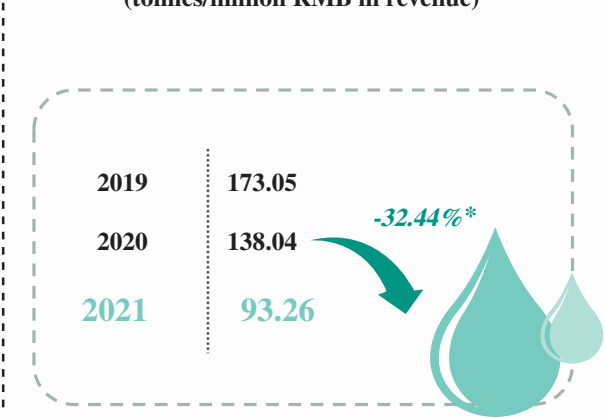
We always encourage our staff to conserve water resources. Water is often wasted unnoticed, and water conservation starts with little things. In addition to relying on our staff to save water on their own initiative, we continuously strengthen the supervision of water resources usage. In the headquarters office, various factory canteens, dormitories and other key water-using areas, we have arranged dedicated staff to patrol and check water usage and the conditions of water supply equipment, open and close the water supply valves on time every day, and identify and control the causes of abnormal situations in a timely manner to avoid wastage of water resources.

Water Consumption in 2021	
Total Water Consumption	151,935 tonnes
Total Water Consumption Intensity	93.26 tonnes/RMB million in revenue

Water Consumption (tonnes)



Total Water Consumption Intensity (tonnes/million RMB in revenue)



* 2021 vs 2020 changes



Eco-friendly Packaging

We adhere to the concepts of “green packaging” by reducing and recycling packaging and using eco-friendly packaging. We minimise the use of packaging materials while meeting the requirements of protection, convenience and sales. Biodegradable and eco-friendly paper packaging materials are used for shoeboxes and internal supports, and recyclable cloth bags are used for the packaging. In addition, we cooperate with third-party warehousing and logistics companies to enable us to deliver goods in close proximity to our customers, eliminating the need to use bubble wrap to protect shoeboxes for transportation within the same economic circle and greatly reducing the consumption of packaging materials.



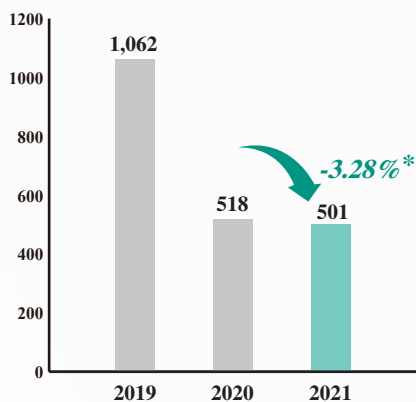
Shoebox



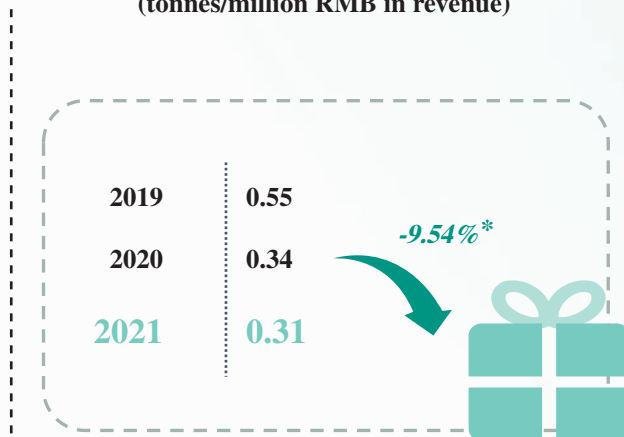
Shopping Bag

Packaging Material Consumption in 2021	
Total Packaging Material Consumption	501 tonnes
Total Packaging Material Consumption Intensity	0.31 tonnes/RMB million in revenue

Packaging Material Consumption (tonnes)



Total Packaging Material Consumption Intensity (tonnes/million RMB in revenue)



* 2021 vs 2020 changes

EMISSIONS MANAGEMENT

We uphold the concept of “green development” and manage our emissions in a holistic manner through various means such as source control, process monitoring and waste disposal, with a focus on meeting national emission standards and reducing the negative impact of our production and operation processes on the environment and climate change.

 **Exhaust gas treatment**

In order to reduce empty trips and control emissions at source, we gradually dispose of existing fuel vehicles and encourage our staff to choose environmentally friendly means of transport and promote green travel. At each plant, we use low temperature plasma waste gas treatment equipment to treat the exhaust gas generated during the production process, and engage a third party to issue regular emission test results to control pollutant emissions. In addition, we have installed emission monitoring equipment to synchronise emission-related indicators to the county and municipal ecological environment monitoring systems in real time to ensure compliance with national emission standards.



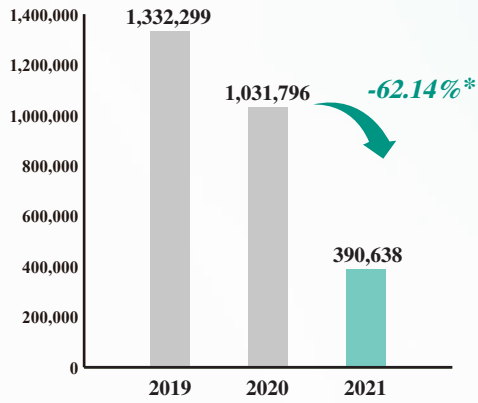
Low Temperature Plasma Waste Gas Treatment Equipment



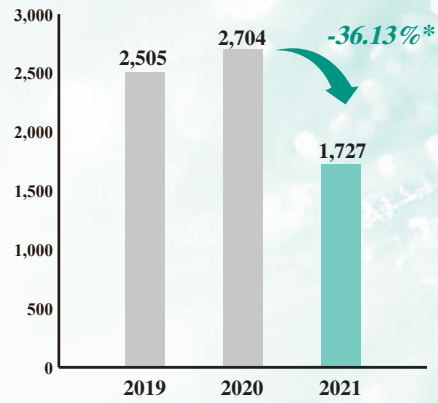
Environmental Protection Equipment

Emissions Data in 2021	
Nitrogen Oxides (NO _x)	0.391 tonnes
Sulfur Oxides (SO _x)	0.002 tonnes
Particulate Matters (PM)	0.034 tonnes

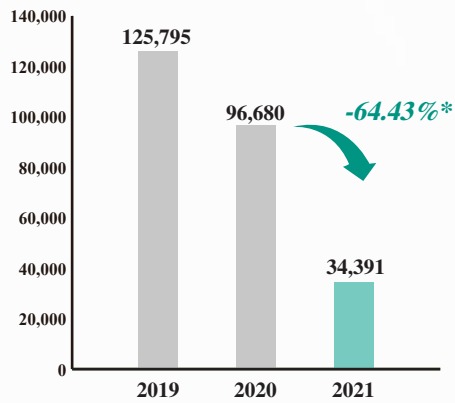
Nitrogen Oxides (No_x) Emission (gram)



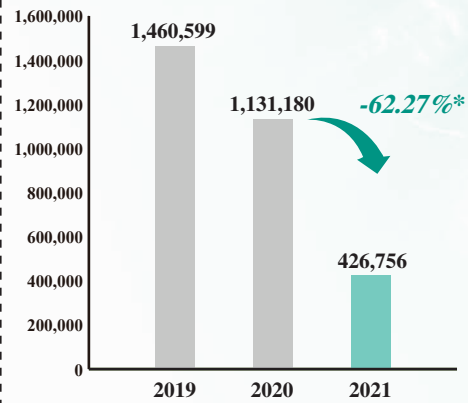
Sulfur Oxides (So_x) Emission (gram)



Particulate Matters (PM) Emission (gram)



Exhaust Gas Emission (gram)



* 2021 vs 2020 changes

 Greenhouse Gas

To achieve the goal of “carbon neutrality”, we take multiple measures by combining “carbon emission reduction” and “carbon offsetting”.

