

藍月亮集團控股有限公司

Blue Moon Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6993

藍月亮

2020

Environmental, Social and Governance Report

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蓝月亮的世界

蓝色夜空，神秘而浪漫；
 一弯新月，独立中天。
 众星环拱，熠熠生辉；
 清如风，洁如水，明如镜。
 哪双玉手将世界创造得如此剔透晶莹？！
 我们选择蓝，
 因为它纯净、清新、深邃；
 我们选择月亮，
 因为它柔和、浪漫、温馨；
 我们缔造蓝月亮，
 追求的是一尘不染的生活空间。
 高科技的无穷创意演绎出全新的清洁方式，
 百分百的质量保证营造出完美的洗涤效果。
 在蓝月亮的世界里，
 乏味的清洁显得趣味盎然，
 繁重的劳动变成轻松的享受，
 一切由此清新亮丽。

蓝月亮，BLUE MOON——千载难逢！

Message from Our Chairman and CEO

As a leading provider of home cleaning solutions in China, Blue Moon adheres to the ESG principle of "better products (services), healthier environment, and greater society", and strives to provide consumers with a clean, healthy, comfortable, respectable and delightful lifestyle with unceasing enhancement.

On 16th December 2020, Blue Moon was successfully listed on the Main Board of the Hong Kong Stock Exchange, indicating the commencement of a new journey and the imperative need for a more transparent and standardized ESG structure. In 2020, we established the ESG Committee and the ESG Working Promotion Group Management Office to improve the ESG governance structure and ensure the implementation of our sustainable development principle.

In order to meet consumers' diversified demand for cleaning products, with full our competitive edge in R&D and innovation, we have launched foam hand sanitizer and dishwashing foam netnet flower, as well as upgraded existing products with reformulation, such as concentrated softener and Jingxiang aAmino aAcid moisturizing lLiquid sSoap. On top of product development, we wish to share our scientific and

professional cleaning knowledge with customers and with a view to helping them build a healthy life. In 2020, we solved over 190,000 household cleaning questions from customers.

Guided by the value of "Attention, Love and Care", Blue Moon actively engages in charity affairs to promote the well-being of the public and the mutual development within community. In 2020, we invested more than RMB17 million in poverty alleviation, anti-epidemic work, and cultural and sports activities, to contribute in the constructing of a happy society.

The COVID-19 outbreak in early 2020 has severely impacted the economic development, as well as the health and safety of the people all over the world. We demonstrated solidarity and mutual care in the unexpected crisis. On the premise of adhering to the government's epidemic prevention policies and measures, as well as the safety of our employees, production was resumed to supply disinfectants and anti-epidemic items. We donated disinfection products to Wuhan and other places hit impacted on by the epidemic, so as to provide material support to healthcare professionals and the general public. For our outstanding performance in responding to the pandemic, we received written recognition from the Mmedical supplies support group under the Joint Prevention and Control Mechanism

of Tthe State Council against COVID-19, together with 2020 Responsible Brand Award by the 10th China Charity Festival.

Looking back in 2020, we made progress in our ESG work. ESG is an integral part of the corporate's sustainable development in long term, and therefore ESG goals have been embedded in our development strategies. In the future, we will endeavor technological innovation and enrichment of the product matrix and services. Moreover, we will continue to uphold the green development concept, develop energy-saving and low-carbon products, and drive the upstream and downstream partners of the industry chain to environmental protection. In addition, we will continue to contribute to the society and publicize the concept of a healthy and clean lifestyle, striving to benefit all shareholders, investors, employees, partners and the society.

Chairman
PAN Dong

Chief Executive Officer
LUO Qiuping

Hong Kong, May 2021

About Blue Moon

Founded in 1992, Blue Moon is a provider of home cleaning solutions focused on consumers and driven by innovation. We devote ourselves to market demand and have established a renowned brand with products under three major series, i.e. fabric care, personal hygiene and home care. Blue Moon has been committed to "providing cleaning solutions with heart and soul" through its focus on quality products as the foundation and technological innovation as the driving power, which has led a growth path to Chinese brands.

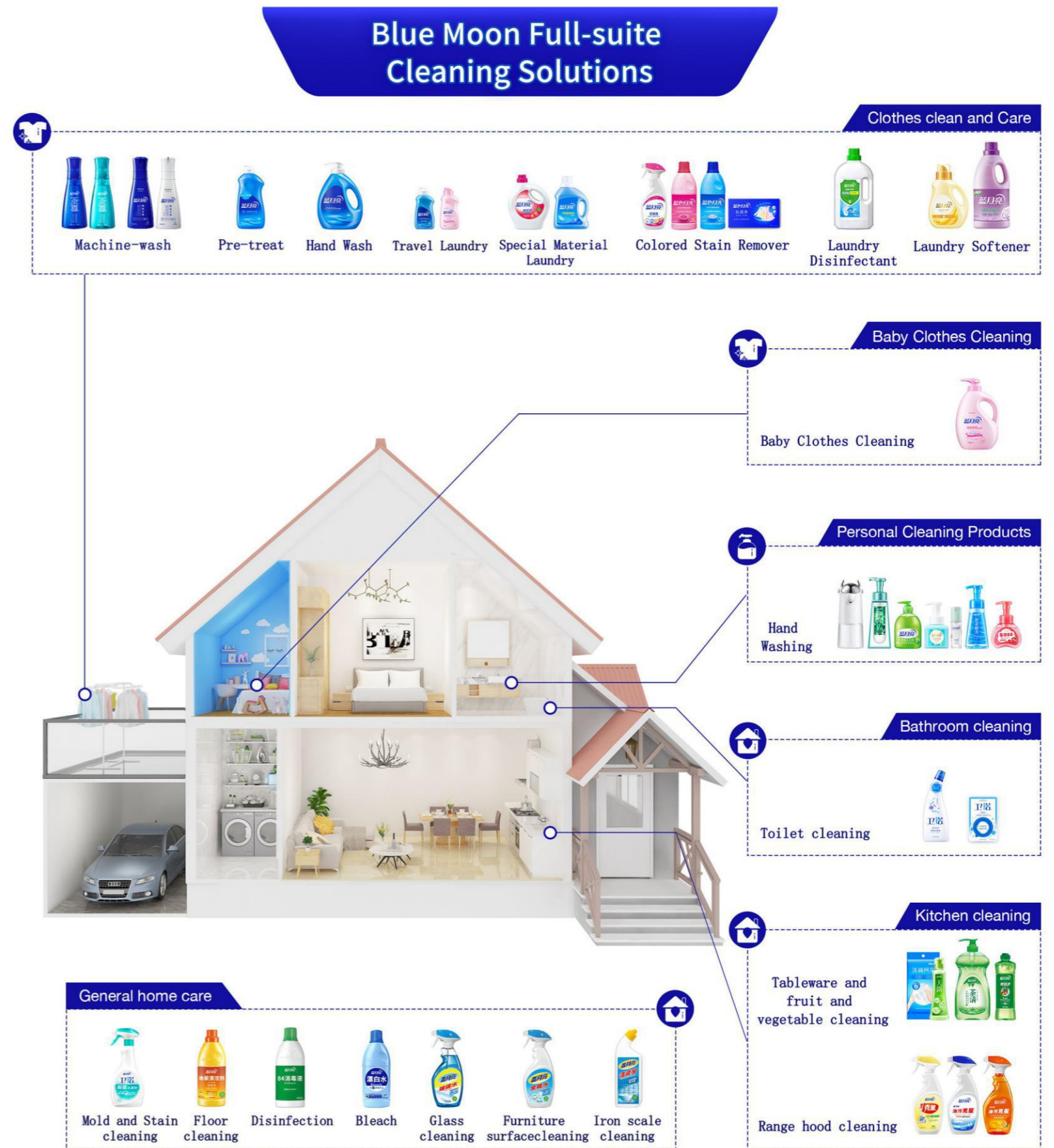
- ◆ About Blue Moon
- ◆ Our culture
- ◆ Honours

The logo for Blue Moon, featuring the Chinese characters "蓝月亮" (Lán Yuèliàng) in a stylized, blue, three-dimensional font. The characters are set against a white, curved background that resembles a crescent moon. The logo is mounted on a large, white, rectangular sign that is part of the building's facade. The building itself is a modern, multi-story structure with a glass and metal exterior, featuring a prominent entrance with columns and a large glass window. The sky is clear and blue, and there are some yellow flowers in a planter in the foreground.

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Blue Moon's decades of reputation has been established by our persistent pursuit of customer satisfaction, the ability to perceive and determine consumption trends, and the ability to launch products successfully. The Blue Moon Liquid Soap, Blue Moon Deep Cleaning Care Liquid Laundry Detergent, Blue Moon Machine Wash Supreme Concentrated Plus Laundry Detergent, and many other products are well received by consumers. According to a survey by the China General Chamber of Commerce and the China National Commercial Information Center in 2021, Blue Moon liquid laundry detergent and Blue Moon liquid soap have been ranked first in terms of market share in respective markets for 12 (2009-2020) and 9 (2012-2020) consecutive years, respectively. As the market leader, Blue Moon liquid laundry detergent and liquid soap have topped the industry C-BPI rankings for 11 consecutive years from 2011-2021.



Our Culture



Our purpose

Be dedicated to cleaning.



Our mission

To provide consumers with cleaning solutions comprising of quality products, good services and professional insights.



Our values

For consumers we excel.

Honours

Brand

Honour	Awarded by
Blue Moon liquid soap ranked first by market share among the respective market for 9 consecutive years (2012-2020)	China General Chamber of Commerce China National Commercial Information Center
Blue Moon laundry detergent products ranked first by market share among the respective market for 12 consecutive years (2009-2020)	China General Chamber of Commerce China National Commercial Information Center
Ranked first in the China Brand Power Index (C-BPI) of Liquid Laundry Detergent for 11 consecutive years (2011-2021)	Chnbrand (Beijing) Brand Consulting Co.,Ltd.
Ranked first in the China Brand Power Index (C-BPI) of Liquid Soap for 11 consecutive years (2011-2021)	Chnbrand (Beijing) Brand Consulting Co.,Ltd.

Product

Honour	Awarded by
National Green Design Product	Ministry of Industry and Information Technology of the People's Republic of China
Excellent and Innovative Consumer Goods	China National Light Industry Council

Company

Honour	Awarded by
National Green Factory	Ministry of Industry and Information Technology of the People's Republic of China
2020 Responsible Brand Award	Organizing Committee of the 10th China Charity Festival
2020 Hong Kong—Guangdong Cleaner Production Excellent Partner (Manufacturing)	Department of Industry and Information Technology of Guangdong Province Environment Bureau of Hong Kong
Chongqing Green Factory	Chongqing Economic and Information Technology Commission
Intellectual Property Role Model Enterprise of Guangdong Province	Guangdong IP Protection Association
Trademark "Blue Moon" being included in 2020 Key Trademark Protection List in Guangdong Province	Key Trademark Protection Committee under Guangdong Trademark Association
2015-2019 Guangdong Province Enterprise of Observing Contract and Valuing Credit	Guangzhou Administration for Market Regulation
2007-2019 Guangdong Province Enterprise of Observing Contract and Valuing Credit	Guangdong Administration for Market Regulation Guangzhou Administration for Market Regulation

Anti-epidemic Efforts

Honour	Awarded by
National Key Enterprise for COVID-19 Pandemic Prevention and Control	Ministry of Industry and Information Technology of the People's Republic of China
Letter of thanks for coping with COVID-19	Medical Supplies Support Group under the Joint Prevention and Control Mechanism of The State Council against COVID-19
Contribution Award for Anti-epidemic Supplies Support in China Cleaning Industry	China Cleaning Industry Association
Enterprise with Important Contributions to the Fight against COVID-19 in Guangzhou	The United Front Work Department of CPC Guangzhou Committee Guangzhou Municipal Industry and Information Technology Bureau Guangzhou Federation of Industry & Commerce
Enterprises with Outstanding Contributions to the Fight against COVID-19 in Guangzhou	Guangdong Federation of Industry & Commerce



