

# **ISA TanTec Group Corporate Social Responsibility Report 2020**



The Brand  Behind The Brand



# ABOUT THE REPORT

Responded topics of GRI 102-1, 102-46, 102-50, 102-51, 102-52, 102-54

## Introduction

GRI 102-1, 102-46, 102-51, 102-52

**This report is the 2020 Corporate Social Responsibility (“CSR”) Report released by ISA TanTec Group (the “Group”) and its subsidiaries, communicating ISA’s philosophy, strategies, and performances of corporate social responsibilities.**

**We will continue regularly to publish the CSR report as part of our commitment to good corporate citizenship.**

## Reporting Scope

GRI 102-46

This report covers the group-wide level management mechanisms and systems of ISA TanTec Ltd. The Group’s headquarters set up in Macau (“MIT”), where its core business operations are located. It also includes the operational activities of its entities, including Heshan Bestway Leather Product Ltd. (“HSBWL”), Heshan TanTec Leather Co., Ltd (“HTL”), and Saigon TanTec Leather Limited (“STL”). This report does not cover TransAsia TanTec Limited (“TTL”) and Mississippi TanTec Leather Inc. (“MTL”) as they are newly established and currently in a small-scale operation, respectively.

## Reporting Period

GRI 102-50

This report covers the period from 1 January 2020 to 31 December 2020, while some information in this report is beyond this period to improve comparability and disclosure timelines.

## Data Source

The management provides all information and data disclosed in this report. All formal sources of information can come from within or outside the Group and include internal documents and external documents.

## Standards of Report

GRI 102-54

This report is prepared based on the Core option of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB). And the report also initiates alignment to the 2030 Sustainable Development Goals (SDGs) set by the United Nations, a universal call to action to combat the significant economic, social and environmental challenges our planet faces.



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## MESSAGE FROM THE BOARD

# Welcome from Uwe Hutzler, Chief Executive Officer

**The Group always tries to bring love and hope through sharing and giving.**

### Responded topics of GRI 102-14

The Group has grown from a small tannery in China to an award-winning international company with four tanneries globally focused on quality, environmental sustainability, and corporate social responsibilities.

Sustainability is the core business and the driver for the growth and profitability of the Group. The Group continuously commits to a sustainable relationship with all stakeholders, including customers, suppliers, shareholders, employees, and communities.

2020 and 2021 have been and are challenging times for everyone in the world. Unprecedented challenges brought by the pandemic to the world did not exclude the leather industry. The Group encountered a significant drop in the business in 2020 when the lockdowns in the main markets started. Extensive contingency plans allowed us to maintain operations in the facilities and ongoing business relationships on the supply chain side.

The Group has taken significant steps to safeguard and support the people and communities with a solid foundation. The Group believes that focusing on social responsibility is associated with long-term success. Thus, the Group is taking the next steps in commitments to corporate social responsibilities by releasing the Corporate Social Responsibility Report 2020.

The report focuses on numerous initiatives, including safety, health, and social efforts, in order to react responsively to the current pandemic situation in a transparent manner, considering a post COVID-19 time horizon.

The Group strives to establish, maintain and improve a culture of integrity and share the resources with society through different programs, including donations to the vulnerable and supporting various NGOs (Non-Governmental Organizations). The Group always tries to bring love and hope through sharing and giving.



With this Corporate Social Responsibility (CSR) Report 2020, the Group hopes to provide you with a better insight into ISA TanTec's CSR initiatives in the past, present and more importantly – our outlook and commitment to a better future.

Chief Executive Officer  
Uwe Hutzler

# ABOUT ISA TANTEC GROUP

Responded topics of GRI 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-13, 102-16, 102-27

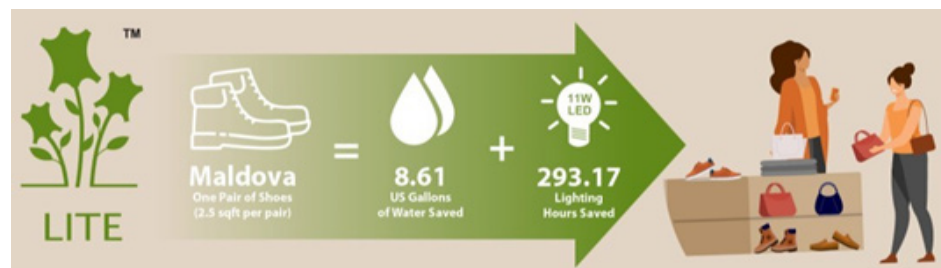


ISA TanTec Group was founded in 1995 and currently has four ultra-modern tanneries located in the USA, Vietnam, and China. In 2016, Navis Capital Partners co-invested the Group as a strategic partner to support further growth ambitions.

To meet customers' requirements for additional sustainable materials in response to current market trends, the Group has also been investigating and has already spent more than two years in

research with scientists to produce new sustainable additional materials along with the unique leathers. The Group has recently launched the COSM (Creation of Sustainable Materials) Division, a new division specializing in developing and producing sustainable additional materials (alternate to petrochemical-based materials such as plastics that are non-environmental friendly). With the COSM materials already launched in the market, this enables the Group to further provide high-quality, reliable, environmentally compliant additional materials and further premium services to Brands that are already customers of our LITE Leathers. The Group believes that it further strengthens the strategic partnership with the different Brands.

The Group is an eco-friendly leather manufacturer represented by the trademarked LITE (Low Impact to the Environment) manufacturing concept. The concept defines a high standard of environmental sustainability in the manufacturing process. The Group has been recognized throughout the years by global brands of footwear, luxury and travel bags, labels and leather laces as a partner providing high-quality leathers, with a good reputation for reliable services and outstanding corporate social responsibility. The LITE system is fully integrated into the manufacturing process in the Group, which is specially designed to reduce the usage of water, energy and chemicals. The Group's effort is consistently minimizing the impact on the environment by the BAT (Best Available Technology) in the industry and sustainably driving the business.



LITE, a trademarked eco-conscious label representing the leather products' environmental excellence, shows the customers the water and energy-saving number of every ISA product.



# Certificates and Memberships

## GRI 102-13

HSBWL, HTL, STL and TTL entities are Gold-rated of LWG, while HSBWL, HTL and STL are certified with the ISO14001, ISO9001, and ECO2L\*.

\*ECO2L is a Corporate Carbon Footprint Standard of leather products by internal energy consumption compared to the BEET energy benchmark or Best Energy Efficiency for Tanning.



Note: The Group as a top performer in Energy and Water saving of the Leather Working Group (LWG) Environmental Audit Protocol.

**Certificate**

Standard **ISO 9001:2015**  
Certificate Registr. No. **01 100 127001/01**

Certificate Holder: **ISA Heshan Trading Co., Ltd.**  
Unified Social Credit Code: 91440700579705439X  
Registration Address: Unit 3, No. #1, Xingli Road, Hecheng Town, Heshan City, Guangdong Province 529727, P. R. China  
Operation Address: same as above

Scope: **Sales of Leather**

Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.

Validity: The certificate is valid in conjunction with the main certificate from 2019-03-20 until 2022-03-19. It remains valid subject to satisfactory surveillance audits.

This certificate information can be searched on CNCA official website <http://www.cnca.gov.cn>

2019-01-08

*K. Jigh*  
TÜV Rheinland Cert. GmbH  
Am Grauen Stein 51105 Köln



**Certificate**

Standard **ISO 9001:2015**  
Certificate Registr. No. **01 100 127001/02**

Certificate Holder: **Heshan Bestway Leather Product Ltd.**  
Unified Social Credit Code: 9144070055732757XQ  
Registration Address: No. #1, Xingli Road, Hecheng Town, Heshan City, Guangdong Province 529727, P. R. China  
Operation Address: same as above

Scope: **Manufacturing and Sales of Leather**

Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.

Validity: The certificate is valid in conjunction with the main certificate from 2019-03-20 until 2022-03-19. It remains valid subject to satisfactory surveillance audits.

This certificate information can be searched on CNCA official website <http://www.cnca.gov.cn>

2019-01-08

*K. Jigh*  
TÜV Rheinland Cert. GmbH  
Am Grauen Stein 51105 Köln



**Certificate**

Standard **ISO 9001:2015**  
Certificate Registr. No. **01 100 127001/04**

Certificate Holder: **SAIGON TANTEC LEATHER LIMITED**  
Lot M2 & M3, Road No. 05, Viet Hung 2 Industrial Park, An Tay Village, Ben Cat Town, Binh Duong Province 72000, Vietnam

Scope: **Manufacturing and Sales of Leather**

Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.

Validity: The certificate is valid in conjunction with the main certificate from 2019-03-20 until 2022-03-19. It remains valid subject to satisfactory surveillance audits.

This certificate information can be searched on CNCA official website <http://www.cnca.gov.cn>

2019-01-08

*K. Jigh*  
TÜV Rheinland Cert. GmbH  
Am Grauen Stein 51105 Köln



# Certificate

Standard **ISO 14001:2015**  
 Certificate Registr. No. **01 104 127001/03**

Certificate Holder: **Heshan Bestway Leather Product Ltd.**  
 No. #1, Xingli Road, Hecheng Town, Heshan City,  
 Guangdong Province 529727, P. R. China

Scope: Manufacturing and Sales of Leather and Leather Goods

Proof has been furnished by means of an audit that the requirements of ISO 14001:2015 are met.

Validity: The certificate is valid in conjunction with the main certificate from 2019-01-10 until 2022-01-09. It remains valid subject to satisfactory surveillance audits.

2019-01-08   
 TÜV Rheinland Cert GmbH  
 Am Grauen Stein · 51105 Köln



# Certificate

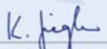
Standard **ISO 14001:2015**  
 Certificate Registr. No. **01 104 127001/04**

Certificate Holder: **Heshan TanteC Leather Co., Ltd.**  
 Unit 2, No. #1, Xingli Road, Hecheng Town, Heshan City,  
 Guangdong Province 529727, P. R. China

Scope: Manufacturing and Sales of Leather and Leather Goods

Proof has been furnished by means of an audit that the requirements of ISO 14001:2015 are met.

Validity: The certificate is valid in conjunction with the main certificate from 2019-01-10 until 2022-01-09. It remains valid subject to satisfactory surveillance audits.

2019-01-08   
 TÜV Rheinland Cert GmbH  
 Am Grauen Stein · 51105 Köln



# Certificate

Standard **ISO 14001:2015**  
 Certificate Registr. No. **01 104 127001/05**

Certificate Holder: **SAIGON TANTEC LEATHER LIMITED**  
 Lot M2 & M3, Road No. 05,  
 Viet Huong 2 Industrial Park,  
 An Tay Village, Ben Cat Town,  
 Binh Duong Province 72000,  
 Vietnam

Scope: Manufacturing and Sales of Leather and Leather Goods

Proof has been furnished by means of an audit that the requirements of ISO 14001:2015 are met.

Validity: The certificate is valid in conjunction with the main certificate from 2019-01-10 until 2022-01-09.

2019-01-08   
 TÜV Rheinland Cert GmbH  
 Am Grauen Stein · 51105 Köln




**Heshan Bestway Leather Product Ltd.**  
 No.1 Xing Li Road, Hecheng Town, Heshan City,  
 Guangdong Province, 529727  
 P.R. China


produces at its site in an energy-efficient process and calculates the Corporate Carbon Footprint in accordance with the ECO<sub>2</sub>L-calculation tool.