We have established strategic partnership with leading third-party warehousing and logistics companies in the industry. With their comprehensive warehousing and logistics system, we have been able to achieve accurate and efficient distribution of products in close proximity to our customers, thereby reducing the Group’s warehousing and logistics costs. In addition, the use of warehousing and logistics companies has effectively reduced the environmental impact of the Group’s logistics activities and reduced CO2 emissions. The warehousing and logistics companies use their advanced logistics technology to rationalise warehouse locations, arrange warehouses layout in a scientific manner, pool existing resources, improve resource utilisation rate and effectively save energy and reduce emissions.

We encourage our staff to create a “green office”, promote paperless office and mandatory double-sided printing of paper to reduce paper waste; significantly reduce the frequency of staff travel, and promoting online office operation through the Ding Ding app; and implement the concept of energy saving in office premises and factories, strictly control the use of water, electricity and gas, and make regular reviews and improvements.

Tree planting, which offsets carbon emissions from production activities, is an important measure to achieve “carbon neutrality”. In 2021, we continued to upgrade the greenery of our factory by planting over 700 trees.



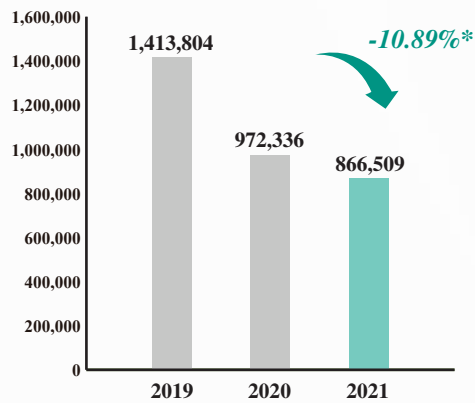
Third Party Warehousing and Logistics Company



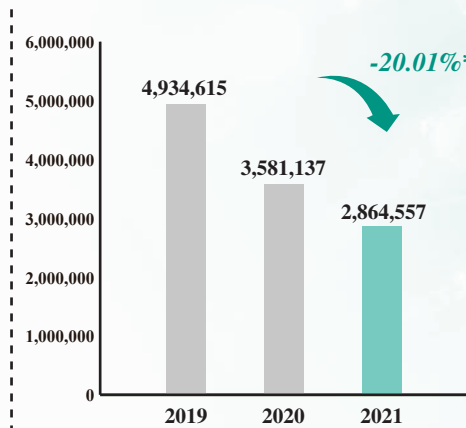
Factory District Greening

Greenhouse Gas Emissions Data in 2021	
Scope 1:Direct Emissions	867 tonnes
Scope 2:Energy Indirect Emissions	2,865 tonnes
Scope 3:Other Indirect Emissions	11 tonnes
Total Emissions	3,742 tonnes
Total Emissions Intensity	2.30 tonnes/RMB million in revenue

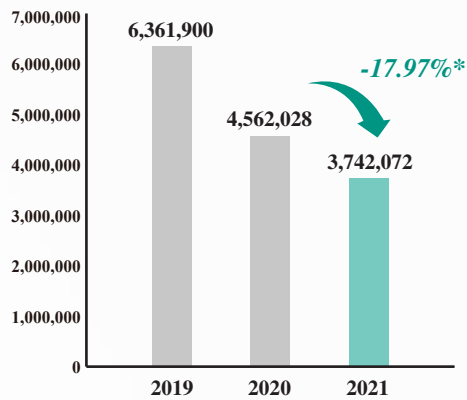
Scope 1 : Direct Emissions (tonnes)



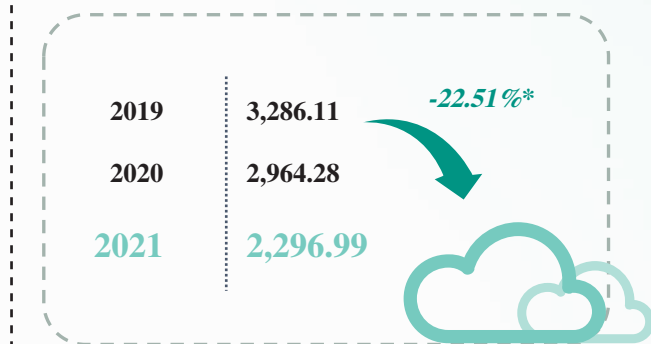
Scope 2 : Energy Indirect Emissions (tonnes)



Total Emissions (tonnes)



Total Emissions Intensity (tonnes/million RMB in revenue)



* 2021 vs 2020 changes



Hazardous Waste

Hazardous waste generated by the Group in the course of production mainly includes glue barrels, batteries, activated carbon, waste cloths and containers and cans. The Group has set up hazardous waste bins at each of its plants. In particular, used glue barrels are professionally recycled by the vendors and other hazardous waste is collected and disposed of by qualified companies.



General Waste

The general waste generated by the Group includes office and general domestic waste, food waste, construction waste, waste leather and underlay, which are classified as recyclable and non-recyclable waste. The Group reduces the environmental impact of general waste by using a combination of source control and waste diversion.

Office and general domestic waste: We encourage our staff to use resources wisely and we have set up waste sorting points in our office premises and production areas.

Food waste: We have strengthened our procurement management to avoid buying excessive ingredients; each factory regularly collects the staff’s opinions on canteen dishes and strives to make improvements to cater to the taste of most staff, thus reducing food waste at source.

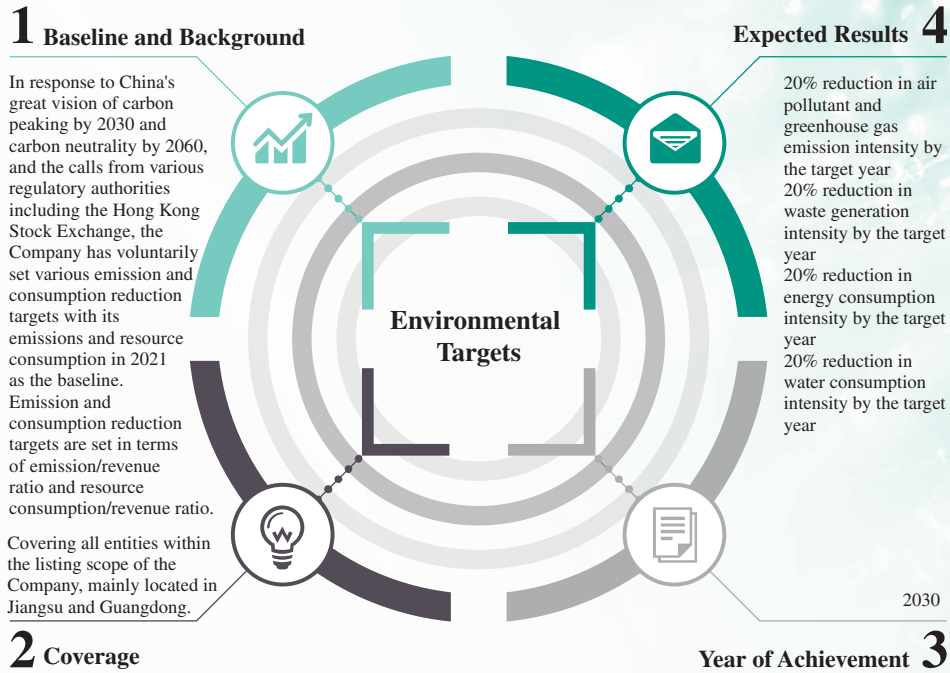
Construction waste: We use low-pollution and eco-friendly materials that meet national standards for our retail shop renovations to minimise environmental pollution. We strictly classify and dispose of renovation waste and obsolete renovation materials, recycle renovation and decorations as much as possible, and engage qualified companies to recycle and dispose of construction waste that cannot be reused.