ESG Management

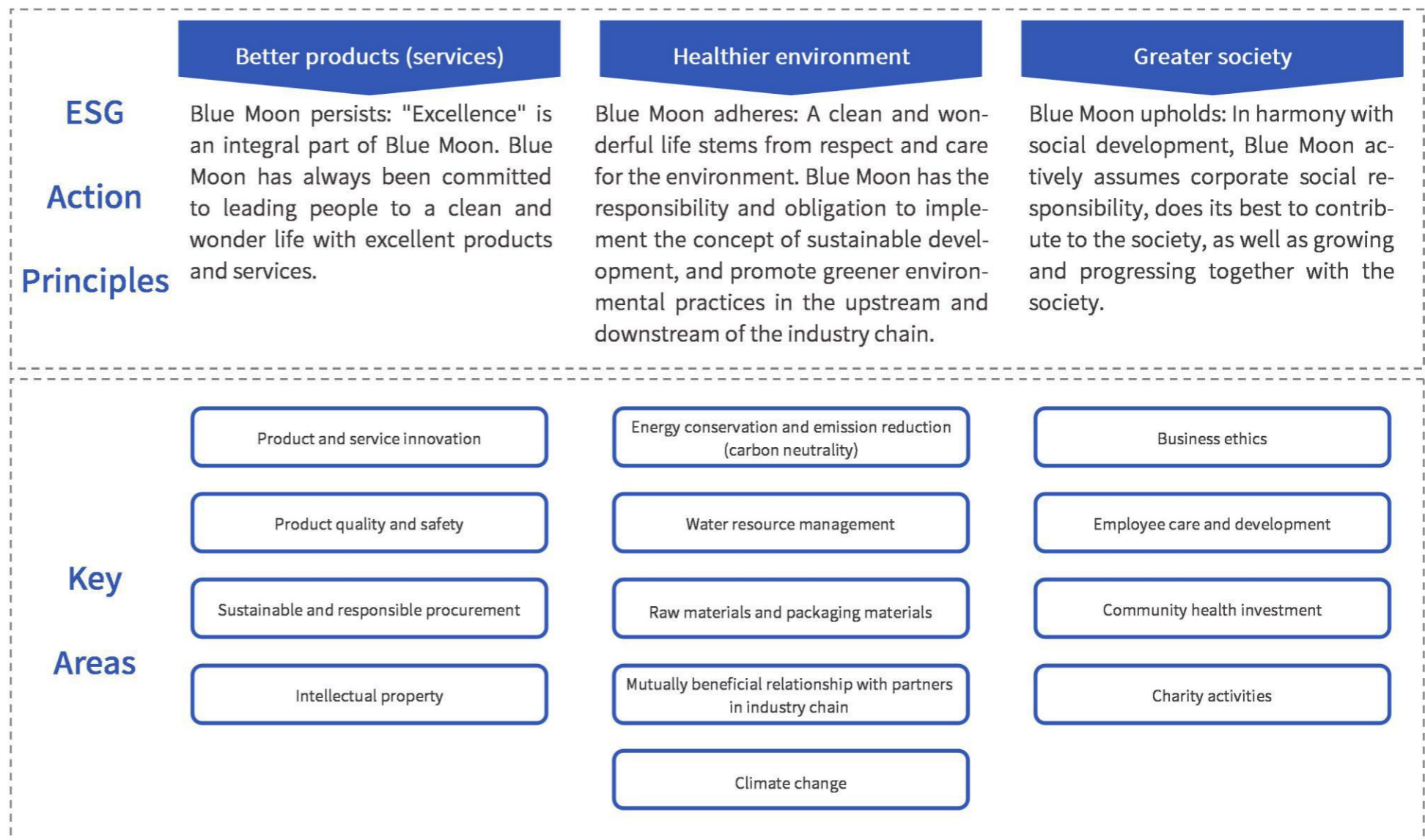
Since Blue Moon founding, we has never forgotten our original aspiration. We integrate our ESG objective up into the enterprise development strategy, and are committed to rooting the performance of ESG responsibilities in our daily business, actively giving back to the society, making better products (services), healthier environment, and greater society.

- ◆ ESG principle and policy
- ◆ ESG governance structure and functions
- ◆ Stakeholder engagement and materiality assessment



ESG Principle and Policy

Since its establishment in 1992, Blue Moon has adhered to the development concept of innovation, environmental protection and care, embedding the sustainability concept into the corporate culture. Driven by the vision of "allowing every family to enjoy a clean, healthy, comfortable, respectable and delightful 'Blue Moon' lifestyle", we are committed to building a clean and comfortable living environment for consumers and meeting consumers' needs in the pursuit of a better life. Guided by the mission of "providing consumers with cleaning solutions comprising of quality products, good services and professional insights", we continuously innovate and upgrade our products and services, and keep exploring sustainable development models. Directed by the value of "for consumers, we excel", we steadfastly perform our responsibilities and strive to create more value for consumers.



ESG Governance Structure and Functions

In order to better incorporate ESG management in daily operations, the ESG Committee, composing of three board members, has been established as a governance body with the approval and supervision of the Board, which assists the Board to manage and make decisions on ESG-related matters. At execution level, ESG Management Office is responsible for daily management of ESG-related issues under the monitoring and guidance of the ESG Committee. Meanwhile, we have set up the ESG Working Group comprising of management departments of various professional fields and regional / functional implementation departments to lead the execution of ESG work or to promote and execute the ESG-related work in a project-based manner.



- **The Board:** Taking full accountability for ESG-related matters, and delegating the authority of managing and making decision on ESG-related matters to the ESG Committee.
- **ESG Committee:** Established under The Board's approval, the ESG Committee comprises three board members. Roles and responsibilities include identifying and assessing ESG-related risks and opportunities, embedding ESG concepts and approach in operation and management, reviewing and making decision on ESG-related issues, as well as reporting to the Board on a regular basis.
- **ESG Management Office:** Acting as a coordinator between ESG Committees and business functions and overseeing daily management of ESG-related matters.
- **ESG Working Group:** Comprising of business functions and professional departments, it actively implements ESG measures and facilitates execution-related ESG work by projects.



Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Stakeholders play a critical role in the sustainable development management of Blue Moon therefore, we are committed to establishing a stable, open, transparent stakeholder communication mechanism so that we can further understand the demands and expectations of stakeholders, so as to improve our management and better meet the stakeholders' demands.

Stakeholders	Demands & expectations	Means of communication
Customers	Better products and services Customer privacy protection Product diversification Protection of customers' rights and interests	Periodic reporting Company official website Press release Customer service hotline Customer satisfaction survey
Shareholders & investors	Consistent and steady returns Well-established governance structure Open and transparent information	Shareholders' meeting Periodic reporting Company official website Press release
Employees	Protection of employees' legitimate rights and interests Safe and healthy working environment Training and talent development Work-life balance	Employee training Employee activities Labor union management Employee satisfaction survey
Suppliers	Fair trade Integrity and mutual benefit Collaborative improvement Driving supplier management and technology advancement	Daily communication Regular performance feedback Supplier satisfaction survey Complaint channels Project cooperation

Stakeholders	Demands & expectations	Means of communication
Government and regulators	Lawful operation Safe production Energy conservation and emission reduction & environmental protection Adequate tax payment Fostering healthy development in the industry	Periodic reporting Regulatory review Daily communication
NGOs	Industrial cooperation and development Assumption of environmental responsibilities	Periodic reporting Daily communication Collaborative activities
Community & public	Assumption of environmental responsibility Participation in community building and development Employment opportunities	Community activities Charity services Coordination within the community

Materiality Assessment

Blue Moon maintains communication with and actively responds to the requirements of stakeholders and continues to enhance its sustainable development ability. With reference to the requirements of the *Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited (“HKEX”) and benchmarking against leading enterprises over the world, Blue Moon identifies, classifies, screens and prioritizes issues that impact Company’s operations and development, the environment and society and substantially affect the evaluation and decision-making of stakeholders, which are used as important basis for management and disclosure of ESG information.

Identification of issues

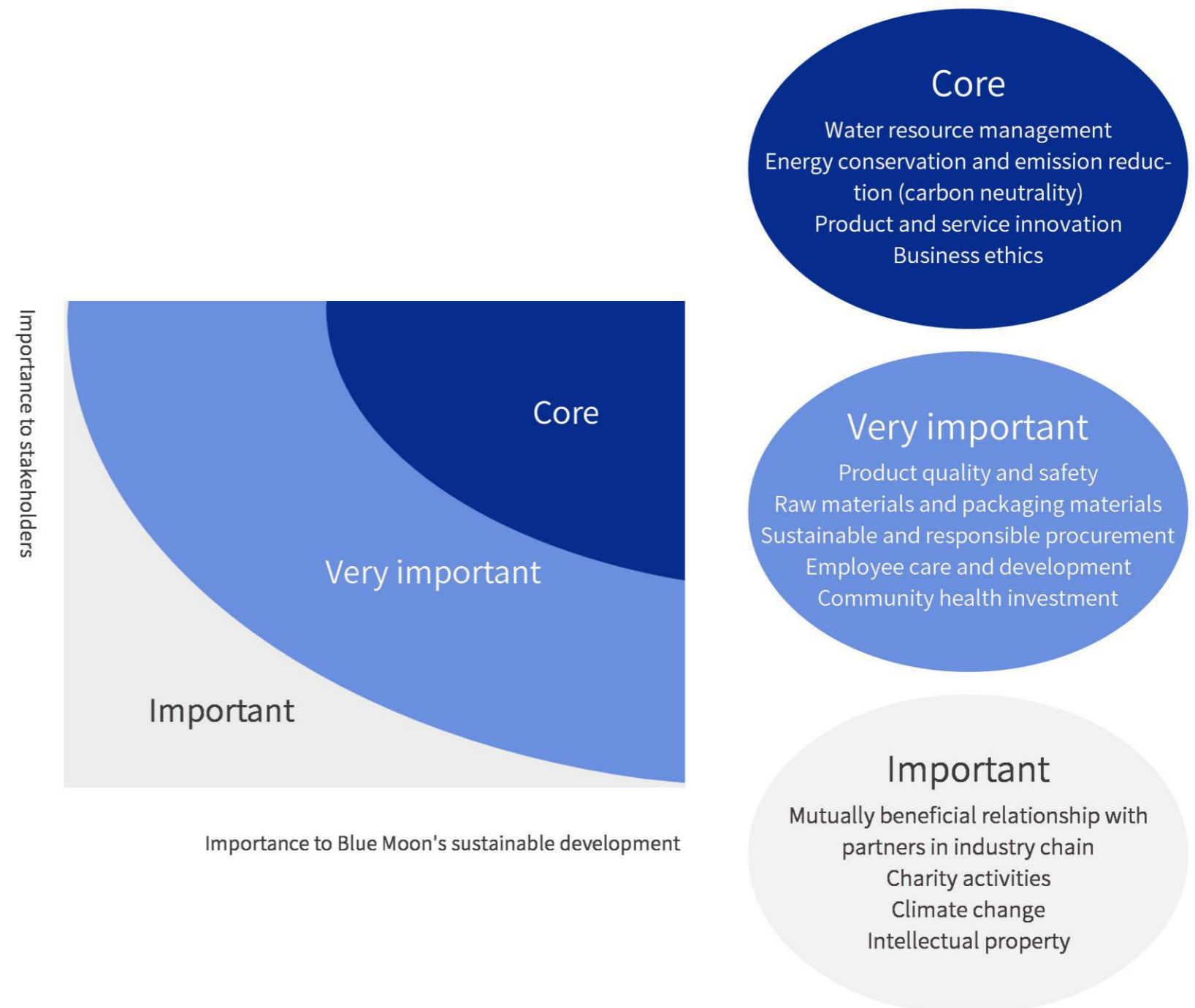
With a focus on business characteristics and industry highlights, the Board is responsible for identifying and evaluating the impacts and potential risks brought by the Group’s businesses to social economy and the environment. By reference to the HKEX’s ESG guide, the Board integrates and identifies the list of environmental and social issues, and accordingly conducts an analysis of major issues.

Screening and evaluation

The ESG project team determines the top concerns of stakeholders through group discussions, interviews and other methods, and accordingly evaluates the importance of each issue. Based on the survey results, the ESG Management Office assesses the issues from two dimensions, namely the importance to the business and the importance to stakeholders, and prioritizes the issues by importance to identify material issues.

Review and approval

The material ESG issues are identified through the abovementioned evaluation process and subject to the review and approval by the ESG Committee which is established by the Board. As the core of this report, the material issues are monitored, managed and disclosed.



Product Responsibility

Blue Moon emphasizes the value of "for consumers, we excel" and takes research, development and innovation as motivation. We place focus on the cleaning field, making continuous efforts in innovation in technology, product, method and services. Meanwhile, we always observe rigorous quality management and together with our suppliers, dedicate to providing consumers with high-quality home cleaning solutions and services.