Registered audit number: 049  
 Category of production: wet-blue/wet-white – crust  
 Audit record: ECO<sub>2</sub>L 7.4-2013

  
 Auditor: Dipl.-Ing. (FH) Jutta Knödler

Audit date: July 11, 2019      Audit valid until: July 11, 2022


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**Heshan TanTec Leather Co., Ltd.**  
 Unit 2, No.1 Xing Li Road, Hecheng Town, Heshan City,  
 Guangdong Province, 529727  
 P.R. China

produces at its site in an energy-efficient process and calculates the Corporate Carbon Footprint in accordance with the ECO<sub>2</sub>L-calculation tool.

Registered audit number: 050  
 Category of production: crust – finished leather  
 Audit record: ECO<sub>2</sub>L 7.4-2013

  
 Auditor: Dipl.-Ing. (FH) Jutta Knödler

Audit date: July 12, 2019      Audit valid until: July 12, 2022

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**Saigon TanTec Leather Co. Ltd.**  
 Lot M2 – M3 Viet Huong 2 Industrial Park  
 An Tay Village, Ben Cat District  
 Binh Duong, Vietnam

Produces at its site in an energy-efficient process and calculates the Corporate Carbon Footprint in accordance with the ECO<sub>2</sub>L-calculation tool.

Registered audit number: 039  
 Category of production: wet-blue/wet-white - finished leather  
 Audit record: ECO<sub>2</sub>L 7.4-2013  
 Auditor: Dipl.-Ing. Jutta Knödler

  
 Dipl.-Ing. Andreas Meyer

Audit date: 7. June 2017      Audit valid until: 7. June 2021

COVID-19-related extension of the valid period by six month.  
 Audit valid until: 7. December 2021

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# Tanneries of ISA TanTec

GRI 102-4



## **Heshan TanTec Leather Co., Ltd. (HSBWL+ HTL+ ISATR)**

- Staff: Approximately 868 staff at this location
- Description: HSBWL is producing crust leather for automotive and leather goods from wet-blue/wet-white. The automotive crust is sent to a corporate partner for finishing and the shoe and leather for leather goods stay in HTL for further finishing processes. Both entities are at the same building but in a segregated area and are managed by the same operation team of ISA. ISATR is a trading company within the Group and responsible for domestic sales of finished leather and leather products
- Land: Heshan TanTec sits on 58,000 square meters of land with 25,000 square meters for production space
- Production started in March 2012
- Production capacity: The monthly capacity is 2 million square feet



## **Saigon TanTec Leather Ltd.**

- Staff: Approximately 621 staff at this location
- Description: STL is producing wet-blue/ wet-white to finished footwear leather, leather for leather goods and cut parts
- Land: Saigon TanTec sits on 44,000 square meters of land with 12,800 square meters of production space
- Production started in January 2010
- Production capacity: The monthly capacity is 6 million square feet

# Tanneries of ISA TanTec

GRI 102-4



## Mississippi TanTec Leather, Inc.

- Staff: Approximately 50 staff at this location
- Description: MTL is producing wet-blue/ wet-white to finished footwear leather and leather for leather goods
- Land: Mississippi TanTec sits on 210,000 square meters of land with 18,000 square meters for shoe leather production
- Production started in January 2015
- Production capacity: The monthly capacity is 0.45 million square feet



## TransAsia TanTec Ltd.

- Staff: Approximately 210 staff at this location
- Description: TTL is producing wet-blue/ wet-white to finished footwear leather, leather for leather goods
- Land: TransAsia TanTec sits on 61,446 square meters of land with 24,624 square meters of production space
- Production started in March 2020
- Production capacity: The current monthly capacity is 1.5 million square feet, under ramping up the stage and will reach a designed capacity of 8 million square feet per month.

# Our Customers

GRI 102-6

Our multiple production locations are strategically located to be close to our customers' factories. The Group works with many of the world's best brands. For details, please refer to our website: <https://liteleather.com>.

## Vision & Mission

GRI 102-6, 102-16, 102-27

### Our Vision

To be the world's most sustainable leather manufacturer, driven by our commitment to superior products and services while ensuring the lowest environmental footprint in our supply chain.

### Our Mission

As a global leader in the tanning industry, sustainability is the core of our business. Never do we stay static. We continuously commit ourselves to build a sustainable relationship with our stakeholders.



# SPECIAL TOPIC: FIGHT AGAINST COVID-19

3 GOOD HEALTH  
AND WELL-BEING



Responded topics  
of SDGs

Responded topics of GRI  
403-1 403-3

## Influence of Pandemic and Stability of Business

In 2020, the unexpected pandemic affected everyone. When facing the pandemic outbreak, the Group acted rapidly, fighting against the pandemic with joint efforts. The Group always puts employees' safety and health first, actively supports health employees and anti-pandemic actions in various ways, including charitable donations. Production has only been resumed after ensuring the health and safety of the employees.



In the early days of the pandemic, the Group promptly established a leading group for pandemic prevention and control headed by the executive management (the CEO, Senior Director Operation Strategies, and Asia COO) to make decisions. At the same time, the onsite execution managers organized work plans for quick arrangements. The Group required all affiliated entities and

departments to implement prevention and control measures at full strength to ensure all employees were in good health and avoided the virus spreading within the Group.



The Group started approximately a week earlier than China's local government for contingency handling by health check on employees who had been to Hubei Province, following the 1st safety guidelines of WHO on 20 January 2020. In addition, the Group launched a series of emergency response actions at the beginning of the pandemic as following (not limited to):

- To purchase necessary health control and prevention articles, including masks, thermometers, sterilization kits, etc., for prevention and control.



- To set up the 1st version of the internal Contingency Response plan with practice.
- To set up various onsite measures: hand-washing, isolation rooms, isolation areas (with portable toilet), temperature monitoring, a daily on-duty team led for site cleaning and regular checking on dormitory to maintain cleanliness and social distance.
- To implement strict control on entering factory both by employees (health certifications & identifications) and visitors.

The Group has built a strong line of defense for health safety. The site in-charge persons tracked the employees' health conditions in real-time through a reporting mechanism, timely purchased, distributed, and stockpiled pandemic prevention materials such as masks, regularly sprayed disinfections in the plants, and strictly controlled the access of personnel and vehicles. During the pandemic outbreak, there were no cases among employees in the Group.



## Resumption of Work and Production

During the pandemic, the Group's primary responsibility is to protect employees' health and safety as an employer, which is also essential to maintaining the business. After the pandemic started, the Group rapidly established an emergency response mechanism for pandemic prevention, numerous pandemic prevention and control work plans. It implemented various measures to guarantee the smooth resumption of work and production. The China tannery of the Group became one of the first to resume operation and production through solid system management, fulfilling governmental requirements on COVID-19 Control and Prevention. Although the pandemic impacted the market, the operation of the Group remained stable throughout the year, with low fluctuations caused by the pandemic. The Group continued to provide jobs and made a significant economic and social contribution to each location the Group operates.

## Preventions and Controls During Post-Pandemic of COVID-19

The Group allocates adequate resources to ensure the continuous and effective implementation of preventions and controls at the post-pandemic of Covid-19.

The Group regularly cleans and disinfection of high-touch surfaces in public areas and checks the soap and alcohol-based hand rub dispensers and other similar devices in keeping the workplaces safe.

The Group keeps its "New Normalization Control" at post-pandemic of COVID-19, which including control and prevention, and works in seven main aspects to protect our employees:



The Group organized active and effective control measures at the right time. This was well recognized by all stakeholders: the employees, authorities and customers alike.

In the meantime, the Group has been keeping close communications with local medical institutions and local governments on the COVID-19 vaccination plan. The Group may arrange employees with the vaccinations as it's available, further safeguarding our employees.

Note: The first employee in the China facility was in COVID-19 vaccination in December 2020. Over 80% of employees in China were with the vaccination as of July 2021. The employees in the Vietnam facility are participating in the vaccination plan in different phases arranged by local governments.





**FIGHT AGAINST COVID-19**



# CSR GOVERNANCE

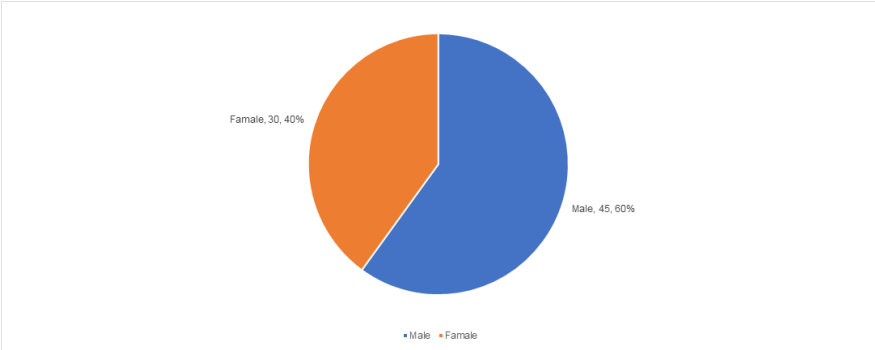
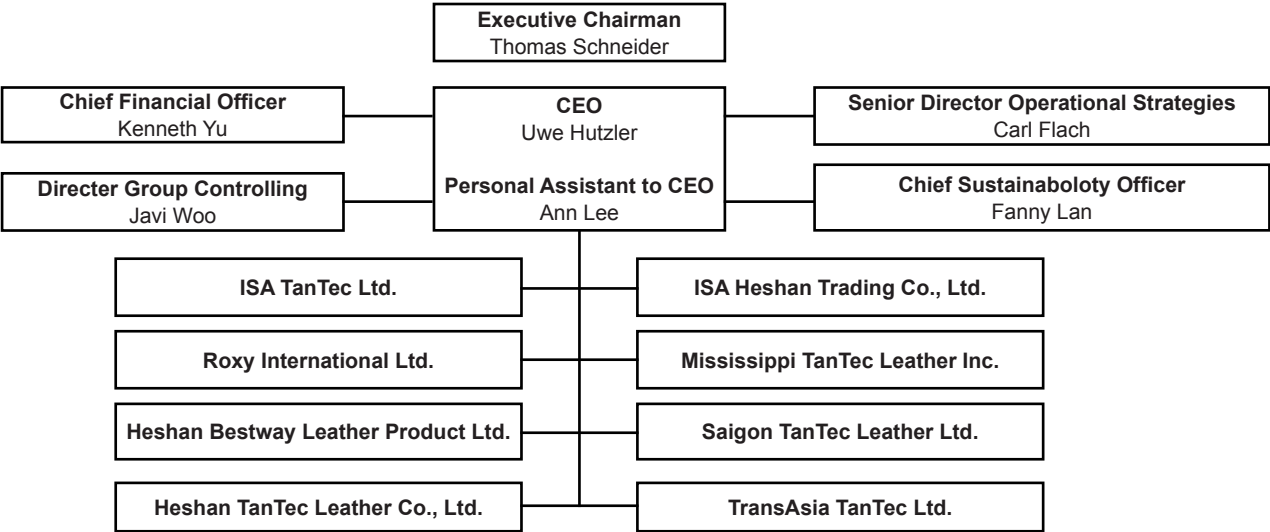


Responded topics  
of SDGs

Responded topics of GRI  
102-15, 102-17, 102-18,  
102-20, 102-23, 102-30,  
205-1, 205-2, 205-3

## Management Governance Framework

GRI 102-18, 102-20, 102-23





# Rules and Regulations of ISA

Key policies and regulations are as below:

Topics	Regulations
<b>Fight against COVID-19</b>	<ul style="list-style-type: none"> <li>• Response and Prevention and Control Requirements on COVID-19 and other Public Health Emergencies</li> </ul>
<b>CSR Governance</b>	<ul style="list-style-type: none"> <li>• ISA TanTec Group Code of Conduct</li> </ul>
<b>Product Responsibility</b>	<ul style="list-style-type: none"> <li>• WB Sorting Standard</li> <li>• Deviation Sheet Retanning Formula</li> <li>• Retanning Master File</li> <li>• Worksheet Deviation</li> <li>• Chemical Management Policy</li> <li>• ISA Restricted Substances List for Finished Products</li> <li>• WB-WW Restricted Substances Specification</li> <li>• VF CHEM-IQ Program</li> </ul>
<b>Occupational Health and Safety (OHS)</b>	<ul style="list-style-type: none"> <li>• Chemical Classification</li> <li>• SDSs (Safety Data Sheets) for All Chemicals Onsite</li> <li>• ISA TanTec Group Code of Conduct-Chapter2</li> <li>• Security Guideline</li> <li>• Accident Contingency Plan of Work Safety</li> <li>• PPE Management Procedure</li> <li>• Regulation of Fire Fighting Management</li> <li>• Accident Intended Accidents Handle Workflow</li> <li>• Supervise and Management Rules of Production Safety</li> <li>• Regulation of Production Safety</li> <li>• Medical Contingency Management Rules</li> <li>• Management Rules of Firefighting Boost Pump Room</li> <li>• Booster Pump Safe Operation Procedure</li> <li>• Occupational Disease Protective Facilities Three Simultaneous Management Rules</li> <li>• Occupational Hazards Monitoring Rules</li> <li>• Occupational Health Report Rules</li> <li>• Occupational Health Warning and Signing Rules</li> <li>• Occupational Health Education and Training Rules</li> <li>• Occupational Disease Protective Facilities Maintenance and Repair Rules</li> <li>• Occupational Health Surveillance and Filing Rules</li> <li>• Occupational Disease Accident Handling and Reporting Rules</li> <li>• Position Operation Procedure of Occupational Health</li> <li>• Confined Space Operation Management Rules</li> <li>• LOTO (Lock-out Tag-out) Management Rules</li> </ul>

# Rules and Regulations of ISA

Key policies and regulations are as below:

Topics	Regulations
<b>Employment and Human Rights</b>	<ul style="list-style-type: none"> <li>• Training Plan</li> <li>• Suggestions and Complaint Form</li> <li>• Recruitment Procedure</li> <li>• The Procedure of Protecting Non-adult Employees</li> <li>• Child and Juvenile Procedure</li> <li>• Staff's Suggestion and Complaint Management Procedure</li> <li>• Grievance Procedure</li> <li>• Prohibiting Forced Labor Policies and Procedures</li> <li>• Protect Employees from Retaliation Procedures</li> <li>• Anti-harassment Management Procedure</li> <li>• ID Card Verification Procedure</li> <li>• Job Application Document Verification Procedure</li> <li>• Child Labor Verification and Salvation Procedure</li> <li>• Training Control Procedure</li> <li>• Anti-discrimination Management Procedure</li> <li>• Discrimination Policy</li> </ul>
<b>Supply Chain with CSR</b>	<ul style="list-style-type: none"> <li>• ISA Restricted Substances List (RSL) and Manufacturing Restricted Substance List (MRSL) For Chemical Suppliers</li> <li>• Collection of all SDSs (Safety Data Sheets) for all chemicals</li> <li>• Declaration of Compliance List Oversea Purchase Supplier</li> <li>• Greener Pastures Handout</li> <li>• Greener Pastures Customer Presentation</li> <li>• ISA's Wet Blue Supplier Traceability</li> <li>• Formal Annex GP Traceability Flow Chart</li> <li>• New Supplier Evaluation Form</li> <li>• Supplier Yearly Comprehensive Evaluation List</li> <li>• Local Supplier Management Procedure</li> <li>• Local Purchase Workflow</li> </ul>
<b>Environmental Protection</b>	<ul style="list-style-type: none"> <li>• ISA would issue the sustainability report, which will disclose data and strategies of the environment shortly.</li> </ul>

## Executive Management with Experienced Professionals

Members of the Group executive management have extensive operational experience and a strong industry reputation. The Group has disclosed part of the members' resumes, positions in other companies, and additional background information on the website. Please refer to our website: <https://www.liteleather.com/about-us/our-management>

## Anti-Corruption

GRI 102-11, 102-17, 205-1, 205-2, 205-3

The Group operates in a wide range of legal and business environments, many of which may challenge our ability to conduct our business operations with integrity. The Group strives to fulfill itself according to the highest standards of business ethics. Throughout its operations, The Group seeks to avoid even the appearance of impropriety in the actions of its directors, officers, employees, agents, and other third-party representatives.

This Anti-Corruption Policy reiterates our commitment to integrity. It explains the specific requirements and prohibitions applicable to our operations under anti-corruption laws in the countries or regions where the Group operates, including but not limited to the Law on the Prevention and Suppression of Bribery in the Private Sector (PSBPS) of Macao.

The Group established ISA Compliance Policy and ISA TanTec Group Code of Conduct, including the Anti-bribery and Corruption Guide and E-Learning guide with specific themes of Anti-Bribery and Corruption compulsory to every director, employee, and, where appropriate third party and agent. The Group has maintained proper documentation of the policies.

The Group also has Grievance Procedure\*, according to which the Ethics and Compliance Committee ("ECC") conducts investigations into the reported matters and, if applicable, takes proper follow-up actions.

\* The Grievance Procedure stipulates that employees and relevant third parties such as customers and suppliers who have business dealings with the company may, anonymously or with confidentiality, report any misconduct, fraud, and violation in the company's financial reporting, internal control, or other matters

# Tax Compliance

GRI 102-30

**The Group is committed to full compliance with each jurisdiction's applicable tax laws and regulations and treats it as a critical element of our corporate social responsibilities.**

**The Group believes that the tax payment plays an essential role in the countries and regions in which the Group operates, which results in sustainable development and corporate value enhancement. Recognizing that tax-related risk is a crucial element among the many business risks, the Group addresses tax-related risks following our risk management principles.**

## Transfer Pricing

All intercompany transactions within the Group are conducted on an arm's length basis as described in the OECD Transfer Pricing Guidelines and are consistent with local laws and regulations. The Group engages one of the international big four accounting firms to assess and review our implemented policies and methodologies for transfer pricing within the Group.

## Level of Tax Risk Accepted

The Group seeks advice from the international big four accounting firms to address various issues like tax audit, tax health check, transfer pricing, withholding tax, employee's individual income tax and tax planning. It can significantly help to comply with uncertain or complex regulatory development accounting and tax laws.

## Approach to Dealing with Tax Authorities - Trust and Transparency

The Group strives to act in good faith and maintain an open, transparent, constructive, and cooperative relationship with related tax authorities. The Group aims to achieve a robust and predictable tax position through the approach described above to ensure full compliance with tax laws and regulations.

The Group demonstrates the legal obligation and commitment to transparency by disclosing information required under applicable laws and regulations when requested by taxation authorities. During the reporting period, there was no tax controversy between the Group and tax authorities.

# Awards



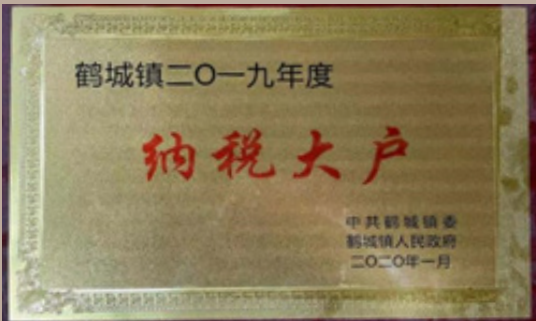
**ISATR – Grade A taxpayer in 2020**



**HTL – Grade A taxpayer in 2020**



**HSBWL – Grade A taxpayer in 2020**



**HSBWL – Top performers of tax contributions in Hecheng Town in 2019**

# Anti-Money Laundering

The Group will never deal with any individual or organization suspected of being involved in any money laundering activity. The Group has established a series of due diligence policies and procedures (Know Your Customer Procedure) found in Appendix 5 of the ISA TanTec Group Code of Conduct. All employees are responsible for protecting the Group from exploitation by money launderers by following due diligence policies and procedures mentioned above. During the reporting period, no lawsuit was brought against the Group for commercial bribery, blackmailing, fraud, or money laundering.

# PRODUCT RESPONSIBILITY

Responded topics of GRI  
301-2, 416-1, 418-1



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responded topics of SDGs

17 PARTNERSHIPS FOR THE GOALS

## Sustainable Operational Management (SOM) Strategy

The Group attributes its operations excellence to its relentless pursuit of innovation in leather manufacturing management, materials research and development, customer satisfaction, and proper treatment of employees according to their job abilities, fitness condition, and position.

As a world-leading leather manufacturer in a fast-changing market, the Group has to face operational challenges typical in the manufacturing industry and, therefore, had to

develop an improvised implementation of the leather manufacturing management system. The Group relies on technologies to assist in chemical management, traceability of materials and consumers and enhance employees' work performance.

GRI 301-2

Based upon resource-saving, the safety and occupational health of operators and sustainability as the top priorities, the Group, the world's leading provider of eco-friendly and sustainable leather products, continuously upgrades machinery and equipment based upon the BAT (Best Available Technology) to improve the operations in all facilities in safer, faster, and more sustainable ways. Through combining technologies and machinery upgrades within a sustainable framework, the Group differentiates itself from its competitors and makes significant sustainable development advances. As examples can be mentioned as following:



### Water mixer system upgrade

Shorter recirculation cycles characteristic of conventional mixing systems, resulting in water and power savings



### PHK Toggling machine upgrade

Excellent drying without using high temperature, running with lower energy consumption.



### Thema dry tunnel upgrade

- Easy to be operated on and handle by operators.
- Lower energy consumption by low drying temperature (40-50 Celsius degree).



### Solar panel heater 600 m<sup>2</sup> on the roof for hot water

Generates heat energy 724,074 kWh, which neutralizes the relevant amount kilograms of CO<sub>2</sub>e in 2020.



### Windmill small generator

Installed a small windmill for generated power for water pumps and road lights.

**FY 2021 Target:** Put more emphasis on the sustainable upgrade of machinery to advance the clean energy structure of the Group.

**Key Initiatives:** Install photovoltaic power generation and reduce the use of traditional energy.



# Chemical Management

## GRI 416-1

The Chemical Management Policy reiterates our commitment to chemicals. It explains specific requirements applicable to our operations under applicable laws, regulations in the countries operating, and the leather industry's Best Available Technology (BAT). All Group employees have to follow this requirement, which guides selecting suppliers and the chemicals, ensuring the Manufacturing Restricted Substances List (MRSL)/ Restricted Substances List (RSL) in compliance, ensuring chemical safety and reducing negative environmental impacts.

## Chemical Management System

The Group has established a chemical management system for the whole production chain which is set up in each tannery, and aims to:

- Avoid all restricted substances in our leather and leather products to protect our brands, end-users, and employees.
- Avoid harmful chemicals used during the manufacturing flow to reduce the risk of chemical exposure to the employees.
- Avoid any hazardous, restricted substances in the wastewater.
- Prepare chemicals based upon the formulations and "do it first time right" to avoid chemical waste.
- Careful planning of chemical purchase based on customer's fore cast to ensure both over and understocking.