Waste leather and underlay: We have introduced the leather cutting equipment from Atom of Italy in our factory to optimise nesting and ensure precise cutting, which has significantly improved the utilisation of leather and reduced the generation of waste leather.

Waste Disposal Data in 2021	
Hazardous Waste	5 tonnes
Hazardous Waste Intensity	0.0029 tonnes/RMB million in revenue
Non-Hazardous Waste	333 tonnes
Non-Hazardous Waste Intensity	0.2044 tonnes/RMB million in revenue

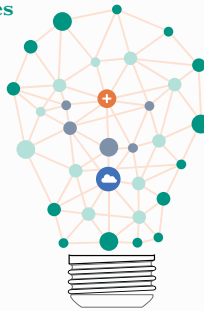
* 2021 vs 2020 changes

ENVIRONMENTAL TARGETS



Consumption reduction measures

- Adding clean energy equipment such as photovoltaic equipment
- Installing more energy storage facilities
- Promoting water conservation among staff
- Adding wastewater recycling facilities



Emission and waste reduction measures

- Increasing the use of clean energy
- Increasing the use of biomass
- Reducing the use of fuel vehicles
- Optimising the routes of transport vehicles
- Reducing the generation of hazardous wastes
- Insisting on engaging professional recycling companies to handle all types of wastes.

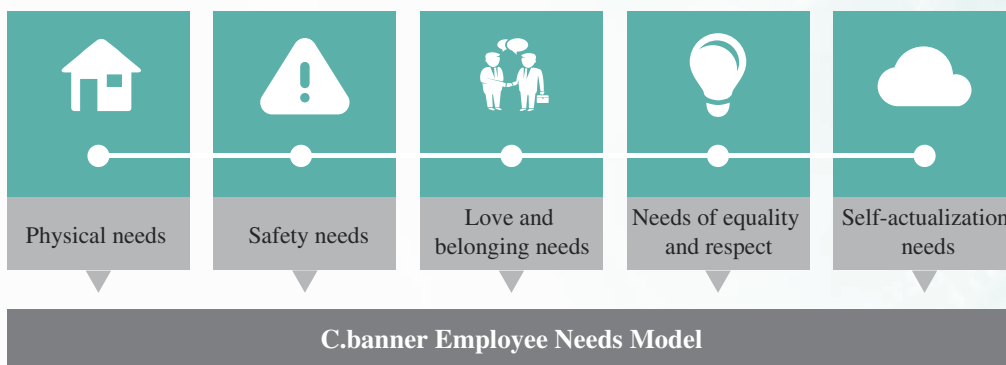
CLIMATE CHANGE AND CORPORATE RISKS

Type of risks	Description of risks	Response
Market risk	As consumers become more conscious of sustainable development or environmental protection, there will be a gradual shift in market preference towards more environmentally friendly products. Failure to provide more environmentally friendly products or services may result in the loss of some customers, leading to market risk.	The Company has established a comprehensive supplier management system, incorporating sustainability into the Company's supplier evaluation criteria. We are also working closely with our raw material suppliers to use more environmentally friendly packaging materials and are actively exploring diverse composite materials as alternatives to traditional leather.
Policy risk	The recent introduction of the "control on energy consumption and intensity" policy, coupled with the sudden increase in the cost of coal and electricity, has increased the pressure on local electricity supply, particularly in the Yangtze River Delta and Pearl River Delta regions, which have implemented measures such as limiting the total electricity consumption, raising electricity prices and imposing restrictions on time slots for electricity consumption. The Company mainly operates in the Yangtze River Delta and the Pearl River Delta, which may be affected by the restrictions on electricity supply, resulting in the suspension of production and economic loss to the Company.	In accordance with the notice of electricity restriction, the Company arranges its production flexibly in advance and carry out production in non-peak hours to minimise losses due to suspension of production. In addition, the Company has upgraded its energy structure by using renewable energy and adopting photovoltaic power generation.
Reputational risk	Failure to conduct preliminary intellectual property surveys of the market during product development and design processes may result in the risk of patent infringement of products; failure to apply for patent or intellectual property protection for the Company's design and development achievements in a timely manner, or failure to monitor and respond to malicious infringements in the market after completing the application, may result in the design and development achievements not being effectively protected, thereby causing damage to the Company's reputation.	The Company has established a comprehensive intellectual property management system and strictly complies with all national laws and regulations, eliminates its own infringement, and strives to protect all patents and intellectual property rights of the Company from being infringed.
Acute physical risk	The Company's major factories are located in Guangdong and Jiangsu, both of which are coastal areas prone to natural disasters such as typhoons and hurricanes. In the event of increasingly frequent natural disasters in the future, it may cause damage to the Company's production facilities or interruption of production progress.	The Company has increased its investment in fixed assets related to the reconstruction or maintenance of production facilities and has established emergency plans for natural disasters to minimise the impact of extreme weather on production facilities and production capacity.

EMPLOYEE NEEDS MODEL

As a labour-intensive manufacturing company, C.banner International Holdings Limited always upholds a people-oriented philosophy people in its corporate development. We have always regarded our employees as our most valuable asset, and over the years we have made continuous efforts to listen to their demands, respect their views, protect their rights and interests, and aspire to develop together with our employees.

During the year, we paid more attention to the needs of our employees in various aspects and established the “C.banner Employee Needs Model” based on the “Maslow’s Hierarchy of Needs”, which divides the needs of our employees into five major categories, aiming to address the needs of our employees in more dimensions and at a deeper level, so as to better support the growth of our employees.



PHYSICAL NEEDS

By continuously optimising the remuneration system and improving the benefits package, C.banner Group enhances the basic protection for its employees and strives to meet their physical needs.



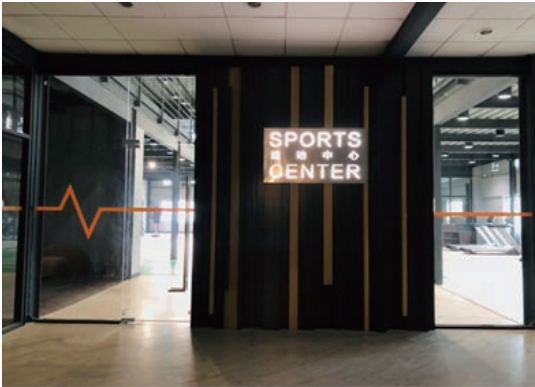
Enhancing remuneration and benefits

In 2021, the overall remuneration of our employees showed an upward trend. We continuously optimise our remuneration system and continue to implement a “flexible remuneration model” of fixed salaries plus performance-based incentives. In addition to offering our employees a fixed salary in line with the prevailing market rate, we also adopted a series of incentive measures to increase the performance-based bonuses for key positions such as marketing, research and development and sales personnel, as well as discretionary incentive compensation for employees who have made outstanding contributions to the Company. In addition, our “AiXin Fund” continued to provide assistance to employees in need, providing a total of RMB196,000 to 29 employees during the year.