- ◆ Innovation driven
- ◆ Excellent quality
- ◆ Quality service
- ◆ Responsible procurement

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Innovation Driven

Integrate the World-class Advanced Technology into Consumers' Lives

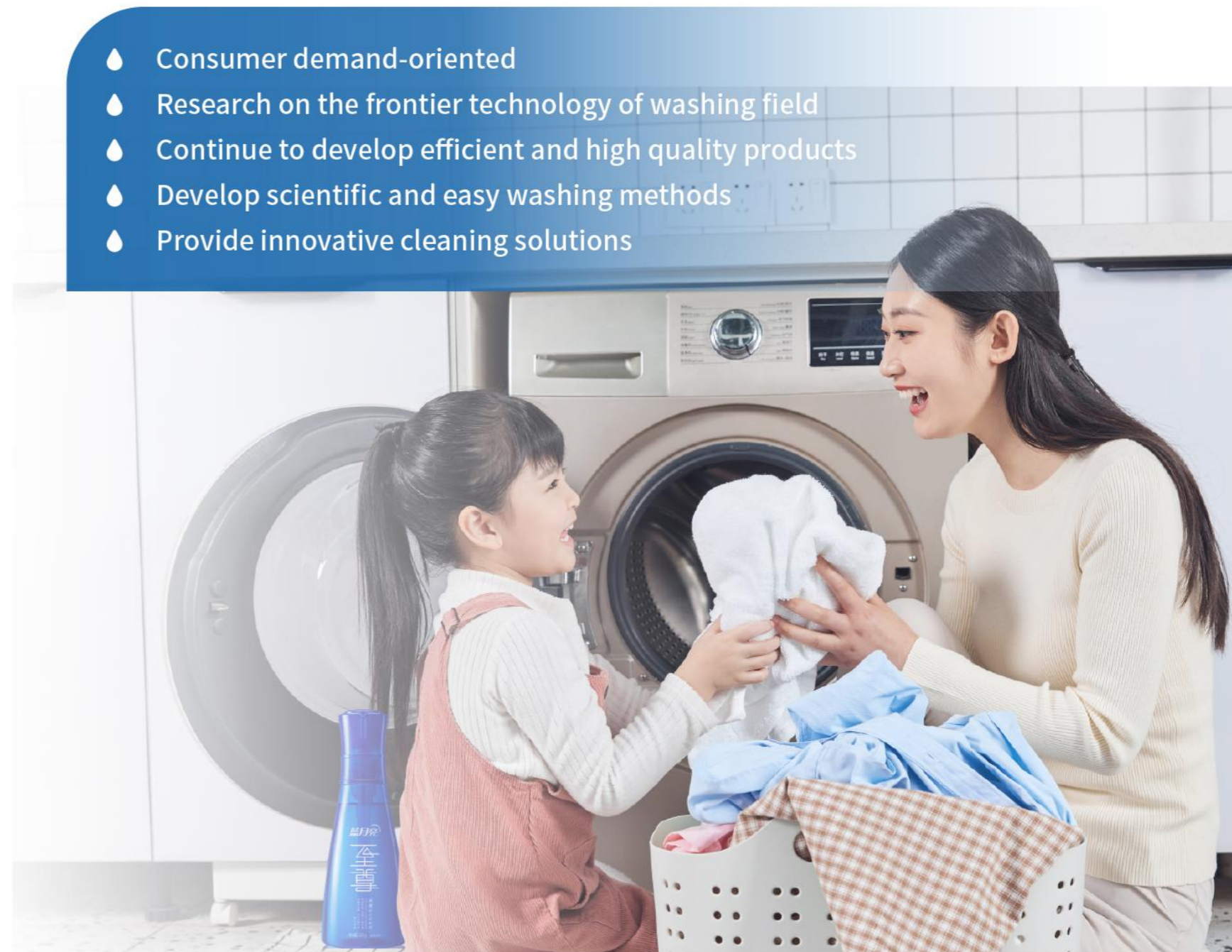
Blue Moon always adhere to the research and development concept of "integrating the world-class advanced technologies into consumers' lives". Starting from the needs of consumers, we focus on researching cutting-edge technologies in the washing field, and relentlessly develop efficient and high-quality products, as well as scientific and easy methods to provide innovative cleaning solution. At the same time, we collect consumer opinions through in-depth usage scenarios and continue seeking technological advancement, product optimisation and improvement in usage method. Our goals are to effectively handle consumers' cleaning troubles, and help consumers create clean and healthy, comfortable, respectable and delightful life without worries in cleaning.

We have invested in basic research and applied, so as to create value for consumers.

According to consumer research, one major demand from consumers is how to use washing products more efficiently, easily and scientifically. Therefore, we have formed a professional washing method research team and constructed a "product + method" dual-line research and development model. To meet consumers' pursuit of scientific washing and healthy living, we actively promote scientific cleaning methods.

Our research and development process has always been customer-centric. With an insight into social development and technology trend in the future, we pinpoint consumer pain points, and carry out continuous research to explore products and methods accordingly, so as to provide consumers practical solutions with attractive products and direction of use.

- 💧 Consumer demand-oriented
- 💧 Research on the frontier technology of washing field
- 💧 Continue to develop efficient and high quality products
- 💧 Develop scientific and easy washing methods
- 💧 Provide innovative cleaning solutions



2019



净享
Jing Xiang

Micron Foam Amino Acid Hand Wash
Open the age of Hydration equilibrium



天露
Tian Lu

Dish & Vegetable Cleansing Essence
Open the era of tableware oil free washing



卫诺
Volo

Mold and Stain remover
New era of mildew free home



克星
Ke Xing

Powerful Foaming Kitchen Cleaner
New generation technology for fast heavy oil removal

2020



月亮小屋 洗碗网花
Moon House
Dishwashing Knotted Net

3D Structure
New experience of tableware washing



泡沫抑菌洗手液
Bacteriostatic Foaming Hand Wash

The Upgrade Bacteriostatic Technology
Rapid Bacteriostasis and Long-Term Protection



浓缩柔顺剂
A new generation for laundry care and sanitizing

A new age for Laundry Care and Sterilization



蓝色月光 色渍净
Blue Moonlight Oxygen Bleach Powder

New generation technology for Colored Stains cleaning, to remove colored spots and yellow stains from fabrics efficiently



Outstanding Innovation

We always believe that products are the cornerstone of our development and the basis for us to provide consumers with excellent value. We have built a diverse portfolio of products, including fabric care, personal hygiene care and home care, which have been well-recognized by the consumers in China. At the same time, we also strive to cater to the evolving cleaning needs of consumers. Through subdividing and upgrading the market, we aim to lead the development of concentration technology, and continue to introduce new products.

In recent years, we have successively launched cleaning products under the "Volo" brand, concentrated liquid laundry detergent products under "Supreme", premium liquid soap products under the "Jingxiang" brand, and utensil, fruit and vegetable cleaning products with a mild and gentle formula under the "Tianlu" brand. These products have been well-received by the general public. In particular, Jingxiang Amino Acid Moisturising Liquid Soap has received Kapok Design Awards China and China Packaging Innovation & Sustainable Development Award.

Case 1: Jingxiang Amino Acid Moisturizing Liquid Soap

We perceive that consumers are in need for a delicate and customized packaging of liquid soap, and wish the product could fit in the decorating style at home. Combining forward-looking perception and our brand concept to be green and environmentally friendly, we rolled out the Jingxiang Amino Acid Moisturizing Liquid Soap in 2019, bringing consumers a high-end and pleasant hand washing experience.

- **Moisturizing care:** With amino acid as the main ingredient, the mild and gentle liquid soap is not only green and safe, but is also able to maintain the state of moisturized skin.
- **Abundant foam:** With the micro foam technology, the plump and dense foam enables better skin coverage, and provides a comfortable handwashing experience with its easy rinse feature.
- **Unique fragrance:** The product comes with a variety of pleasant and soothing scents and small-sized refills, awakening different colors of life.
- **Exquisite packaging:** The simple, delicate and colorful geometric shape is suitable for all home styles.
- **Environmentally friendly and recyclable:** The product is made of 100% recyclable and durable magnesium alloy for aviation use with refill available for the purpose of long-term use, which is able to meet the individual needs of consumers. The bottom of the bottle adopts a hemispherical structure, which ensures the liquid soap can be used up without residue to realize the concept of conservation from every bit.



Case 2: Volo Anti-Mould Cleaner

In order to facilitate the understanding of the applicable scenarios and objects of the Volo Anti-Mould Cleaner, we state the general product usage on the label. Further, we have presented common cleaning scenarios that consumers may encounter with short videos, graphics and other visualized ways, for the sake of easy and efficient user experience.

Solve the mildew problem from the root



Responsible Product and Service

We practice responsible brand communication with our perseverance in delivering science and truth, and therefore win trust and support with integrity. Through knowledge-based marketing, we share high-quality products, scientific methods of use and professional services to users for the better life of users.

Authentic Advertising

We are committed to positive communication and delivering true, objective and positive information to consumers. We strictly observe to the *Advertising Law of the People's Republic of China, Consumer Product Instructions - Detergent Labels* and other applicable advertising laws, regulations and national standards. An advertising review system and product label management system that are in harmony with the Company's philosophy have been established and revised continuously. These procedures cover product labels and packaging, advertising, e-commerce activities, promotional activities and other scenarios to ensure that our product representation and advertising are true and objective.



Being Socially Responsible via Knowledge-based Marketing

As a full-suite home cleaning solution provider, our top priority is to take care of the needs of users. To this end, we persist in knowledge-based marketing, sharing scientific and professional household cleaning knowledge and methods with consumers based on our years of research, and reaching more consumer groups through diversified channels, so as to create value for the society and consumers.

Consulting Service in Response to Users' Needs

In order to more conveniently solve the cleaning problems faced by different consumer groups, we have established a strong cleaning consultant team. The team members all possess a wealth of professional household cleaning and care knowledge. They do not only provide consumers with pre-sale product consulting services, but also provide assistance to customers in solving washing problems and educate the public scientific washing methods.

Case: Online Cleaning Consultant

Through online 400 service hotline, social media and other channels, we answer questions from customers, deliver household care knowledge, and collect consumer feedback. These interactions provide consumers with common cleaning knowledge and advice, which enable customers to solve cleaning problems at ease and enjoy a clean and healthy life.

Statistics of cleaning consultant service



Various Knowledge-based Marketing Strategies

We are committed to continuously delivering scientific and professional washing concepts, and combining business operations with charity. With the vision to creating a better life to users, we organize theme activities on an on-going basis, such as "Scientific Laundry Across China" and "Blue Moon Festival", with the aim to clear cleaning obstacles for consumers in daily lives through a variety of marketing channels.

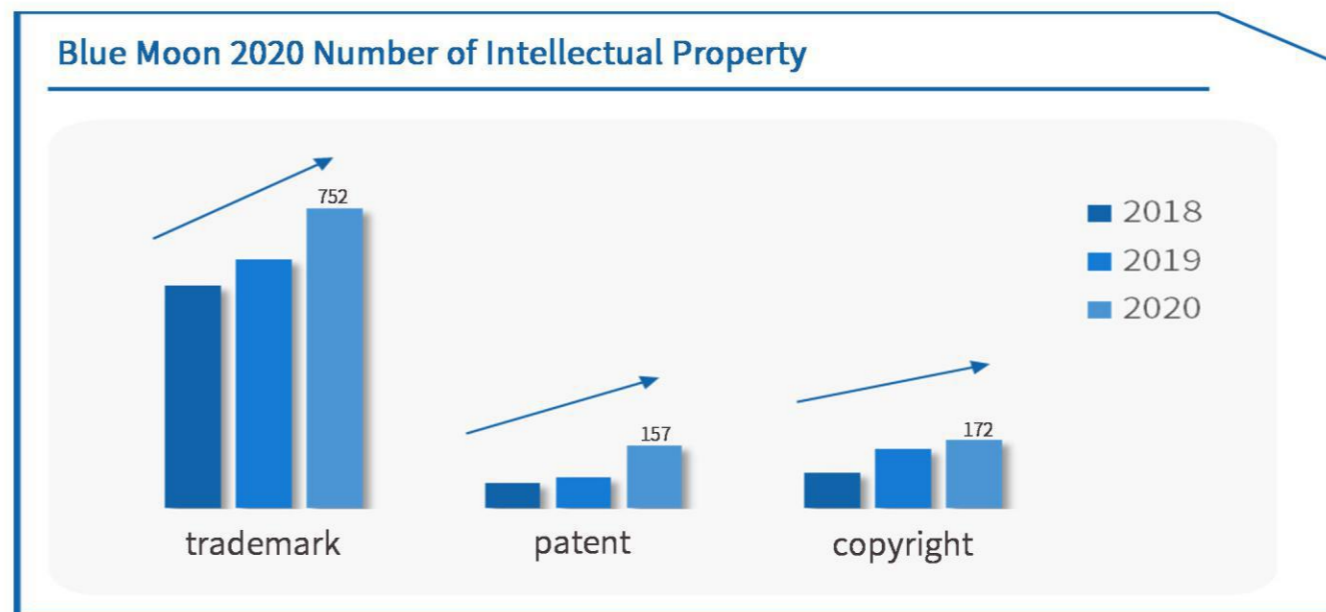
Case : Scientific Laundry Across China

Since 2012, we have held the theme activity of "Scientific Laundry Across China" every year. Through washing classrooms, live experience, and saving clothing that were hard to wash, we engage users in multiple locations such as stores, workplaces, and residential quarters, so that consumers can learn and apply laundry knowledge more easily, scientifically, and professionally. As at 31 December 2020, we have organized seminars in more than 800 companies and more than 40 residential communities, and have free "rescued" 780,000 pieces of clothes that were difficult to wash for the consumers.