Multiple departments are responsible for the above aspects:

Department	Responsibilities	Relevant Documents
<b>Purchase Department/ QA Department</b>	<b>Supplier management, chemical purchasing, transformation, and Production safety</b>	<ul style="list-style-type: none"> <li>• Supplier Management Procedure</li> <li>• Restricted Substances List</li> <li>• Manufacturing Restricted Substances List</li> </ul>
<b>Chemical Warehouse</b>	<b>Chemical storage</b>	<ul style="list-style-type: none"> <li>• Chemical Warehouse Work Instruction</li> <li>• Hazardous Chemical Management</li> <li>• Class A Chemical Warehouse Regulations</li> <li>• Underground Storage Tank of Sulfuric Acid &amp; Hydrogen Peroxide Regulation</li> <li>• Precursor &amp; Explosive prone chemicals safety Regulation</li> </ul>
<b>Environment Department</b>	<b>Chemical disposal</b>	<ul style="list-style-type: none"> <li>• Assessment Procedure of Environmental Aspect and Impact</li> </ul>
<b>Health &amp; Safety (HS) Department</b>	<b>Chemical safety</b>	<ul style="list-style-type: none"> <li>• Control procedure of Laws and Regulations and Other Requirements</li> <li>• Supervise and Management Rules of Production Safety</li> <li>• The Contingency Plan of Chemical Spill and SOPs</li> </ul>
<b>Technical, Production, Environment, Engineering, and Lab</b>	<b>Chemical consumption</b>	<ul style="list-style-type: none"> <li>• Chemical Containers Cleaning Process</li> </ul>



# Chemical Safety Measures

The Group provides better service and products that are in line with the concept of customers and ensure environmental compliance to the protection of human health. The Group strictly follows the policy and regulations of global chemistry management and incorporates a series of chemistry management mechanisms:

Processes	Measures
Chemical storage	<ul style="list-style-type: none"><li>• Establish an internal management system of warehouse-in and warehouse-out, detailed record, and detail specifically the flow of hazardous chemicals into and out of the warehouse.</li><li>• Store chemicals by warehouse, category, and area, and strictly control the stocks of hazardous chemicals and the temperature and humidity of storerooms</li><li>• ISA TanTec Group Code of Conduct</li><li>• The dedicated staff is responsible for managing storerooms and conducting safety hazard inspections from time to time.</li><li>• Deviation Sheet Retanning Formula</li></ul>
Chemical use	<ul style="list-style-type: none"><li>• Follow chemical-related regulations (product safety legislation) and strictly comply with customer requirements.</li><li>• Worksheet Deviation</li><li>• Collect and review MRSL/RSL requirements of all global brands and set goals for the Group to meet the most demanding limits and expectations</li><li>• ISA RestrictedSubstances List for Finished Products</li></ul>
Chemical disposal	<ul style="list-style-type: none"><li>• Waste chemicals must be transferred and disposed of by the qualified hazardous waste disposal organization.</li></ul>

The Group works strictly according to FIFO (First In, First Out) principles to avoid the shelf life of chemicals expires.

The Group established the Chemical Safety Management System, which refers to Chemical Inventory Report and Chemical Classification. The Group keeps a daily list of chemicals with updated stock against the safety stock to maintain storage safety.

The Group classifies the chemicals based on the risk of different categories:

- Flammable
- Oxidizing
- Corrosive
- Health risk
- Environmental risk
- Toxic

The Group has clear hazard labeling, precautionary statement, and storage condition requirements on the chemical barrels. This basic information is also clearly marked on the Chemical Inventory as easy guidance for onsite operators to respond to emergencies correctly and quickly if any chemical accident occurs.

## Restricted Substances Management

The Group's Quality Assurance Department (QA) is responsible for identifying and monitoring chemical restriction related regulations (product safety legislation) based on the international and industrial standards:

- Develop ISA Restricted Substances List (RSL) and Manufacturing Restricted Substances List (MRSL) based on customers' & regulations requirements.
- Apply the above lists to our products and supply chain.
- Set the strictest parameters on our internal RSL list, ensuring the fulfillment of the requirements from both customers' updated RSL and the latest regulations.

Our purchasing department established the Supplier Management Procedure and Purchasing Workflow to ensure our suppliers would fully comply with the requirements on the restricted substances. In this regard, the Group identified chemicals in the RSL for suppliers. The Group required all chemical suppliers to sign the Certificate of Compliance to meet the limits of substances listed in the Restricted Substances Specification.

## Hazardous Chemical Management

The Group has identified inherent hazards of chemicals and exposure risks. Necessary engineering controls have been in place before purchasing hazardous chemicals.

Employees using chemicals are required to be competent through training and exam before taking up their jobs. When engineering controls are not adequate to handle the hazards, proper PPE shall be provided to employees exposed to the chemicals. Detailed guidance or requirements are as following:

- Chemical Warehouse Work Instruction
- Supervise and Management Rules of Production Safety
- The Contingency Plan of Hazardous Chemical Spill
- Restricted Substance Control Procedure
- Prevention and control procedure of water pollution
- Safety Operation Procedures (SOPs)
- Training Control Procedure

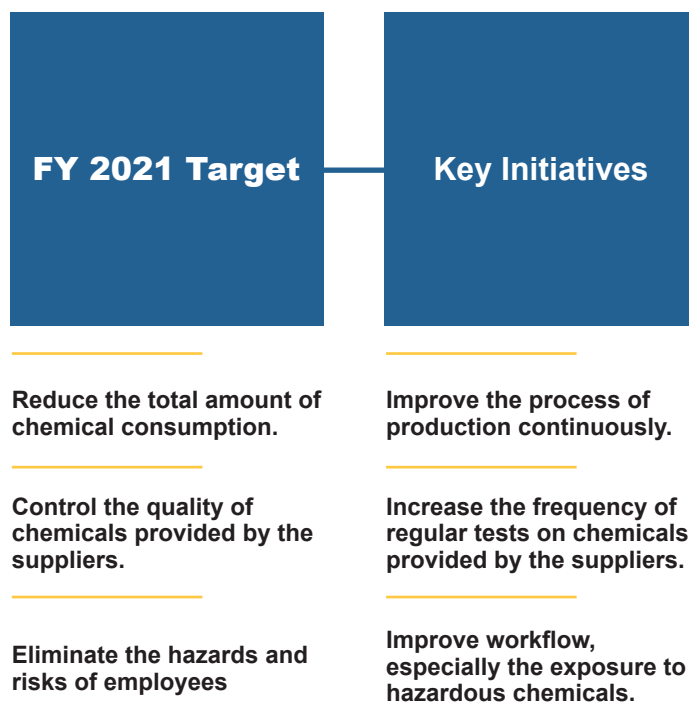
The Group stored the hazardous chemicals separately and independently at the Class A warehouse, which was built following the Code for Fire Protection Design of Building, aiming to guarantee the safety of the chemicals.



## Participation in Zero Discharge of Hazardous Chemicals (ZDHC)

The Zero Discharge of Hazardous Chemicals (ZDHC) Programme collaborates among leading brands, value chain affiliates, and associate contributors committed to achieving zero discharge of hazardous chemicals in the textile, leather, and footwear value chain.

As a responsible corporation, the Group conducts ongoing monitoring of restricted substances (MRSL, RSL) and wastewater testing based upon the ZDHC's leather industry's wastewater guidance.



# Customer Privacy

GRI 418-1

Customer privacy has always been important, especially in an era of growing public concern around data protection. Following the ISA TanTec Group Code of Conduct, the Group is committed to respecting people’s privacy and the confidentiality of personal information. All sensitive personal data will be kept “confidential.”

The management structure of customer privacy:

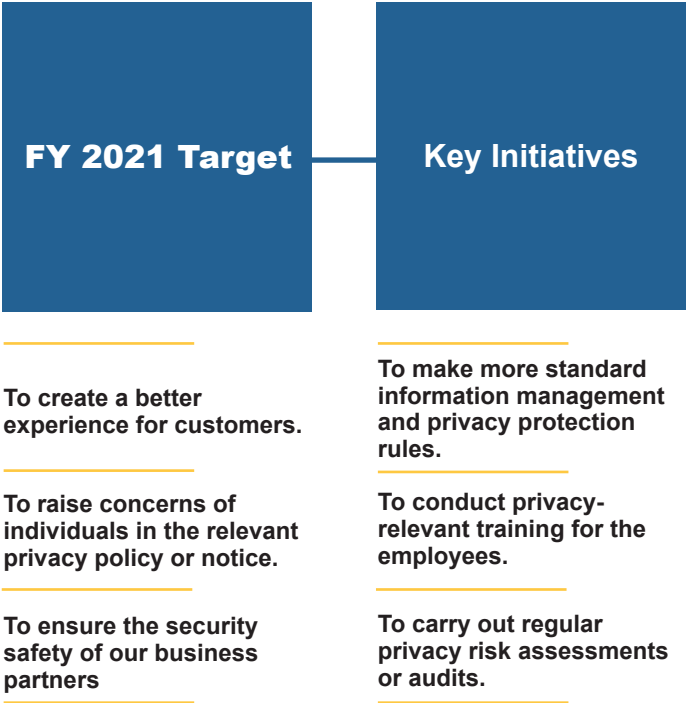
- The Customer Service Department and the Sales Departments jointly participate in protecting our customers’ privacy.
- The general information technology (“IT”) infrastructure is committed to ensuring data security technologically.

## Customer Privacy Policies

The Customer Privacy Protection Policy (the “Policy”) reiterates our commitment to information security. It explains the specific requirements and prohibitions applicable to our operations under related privacy protection laws and regulations, including but not limited to the General Data Protection Regulation (GDPR). The Group keeps and preserves all the records and information under the local rules and regulations with a code of conduct and technical methods. The Group would take sufficient steps to comply with its legal obligations and relevant laws and regulations if any third party requests for customers’ private information.

## Privacy Breaches

The Group is proud to report that for Financial Year 2020, the number of complaints received relating to breaches of customer privacy from both outside parties and regulatory parties remains low. No incidents of identified leaks, thefts, or losses of customer data happened. This record applies to the entire Group. The Group is committed to this track record and will continuously revise and implement more customer privacy policies to provide more professional and reassuring service.



# OCCUPATIONAL HEALTH AND SAFETY (OHS)

Responded topics of GRI  
403-1, 403-2, 403-3, 403-5,  
403-6, 403-8, 403-9, 404-1



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



Responded topics  
of SDGs

## Introduction on OHS (Occupational Health and Safety) Management System

The Group is committed to providing employees with a healthy and safe working environment. The Health and Safety Department (HS) has been assigned to deal with the Work Safety, Fire Safety, and Occupational Health (the "WSFSOH") and related issues at daily operation of each facility to comply with local legal compliance on the WSFSOH aspects. A formal OHS Committee comprising multi-level management (i.e., upper and middle) was established at each facility, directly reporting to the senior management team led by the Chief Executive Officer.

Primary duties of Health and Safety Department (HS):

- Deal with the WSFSOH topics to fulfill legal compliance, including contractor safety
- Implement the WSFSOH management system, joint work with all departments to implement the internal system like the Safety Operation Procedures (SOP), etc.
- Set emergency rescue plans with regular drills and actual handling if any accidents
- Conduct the OHS training and regular meetings
- Perform the HS part in compliance audits

The Group established the Occupational Health and Safety (OHS) Management System and other operational guidelines to avoid injury and accident and maintain a safe and healthy workplace for our employees.