In addition to the continuous optimization of the remuneration system, we have also improved the leave system where employees are not only entitled to all statutory holidays stipulated by relevant national laws, but also provided with a variety of flexible leave benefits such as maternity leave, heat leave and annual leaves of 5 to 15 days.

In addition, we offer our staff a free gym room and badminton court to enrich their leisure time.



Sports Centre



Badminton Court

SAFETY NEEDS

Safety needs are the needs of our employees for a stable, safe, protected and orderly environment free from anxiety and fear. During the year, we put efforts in creating a safe working environment in all aspects based on the “Employment System”, “Occupational Health System” and “Production Safety System”.



Establishing sophisticated employment system

C.banner Group has established sophisticated labour system in accordance with various laws and regulations and the requirements of the regulatory authorities, and strictly complies with various regulations, laws and international conventions relating to human rights.

For “B4”, in 2021, we continued to update the Recruitment/Induction Management System of C.banner International Holdings Limited, which strictly prohibits child labour and forced labour. Our contracts with suppliers also explicitly require them to prohibit child labour and forced labour, and to adopt a “zero tolerance” attitude towards such practices.

We did not employ any child labour or forced labour in 2021.

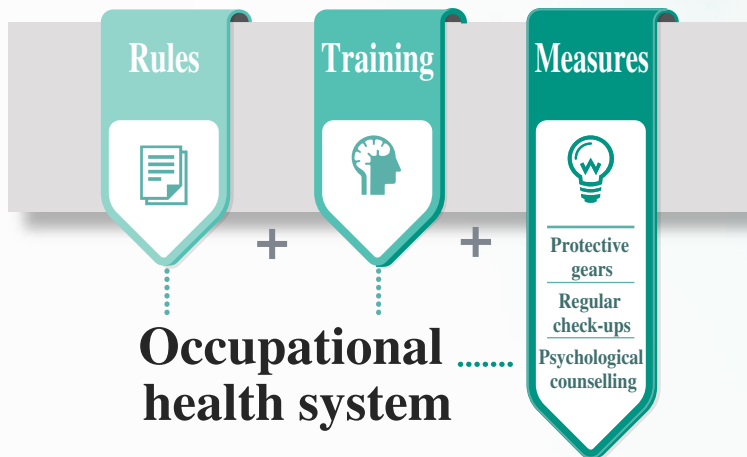
For “B1”, we also continue to implement the social insurance system by applying for and contributing to various social security benefits such as pension, medical, work injury, maternity, unemployment insurance and housing provident fund for our employees on time in strict accordance with the relevant national and local regulations.

 **Establishing an occupational health system**

During the year, C.banner Group established an occupational health management system to protect the health and safety of our employees. We continued to strengthen our safety management system and procedures, and clarified the safety responsibilities of staff at all levels to ensure the safety of our employees at the institutional level.

In addition, to enhance the safety awareness of our staff, we have organised a number of safety education and training activities during the year. Pre-employment safety training is provided to all new employees, and each factory also conducts internal training on health and safety for all employees, taking into account their own circumstances.

We provide front-line production employees with protection supplies including PVC gloves, respirators, dust masks and earplugs that meet national requirements, and give special protection to employees in special positions who may be exposed to toxic and harmful substances. We also organise regular medical check-ups for our staff and provide psychological counselling services, thereby protecting the physical and mental health of our staff.



 **Production safety system**

During the year, we accelerated the effective implementation of our production safety system. Based on the actual situation of the Company, we have formulated and continuously improved the Production Safety Emergency Plan, which specifies the measures and procedures for responding to possible accidents or emergencies, and arranged regular drills. We also conducted regular inspections and checks on safety points (such as fire service and use of water and electricity) to ensure that all safety points in the production process are monitored in real time.

Our production plants are all certified by the local safety production supervision administration as Safety Production Standardization Level 3 Enterprises (Light Industry Others), and we have also obtained the Certificate of Occupational Health Service Organization Qualification (Level B) certified by the safety production supervision administration.



Fire Emergency Drill

Production Safety Measures

In order to reduce the injury to employees caused by potential industrial accidents, every production plant is equipped with emergency medical supplies and first-aid kits to ensure that injured employees can get rescue as soon as possible. We have set up standard procedures based on the “Emergency Rescue Plan for Accidents”, safety management personnel will conduct accident investigation, and psychological counselling will be arranged for the relevant employee.

In 2021, C.banner recorded zero accident mortality and no major safety accidents.

Year	2019	2020	2021
Number of injured staff (people)	14	12	15
Number of lost days due to work injury (days)	712	960	823
Work-related mortality (people)	0	0	0
Work-related mortality rate	0%	0%	0%

LOVE AND BELONGING NEEDS

The love and belonging needs in our “Needs Model” aim to bridge the gap among people and between people and the Company, thereby increasing employees’ sense of belonging and responsibility. To this end, in addition to strengthening internal communication, we actively organise group activities for our staff to provide them with a wider range of social networking opportunities.

Strengthening internal communication

It has always been the vision of C.banner Group to become an “employee-run enterprise”. We always encourage employees at all levels to contribute to the operational management of the Company based on their own work experience. Staff suggestions are evaluated by the Company’s management at their discretion, and suggestions that can improve the governance of the Company are actively adopted and rewarded. In 2021, we continued to carry out the “Employee Career Development Survey” to encourage employees to put forward their opinions and suggestions on career development. At the same time, we continued to reasonably adjust the Company’s career development plans and programs based on the results of the survey.

C.banner regularly holds employee meetings. As an important process to listen to employees’ voices, we encourage employees to summarize the achievements of the previous year and put forward the outlook for the next year, which will help management team understand the employees’ views and provide necessary support to them.

Organising group activities

During the year, we put great efforts in building a big family of C.banner: in addition to organising regular group activities to enhance the sense of belonging and team cohesion, we also launched various fun and heart-warming activities from time to time.



Shanghai Team Building Activities



Changchun Team Building Activities

NEEDS OF EQUALITY AND RESPECT

Our employees need to be recognised and respected by the environment and by others in addition to achieving self-actualization or self-worth. We are committed to developing an equal and diverse employment environment and flattening our promotion paths to meet the needs of respect of our staff.