Protecting Intellectual Property

We firmly believe that securing innovation results is an important cornerstone of the Company's sustainable development. Therefore, the Company is committed to comprehensive intellectual property protection for innovation results. We strictly abide by the *Trademark Law of the People's Republic of China*, *The Patent Law of the People's Republic of China* and other related laws and regulations. Based on the legal requirements, we have established an all-round intellectual property management system, and continuously improved the mechanism of intellectual property mining and evaluation. The procedure effectively governs the management of intellectual property applications, maintenance and dispute resolution, safeguarding



In 2020, we were awarded as "Intellectual Property Role Model Enterprise of Guangdong Province" and our trademark "Blue Moon" was included in 2020 Key Trademark Protection List in Guangdong Province.



Excellent Quality

With approximately 30 years of continuous hard work, Blue Moon has always put quality on the top priority. Believing that quality is the key to survival and development, we work in line with the quality work philosophy of "prevention-based process control and continuous improvement". We actively identify, prevent and eliminate potential quality risks. In addition, we strive to improve product quality, and ensure product quality and safety. We have established a rigid, holistic and sound product quality control system, offering consumers top-class products constantly.

Quality Management System






Legitimacy of the Quality Management System

As a responsible enterprise, we have always been committed to provide consumers with efficient and high-quality products and services. With strict compliance with relevant laws and requirements such as *Product Quality Law of the People's Republic of China* and ISO9001 Quality Management System, we have formulated the Management System Manual accordingly.

With reference to relevant industry regulations and standards, the Company has established comprehensive and effective procedures and operating guidelines. In product development, production, storage, sales and other business activities, we strictly follow the manual to monitor and evaluate key control points, which ensures the execution of the holistic quality management.

During the reporting period, we did not identify any major incidents regarding product quality or product safety.

The Holistic Quality Management Process

- 
Quality Control of Product Development: From the beginning of product development projects, our team evaluates the compliance and quality risks of each product and establishes key control points. We produce samples and collect feedbacks from seeding trial. The process ensures that the products meet the requirements of relevant laws and regulations and meet consumer needs.
- 
Quality Control of Raw Materials: We have a stringent selection process in choosing raw material suppliers. In order to ensure that the raw materials in use meet the requirements of relevant quality standards, we perform comprehensive inspection and testing of raw materials.
- 
Quality Control of Production: Strict quality supervision has been deployed in every step of our production process, from formulation to packaging, which guarantees the quality and reliability of each production process. We have established strict release standards to ensure that all products are delivered only after meeting the relevant criteria.
- 
Quality Control of Logistics and Warehouse: We have set up routine inspection and monitoring procedures for raw materials and finished products in the warehouse. In addition, we require and supervise logistics service providers to follow certain procedures and requirements to ensure that products are transported and stored under proper conditions.
- 
Quality Control of After-sales Service: With diverse consumer communication channels, we have established a complete consultation, complaint and quality investigation mechanism to obtain feedback from consumers on the use and experience of our products and all-round improvement advice.

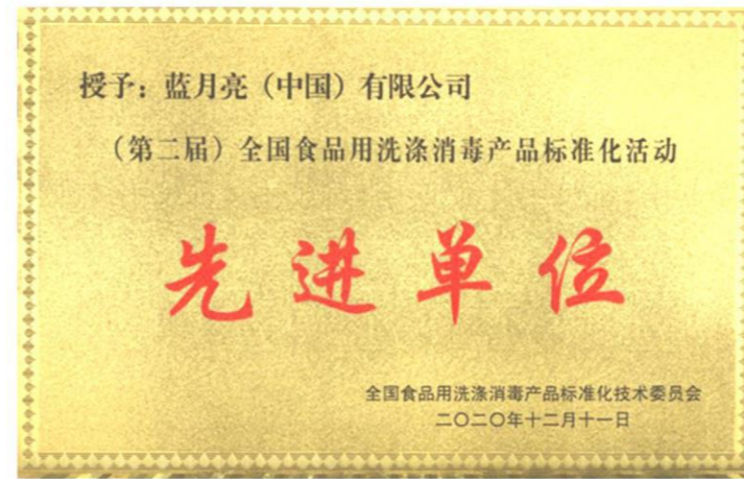


Professional Certification

We have obtained the ISO 9001 quality management system certification for many years. Through continuous internal and external monitoring and improvement, our quality management system has become increasingly mature. In 2020, we passed all external audit on the quality management system.



Being the market leader in the cleaning industry, we have been actively leading and participating in the formulation of international, national and industry standards. While seeking health and technological innovation in cleaning products, we advocate to incorporate the requirements of environmental protection and safety into various standards, which is of profound significance to the healthy and sustainable development of the cleaning industry.



Being the vice director of the National Standardization Technical Committee for Surfactants and Detergents, and a committee member of 7 committees including the National Standardization Technical Committee for Food Detergents and Disinfectants, we have participated in the formulation of 25 international, national and industry standards. In December 2020, we received the honorary title of "Leading Group in Standardization Work" issued by the National Standardization Technical Committee for Food Detergent and Disinfectants.

Quality Service Consumer Service

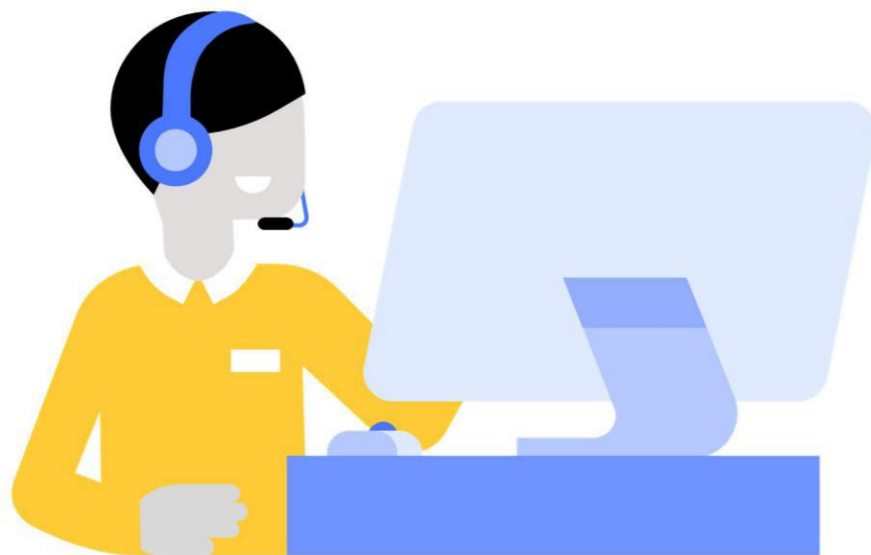
Adhering to the service tenet of "quality service in pursuit of excellence", Blue Moon does its best wholeheartedly to provide services that exceed consumer expectations, so that every consumer who has enjoyed the services of Blue Moon will recommend our brand. Through our service, we wish to free everyone from laundry difficulties and enable everyone to do laundry at ease, bringing consumers a worry-free, wonderful and clean home.

Consumer Communication Channels

We have set up a 24/7 hour customer service center with multifarious communication channels. We are dedicated to listening and understanding consumers more quickly and timely, and providing consumers with professional and high-quality services. To this end, we have formulated policy manuals to regulate consultation and complaint handling procedures, which allows the Company to closely track consumer needs and solve inquiries from consumers.

As at the end of 2020, we have established a total of 30 consumer communication channels covering voice call, WeChat, and Mini Program, which provide consumers access to consultation services anytime and anywhere. We will always be there when consumers are in need.

We never cease to introduce digitalized service tools to upgrade the quality and efficiency of customer services. In recent years, intelligent systems have been introduced, for instance self-service logistics inquiry system, intelligent outbound robots, and online service systems, to effectively shorten the lead time of consultation. The use of intelligent system speeds up the response efficiency of customer service, and significantly enhances the convenience of consumer consultation.



Product Satisfaction Survey

We are always consumer-centric. By understanding and solving consumer needs and pain points, we strive to fulfil consumer requirements and exceed consumer expectations. To this end, since 2000, we have been conducting product satisfaction surveys to fully understand consumers' perceptions and evaluations of the Blue Moon brand and locate key factors of customer satisfaction. The survey provides directions for the enhancement in products and services, serving a basis to deliver better products and services to consumers.

Consumer Protection

Safeguarding the Rights and Interest of Consumers

Blue Moon strictly abides by the *Law of the People's Republic of China on Protection of Consumer Rights* and Interests and other relevant laws and regulations, and fully protects the legitimate rights and interests of consumers in all aspects. Eager to respond promptly to consumers' demand, we listen carefully to the opinions of consumers, handle enquiries and problems, as well as improve product and service

experience. consumers in all aspects. Eager to respond promptly to consumers' demand, we listen carefully to the opinions of consumers, handle enquiries and problems, as well as improve product and service experience.

Customer Information Protection Mechanism has been developed to effectively protect the information security of consumers. We have also devised a complete set of emergency plan for consumer information leakage to trace the cause of leakage quickly, so as to minimize the negative impacts of the incident.

Product Recall Simulation

Blue Moon always attaches great importance to product quality and safety. We continue to optimize the procedures to identify, control, recall and handle substandard products, so as to eliminate the adverse impacts of unqualified products on the personal and property safety of consumers. Product recall simulation exercises are organized regularly every year to ensure the effectiveness and feasibility of product recall procedures.

During the reporting period, we did not note any product quality recalls.

Responsible Procurement

Blue Moon is devoted to responsible procurement and has established a lifecycle management system for suppliers from identification to offboarding, which facilitates supplier management, creates synergy and builds a sustainable supply ecosystem.

Supplier Lifecycle Management

Supplier selection: We value a free and open market, and therefore have set up a supplier registration platform to foster fair competition, where vendors from all sectors are able to sign up freely. Blue Moon use stringent review and evaluation process has been adopted to screen suppliers holistically in terms of reliable quality control, technical competence, operational capability, healthy growth, and regulatory compliance.

Supplier performance management: With the aim to enhance competitiveness of Blue Moon and our suppliers, an objective supplier appraisal system has been established to facilitate continuous improvement of suppliers. The performance of suppliers with ongoing business relationship are tracked and assessed with ongoing business relationship are tracked and assessed by the quality of goods supplied and on-site audit. Substandard suppliers are

provided with assistance in improvement, which includes performance meetings, corrective action plans with detailed timeline, on-site audit and supervision.

Supplier offboarding: Partnership with continuously underperformed suppliers will be suspended or terminated, while suppliers involved in practices detrimental to fair trade or exposed to significant business risks will be blacklisted and restricted from engagement for a specific period of time.

Sustainable Procurement

With dedication to supply chain optimization and build a sustainable supply ecosystem, we are committed to establishing long-term, stable and mutually beneficial relationships with suppliers, partners and other upstream/downstream participants in the industry.

Local Sourcing

Detergent raw materials and packaging materials suppliers are our core suppliers. Most of the supply are readily available in China, and we source the majority of which from vendors in the vicinity of our production plants to minimize the harm to the environment caused by logistics

Environmental and Social Risk Management for Suppliers

In order to boost suppliers' sustainability performance and management, environmental, safety and occupational health risks are evaluated in both potential supplier assessment and periodic review on existing suppliers.

During the formulation of procurement contracts, terms and clauses in relation to strict legal and regulatory adherence to labour employment, occupational health and safety, environmental protection have always been incorporated.



Synergistic Development with Suppliers

Blue Moon strives to build long-term sustainable relationships with suppliers for a value-added supply chain.

- Collaborative advancement:** We are committed to creating synergy and collaborative improvement with our suppliers. We are active in terms of learning management methodology and advanced concepts from excellent business partners; We provide recommendation to suppliers on quality and efficiency enhancement with reference to observations noted in on-site supervision. Besides, our professionals arrange field-based visit to offer guidance on systematic improvement, and our key quality control personnel are assigned to station at the production site to develop quality control optimization plans with suppliers for higher product quality and reliability. For the sake of efficient synergy, we actively develop and pilot new cooperation models with business partners.
- Joint development:** We always advocate innovation and development with suppliers to enable product technology innovation, complementary skills and mutually beneficial cooperation through joint development.
- Relationship maintenance:** We explore to establish a mutual trust and win-win cooperation mechanism with suppliers that allow us to build a stable relationship. We have set up an open and reliable communication platforms satisfaction to collect opinions and understand expectation from suppliers via complaint channels and regular surveys on supplier satisfaction to facilitate future cooperation.

Case: Innovative Supply Chain at Chongqing Factory

We have invited key suppliers to set up bottle blowing workshops in our Chongqing factory so that materials can be seamlessly and timely supplied to the production. This innovative collaboration does not only benefit us with reduced inventory level and improved response rate, but also creates a low-carbon supply chain and minimizes the adverse environmental impact by eliminating the need of logistics.