GRI 403-1, 403-2, 403-3, 403-8

### **Overview of primary documentations on the OHS Management.**

- Control Procedure of Laws and Regulations and Other Requirements
- Compliance Assessment Procedure
- Regulation of Production Safety
- Supervise and Management Rules of Production Safety
- Confined Space Operation Management Rules
- PPE Management Procedure
- Accident Contingency Plan of Work Safety
- Medical Contingency Management Rules
- Accident and Near Miss Reporting and Management
- Regulation of Fire Fighting Management
- LOTO (Lock-out Tag-out) Management Rules
- Occupational Hazards Monitoring Rules
- Occupational Health Reporting Rules
- Occupational Health Surveillance and Filing Rules

Each OHS management procedure or workflow has been developed base on relevant local laws, regulations, or expectations from our stakeholders, including the employees. The OHS system covers firefighting, operating work safety (e.g., electrical machinery, chemical, special works, etc.), and each manufacturing workflow division's internal risk assessment procedure and engineering control measures. Each department follows a relevant control mechanism to eliminate hazards and reduce risks. Onsite employees should inform their department managers about possible risks, reporting to the HS department or the OHS committee. If work injury happens, employees must follow the medical emergency rescue procedures to notify the relevant supervisor and further up to the HS department for in-time medical emergency handling.

### **FY 2021 Target**

**Put more emphasis on the positions of high labor intensity and possible OHS hazards**

### **Key Initiatives**

**Introduce applicable automated processes. Monitor OHS hazards with necessary control measures.**

# Chemical Safety of Employees

## GRI 403-9

The Group is involved in multiple types of production activities during operations, where various chemicals are consumed. The Group is well aware that chemical safety concerns employees' health and safety and product quality and safety. Therefore, the Group pays close attention to chemical safety management and has established internal management systems involved in the production.

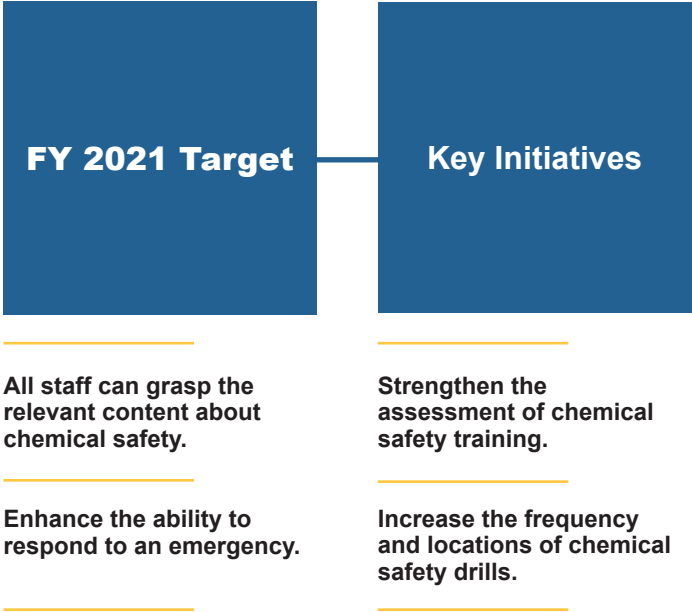
The Group also assesses chemical hazards and provides sufficient Personal Protective Equipment (PPEs) due to potential risks to protect employees from dangerous, toxic, and unsafe factors. Direct managers/supervisors instruct and monitor employees in PPE implementation following the PPE Management Procedure.

To ensure the implementation of chemical safety management, the Group conducts daily chemical safety inspections. These inspections identify the hidden safety problems in time and allow us to make appropriate adjustments.

- Based on the mechanism of chemical safety training, the implementations regarding chemical safety of the Group would be listed as follows: The Group's employees would be trained at least once a year in chemical safety for the employees on handling and with chemicals.
- All new employees will join on-board training in which chemical safety is part of the theme.
- The employees of the Group would be introduced to chemical hazards, emergency operations, and chemical regulations.
- The Group conducts chemical drills to practice and improve the emergency capability.

The Group conducts regular chemical drill practice for employees to familiarize themselves with emergencies. In 2020, HSBWL, HTL and STL had conducted 11 chemical drill practices in different production processes and locations. Practice procedures, including drill content and effectiveness assessment on relevant contingency plans. The Group then records a summary, published as a report the Group refers for improvement in chemical safety.

Because of the emphasis on safety management and scientific management system, the Group is pleased to report that only one accident (injury: violation on using PPE/ personal protection equipment), and only one breach (H2O2 leakage while loading goods) related to chemical management.



# Occupational Health Monitoring of Employees

## GRI 403-6

In conformance with the local occupational disease's control and prevention law and in line with the relevant technical standards and specifications of the Occupational Health Monitoring of China and Vietnam, the Group has established the Occupational Health Monitoring of Employees to prevent, control, and eliminate occupational hazards:

- For all positions at the potential risk of occupation hazard, arrange on-boarding check, maintain the employees' health by regular Occupational Health Monitoring, and confirm the employees are in good health by the Occupational Health Monitoring before they resign from the Group.
- All functional departments properly arrange occupational disease prevention education and training courses.
- To perform regular hazard monitoring, assessments in the workplaces at the facilities.
- The Group provides sufficient personal protection equipment and necessary resources by following PPE Management Procedure to instruct all employees to properly utilize PPEs within the factories to avoid occupational accidents and prevent occupational disease.

The Operations of the Group are implementing strict requirements by referring relevant occupational safety regulations to safeguard all employees. All facilities managed to have optimization projects according to its occupational health management demands during the reporting period and achieved good results.

## Annual Key Performance of Occupational Health Management

- No employees suffer an occupational disease
- High performances at legal compliance of occupational hazard monitoring on workplace
- High performances at occupational Health physical examination on positions may with occupational hazard, no one suffers from occupational disease
- Professional certificate for special work positions

## Contingency Preparedness and Response (including OHS Training)

### GRI 403-5, 403-8, 404-1

The Group pays excellent attention to occupational safety and develops a series of emergency response measures based on laws and regulations, regular and comprehensive OHS training and safety drills (including firefighting and work safety and public health contingency, etc.).

**The principal internal management regulations are as follow:**

- Security Guideline
- Accident and Near Miss Reporting and Management
- Regulation for the Works Having Safety Strict Requirement
- Accident Contingency Plan of Work Safety
- Medical Contingency Management Rule
- PPE Management Procedure
- Regulation of Fire Fighting Management
- Management Rules of Firefighting Boost Pump Room
- Booster Pump Safe Operation Procedure



## General OHS Training

**The Group conducts regular OHS training for employees through various channels.**

**All new employees**

**Team leaders**

**Go through the three levels of safety education.**

**Education on fundamentals of occupational health, covering national safety laws and regulations.**

**Safety awareness, safe operations, the company's emergency procedures.**

The Group would document the OHS knowledge on a paper form or practice assessment. HSBWL, HTL, and STL conducted various training courses, including safety training, firefighting training, and first aid training with a total of 14,299 hours in 2020.

## Production Safety Drill

The Group believes that regular drills are indispensable to protect employees from emergencies and accidents.

In 2020, the Group organized a wide range of production safety and emergency rescue drills, including:

- forklift truck accident
- mechanical accident
- chemical leakage emergency rescue
- electric shock accident special emergency
- heatstroke
- confined space accident site emergency handling
- contingency handling on hydrogen sulfide (H<sub>2</sub>S) poisoning accident
- storage shelf-collapse accident and height-fall accident.



## Fire Safety Drill

The Group attaches great importance to fire safety in the manufacturing process. The Group carries out different fire emergency evacuation drills, including natural gas leakage fire drills, dormitory fire escape drills, escape of dust explosion accident drills, etc. The Group believes these training courses could increase personal safety awareness, capability on emergency handling and ensure legal compliance on work safety, fire safety, and occupational health.

These drills can help improve the disaster responsibility of employees and the escape skills of onsite personnel, ensure that they can control the development of the accident in an emergency, evacuate the onsite personnel in a short time, and minimize losses caused by an accident.



## Contingency Response Training

The Group formulated emergency rescue plans concerning work safety accidents, fire accidents, and occupational disease or OH hazards. The periodical training plans are with relevant drills, such as The Common Skills of Emergency Training, Prevention of Common Blood Pathogenic Diseases, etc., are designed to improve employees' self-protection awareness and response capabilities in emergencies.

The Group is proud to report that the identified and resolved incidence of work injuries, hazards, and emergencies has significantly improved the performance to the Group's high OHS standards.

In 2020, HSBWL, HTL and STL conducted 25 drills on different aspects as above-mentioned.



# EMPLOYMENT AND HUMAN RIGHTS

Responded topics of GRI  
102-8, 102-35, 102-41,  
401-2, 404-1, 404-2,  
406-1, 407-1, 408-1,  
409-1, 412-2



<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>10</b> REDUCED INEQUALITIES 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 
<b>5</b> GENDER EQUALITY 	<b>6</b> CLEAN WATER AND SANITATION 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 

Responded topics of SDGs

## Management System

Employees are our greatest assets. The Company Handbook has been formulated based on local laws and regulations to enhance labor discipline management, guarantee optimal operation and production order, and increase labor productivity and financial results. The Group prepares the handbook in three languages English, Vietnamese, and Chinese, and will provide it to every employee upon the on-board date. Due to the variance in employment and labor laws, each tanneries location has set up the Human Resource (“HR”) department and is fully responsible for local labor compliance.

The Company Handbook comprehensively delineates a company overview, both the company and employee codes of conduct, attendance, benefits, travel regulations, recruitment, ranking system, salary, assessment/reward/punishments, dormitory rules, visa management, private car usage, email communication, business letter communication and other miscellaneous rules (e.g., dress code, personal visitors, use of company equipment, etc.).

FY 2021 Target	Key Initiatives
Build a more standardized and continuous improvement management system	Add more rules and regulations to guide the Group and employees

# Labor Standards

GRI 408-1, 409-1

The Group strives to ensure employees' rights and interests are well-protected. The Group provides employees working in a fair, safe, and free environment, a series of policies are formulated according to local labor laws and regulations.

- Prohibiting Forced Labor Policies and Procedures
- Anti-discrimination Management Procedures
- Protect Employees from Retaliation Procedures
- Staff's Suggestion and Complaint Management Procedures
- Child Labor Verification and Salvation Procedures
- Anti-harassment Management Procedures

In 2020, all three entities of the Group in Heshan, China, had been awarded the highest level (A) in the rating of Labor and Social Security Law-abiding and Integrity by the local government. These awards commended our excellent performance of labor management and the integrity of our policies.

Company name	Rating
Heshan Bestway Leather Product Ltd. (HSBWL)	A level
Heshan TanTec Leather Co., Ltd. (HTL)	A level
Heshan Trading Ltd. (ISATR)	A level

## Child Labor/ Human Rights Assessment

No incidence of child labor or young workers exposed to hazardous conditions in all business operations is permitted under the monitoring of our human resources department. Employees are also educated on the importance of respecting human rights in the workplace through various workshops and briefing sessions.

## Human Resources Department and Safeguards

The Group complies with or exceeds local and federal legislation and requirements on labor set by our customers. Our stance on children's rights is simple- the Group does not condone any form of child labor. The Human Resources departments work with employees to combat child labor and protect human rights across all operations of the Group.

## Incidents of Child Labor

Under the strict policy on child labor, there are no incidence of child labor in the operations and no operations (teams, divisions, and locations) that are at risk of employing child labor or exposing young workers to hazards. The youngest employee who was hired was 19 in 2020. To eliminate child labor, the Group established a child labor verification and salvation procedure. The Group will keep direct observations at the recruitment procedure of each facility to identify child labor. There may be potential risks, and to further minimize the exposure risk of hazardous environments, the Group continuously works to improve work areas to guarantee a safe and healthy work environment free of child labor.