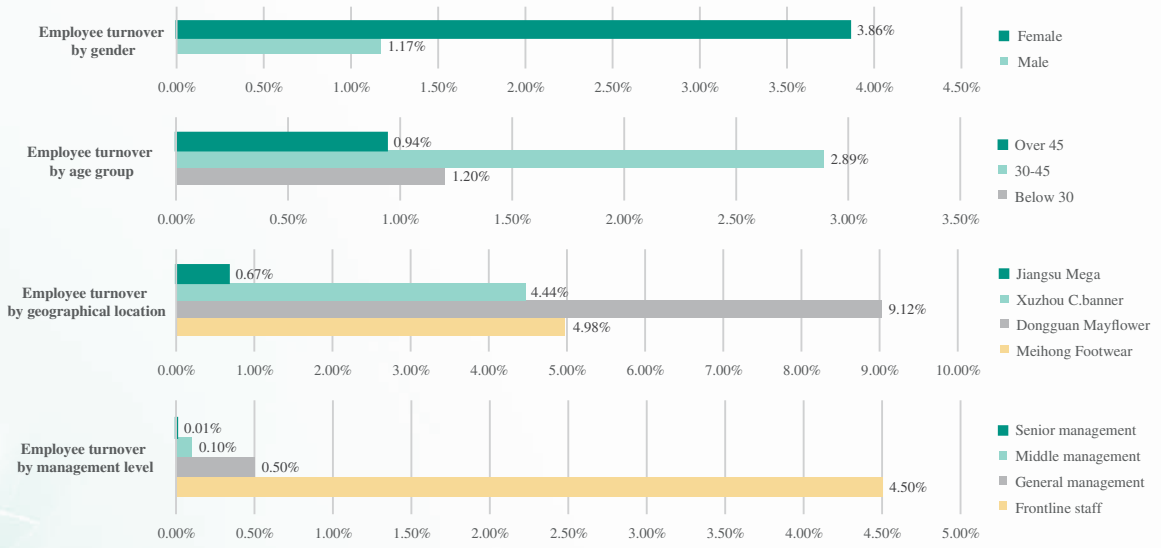
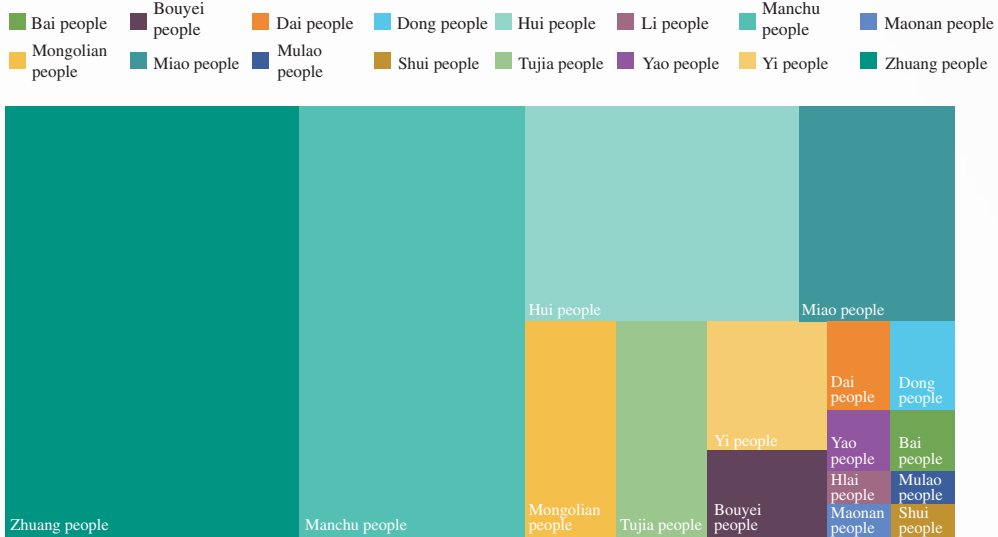


Developing an equal and diverse employment environment

In 2021, C.banner Group adhered to the principles of diversity and inclusiveness and continued to optimise its staffing structure while striving to develop an equal and diverse employment environment in order to maintain the internal and external competitiveness of the Company. We have a total of 5,135 outstanding employees from 17 different ethnic groups working together with C.banner Group to realise their own values and contribute to the success of the Company.



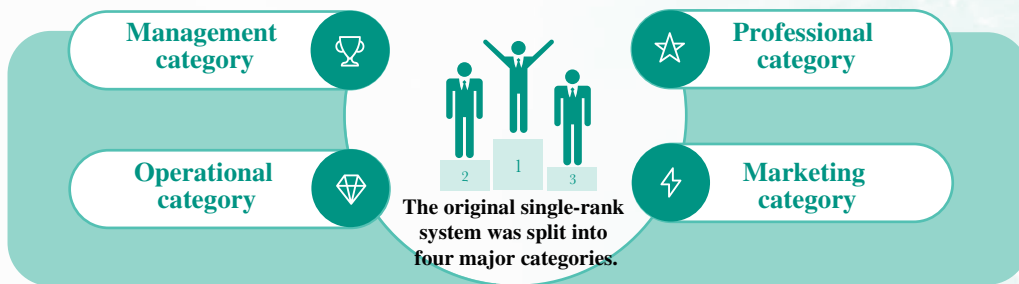
Distribution of ethnic minority staff



 **Flattening promotion paths**

We do our utmost to provide a smooth promotion channel for employees of different background and specialties, and help our employees plan their career development so that they can give full play to their advantages at the most suitable position, thereby further enhancing our product and service quality.

During the year, we further adjusted the ranking system by splitting the original 17 ranks into four categories of management, professional, operation and marketing, further simplified the promotion modes and processes in terms of times and space and expanded the scope of personnel for promotion.



SELF-ACTUALIZATION NEEDS

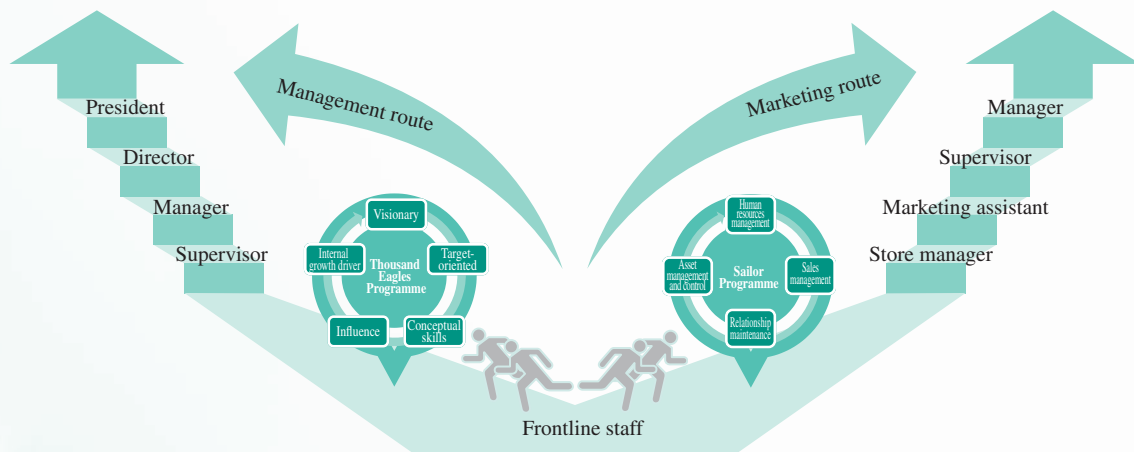
The self-actualization needs mean that our employees expect to maximise their potential, constantly improve themselves and accomplish things that are commensurate with their abilities. In order to help our employees to better realise their aspirations, we have created a special recruitment plan and vigorously developed a talent development plan.

Creating special recruitment plan

We have created a recruitment plan with the characteristics of C.banner. We adopt both online and offline approaches and a complementary model of campus recruitment and experienced hires to carefully and meticulously select the best candidates for the Company.