Transparent Procurement

Blue Moon persists in "transparent procurement without corruption". All qualified suppliers must comply with our integrity requirements, while suppliers with business relationships are mandated to sign the Supplier Integrity Commitment. With regards to personnel at Purchase Department, the code of conduct has set out the rules to follow during procurement. Through annual supplier evaluation, we constantly reiterate the importance of integrity to our suppliers.



Statistics in Relation to Product Responsibility

KPI	Units	Value
Product recall due to health and safety concerns for sold or delivered products	%	0
Complaint over products and services	PPM	15.63
Number of Suppliers	NO.	676
Domestic Suppliers	%	>95

Environmental Responsibility

Blue Moon is committed to creating a clean and comfortable living environment for consumers and strives to satisfy consumers' pursuit of a better life. We are consciously aware that the essence of consumers' better life comes from respect and care for the environment. Therefore, we have always adhered to the development concept to take environmental protection into account during corporate development along the way. Under the guidance of Blue Moon's long-term pursuit and value orientation, we have promoted the concentration of liquid washing products, and continuously upgraded the technology and standards for the use of environmental resources, integrating our green development concept into our daily business operations.

- ◆ Leading the concentration of liquid detergents
- ◆ Cleaner production and green factory
- ◆ Minimizing packaging materials
- ◆ Addressing climate change



Blue Moon always uphold the environmental management approach of "prevention from source, control at all stage", and embed eco-friendly concepts into the entire production process. From product development and design to production, product delivery to waste disposal, strict standards and monitoring are applied to all stages. Incorporating the concept of cleaner production into our operation, we seek to improve our performance in environmental protection by optimizing processes and upgrading facilities, in hope of contributing to the protection of our green homeland.

Leading the Concentration of Liquid Detergents

Blue Moon draws on the advanced experience from leading companies around the world, fully promotes the concept of concentration and low viscosity, and leads the concentration of liquid detergents:

Blue Moon draws on the advanced experience from leading companies around the world, fully promotes the concept of concentration and low viscosity, and leads the concentration of liquid detergents.

we increased the concentration of liquid detergents and launched the supreme biotech laundry detergent



We further enhanced the concentration technology and introduced a concentrated softener, which halves the usage amount of traditional softener



2015

2018

2019

2020



we launched the first product with measurable dispense pump in China - Blue Moon Machine Wash Supreme Concentrated Plus Laundry Detergent



we launched a concentrated kitchen cleaner- Tianlu Utensil Fruit and Vegetable Wash

We attach great importance to the environmental impact of products and incorporate the consideration during product development and design. Through professional and refined design, we strive to help consumers save water and energy during the use of our product.

Our products are environmentally friendly. As an embodiment of our competitive edge in resource conservation and green development, more than 90% of our products have obtained the China Environmental Labelling Product Certificate. Our main laundry detergent products have passed National Water Saving Product certification, showing that environmental protection and water resource conservation can co-exist with product quality and outstanding cleaning.

We believe in accumulating steps to a thousand miles. We are not only committed to providing consumers with eco-friendly products, but also continuously promote professional and scientific cleaning methods. Through knowledge-based marketing, we are dedicated to influence and change all round consumers' washing habits with unremitting effort to show care for the nature via water conservation.

Case: Supreme Biotechnology Liquid Laundry Detergent

As one of the first domestic products to obtain the "Concentration +" logo certification, Blue Moon Supreme Biotech Laundry Liquid does not only bring consumers an easier, more convenient, and more economical laundry experience, but also has far-reaching significance in environmental protection. The active ingredients of the Supreme Laundry Liquid amounts to 47%, which allows a usage approximately two-thirds less than the traditional liquid detergent - 8 pieces of male shirt can be washed with only 8 grams of detergent. In addition, due to the low foam technology, the time of rinsing is reduced. It only takes 1-2 times to rinse off the detergent, thereby saving water and electricity. In addition, the Supreme series benefits the environment by occupying less storage area, lower transportation costs, reduction of packaging waste and carbon emissions.

With our innovative product design concepts and effective social responsibility practices, Supreme Laundry Liquid has also obtained multiple certifications and awards such as China Environmental Labelling Product Certificate, National Water Saving Product certification, and was included in the list of "The Fifth Batch of Green Design Products" published by the Ministry of Industry and Information Technology in 2020.

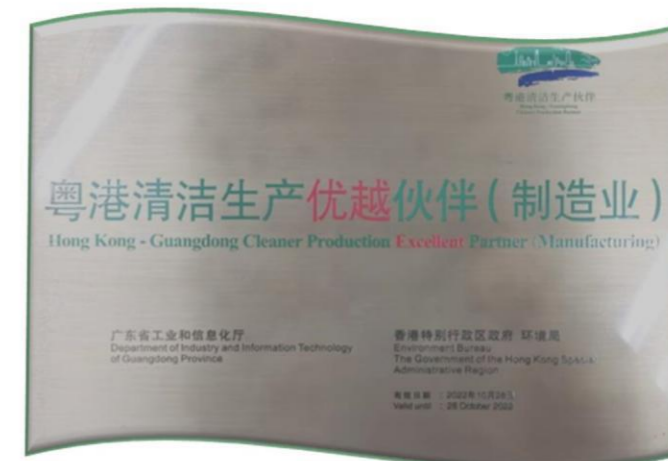


Cleaner Production and Green Factory

The production process of Blue Moon products is a full-component packaging production process. The entire process of product manufacturing is strictly controlled. With the inherent advantages of product portfolio and product design, the whole production process is clean, hygienic and low in energy consumption.

We have been adopting the environmental management approach of "prevention from source, control at all stage", introducing advanced environmentally friendly technology and production equipment, and solidly promoting cleaner production. We always adhere to the concept of low-carbon and environmental protection from the initial stage of plant design to production and operation management, aiming at continuous optimization and improvement through fine operations. In the process of practicing energy saving and emission reduction, Blue Moon has achieved significant results in all production bases:

- Since 2012, Guangzhou Blue Moon Industrial Co., Ltd. has been recognized as "Guangzhou Cleaner Production Enterprise" by Office of Industry and Information Technology Development Joint Session for 4 times, and has continuously received the "Guangdong and Hong Kong Cleaner Production Excellent Participant (Manufacturing)" from the Environmental Bureau of the Government of the Hong Kong Special Administrative Region and the Guangdong Provincial Bureau of Industry and Information Technology.
- In 2020, Blue Moon (Kunshan) Industrial Co., Ltd. was rated as Kunshan City's Circular Economy Demonstration Enterprise;
- In 2020, Blue Moon (Chongqing) Co., Ltd. was announced as a "National Green Factory" by the Ministry of Industry and Information Technology.



Case: The Road to Green Factory – Blue Moon (Chongqing) Co., Ltd.

Environmental Protection from Source

We have thoroughly considered and controlled the potential environmental impacts from design to production of our Chongqing factory. In order to reduce the environmental impact of building materials in the whole life cycle, the building materials are sourced locally with eco-friendly features: low energy consumption, high performance and high durability. Combined with the utilization of natural light, the workshop and office use high-efficiency energy-saving lamps, of which the illumination is controlled by grouping, partitioning, and time. In order to further reduce resource and energy consumption, **100%** water-saving appliances are in use. In addition, we have optimized the layout of the integrated pipeline network and established a concentrated water recycling system.

Equipped with advanced and well-established pollutant treatment technology and equipment, the Chongqing factory adopts industry leading MBR technology in sewage treatment, which boosts the effectiveness and efficiency of sewage treatment. Furthermore, it is equipped with RO (reverse osmosis) reclaimed water reuse system and concentrated water reuse system. After further treatment, the production wastewater is re-used in floor mopping of the workshop, irrigation and recirculating cooling water system.



Natural lighting



Centralized palletizing

Technology-driven Production

We adopt advanced production technology with high-efficiency and low-energy-consumption production equipment. While improving production efficiency and product quality, we continue to reduce energy consumption.

The deployment workshop of the Chongqing factory adopts advanced production technology and visual control system. The production workshop adopts high-speed automated equipment. The automated intelligent production operation mode not only effectively improves the production efficiency, but also achieves energy saving and consumption reduction.

The logistics base of the Chongqing factory adopts wireless logistics warehousing management system for a paperless operation.

Continuous Energy Saving and Emission Reduction

We learn in practice and make improvements. Starting from the production site, bit by bit, we continue to promote energy-saving technological transformation projects, and optimize production management.

Case 1: Through enhancing the steam pipe network and recycling condensate water, we are able to save the consumption of pure water and natural gas. These measures save about **1,359** tons of pure water per year and decreases the consumption of natural gas by about **4.3%**, effectively saving water resources and cutting carbon dioxide emissions.

Case 2: By altering the control loop of the heater in the drying room of the raw material warehouse, the temperature in the drying room is controlled with variable frequency, saving energy consumption.

Case 3: Introducing advanced equipment, the water content of the sludge produced by the sewage treatment system is significantly reduced by more than **55%**.






Energy Conservation

Blue Moon strictly abides by the *Energy Conservation Law of the People's Republic of China* and has formulated a series of management procedures on energy use accordingly with the aim to improve energy management and optimize the structure of energy use. We aim for energy saving and consumption reduction with emphasis on technology and management. Through refined management, we actively explore the room of improvement in terms of energy conservation in the production process. In 2020, we initiated and launched more than 40 energy-saving reformation projects. Besides, we have set up a considerable number of energy-saving signs and sensor light tips to build an energy-saving culture and encourage employees to develop energy-saving habits in their work and daily life. We regularly collect energy consumption data and conduct professional analysis to track the implementation of energy conservation management to ensure efficient use of energy.

In 2020, we have taken the following key measures in terms of energy conservation:

Key Measures

-  **Equipment selection and technology upgrade:** During the stage of equipment acquisition, we prefer energy-saving and consumption-reducing equipment. Taking the latest technology trends into account, we continue to introduce energy-efficient equipment and energy-saving technologies to eliminate or upgrade machinery with low energy efficiency.
-  **Strict energy saving management:** We track and control the daily operation of machinery with stringent monitoring of the operating data to ensure that the equipment is in good operating condition.
-  **Technical transformation to reduce energy consumption:** We actively initiate technological transformation of energy-consuming equipment and strive to further improve the efficiency of energy consumption.

Case 1: Anti-tilting Equipment Transformation Project

Through technical improvements, Blue Moon has replaced the original compressed air direct blowing equipment used to prevent cartons from tilting on the production line with physical anti-tilting equipment more than **40,000** kWh of electricity per year.

Case 2: Air Compressor Frequency Transformation Project

Through data monitoring and analysis, the two air compressors in place showed an average loading rate less than 50%. According to computation on the actual gas consumption, we replaced the 2 fixed speed air compressors with variable frequency air compressors to reduce unnecessary power consumption, achieving electricity savings of more than **100,000** kWh/year.




Water Saving

The water in production and living comes from municipal tap water. With strict compliance with *Water Law of the People's Republic of China*, Blue Moon has formulated the "Water Management Standards" accordingly, which further refines our management requirements for the use of water resources. We persist in the management principle of saving every drop of water and promote the recycling and reuse of wastewater in the factory. We have been dedicated to continuous technology upgrades and process optimization through the management and optimization of water balance in the production process, to ensure the reasonable use of water resources.

In 2020, we have taken the following key measures in terms of water conservation:

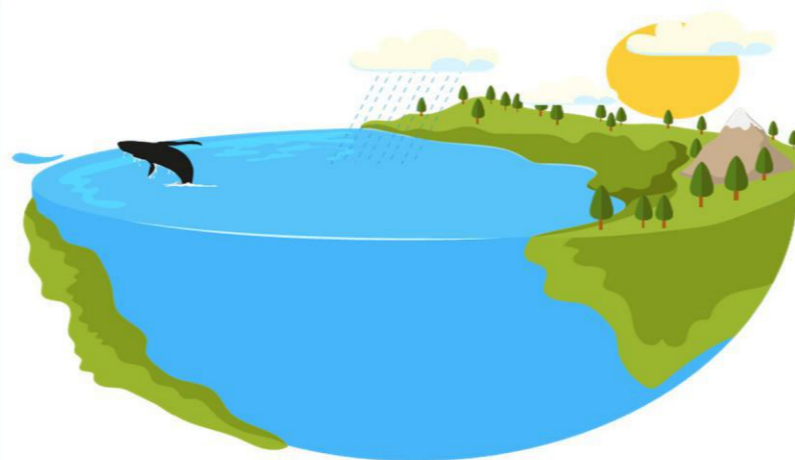
Key Measures

 **Concentrated water recycling:** making full use of the recycled concentrated water in toilet cleaning, floor mopping, sand charcoal tank backwashing, saving more than **15,000** tons of water per year.