**FY 2021 Target:** Maintain a record of no incidence of child labor in all operations

**Key Initiatives:** Emphasize our commitment to 'no child labor' and provide more training on human rights to improve compliance with human rights policies



# Wages, Benefits and Working Hours

GRI 102-35, 401-2

To attract and retain talents, the Group provides a salary package above the legal salary standard of our operating locations. The Group also pays overtime compensation according to the local labor law. When some employees are prohibited from returning to the workplace due to the local epidemic isolation policy, the Group pays them according to national and local payment regulations. To retain direct employees, the Group set up occasional temporary monthly bonuses.

The Group offers a wide range of benefits to our employees and varies across operation locations, including free meals, air-conditioned dormitory and shuttle buses, transportation allowance, annual leave, maternity leave, social insurance, and travel insurance for business trips. Some operation locations arrange monthly birthday gatherings for employees with birthday gifts and early leave benefits to promote work-life balance.



In general, our employees work five days a week in China and six days a week in Vietnam, which is in line with the labor law where the country is operating. However, employees may work on shift or overtime according to the order situation and the given shipment delivery obligation of the company.

## Wages and Benefits During Pandemic of COVID-19

Being socially responsible is one of the key-drive and business philosophies of the Group. Even in a struggling situation, the Group adopted a “no dismissing any employee” policy during COVID-19’s most challenging period. The Group also offered flexible working arrangements to office staff upon approval.

From May to July 2020, 4 working days/week policy has been implemented in China facility, from top-down for overcoming economic pressure, while all front line operators keep wages unchanged even though only working 4 days per week during the period. The smooth processes to a resumption of work and production return to 5 working days/week working systems after July 2020.

FY 2021 Target	Key Initiatives
Keep enough workforce even during COVID times	Recruit more new employees Providing the employees with a more competitive salary
Maintain or exceed compliance with employee welfare and labor laws	Provide a wide range of employee care activities and benefits in various aspects of life such as housing and social insurance

# Development and Training

GRI 404-1, 404-2, 412-2

The Group formulates an annual training plan every year to ensure our employees are equipped with the necessary skills and knowledge to perform their duties and provide satisfactory output properly. The 2020 training program covered orientation for new employees, occupational health and safety, project management, firefight training and drills, finance and audit, production, etc.



Note: The data mentioned above is from the three entities in China(HSBWL, HTL, ISATR) and one entity Vietnam(STL)

FY 2021 Target	Key Initiatives
Run all training plans as scheduled in times of COVID	Redesign training courses to accommodate COVID regulations such as smaller course sizes and bigger venues
Ensure that all employees are thoroughly trained	Strictly adhere to our training policy and review and update our policy as changes arise

# Workplace and Residence

GRI 401-2

Employees are provided with complimentary meals. While in China facility, they are offered air-conditioned dormitory options ranging from a single room to six occupants per room. In Vietnam, Vietnamese go back home after work due to their culture. There are no mass dormitories except some rooms for foreign colleagues or visitors to Vietnam facilities.

As the facilities are located in industrial parks, employees living in the dormitory live far from the downtown metropolitan area. The Group provides amenities such as a basketball court, car-pooling, commuter buses, free parking, a multi-purpose room, a shared kitchen, and an onsite convenience store to improve the quality of workplaces. The Group also provides a small kitchen for employees, including other cultures, e.g., Muslims. The Group enforces safety and security regulations to ensure a pleasant living environment in the dormitories to prevent detrimental behavior such as drug use, unapproved tenancy, flame opening, smoking, unauthorized installation of appliances, etc.

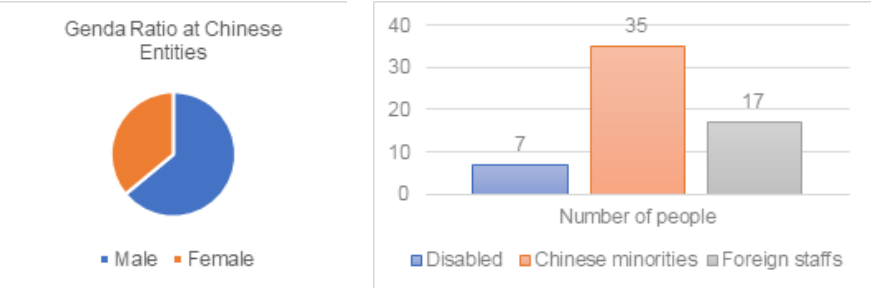
The Health and Safety department maintains all emergency evacuation and dormitory safety in the workplace. In addition, some extra safety control measures are equipped like smoke detectors in each room, evacuation layout at all exits of each floor, etc.



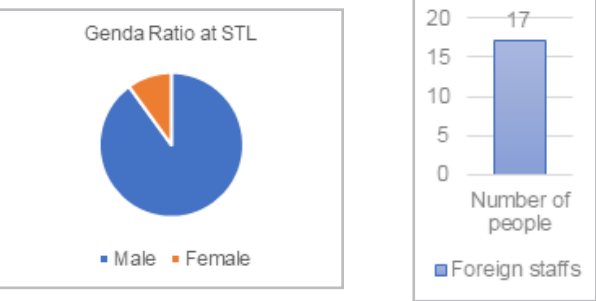
# Diversity and Equal Opportunity

GRI 102-8, 406-1

As an equal opportunity employer, the Group embraces diversity. In 2020, 868 individuals (64% male and 36% female) worked in HSBWL, HTL, and ISATR, including 7 disabled individuals, 35 individuals from Chinese minorities and 17 individuals from foreign countries.



In STL, there are 88% male and 12% female with a total of 621 employees and 17 foreign employees; All of them are full-time employees and signed a labor contract with the company.



The Group treats all candidates and employees fairly and equally, whether in the recruitment or after being hired. The Group is committed to provide a working environment that is free from discrimination such as: race, skin color, gender, religion, political opinion, nationality, social origin, social status, disability, age, marital status, fertility, pregnancy, sexual orientation, genetic features, or other traits of an individual that are unrelated to the ability to perform the job. The Group ensures that employees will not lose their employment or vocational development (such as access to training opportunities or promotion, etc.) and the rights to equal pay and benefits because of any discrimination.

FY 2021 Target	Key Initiatives
Maintain a record of no incidence of discrimination in all operations	Educate employees on acceptance and inclusivity
Attain better gender balance	Actively promote gender inclusivity in the workforce and establish clear goals
Promote diversity in the workforce	Provide more job opportunities for disabled people and minorities



## HER Project

The Group implemented the HER Project jointly organized with DECKERS and the Business For Social Responsibility (BSR) in the China tannery. The project aimed to empower women by enhancing their knowledge of health, financial inclusion, and gender equality. For example, training on the female reproductive system and related health care and prevention of gynecological diseases have been provided by BSR experts. A total of more than 20 ambassadors joined a total of five classes of these three-session class accumulating to 228 training hours. These trained ambassadors further provided 14 co-teaching sessions to their colleagues in different departments to share their knowledge accumulating 158 training hours. In the end, a total of 221 female employees, amount to approximately 60% of the employees, were trained under this project.

We will continue to operate the HER project to provide training for more female employees in the future.

**386**

Total training hours

**221**

Total trained headcount



## Freedom of Association and Collective Bargaining

GRI 102-41, 407-1

There are no formal collective bargaining agreements in place within the Group. However, our employees can enjoy the freedom to participate in trade unions and collective bargaining if they wish. The Group organizes and operates trade unions in the company very well. The members have meetings periodically.

**FY 2021 Target**

**Key Initiatives**

Maintain employees' freedom of association

Implement collective bargaining policy

Continue the running of approved trade unions

Enforce legal agreement with employees and trade unions on collective bargaining

# SUPPLY CHAIN WITH CSR

## Responded topics of GRI

102-9, 102-10 , 102-12 102-21, 102-29, 301-2, 302-4,  
302-5, 303-5, 308-1, 308-2, 412-1, 412-2, 414-2

Responded topics  
of SDGs

17 PARTNERSHIPS  
FOR THE GOALS



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION





# Supplier Environmental Assessment

GRI 102-10,102-12, 102-21, 308-1, 308-2 412-1, 414-2

The Group recognizes the need to align with global regulations and incorporate environmentally friendly practices into our manufacturing process. Purchase orders for suppliers will only be released upon approval by management board that review information collected from suppliers. The procedures of supplier assessments are as follows:

Supplier Assessments	Purposes
Require suppliers to comply with environmental regulations and meet expectations	Improve the environmental performance of our supply chain
Procurement processes are in line with the ISO14001: 2015	Enhance the sustainability performance of our supply chain
Prioritize suppliers that source responsibly	Adhere to global best practices
Suppliers are required to provide the QA department periodically with RSL, SDS information, and test reports	Continuously improve environmental performance

Our Overseas Purchase Department manages the overall EMS of the supply chain in the Group and monitors and assesses our supply chain's sustainability performance. The department is also responsible for identifying potential environmental effects of the products and services offered by our suppliers. Additionally, to demand that all wet-blue suppliers are LWG audited, the Group provides the raw material suppliers with monthly quality reviews to ensure up-to-date assessments and compliance.

### Non-compliance Incidence

All the suppliers adhere to responsible sourcing, and none of them were reported to have sourced directly from illegal farms, causing biodiversity loss and deforestation. Furthermore, any supplier located in the proximity of the Amazone Biome has to prove beyond any reasonable doubt that no hides originating from the supplying slaughterhouses come from areas within the biome/ or elsewhere deforestation is an issue.

### Employment and Human Rights to Supplier's employee

The Group cares deeply for the employees and encourages the suppliers to work with their local trade unions to improve their working environment and relationship with their employees.

### Ethics and Compliance of Suppliers

The Group values the customers and strives to conduct business at the highest standards of ethics. To prevent bribery and corruption, the Group complies with and strictly follows international sanction laws.



# Managing the Working Environment of Our Suppliers

## Supplier Code of Conduct

To ensure that all raw materials are sourced responsibly, the Group prioritizes suppliers that adhere to global best practices and thoroughly evaluates suppliers, such as reviewing their raw material management policy.

The Group requires suppliers to:

- Declare their compliance with the Group's supplier management requirements
- Send required compliance materials such as but not limited to < Supplier Information List >, RSL and Compliance letter, LWG Compliance Letter
- Pass ISO9001and ISO14001; if any new system arises, the supplier must follow the new requirements
- Send the sample for confirmation by Tech dept
- Submit the written form of warranty (The RSL compliance letter); for chemical products, the supplier must provide COA for each batch, and technical specifications of chemicals must comply with the Group's requirements
- Use recyclable material for packaging and notify us once new sustainable materials/ products are available

## Self-assessments

To encourage the suppliers to improve their overall performance continuously, the Group requires them to conduct regular self-assessments to review their operations and make necessary changes.

## Onsite Audit

The Group requires our suppliers to conduct regular onsite audits and take audit results into account when reviewing our partnership with current suppliers.



# The LITE™ Concept: An Evolution

GRI 302-4, 302-5, 303-5

**The concept started with a vision of the Group and the requirements from brands to offer environmentally friendly leather. LITE was born to provide our customers with the knowledge of carbon, energy and water footprint usage for each leather product the Group creates, giving customers the ability to choose the most environmentally friendly product by the footprint parameter. The LITE system is fully integrated into the manufacturing process, specially designed to reduce and control water and energy usage and reduce the number of chemicals the Group uses in the process. The Group's effort is consistently minimizing our impact on the environment by the BAT (Best Available Technology) in our industry.**

## LITE Index

The Group has been consistently reducing the impact of leathers and products on the environment. The LITE index is data that show the lighting hours and water an article will save to make one pair of shoes (2.5 square feet of finished leather), comparing to the latest LWG Pass Score (for same category tannery) (50%) of 67.2 MJ/m<sup>2</sup> for energy consumption and 178L/m<sup>2</sup> for water consumption.