Campus recruitment

During the year, we carried out campus recruitment to promote our corporate culture and attract more young and creative talent. With the objective of nurturing “reserve store managers”, we launched the “Sailor Programme” for the “marketing route”, and simultaneously launched the “Thousand Eagles Programme”, a management trainee programme for the “management route”. We select high-quality and suitable talents based on different job requirements for different routes, and provide them with tailor-made training programmes from “training and internship” to “end-of-probation assessment” to accelerate the growth cycle of fresh graduates, so as to help them integrate into the Company and realise their values more quickly.



Experienced hires

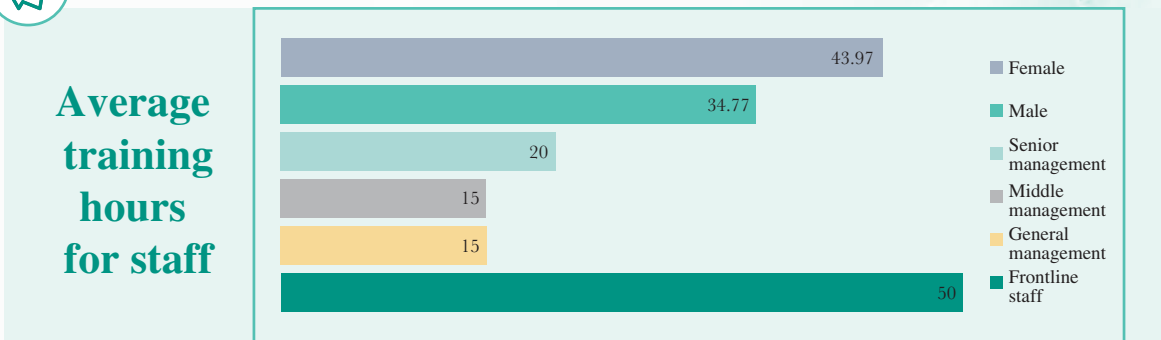
During the year, we continued to cooperate with third-party recruitment platforms to adjust our staffing structure and replenish high-quality and suitable talents based on the Company’s requirements for strategic deployment of brands and new retail sector.



Developing talent development plan

With the aim of improving the management capabilities of our staff and enhancing their vocational skills, C.banner Group has developed targeted training system for staff in different positions to further improve our talent development plan.

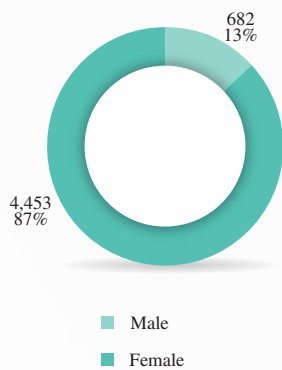
In 2021, we continued our training model of integrating online and offline training since the beginning of the pandemic, and utilised “Love Learning”, our online self-learning platform, to enable our staff to learn with their cellphones on their own schedules anytime and anywhere with the fragmented learning module. In addition, we empowered our staff by inviting external experts and internal outstanding staff to conduct targeted training on each of the four major categories. During the year, we achieved excellent results in our talent development plan, with a 100% “staff training rate” and an “average training hours” of 42.75 hours per person.



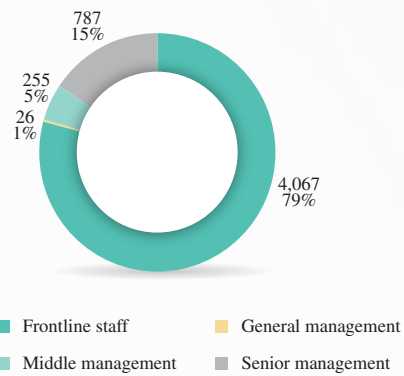
100%
staff training rate

42.75 hours
average training hours

Number of trained employees by gender



Number of trained employees by categories



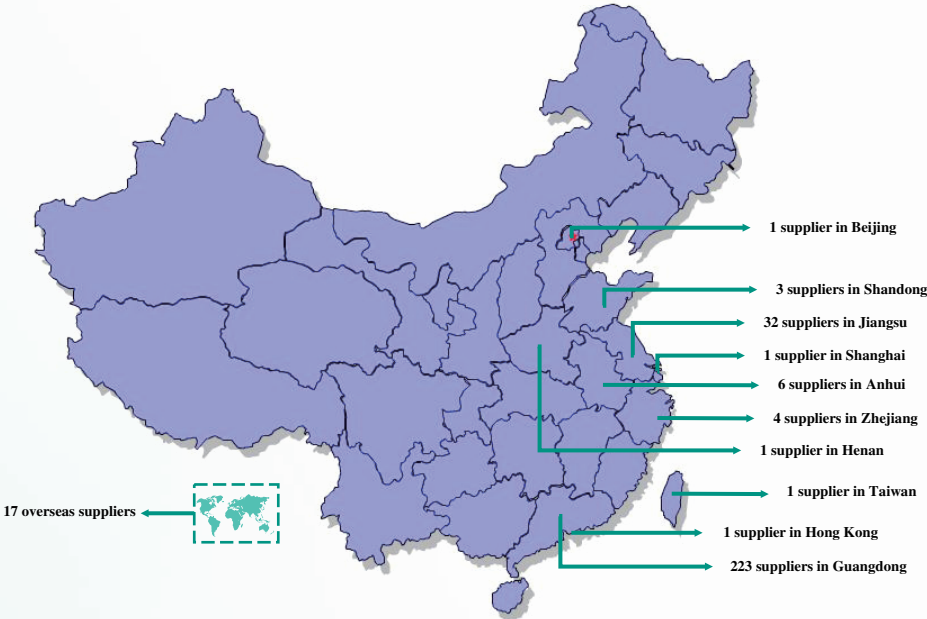
SUPPLIER MANAGEMENT

Under the concept of “building a common platform for resource sharing and common development”, and to promote the cooperation between C.banner and our suppliers for a win-win supply chain, C.banner Group has established a comprehensive supplier management system and formulated the “Procurement Management Rules” and “Supplier Management Rules” to facilitate the stable and healthy development of the cooperation ecosystem.

Diverse Suppliers

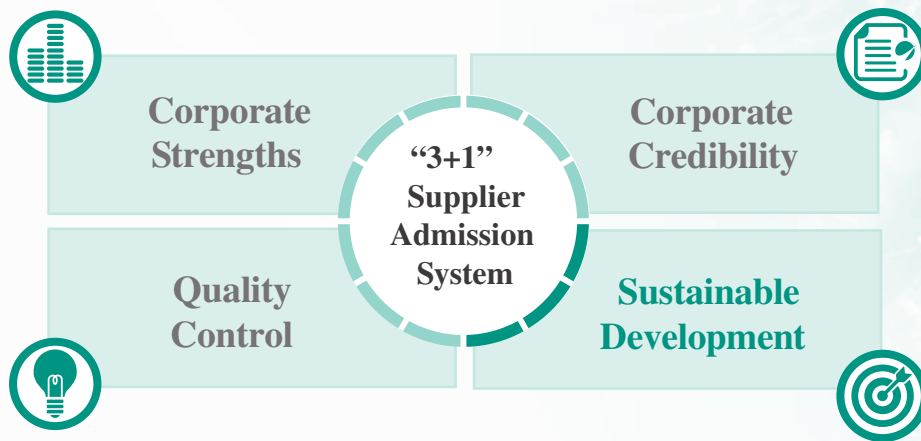
During the year, while focusing on stable cooperation with local suppliers, we continued our efforts in promoting diversification of suppliers. We actively sought and established healthy cooperation with suppliers from different countries, regions, cultures and ethnic groups.