 **Facility renovation:** Introducing water-saving facilities, such as faucets, toilets in the factories.

Case: Equipment Cleaning Water Saving Project in Kunshan Factory

The Kunshan factory saves more than **700** tons of cleaning water per year by optimizing scheduling and equipment renewal plans revising the cleaning procedures.



Low-carbon Operation and Emission Reduction

Blue Moon strictly abides by the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations. Based on the legal requirements and our own production and operation, we have formulated a series of policies and procedures. With the management manual, we evaluate and analyze the potential risks of major impacts on the environment and natural resources caused by business operations, and outline emergency plans and handling procedures. These ensure that we can take effective control measures in a timely manner to avoid causing damage detrimental to the local environment and ecology. We put the management of wastewater, waste gas, general waste, hazardous waste, as well as waste treatment, discharge, and collection into action for an operation in line with regulations. During the reporting period, we were not aware of any material non-compliance with relevant laws and regulations.

We are deeply aware of the impacts of our business activities on the environment. As early as 2012, we were concerned with carbon footprint and participated in the carbon footprint calculation of the entire life cycle of the industry's products, and were awarded the "The first enterprise in domestic detergent industry to pass CQC Product Carbon Footprint Certification" by the China Quality Certification Center (CQC). Through technology advancement and process optimization, we have been committed to minimize the environmental impact brought by the process of business production and operation.

Wastewater Discharge Management

We have formulated management procedures such as Wastewater Discharge Management Policies and Sewage Station Standardization Management Policies. We also built sound drainage pipe networks in all factories and reliable sewage treatment systems for the compliance with discharge standards, enhancing operation efficiency through continuous optimization and improvement. Besides, we have been placing more wastewater recycling facilities and devices, maximizing the internal recycling capacity of wastewater to reduce emissions.

Case: The Biochemical Treatment Capacity Enhancement Project at Tianjin Factory Wastewater Treatment Station

By upgrading the equipment and facilities of the biochemical system, the sludge activity has been improved, increasing the total amount of activated sludge, and stretching the load that the biochemical system can effectively handle. After the transformation, the processing capacity of the biochemical system has expanded by more than **20%**. With marked improvements in the overall efficiency and capacity of sewage treatment in the sewage treatment station, the energy and material consumption of the sewage treatment system were significantly reduced.

Exhaust Emission Management

We conduct organized emission and treatment of VOCs generated in the production process and special exhaust treatment facilities are in place to discharge the fumes from production boilers and canteens that produce exhaust in compliance with regulations.

In particular, we actively coordinate with the local government to connect to public steam for less energy consumption and emissions from independent energy systems. In 2020, the Tianjin factory was the first to upgrade its boilers with "low NOx burners" to reduce NOx emissions.

Case: Low NOx Burner Project in Tianjin Factory

We upgraded two dual-fuel boilers with low-NOx burners and added supporting flue gas recirculation equipment for them, resulting in a NOx emission concentration of $\leq 30 \text{mg/m}^3$, reduced by approximately **60%**.



Non-hazardous Waste Management

Based on the requirements of the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, Blue Moon has formulated corresponding policies and procedures to ensure that the various non-hazardous solid wastes we generate can be treated in accordance with regulations. Our general waste is handled by qualified recycling parties for recycling and processing. At the same time, we are committed to reducing the generation of solid waste at source. We have introduced new equipment and upgraded performance of the existing equipment to decrease the production of solid waste in each step of the production process.



Hazardous Waste Management

Blue Moon places emphasis on the management of hazardous waste with the following measures:

- Effective management of hazardous waste inventory.
- Establishing a ledger for hazardous waste generation, transfer and disposal for real-time control.
- Implementing classification in waste collection and storage: the storage site has been equipped with secondary leak-proof measures, such as leak-proof containers, cofferdams, reception tanks to prevent the leakage of solid hazardous waste and pollution of the surrounding soil and environment.
- Regular emergency drills for specific hazardous waste leakage to maintain emergency response capabilities.

In 2020, the hazardous waste generated mainly comprise HW08 waste mineral oil, HW12 dye and paint waste and HW49 other waste. We have signed contracts with qualified third parties to transfer and dispose hazardous waste legally.

Minimizing Packaging Materials

Blue Moon has always adhered to the development concept of resource conservation and environmental protection, striving to reduce the use of packaging materials. Refills are available for the majority of our products, which can cut the use of packaging materials and raise consumers' awareness for less packaging. We actively explore lightweight and green packaging materials, selecting environmentally friendly materials in the stage of product design with full assessment and consideration of the amount of packaging materials. For products that have been launched in the market, we work with suppliers to optimize the efficiency of packaging materials through professional projects to reduce the amount of packaging materials. For the packaging of the increasingly important e-commerce products, we have strengthened the packaging protection of the products. On top of the change in product design, through technical improvement and on-site supervision to reduce the loss of packaging materials during the production process, we aim to reduce the use of product packaging.

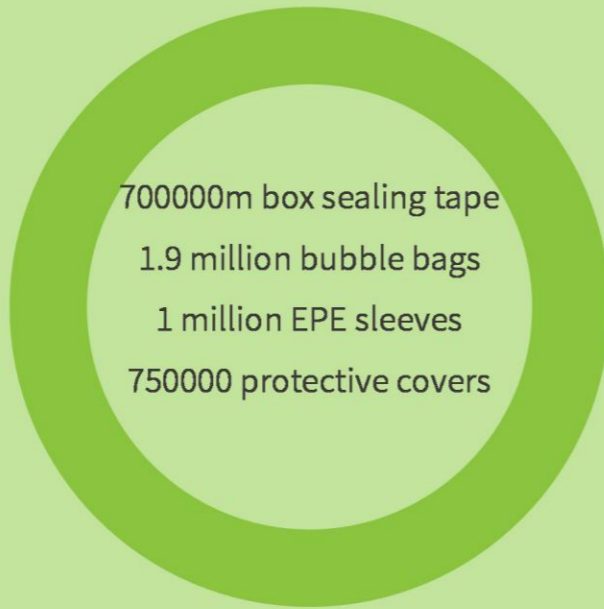


Key Measures

- Providing options for product refill: We introduced refills immediately after the launch of the Jingxiang liquid soap to encourage consumers to reuse the pump and bottle.
- Replacing cartons with reusable plastics for packaging materials, extending the usage lifecycle of plastic containers, minimizing the generation of waste packaging materials such as cartons: the packaging of goods from certain supplier has been changed from cartons to iron baskets, while the carton packaging of certain product types has been substituted by plastic trays. As a result, the consumption of carton dropped by **40** tons.
- Reducing the total weight of certain packaging bottles and the amount of plastic in use, as well as that of product packaging: We cooperated with suppliers to optimize the structure of **4** products, resulting in a decrease of plastic consumption by 27 tons.
- Reducing the size of the packaging box through optimization of material and structure design: We upgraded the packaging design of **10** product types, thereby saving **270,000** square meters of cardboard.
- Through the reformation of protective packaging for products at e-commerce platform, we reduced the use of protective packaging materials such as sealing tape and bubble bags.

Case: Product Packaging Protection and Optimization for E-commerce Products

In 2020, through the performance analysis of the express delivery damage rate, we conducted on-site investigations of logistics and express delivery operations. Based on the observations, we classified different platforms and designed corresponding protective packaging. In total, we have reformed the packaging and protection of **11** product types, resulting in saving **700,000** meters of sealing tape, **1.9** million bubble bags, **1** million EPE foam sleeves, and **750,000** protective lids.



Addressing Climate Change

Our business risk management system sets out preventive and control measures for various risks, including the risks of climate change and extreme weather. To enhance our emergency response capabilities to extreme weathers, our factories regularly organize emergency drills on meteorological disasters. Besides, our factories and suppliers are located all over the country, which means natural disasters and extreme weather in particular regions will not affect our product supply.

Case: Special Drill on Frozen Raw Materials in Extreme Cold Weather in Tianjin Factory

In December 2020, the Tianjin factory carried out an exercise for frozen raw materials in extreme cold weather. This exercise simulated the entire process of emergency plans initiated by relevant personnel in the storage area after the unexpected freezing. During the drill, the personnel at the emergency team and the first aid team performed their duties well, swiftly resolving the crisis and effectively securing the health and safety of the employees during the process.



Statistics in Relation to Environmental Responsibility

	KPI	Units	Value
Waste gas	NO _x emission	Kg	2,871.13
	SO _x emission	Kg	30.08
	Particulate Matter emission	Kg	210.43
	VOC gas emission	Kg	303.53
	Smoke and fumes	Kg	172.29
Waste water	Industrial wastewater emission	Ton	185,156.50
	Domestic wastewater emission	Ton	96,166.09
Resource usage	Electricity consumption	kWh	20,059,952.74
	Steam consumption	Ton	5,204.08
	Natural gas consumption	M ³	1,584,614.00
	Diesel consumption	Ton	6.25
	Water consumption	Ton	932,288.60

	KPI	Units	Value
Resource utilization intensity ¹	Electricity consumption intensity	kWh/RMB 10000	26.43
	Steam consumption intensity	Ton/RMB 10000	0.01
	Natural gas consumption intensity	M ³ /RMB 10000	2.09
	Diesel consumption intensity	Kg/RMB 10000	0.01
	Water intensity	Ton/RMB 10000	1.23
Greenhouse gas emission	Scope 1 ²	Ton	3,337.62
	Scope 2 ³	Ton	13,286.77
Greenhouse gas emission intensity ¹	Scope 1 ²	Kg/RMB 10000	4
	Scope 2 ³	KG/RMB 10000	18
Waste discharge	Non-hazardous waste	Ton	8,415.67
	Hazardous waste	Ton	16.02
Waste discharge intensity ¹	Non-hazardous waste intensity	Ton/RMB 10000	0.01
	Hazardous waste intensity	Kg/RMB 10000	0.02
Packing material consumption		Ton	87,144.47
Packing material consumption intensity ¹		Ton/RMB 10000	0.11

Note 1: The denominator of intensity unit refers to the output value per ten thousand RMB.

Note 2: Scope 1 refers to greenhouse gases generated by direct emissions from natural gas and diesel.

Note 3: Scope 2 refers to "energy indirect" emissions from electricity and steam purchased or self generated by the company at the time of production.

Social Responsibility

Blue Moon is devoted to growing hand in hand with the employees and the community. We recognize and respect the talents, pay attention to the investment in talent training. We are committed to creating a healthy and safe workplace, maintaining high ethical and operating standards, spreading the concept of health and cleanliness, and building a better and happy living environment.

- ◆ Fair and open career platform
- ◆ Healthy and safe working environment
- ◆ Regulatory compliance in operations
- ◆ Community communication and involvement



Blue Moon is devoted to growing hand in hand with the employees and the community. We recognize and respect the talents, pay attention to the investment in talent training. We are committed to creating a healthy and safe workplace, maintaining high ethical and operating standards, spreading the concept of health and cleanliness, and building a better and happy living environment.

Fair and Open Career Platform

Blue Moon always values talent as a core strategic resource for sustainable development, which is also the driving force for us to constantly provide consumers with excellent products and impeccable services. We spare no effort to attract and identify outstanding talents, and strive to create a respectful, inclusive, equal and positive development environment for their empowerment, so as to achieve the integration and mutual development of employees and the Company.

Protection of Employees' Rights and Interests

Regulations and Rules

Blue Moon strictly abides by the national laws and regulations, and always puts employees' legal rights and interests in the first place. Based on laws and regulations such as *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Social Insurance Law of the People's Republic of China*, *Regulation on Work-Related Injury Insurances*, we have established relevant management procedures to protect employees' rights and interests. During the reporting period, Blue Moon was not aware of any major non-compliance with labour laws and regulations.

In addition, we ensure that employees of different genders, ages, skills and educational backgrounds enjoy equal rights, respect the culture and religious beliefs of ethnic groups, and safeguard employees' rights in recruitment, promotion, work arrangement, leave, dismissal and other aspects, striving to build harmonious labour relations.

Case: The Title of "Enterprise of Harmonious Labour Relations in Guangzhou—Grade AAA"

Blue Moon continues to carry out the activities of "building harmonious labour relations", aiming to establish regulated, fair and reasonable, mutually beneficial, harmonious, and stable labour relations. From 2018 to 2020, the Company won the title of "Enterprise of Harmonious Labour Relations in Guangzhou—Grade AAA" for three consecutive years. Blue Moon has been widely recognized in terms of employee rights and interests, employee care, and its healthy and harmonious labour relations.



Fair Recruitment and Development

Fair Recruitment

In the process of recruitment and employment, Blue Moon adhere to the concept of integrity, respect, and mutual benefits. We strictly comply with the relevant requirements and regulations of *the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors and the Provisions on the Prohibition of Using Child Labour*. We prohibit recruitment of people under the age of 16 and forced labor. We oppose any form of discrimination and unequal competition, and give every job applicant full respect and equal treatment. During the reporting period, we were not aware of any major violations of laws, regulations and international standards in relation to child labour and forced labour.