Remarks:

- The thickness of the articles being covered in the calculation is ranged from 1.6mm-2.0mm
- The above calculation covers the saving data of the top ISA articles in 2020
- The calculation is made based on the LITE Index Calculation Methodology audited by EY

## LITE Sourcing

Adhering to the LITE philosophy, the Group strives to elevate supply chain management, from sourcing raw materials and managing chemicals to water, energy, and chemical usage in manufacturing. The Group has established the LITE Sourcing program to amplify the management efforts that promote sustainable use of natural resources, transparency



**LITE Sourcing** in our supply chain, and ethical treatment of animals. Working together with the suppliers to source raw materials more responsibly, the Group aims to improve social and environmental performance and give back to the Group's communities. Implementing more socially responsible practices gives consumers confidence that our leather products adhere to the highest standards of ethically and environmentally sustainable practices and animal welfare.

# Traceability of Materials

The Group has a fundamental principle that complies with the Leather Working Group (LWG) protocol and its latest audit requirements which integrate traceability as a scored element for the first time and adding additional due diligence checks for areas at risk for deforestation. All four tanneries of the Group have over 91% traceability, such as tracing back to the country of origin and the slaughterhouses, etc.

To advocate the LITE sourcing strategy with continuous improvement on traceability, the Group launched a “Greener Pasture” program explicitly designed to ensure the compliance of protocols and requirements regarding animal welfare and traceability in the sourcing of cattle hides. The Greener Pastures hides are procured from one of our trusted tier 1 supply chain partners in the United States by meeting more stringent criteria as follows:

## Greener Pastures Protocols

Driving Factor	
<ul style="list-style-type: none"><li>▶ Transparency and traceability back to birth farms.</li><li>▶ The authenticity of material and guarantee of product integrity.</li><li>▶ Consumers are willing to pay more for guarantees of transparency, authenticity, and sustainability.</li></ul>	<b>Traceability</b> Hides are fully traceable by lot to the Group of farms or ranches with a chain of custody documentation.
<ul style="list-style-type: none"><li>▶ Strict standards for animal welfare.</li><li>▶ Animals are raised more sustainably.</li><li>▶ Animals are well taken care of by following proper protocols for herd health.</li></ul>	<b>BQA Certification</b> Beef Quality Assurance works to improve the quality of the animal's welfare by connecting producers with the latest research and animal care techniques.
<ul style="list-style-type: none"><li>▶ Humane conditions and handling when transporting animals.</li></ul>	<b>BQAT Certification</b> Transportation of animals must be Beef Quality Assurance Transportation certified. BQAT ensures that there is proper handling and transportation of animals.
<ul style="list-style-type: none"><li>▶ Harvesting of animals is done humanely</li></ul>	<b>Humanely Harvesting</b> The harvesting of animals meets the USDA Humane Handling program protocol, verified by 3rd party independent auditors.
<ul style="list-style-type: none"><li>▶ Healthy practices for both humans and animals regarding the use of added hormones and antibiotics.</li></ul>	<b>No Antibiotics</b> Animals are raised without the use of antibiotics.
<ul style="list-style-type: none"><li>▶ Proper and healthy diets are fed to animals</li></ul>	<b>No Hormones</b> Animals are raised with no added hormones or steroids.
	<b>100% Vegetarian Diet</b> Animals are fed a 100% vegetarian diet with no animal byproducts.

FY 2021 Target	Key Initiatives
Maintain high standards of animal welfare	Strictly follow our Greener Pastures Protocol and update terms as new global best practices arise
Improve traceability of materials and transparency of operations	Explore more tracking technologies and integrate upstream and downstream traceability information

## Cooperation with Suppliers

In the Group, sustainability is playing a core role in producing high-quality leather. The Group is now running a customer-tailored “Regenerative hides” program with a worldwide brand, which raw materials are 100% traceable origin farm or ranch to wet-blue and finished leather. The program is jointly sourced with Other Half Processing (OHP), a raw hides supplier that certifies Regenerative Cattle farms, ranches and processors. Regenerative agriculture for cattle hides, which mimics the natural movements of herd animals. In this type of grazing, farmers rotate cattle around the land in dense herds, allowing intensive grazing in small specific areas, with long rest periods in between. It enables the growth of grasses with deep root systems to pull carbon out of the atmosphere and store it deep in soil which has been regarded as a solution to problems caused by conventional ranching, for example, soil degradation and the exacerbation of climate change caused by atmospheric methane.

The OHP project meets the verified criteria required to be in the regenerative sourcing program listed below:

Requirement	Third-Party Certifications Accepted
100% Grassfed	<ul style="list-style-type: none"> <li>American Grassfed Association (AGA)</li> <li>Audubon Conservation Ranching Protocol with grass-fed add-on</li> <li>Other verification of animal welfare, biodiversity, non-GMO, and strict limits on confinement</li> </ul>
Management Intensive Rotational Grazing (MIRG)	<ul style="list-style-type: none"> <li>Savory Institute Environmental Outcomes Verification (EOV)</li> <li>Audubon Co nservation Ranching</li> </ul>
Regenerative Outcome Verification – Soil Health and Carbon Testing	<ul style="list-style-type: none"> <li>Savory Environmental Outcomes Verification (EOV)</li> <li>Audubon Conservation Ranching</li> </ul>

The Group believes in full cooperation with the suppliers to improve the quality of our leather and our environmental performance. The Group has adopted a Supply Capability Improvement Plan to communicate effectively with our suppliers and establish a positive relationship. In the future, the Group will continue to look for new cooperation opportunities with more suppliers to improve our sustainability.

# CORPORATE CITIZENSHIP

Responded topics of GRI  
102-43, 102-31,  
203-1, 413-1



 1 NO POVERTY	 2 ZERO HUNGER
 11 SUSTAINABLE CITIES AND COMMUNITIES	Responded topics of SDGs

## Vision of ISA

### GRI 413-1

The Group aims to play an active role in bringing positive environmental, economic, and social changes to the Group's communities. The Group is responsible for supporting community members and improving residents' quality of life in areas where the Group operates, especially those of the industrial park in the neighborhood. The Group establishes a mutually beneficial relationship with local stakeholders and works diligently to respond with effective measures.

- Members of local communities are divided into three distinct stakeholder groups:
- Employees who live in onsite worker dormitories at each of the four manufacturing facilities.
  - Individuals who reside and work near or within the industrial park.
  - Local governments/governors where the manufacturing facilities are located.
- The Group pushes social advancements in our areas of operation by prioritizing candidates from local and nearby communities in our recruitment

process. The Group contributes to the development of local economies by sourcing raw materials and goods from local/domestic channels and paying tax according to local laws. Despite our international clientele, manufacturing facilities for our leather products are maintained through the local workforce and rendered services. The Group believes in reinvesting in communities the Group hires from, rewarding employees with a robust local economy.



# Donations and Charities

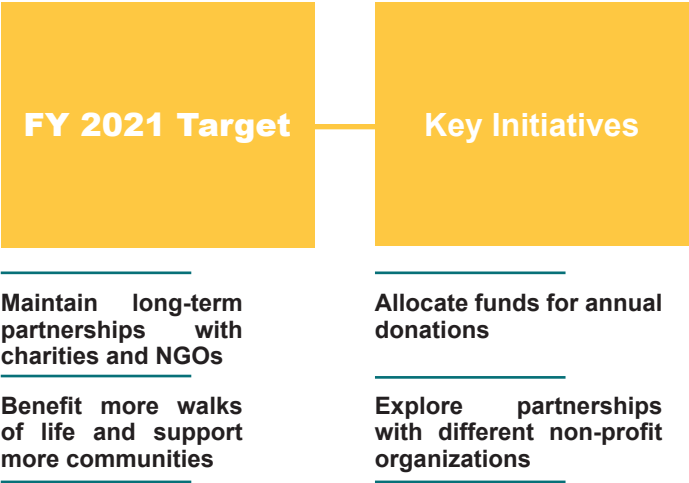
GRI 203-1

The Group is committed to supporting the communities in which the Group operates. Our employees, clients, and stakeholders expect us to play our part in addressing social issues – and the Group believes it is the right thing to do. The Group delivers on this commitment through our charitable contributions, which distributed over RMB 400,000 in grants during 2020. The Group actively contributes to selected programs to improve societal well-being. Some of the community initiatives in 2020 include:

- Donations to World Vision Vietnam and World Vision Thailand.
- Donations made to Deutsche Cleft Kinderhilfe e.V., a charity committed to helping children with cleft lip and palate from all over the world receive comprehensive treatment.
- Donations of winter coats through the Spring Buds Program to help over 200 destitute children in Sichuan Province in China.
- Donations of winter coats through Jiangmen Child Welfare Institute to help over 130 local orphans and disabled children.
- Donations to Heshan Charity Association for poverty alleviation.
- Job opportunities to 7 disabled employees in Heshan
- Financing HERproject.
- There are MIT charitable activities to be held in 2021, included but not limited to donations to Macau Local Children and Youth Homes such as S. José Ká-Hó Children and Youth Home” and the “Cradle of Hope Association” and sponsorship to education area such as the 928 Challenge that is the biggest entrepreneurship competition ever organized in Macau

To further contribute to COVID-relief efforts, the Group allocated funds for a wide range of programs. New community initiatives include:

- Donations of daily essentials, stationeries, and toys to Macau Local Children and Youth Homes
- Donations to Heshan Social Welfare Institute
- Donations to Heshan local government for fighting COVID-19
- Donations of medical necessities to local COVID test centers
- Donations of daily needs to May Ngan Shelter through Sharing Love Program
- Sponsoring internally on the WeCare project with VF



# Active Engagement with Stakeholders

GRI 102-43

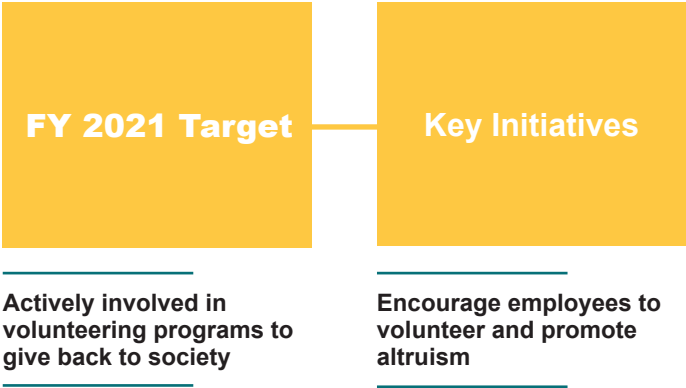
The Group aims to play an active role in championing advancements and positive changes in communities. The Group operates by offering help and technical supports to charities and non-profit organizations. The Group supports various meaningful causes and encourages our employees to promote social equality and make a positive difference in local communities.

Our commitment to aiding community development is represented in our regular participation in volunteering activities. Volunteering programs in 2019 include:

- Visiting and bringing gifts to children in Guangdong Children’s Autism Rehabilitation Center
- Sharing our knowledge in green production with students of Avans Hogeschool (Netherlands)
- Supporting the project of Insight China by offering students of the University of Applied Sciences and Arts Northwestern Switzerland (FHNW) the opportunity to learn more about China’s cultural and economic diversity
- Giving tannery tours to students and staff members of Guangzhou Panyu Polytechnic

Due to health and safety reasons arising from COVID-19, the Group has halted many of our planned volunteering activities in 2020. As the situation with COVID-19 continues to improve, the Group has a range of volunteering activities lined up for 2021 to continue our momentum in 2019. The Group plans to run the “Sharing Love Program” in Vietnam, which contributes to eradicating poverty and promoting well-being through visits to areas of deprivation and shelter to orphans and the homeless.