In 2021, there were over 291 suppliers in the qualified supplier directory of C.banner Group, ranging from raw material production, production equipment, decoration service, logistics to transportation and various other categories.



Selection and Assessment of Suppliers

We always conduct objective, rigorous and impartial background checks on potential suppliers and use standardised processes and systems to assess and manage our suppliers in order to establish high-quality and long-term stable cooperation with the suppliers. The functional departments of the Company form an evaluation team to participate in the supplier admission process and mainly review the three major aspects of corporate strengths, corporate credibility and quality control. In addition, under the leadership of the ESG Office, we have established a “3+1” supplier admission system, which adds sustainable development assessment on suppliers to the three existing assessment modules. In selecting suppliers, the Company gives priority to those who share the same social responsibility and sustainable development philosophy as C.banner, ensuring that we have access to a wider range of healthy, safe and environmentally friendly products and services.



Approved suppliers will be added to our qualified supplier directory. Meanwhile, we carry out quarterly comprehensive assessment on the suppliers in the qualified directory. Our assessment items include five major aspects of quality, delivery time, cost, after-sales service and sustainable development. We assign four grade levels (namely A, B, C and D) to suppliers based on the weighted scores of assessment items to provide incentives to outstanding suppliers and eliminate unqualified suppliers.

PRODUCT RESPONSIBILITY

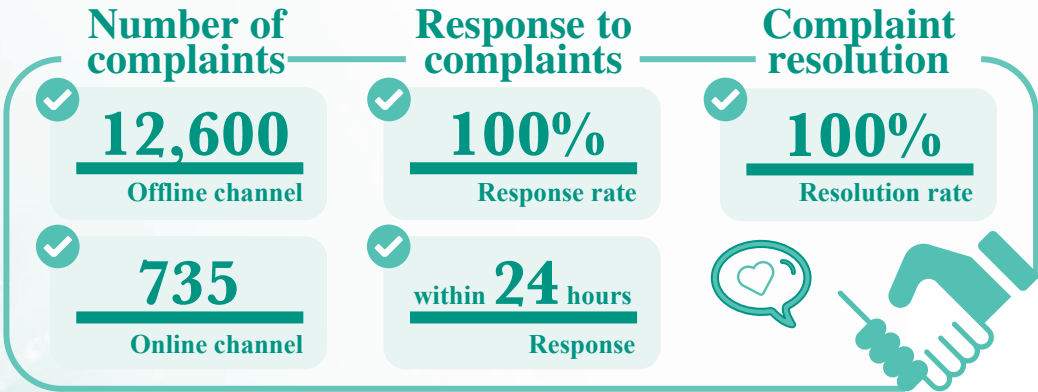
Products are the cornerstone of the Company’s development and it has been the long-standing goal of C.banner Group to provide products that satisfy our customers. We always strive to provide products with the best quality. During the year, there was no product recall due to health/safety/quality reasons.

Products Services and Complaints

We have developed the “Customer Satisfaction Survey”, which focuses on the analysis and improvement of customer satisfaction, and includes the specific requirements for processing customer complaints and product returns, satisfaction surveys, and measures to improve satisfaction.

We conduct regular customer satisfaction surveys by sending customer satisfaction questionnaires or interviewing customers, and make timely statistical analysis. In 2021, our Customer Service Department carried out the “C.banner Customer Service Survey” activity. Based on summary and analysis of the data, we completed the “C.banner Service Experience Evaluation Data Analysis Report”, shared the results with relevant functional departments, and urged each department to improve accordingly. Through the analysis of cases with low customer satisfaction, the relevant departments proposed improvement measures and actively implemented them in the specific work processes.

In order to improve customer satisfaction and continue providing satisfactory services and innovative products for customers, we follow the “Regulations on C.banner Online/Offline Customer Complaint and Maintenance Treatment Process” in our daily operations. Customers can either communicate directly with the customer service staff through offline channels, or reflect their opinions through our WeChat public account. During the year, customers could continue to give feedback through the “400 Customer Service Hotline”; at the same time, in view of the strategic deployment in new retail sector, we expanded the size of the online after-sales team to specifically deal with the after-sales work of the online sales division, which improved the efficiency of after-sales service and enabled consumers to get more timely feedback.



Intellectual Property Protection

We implement comprehensive control and management of intellectual properties and strictly comply with relevant laws such as the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China in our production and operation activities, and have formulated relevant management systems within the Company to clarify the requirements of intellectual property management.

Product Quality

Quality products are the core element of market reputation of the C.banner brand. During the year, we further improved our Quality Management System to require our products to follow the principle of quality first in every aspect from design and development, production and manufacturing to packaging and transportation to ensure that our products can have higher durability under the premise of ensuring safety and health. The system specifies the applicable inspection scope, inspection rate, inspection process and inspection standards for raw materials, semi-finished products, finished products and outsourced products. In addition, we have commissioned professional testing institutions to conduct quality inspection on the finished samples, and mass production should only be carried out after samples pass the inspection. We assign an inspector in each external factory to conduct 100% inspection on outsourced products, in order to standardize the quality management of outsourced products and to ensure that the quality of outsourced products meets our requirements.



Quality Inspection Line

Information Security

It is our duty to protect the privacy of our customers. During the year, the number of members of various brands of C.banner Group approached nearly 3 million, prompting us to continuously strengthen the protection and prevent the loss or illegal use of customer information. The Customer Service Department of C.banner is responsible for the general management of customer information, as well as the establishment and review of policies regarding customer privacy. Based on our Data Protection Policy for VIP Customers, our VIP customer information is maintained in C.banner's Customer Relationship Management ("CRM") system and is centrally managed and maintained by the CRM Department of C.banner. Terminal stores can check the VIP customer information, yet have no right to use or extract related consumption data.

ANTI-CORRUPTION

"B7.1" Bribery and corruption are always strictly prohibited by the C.banner Group. We continuously reiterate relevant principles and regulations to all of our employees and cooperative companies, and establish a series of preventive and supervisory measures to prevent corruption incidents. In 2021, there were no cases regarding corruption, bribery, blackmail, fraud or money laundering against the Group or its employees.

Whistleblowing System

We have developed a whistleblowing system. All of our stakeholders, including employees, shareholders, suppliers and customers, may report any suspected corrupt practices to us through the reporting mailbox, reporting hotline and other channels. We control and prevent corruption through a combination of internal investigations and external audits. Since its establishment, C.banner Group has been implementing the most stringent internal investigation procedures, with an independent internal audit team directly managed by the Board to review and investigate specific matters immediately upon receipt of reports. In addition, we have also engaged a team of professional auditors to conduct external audits of the Company. We also publicize relevant laws and regulations during induction training and distribution of the Employee Handbook to enhance employees' awareness of business ethics.

Sunshine Agreement with Suppliers

In order to further maintain a healthy and stable cooperative relationship with suppliers, C.banner continued to uphold the principles of honesty, trustworthiness, integrity and transparency and re-signed a new version of the "Sunshine Agreement" with all suppliers this year. Higher requirements for integrity are put forward for all parties of such agreement. We adopt a zero-tolerance attitude towards corruption in the procurement process and maintain the healthy development of the supply chain system by strengthening the transparency and openness of procurement activities.