We respect women, and both men and women have equal opportunities for employment, promotion and development. In 2020, female employees at Blue Moon outnumbered male employees, while the board and senior management maintain a proper number of women.

We publish recruitment information through diversified recruitment channels such as campus recruitment, social recruitment, school-enterprise cooperation. To ensure a fair and just recruitment process, we adopt standardized interview processes together with online professional evaluation tools. We have established internship bases in cooperation with many colleges and universities, laying a good talent foundation for the future development of Blue Moon, and realizing a virtuous circle of corporate and social benefits.

Case: "Blue Dream Beyond the Moon" Campus Activities

Blue Moon has been organizing collaboration programs with schools, providing opportunities for students and teachers from colleges and universities to understand the enterprise, which also serves as an open and effective recruitment channel and a platform for outstanding students to showcase their talents. In 2020, Blue Moon conducted more than 40 classroom activities in colleges and universities, participated in 9 job competitions, hosted visits for teachers and students from 8 universities, signed 2 internship bases, and sponsored 2 university events.



Open and Fair Development and Incentive

Blue Moon strives to create a sound talent development mechanism, and a healthy and positive competition environment. We fully respect our profession and technology, provide fair and open development opportunities and platforms for our employees, help them grow and showcase their potential.

Talent development

Various career development channels are established for talent from different professions to fully realize their talents.

Incentivize talent

Under our sound compensation and benefit system, we reward talents according to their abilities and performance, so as to build a contribution-oriented culture.

Best Employer

Blue Moon is committed to creating a brand image of good employer, constantly improving its overall competitive advantages, and fulfilling relevant social responsibilities.

Case: Best Employer Award

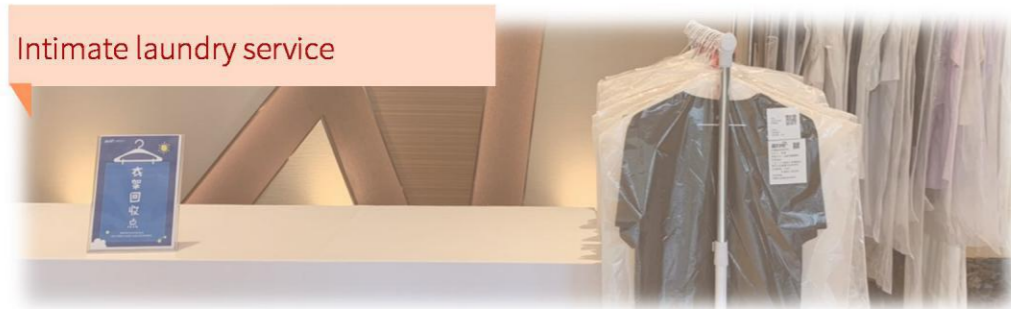
- Liepin.com - "2020 Guangdong Innovative Employers"
- Zhaopin.com - "2020 Best Employers with the Most Development Potential"
- Shixiseng.com - "Favorite Employer • Most Empowered Employer"
- Ciwei.com- "2020 Top30 Model Employers in China" and "2020 Best Employer - Emerging Brand Award"
- Haitou.cc "2021 Most Influential Employer"



Employee Care

Companion and Care

We take good care of everything however trivial to employees. We are committed to providing employees with considerate and meticulous life services, from clothing to food, housing to transportation, so that employees can work and pursue their career at ease.



We always show hospitality to our employees. For pregnant employees, we arrange designated seats in shuttle bus, nutritious meals, and independent, hygienic and comfortable breastfeeding rooms. In addition, for employees suffering from serious illnesses, we offer comfort immediately, and do our utmost to help employees tide over difficulties in terms of medical appointment and referral, caregiver, and obstacles in daily life.

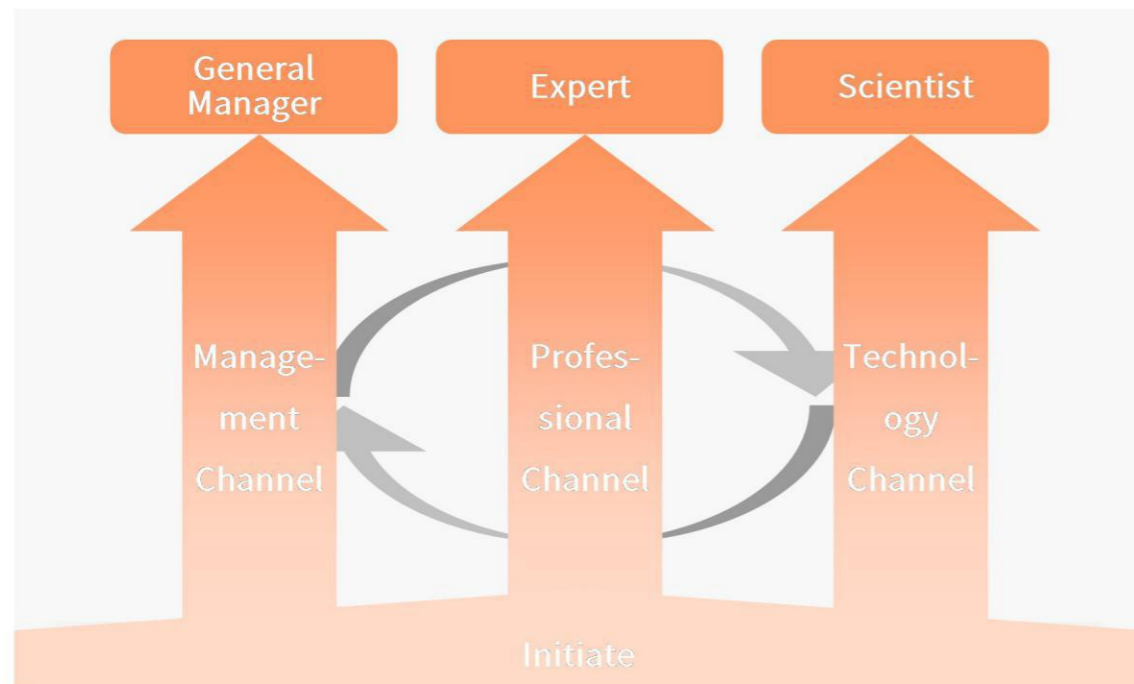
Every employee is precious to Blue Moon and safeguarding the physical and mental health of employees is among our top priorities. Therefore, we show all-round care to our staff, guiding them to work and live with a strong body and best state of mind.



Employee Growth

A Broad Platform for Achieving Individual Value

By devising a multi-channel career development plan, a scientific and rigorous organization structure, and a fair and diverse talent selection mechanism, we provide employees with a development platform to realize themselves and achieve their dreams.



Here we welcome every young person who has ideas, energy and ability.

Post 90s customer director

Blue moon attaches great importance to the cultivation of new people and is willing to provide us with growth space and platform.

Post 95s finance manager

Blue moon's appeal of advocating science and pursuing excellence has made me progress all the time.

Post 85s team leader of a technical module

Case: Blue-collar Employees Skill Competition

At Blue Moon, blue-collar employees are a beautiful landscape, and the very representatives of Blue Moon's craftsmanship. On the stage of the "Blue-collar employees Competition", they seek breakthroughs in the competition and make progress in learning. They fully show their personal style and realize self-improvement.



In 2020, Tianjin factory won many first prizes in the district level skills competition.



Training System

Blue Moon continues to invest in the construction of the training system and the improvement of employee skills. We have established a management school and a washing academy for trainings in leadership, product knowledge, washing knowledge, and marketing skills. In 2020, the "Intelligent Personnel Training System" training platform was launched to enable precise placement and learning anytime and anywhere, and significant progress has been made in improving learning efficiency and effective learning management.

Rich and Varied Training Activities



Inspire Potential and Encourage Innovation

Blue Moon believes that every employee has potential to be inspired. We are willing to give employees opportunities and room for trial and creation, and fully recognize and reward employees with outstanding contributions. Blue Moon conducts evaluation every year and rewards employees with outstanding contributions to fully mobilize the initiative and stimulate the creativity of employees.

- 
Excellent Individual
- 
Excellent Team
- 
Excellent Research
- 
Excellent Project



Healthy and Safe Working Environment

Blue Moon strictly abides by *the Production Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the Fire Control Law of the People's Republic of China, the Emergency Response Law of the People's Republic of China* and other national laws and regulations to ensure the effective implementation of occupational health and safety work on an ongoing basis.

In 2020, Blue Moon¹ obtained the GB/T45001-2020/ISO45001: 2018 Occupational Health and Safety Management System renewal certification.

We adopt the approach of "safety first, prevent problems before they occur", devoting ourselves to creating a healthy and safe working environment, with the never-ceasing pursuit of "zero accidents". In 2020, in response to the severe challenges brought by the epidemic, we ensured the safety and stability of production and operation, and no recordable and above safety production accidents were noted.

We draw on health and safety management concepts and see safe operation by employees the foundation of health and safety. We organize a variety of trainings and activities to raise employees' safety awareness of every employee and influence behavioural changes subconsciously. Additionally, we hold professional emergency drills from time to time to improve employees' emergency response capabilities.

We always take improving the level of intrinsic safety as the top priority and implement preventive and corrective protection measures in all aspects. In recent years, we have continued to increase investment in safety, with the aim to reducing and eliminating risks at source and providing employees with a healthy and safe working environment.

¹Certification venues include Blue Moon China, Blue Moon Industrial, Blue Moon Tianjin, Blue Moon Kunshan, Blue Moon Chongqing

With years of stably and reliably safe operation and maintenance, our safety performance has improved year by year. Among them, the Tianjin factory has been rated as the "Outstanding Unit for Safe Production" in the Xiqing Economic and Technological Development Zone in Tianjin for many years.



Regulatory Compliance in Operations

Blue Moon believes that stringent compliance management in operation is essential to a company's development. We adhere to the value of integrity, and uphold the principles of regulatory observance and respect for business values in every business process.

The Audit Committee assists the Board in assessing the effectiveness and adequacy of the internal controls and risk management system, including financial, operational and compliance controls. Fundamental to a reliable operation in line with legal requirements and ultimately a sustainable growth of Blue Moon, our internal controls and risk management systems endeavour to manage overall risks exposure within acceptable levels. An internal control and risk management mechanism has therefore been devised, forming three lines of defence for risk management.

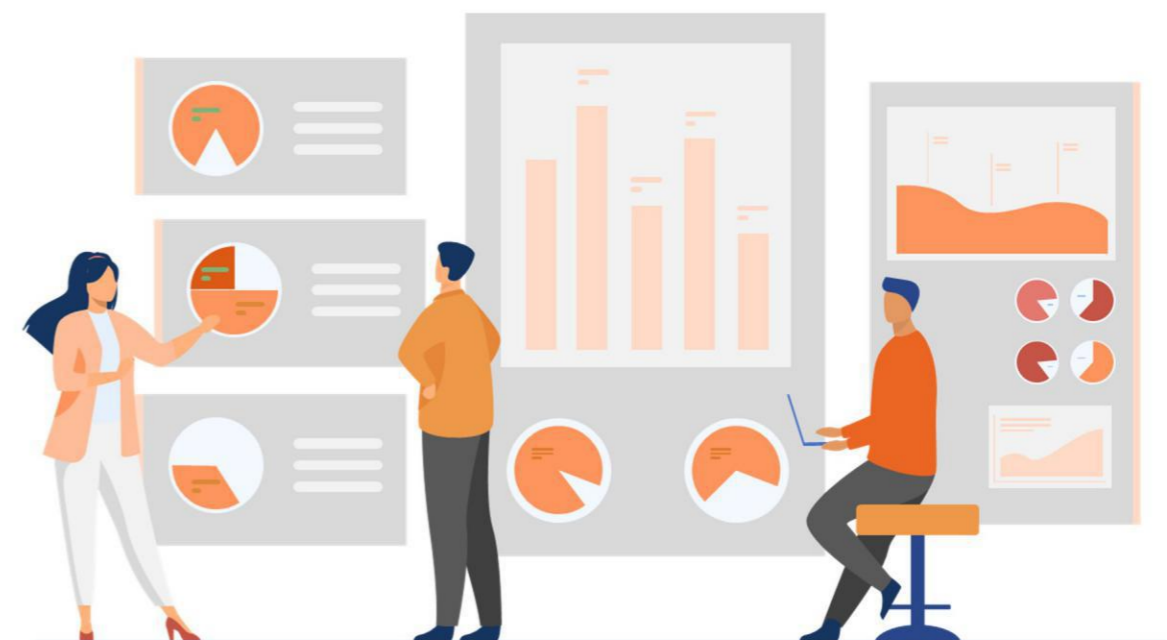
Three lines of defence in risk management: Business units and functions act as the first line of defence to identify and manage risks in daily operation. Finance, Legal, EHS, Quality Assurance and other professional departments constitute the second line of defence to provide professional risk management measures, as well as guiding and overseeing business units to implement risk management and improve internal control; Audit and Compliance Department is the third line of defence, which conducts independent and objective evaluation and assurance on the effectiveness of the risk management and internal control system. All lines of defence strive to integrate Blue Moon's core value in the operation and maintain a compliant business environment with integrity and trustworthiness.