Volunteers from our company will be actively involved in COVID relief projects, such as constructing testing venues to support the government’s COVID-response efforts in 2021. The Group hopes to give back to society and improve the quality of life in less-developed areas by supporting social and economic advancements through our volunteering programs.



The Group is actively engaging with many NGOs for achieving sustainability goals in the leather industry and relevant associations:

<b>China Leather Industry Association</b>	<b>Guangdong Leather Association</b>	<b>Sustainable Apparel Coalition</b>
<b>Leather Working Group</b>	<b>Leather Naturally</b>	<b>SATRA</b>
<b>UNESCAP ESNB (ESCAP Sustainable Business Network) membership</b>	<b>The American Chamber of Commerce in South China</b>	<b>German Chamber of Commerce in China, South &amp; Southwest</b>

# ENVIRONMENTAL PROTECTION

Responded topics of GRI  
102-29, 102-31, 303-5



<b>13</b> CLIMATE ACTION 	<b>15</b> LIFE ON LAND 
<b>14</b> LIFE BELOW WATER 	Responded topics of SDGs

## Overview of Environmental Management

GRI 303-5

The Group realizes the inevitability of specific emissions during manufacturing processes and continually adopts cleaner technologies to minimize GHG (greenhouse gas) emissions and environmental impacts. The Group has since years established the ISO14001 Environmental Management System within the Group and monitors set objectives and targets and tracking the performance to the targets. It enables the Group to have immediate measures to eliminate or decrease environmental

impacts whenever possible. The Group has been driving efforts to maintain sound management and aims to continue to lead a pioneer in sustainability performance within the global leather industry.

Note: A sustainability report for environmental contributions will be available in the future for the environmental management of the Group.

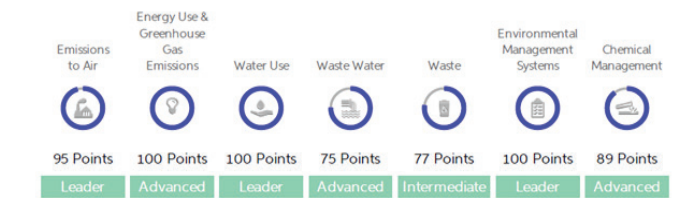
# The Overview at the performance of Facility Environmental Module (FEM)

GRI 102-29

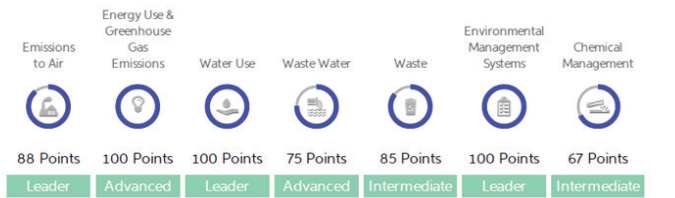
As a Sustainable Apparel Coalition (“SAC”) member since 2017, the Group uses the Higg Index, a suite of standardized value-chain measurement tools to self-assess for our sustainability performance and deliver transparency to empower consumer choice. The Group has attained a total score of 91, 88 out of 100 points for HSBWL/HTL and STL in 2020.



## Environmental Impact Areas



## Environmental Impact Areas



# PERFORMANCE SUMMARY

## Employees

Key Performances	Unit	2020
<b>Total employees</b>	person	1,489
<b>Male</b>	person	1,101
<b>Female</b>	person	388
<b>Disabled</b>	person	7

## Safe Production

Key Performances	Unit	2020
<b>Qualification rate of occupational hazards detection</b>	%	100
<b>Physical examination rate of on-the-job personnel at occupationally hazardous posts</b>	%	100
<b>The certificated employment rate for special work positions</b>	%	100
<b>Accidents related to chemical management</b>	case	1 (CN)
<b>Breaches related to chemical management</b>	case	1 (CN)
<b>Occupational disease</b>	case	0

## Training

Key Performances	Unit	2020
<b>Total hours for HR training</b>	hour	5,250
<b>Total hours for health and safety training</b>	hour	8,013
<b>Total hours for drills</b>	hour	1,751
<b>Total hours for epidemic prevention and occupational disease promotion</b>	hour	321

## Donation

Key Performances	Unit	2020
<b>Distributed in grants</b>	RMB	Over RMB 400,000



# VISION OUTLOOK

Globally sustainable development is the enterprises' responsibility as well as an opportunity and a key element of consumer preference. The global spread of COVID-19 materially affected the social economy and people's lives, enriching the meaning of our sustainable development strategy.

As the world's leading provider of eco-friendly and sustainable leather products for customers, the Group has demonstrated its determination to embrace the new sustainability era, as well as new sustainable materials, and to base ourselves on the best available technologies while continuing to explore to fulfill corporate social responsibility.

The Group will continue to focus on enhancing the quality and responsibility of the products, supply chain with CSR, employee care, and community investment, which aims to create new advantages of sustainable development.

The Group will continue to invest resources for product quality improvement with our advanced technologies and develop with the partners' new solutions, such as new materials or new processes of traceability, to positively contribute to the environment and the communities. For example, in 2021 we launched a new division, COSM (Creation of Sustainable Materials), which specializes in the development and production of additional sustainable products alongside our leather production. HyphaLite HP is the first product launched under COSM.

Based on the excellent occupational health and safety performance, the Group will continue to enhance the

monitoring system at various aspects of chemical safety management and daily training to reduce preventable work-related injuries per year.

The Group regards employees as the most valuable assets for corporate development. The Group will continue to build a diverse and professional team of skills and improve our attraction to talents through competitive wages and benefits and a harmonious and inclusive corporate culture and are committed to providing the employees with satisfying work and life experiences. However, cultural exchange and multinational talents are challenging to recruit now.

The Group has engaged in activities in society for the long term. And the Group plays the role of a corporate citizen. Due to health and safety reasons arising from COVID-19, the Group halted many planned activities in 2020 but will implement them again in 2021 and beyond to continue the momentum. In the future, the Group will constantly contribute to local communities and cities revolving around having a substantive and prolonged positive influence on the localities.

Sustainable development is an ongoing journey. The Group continues to address the industry's challenging sustainability issues by sharing the progress and metrics to generate more meaningful long-term value for the Group and its stakeholders.

GRI Standards		Disclosure Title	Report Section(s)
<b>Organisational Profile</b>	102-1	Name of the organisation	Introduction
	102-2	Activities, brands, prod-ucts, and services	About ISA TanTec Group
	102-3	Location of headquarters	Tanneries of ISA TanTec
	102-4	Location of operations	About ISA TanTec Group
	102-5	Ownership and legal form	About ISA TanTec Group
	102-6	Markets served	Our Customers, Vision & Mission
	102-7	The scale of the organisation	About ISA TanTec Group
	102-8	Information on employees and other workers	Diversity and Equal Oppor-tunity
	102-9	Supply chain	Supply Chain with CSR
	102-10	Significant changes to the organisation and its supply chain	Supplier Environmental Assessment
	102-11	Precautionary principle or approach	Anti-Corruption
	102-12	External initiatives	Supplier Environmental Assessment
	102-13	Membership of associations	Certificates and Memberships
<b>Strategy</b>	102-14	Statement from senior decision-maker	Message from the Board
	102-15	Key impacts, risks, and opportunities	CSR Governance
<b>Ethics and Integrity</b>	102-16	Values, principles, standards, and norms of behavior	About ISA TanTec Group
	102-17	Mechanisms for advice and concerns about ethics	Anti-Corruption
<b>Governance</b>	102-18	Governance structure	Management Governance Framework
	102-20	Executive-level responsibility for economic, environmental, and social topics	Management Governance Framework

GRI Standards		Disclosure Title	Report Section(s)
<b>Governance</b>	102-21	Consulting stakeholders on economic, environmental, and social topics	Supplier Environmental Assessment
	102-23	Chairman of the highest governance body	Management Governance Framework
	102-27	The collective knowledge of the highest governance body	Vision & Mission
	102-29	Identifying and managing economic, environmental, and social impacts	The Overview at the performance of Facility Environmental Module (FEM)
	102-30	Effectiveness of risk management process	Tax Compliance
	102-31	Review of economic, environmental, and social topics	Environmental Protection
	102-35	Remuneration policies	Wages, Benefits and Working Hours
<b>Stakeholder Engagement</b>	102-41	Collective bargaining agreements	Freedom of Association and Collective Bargaining
	102-43	Approach to stakeholder engagement	Active Engagement with Stakeholders
<b>Reporting Practice</b>	102-46	Defining report content and topic boundaries	Introduction, Reporting Scope
	102-50	Reporting period	Reporting Period
	102-51	Date of the latest report	Introduction
	102-52	Reporting cycle	Introduction
	102-54	Claims of reporting following the GRI standards	Standards of Report
	102-55	GRI content index	GRI Content Index
<b>Indirect Economic Impacts</b>	203-1	Infrastructure investments and services sup-ported	Donations and Charities
<b>Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	Anti-Corruption
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption

GRI Standards		Disclosure Title	Report Section(s)
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption
	301-2	Recycled input materials used	Sustainable Operational Management (SOM) Strategy
Energy	302-4	Reduction of energy consumption	The LITE™ Concept: An Evolution
	302-5	Reduction of energy requirements of products and services	The LITE™ Concept: An Evolution
Water Resources	303-5	Water consumption	Overview of Environmental Management, The LITE™ Concept: An Evolution
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Supplier Environmental Assessment
	308-2	Negative environmental impacts from supply chains and action taken	Supplier Environmental Assessment
Employment	401-2	Benefits provided to full-time employees (not provided to temporary or part-time employees)	Wages, Benefits and Working Hours, Workplace and Residence
Occupational Health and Safety	403-1	Occupational health and safety management system	Special Topic: Fight against COVID-19 Introduction on OHS Management System
	403-2	Hazard identification, risk assessment, and incident investigation	Introduction on OHS Management System
	403-3	Occupational health services	Special Topic: Fight against COVID-19 Introduction on OHS Management System
	403-5	Occupational health and safety training for workers	Contingency Preparedness and Response (including OHS Training)
	403-6	Promotion of workers' health	Occupational Health Monitoring of Employees
	403-8	Workers applicable to the occupational health and safety management system	Introduction on OHS (Occupational Health and Safety) Management System, Contingency Preparedness and Response (including OHS Training)
	403-9	Work-related injury	Chemical Safety of Employees

GRI Standards		Disclosure Title	Report Section(s)
<b>Training and Education</b>	404-1	Average hours of training per year per employee	Development and Training, Contingency Preparedness and Response (including OHS Training)
	404-2	Programs for upgrading employee skills and transition assistance programs	Development and Training
<b>Non-discrimination</b>	406-1	Discrimination incidents and corrective actions taken	Diversity and Equal Opportunity
<b>Freedom of Association &amp; Collective Bargaining</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of Association and Collective Bargaining
<b>Child Labour</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	Labor Standards
<b>Forced or Compulsory Labour</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Labor Standards
<b>Human Rights Assessment</b>	412-1	Operations that have been subject to human rights reviews or impact assessments	Supplier Environmental Assessment
	412-2	Employee training on human rights policies or procedures	Development and Training
<b>Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs	Vision of ISA TanTec
<b>Supplier Social Assessment</b>	414-2	Negative social impacts in the supply chain and actions taken	Supplier Environmental Assessment
<b>Customer Health and Safety</b>	416-1	Assessment of the health and safety impacts of product and service categories	Chemical Management
<b>Customer Privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy

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