Sunshine Cooperation Agreement Signing Ceremony

Anti-corruption Training

During the year, we conducted two offline “anti-corruption special training sessions” for our directors, president’s office, brand development staff and our suppliers.

Conducted two anti-corruption training sessions

Participants	Training hours
<ul style="list-style-type: none"> Directors President’s office Brand development staff 	1 hour
<ul style="list-style-type: none"> Directors President’s office Material suppliers Finished product suppliers 	2 hours

SOCIAL RESPONSIBILITIES

We are always mindful that the Company’s development is inseparable from the support and trust from the community. We have assumed our corporate social responsibilities and actively participate in social welfare activities to give back to the community.

Sending Support to Shanxi

In 2021, a serious flood struck Shanxi. To fulfill its social responsibility under the idea of “When disaster struck, help came from all sides”, C.banner Group immediately prepared rain boots for disaster relief, provided basic material support for rescue workers and actively contributed to the disaster relief work.



Sending Support to Shanxi Province



Rain boots Preparations

Heartwarming Public Welfare Project

During the year, C.banner Group launched the “Heartwarming Public Welfare Project”. As the first step of the Heartwarming Project, we donated nearly 7,000 pairs of shoes to primary school students in Hotan, Xinjiang and took practical action to care for children in remote areas, thereby passing on the warming image of our brand and helping teenagers and children grow up.



Donate Shoes

In order to inspire more children to pursue their dreams, C.banner has built a “Heartwarming Library” for Jiya Township Primary School in Hotan, Xinjiang and the No. 2 Nine-Year School in Chalbagh Township, Lop County. The library is equipped with comfortable tables, chairs and related facilities, and offers thousands of books on natural science, world classics, biographies, Chinese history, fairy tales and other topics to inspire children to pursue their dreams through reading.



Heartwarming Library

We have also set up a “Heartwarming Corridor” under the theme of “Spreading Warmth like Sunshine” to showcase the heartwarming activities in school and record the warming moments and dreams of the children as they grow up.



Heartwarming Corridor

APPENDIX I: REPORTING INDEX

ESG Reporting Guide			Page
A. Environmental	A1 Emissions	General Disclosure	
		A1.1 The types of emissions and respective emissions data.	P. 24
		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).	P. 27
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P. 28
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P. 28
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	P. 29
		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.	P. 28
	A2 Use of Resources	General Disclosure	
		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).	P. 21
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P. 22
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P. 29
		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.	P. 29
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P. 23

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	A3 The Environment and Natural Resources	General Disclosure	
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P. 20, 22
	A4 Climate Change	General Disclosure	
		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.	P. 30
B. Social	B1 Employment	General Disclosure	
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	P. 37
		B1.2 Employee turnover rate by gender, age group and geographical region.	P. 38
	B2 Health and Safety	General Disclosure	
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P. 35
		B2.2 Lost days due to work injury.	P. 35
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P. 33-35
	B3 Development and Training	General Disclosure	
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P. 41
		B3.2 The average training hours completed per employee by gender and employee category.	P. 41

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	B4 Labour Standards	General Disclosure	
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	P. 32
		B4.2 Description of steps taken to eliminate such practices when discovered.	P. 32
	B5 Supply Chain Management	General Disclosure	
		B5.1 Number of suppliers by geographical region.	P. 42
		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.	P. 42
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P. 43
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P. 43
	B6 Product Responsibility	General Disclosure	
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P. 44
		B6.2 Number of products and service related complaints received and how they are dealt with.	P. 44
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	P. 45
		B6.4 Description of quality assurance process and recall procedures.	P. 45
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P. 46

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	B7 Anti-corruption	General Disclosure	
		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.	P. 46
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P. 46
		B7.3 Description of anti-corruption training provided to directors and staff.	P. 47
	B8 Community Investment	General Disclosure	
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P. 47-49
		B8.2 Resources contributed (e.g. money or time) to the focus area.	P. 47-49

APPENDIX II: DATA ANALYSIS

Environmental		
Category	2021 data	Unit
Energy consumption		
Direct energy consumption		
Gasoline	52,898	Litres
Diesel	126,423	Litres
Liquefied petroleum gas	5,500	Kilograms
Natural gas	126,286	Cubic metres
Indirect energy consumption		
Purchased electricity	4,695	'000 kWh
Total direct energy consumption	3,227	'000 kWh
Total indirect energy consumption	4,695	'000 kWh
Total energy consumption	7,922	'000 kWh
Total energy consumption intensity	4.86	'000 kWh/RMB million in revenue
Emissions		
Nitrogen oxide (NO _x)	0.391	Tonnes
Sulfur oxide (SO _x)	0.002	Tonnes
Particle matters (PM)	0.034	Tonnes
Greenhouse gas emission		
Scope 1 – Direct emission	867	Tonnes
Scope 2 – Indirect emission from energy consumption	2,865	Tonnes
Scope 3 – Other indirect emission	11	Tonnes
Total emission	3,742	Tonnes
Total emission intensity	2.30	Tonnes/RMB million in revenue

Environmental		
Category	2021 data	Unit
Packaging material		
Total packaging material consumption	501	Tonnes
Total packaging material consumption intensity	0.31	Tonnes/RMB million in revenue
Water consumption		
Total water consumption	151,935	Tonnes
Total water consumption intensity	93.26	Tonnes/RMB million in revenue
Waste generation		
Hazardous waste	5	Tonnes
Hazardous waste intensity	0.0029	Tonnes/RMB million in revenue
Non-hazardous waste	333	Tonnes
Non-hazardous waste intensity	0.2044	Tonnes/RMB million in revenue

Social responsibility		
Category	Unit	2021 data
Employee data		
Employees	Total number	5,135
Gender	Male	682
	Female	4,453
Age	Below 30	653
	30-45	3,445
	Over 45	1,037
Education	Doctor	0
	Master	3
	Bachelor	282
	Tertiary	569
Employment type	Junior college and below	4,281
	Full-time employees	4,735
	Interns	8
	Dispatched labour	175
	Part-time employees	217
Position	Senior management	26
	Middle management	255
	General management	787
	Frontline staff	4,067
Geographical location	Meihong Footwear	3,877
	Dongguan Mayflower	432
	Xuzhou C.banner	801
	Jiangsu Mega	25

Social responsibility		
Category	Unit	2021 data
Monthly average employee turnover rate		
Monthly average employee turnover	Total number	268
	Turnover rate	5.0%
Turnover rate by gender	Male	1.2%
	Female	3.9%
Turnover rate by age group	Below 30	1.2%
	30-45	2.9%
	Over 45	0.9%
Turnover rate by geographical location	Meihong Footwear	5.0%
	Dongguan Mayflower	9.1%
	Xuzhou C.banner	4.4%
	Jiangsu Mega	0.7%
Staff training data		
Staff training	Number of trained employees	5,135
	Percentage of trained employees	100%
Gender	Male	682
	Female	4,453
Position	Senior management	26
	Middle management	255
	General management	787
	Frontline staff	4,067

Social responsibility		
Category	Unit	2021 data
Average training hours for staff		
Average training hours	Hours	43
Gender	Male	35
	Female	44
Position	Senior management	50
	Middle management	15
	General management	15
	Frontline staff	20
Employee health and safety data		
Work-related mortality	2019	0
	2020	0
	2021	0
Number of lost days due to work injury	Days	3,667
Suppliers distribution		
Total number of suppliers	Suppliers	291
China	Percentage	94.2%
Overseas	Percentage	5.8%

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