Blue Moon strictly abides by laws, regulations and regulatory requirements, such as the *Company Law of the People's Republic of China*, *Civil Code of the People's Republic of China*, and *Anti-Unfair Competition Law of the People's Republic of China*. Due to the sound internal control and risk management system, we have no case of bribery, material litigation or significant administrative penalties during the reporting period.

Business Management and Financial Monitoring System

Business and Transaction Data Management

Blue Moon attach importance to the development and application of information technology. Since the launch of SAP system in 2008, the application system has been successively deployed across business functions and served to support the entire business process. At present, with SAP as the core system, we have developed a data platform with data traceability and reliable monitoring, which covers finance, production, procurement, logistics, sales and customer service. The application system enables real-time monitoring of key business operation, ready access to business data, as well as ongoing monitoring and analysis of process performance and business indicators, supporting management's prompt identification, response and decision over business risks.



Operation Management and Financial Monitoring

We established a monitoring system for operation and finance has been established to enhance operational risk assessment and the control of business risk.

Key Measures

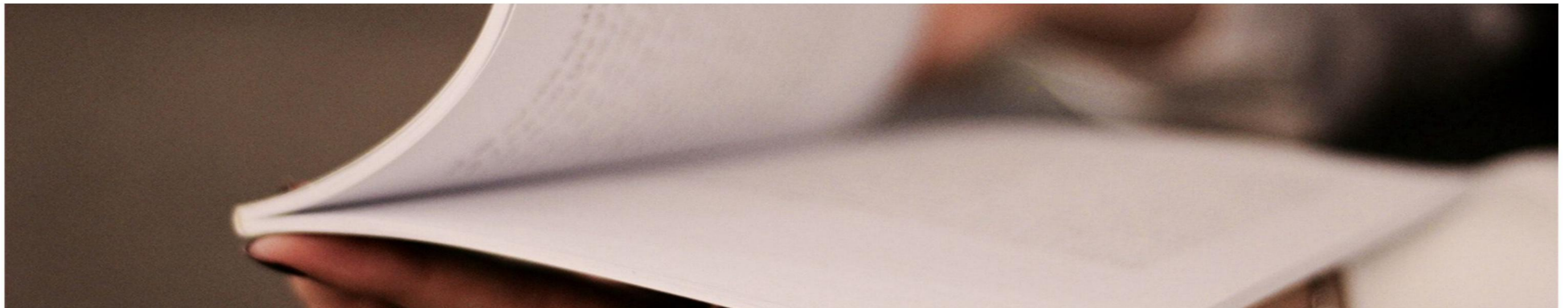
- Scorecards for assets, inventories, payments and receipts have been developed as indicator to monitor and analyse business performance every month. These monthly evaluations subsequently form a risk database to timely identify risks arising from new businesses and abnormalities in existing systems, aid in determining reasonable risk response strategies, as well as locating and managing risks at source.
- We regularly review and update procedures in hand, and devise relevant policies and operation manuals for new businesses processes. In reviewing the operation processes, we focus on key risk points and adopt appropriate control measures to keep the risk within controllable limits.

Multi-level Monitoring

Ongoing internal control, independent internal audits, and internal control review by third party form a three-level monitoring mechanism for the business.

Key Measures

- The Internal Control Department conducts internal audit for business functions. In accordance with audit findings, the team formulates corrective action plans with management and oversees the implementation within a reasonable period of time for better risk management and internal control.
- We have not only established an accessible internal feedback channels but also strengthened our investigation and accountability system. The Internal Audit Department is responsible to look into financial non-conformation of relevant standards, and reports the audit and investigation results to senior management and Audit Committee.
- Since incorporation, Blue Moon has engaged third-party auditors annually for financial statement audit in accordance with accounting standards and auditing procedures. External parties have issued an unqualified audit opinion report every year.



Legal, Quality and Safety Management

Legal Monitoring

A sound legal risk management system is critical to a company's operation and sustainable development. In view of its business characteristics and the external environment, Blue Moon has formulated the Legal Risk Management System, which outlines a scientific legal risk identification, avoidance and control mechanism. Blue Moon ingrains the avoidance and control of legal risks in every single business function, and actively manages and stays vigilant of legal risks.



Key Measures

- **Regular compliance review:** We collect and analyse the latest trends in laws, regulations and policies periodically, and provide management and employees with guidance and compliance alerts in a timely manner. We conduct legal assessments and audits on daily operations, including but not limited to contracts, advertisements, policy and procedures and intellectual property. Besides, we actively eliminate legal risks and take immediate rectification for any legal issues which have been identified. Following changes in the internal and external environment, we urge every department to carry out self-examination and revise internal management systems accordingly. As to major business activities, the Legal Department performs special legal risk assessments before implementation.
- **Annual legal risk review:** We conduct annual due diligence investigations on each businesses stream in the previous year and issue Due Diligence Reports. In response to existing or potential legal risks, we propose remediation and supervise relevant departments to put them into practice.

Quality Assurance

In pursuit of excellent product quality, we strictly oversee the quality system from sourcing to manufacturing, to ensure effective and reliable operation as well as continuous improvement of the quality system.

Key Measures

- Regarding upstream suppliers, Blue Moon has developed a comprehensive supplier site audit standards, including but not limited to quality management system and EHS management. Professionals across departments are arranged to conduct thorough inspection at suppliers' production sites according to the audit standards, and only suppliers who pass the audit are qualified. For the suppliers in cooperation, we implement hierarchical supervision, continuously assess the risks of suppliers every year and annual on-site audits conducted to suppliers purposefully.
- In respect of factories under the Group, we have implemented a quality management system and developed a comprehensive quality assurance audit mechanism for the entire product realization process, covering 176 items in nine modules. Through strict annual internal reviews, the observance of national and local regulations and policies, as well as quality management policies, requirements and guidelines of Blue Moon by factories are guaranteed. As a result, uniformity in product quality across regions to manufacture consistently top-class products is achieved.
- Under our rigorous supervision, the factories of the Group continue to improve their regulatory compliance and quality assurance system. In 2020, we received and passed 22 on-site audits by national and local regulators.

EHS Compliance Operations

EHS compliance is integral to our business, where a safe, stable and reliable operation is considered first and foremost.

Key Measures

- Our EHS management organization and professional team have adopted local and line management to ensure the discharge of EHS duties.
- Quarterly EHS regulation compliance review is performed for each production plant to identify non-compliance issues and rectify with closed-loop management, which continuously improves the reliability and maturity of the entire management system. We are audited by third-party external professionals from certification organizations and closely supervised by government bodies at all levels every year, and no major non-conformations have been found so far.



Business Ethics Promotion and Practice

We work with our upstream and downstream partners to uphold and practice high ethical and business standards, and develop mutually beneficial partnerships in a long run. In order to demonstrate the philosophy of a law-abiding business with integrity, Blue Moon has signed the Supplier Integrity Commitment with partner suppliers and the Anti-Commercial Bribery Commitment with partner distributors to bind all parties to the business code of faithfulness without corruption.



We encourage stakeholder participation in our anti-corruption work. Reporting channels, such as email and telephone hotline, and measures to protect whistle-blower have been stipulated in the policy Supervision and Reporting Management System and the Supervision Management Practice. And through the Anti-Corruption Notice, we encourage all stakeholders to participate in our anti-corruption efforts, including monitoring and reporting employee misconduct.

We are dedicated to gaining trust by integrity and establishing reputation by credibility. With a focus on contract and credit management as well as compliant operation, since 2007, Blue Moon has been awarded as "Observing Contract and Valuing Credit Enterprise" by Guangdong Provincial Industry and Business Administration Bureau for 13 consecutive years.

Employee Compliance, Integrity and Business Ethics

Blue Moon attaches great importance to raising the business ethics awareness among our employees and emphasizes the value of compliance and integrity through the implementation of business policies and procedures and provision of training.



Key Measures

- Policies and procedures have been developed to define non-compliance behavior in relation false and fraudulent acts, bribery, the abuse of entrusted power for private gain, such as Falsity Accountability System, Work Integrity Management System, Employee Reward and Penalty System, and set out punitive measures for the accountable persons at different level. Additionally, it is mandatory for all our employees to make a commitment to fulfil the compliance, integrity and business ethics requirements, in order to promote workplace honesty and integrity, as well as a healthy and stable development of the company.
- We raise our employees' compliance and integrity awareness and risk management expertise through seminars, professional training, and field checks. In 2020, 28 training sessions were provided to staff at all levels.

Community Communication and Involvement

Blue Moon knows well that contributing to the community where we operate is not only the social responsibility and obligation of an excellent enterprise, but also our persistent pursuit. We have always combined corporate development with social responsibilities, taking public welfare undertakings to a strategic level. Guided by the harmonious social outlook of "attention, love and care", Blue Moon has actively participated in various undertakings for public good and constantly launched programs for healthy growth of all.

In 2020, we held diverse social activities, covering anti-epidemic actions, spreading the healthy and clean life concept, environmental protection, educational support, cultural and sport assistance, and poverty alleviation.

Promotion of the Healthy and Clean Life Concept

We care about the needs of families and the society, providing a full-suite of home cleaning solutions to help consumers create a clean, comfortable and beautiful living space. We are also committed to promoting the concept of a healthy and clean life to the public, contributing to the construction of the public health culture.



Case: Care for Children, Construct a Healthy Future

Children are the hope of the family and the future builder of the country, therefore Blue Moon pays particular attention to their growth. Since 2001, with the support and leadership of the All-China Women's Federation, the Ministry of Education and the Ministry of Health, Blue Moon has held the "Blue Moon Liquid Soap Cup" health angel campaign in collaboration with the All-China Women's Federation for 20 consecutive years to publicize the knowledge about children's health in family life. Blue Moon has cumulatively donated RMB36.6 million of funds, with RMB2.05 million in 2020. In 2020, despite the impact of the epidemic, we held health angel campaign in 103 kindergartens across the country, offered 75 online expert classes, selected 10,000 health angels, distributed 290,000 brochures, and benefited 290,000 families.

Case: Wise Women, Happy Families

It is our goal to make tedious cleaning interesting and onerous work enjoyable. Since 2013, we have been working with the All-China Women's Federation for 8 consecutive years to carry out the "Wise Women: Owners of Home" series activities. We deliver the knowledge of smart life to women, teach women to manage household chores easily and happily, and help thousands of families lead a quality, clean and healthy home life. Blue Moon has spent RMB14.74 million in total, with RMB1.765 million in 2020. In 2020, we held 60 classes for women, 8 boutique salons for the elites, and online classes in official websites covering 101 government agencies, enterprises and institutions, with an impact to 160,000 women, bringing clean lives to 160,000 families.



Dedication to Environmental Protection

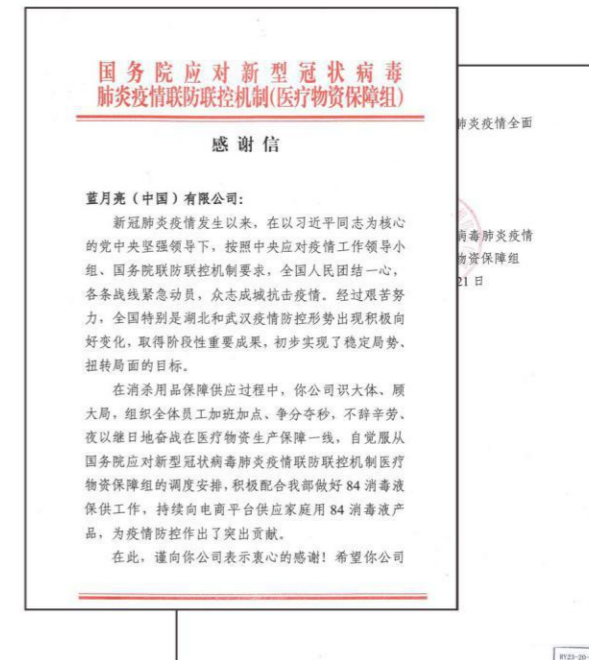
We actively practice the green development concept of "green water and green mountains are as valuable as mountains of gold and silver", respect and cherish the nature, and care for the environment. We actively give ourselves in the cause of ecological environmental protection and strive to be a practitioner of ecological civilization and an ambassador of green and low-carbon behaviour. We donated money to the Giant Panda Rescue Campaign, the large-scale environmental campaign themed "Building Mangrove Forests, under the Same Blue Sky" and the SEE water environment protection campaign, advocating increased awareness of protecting the environment among the public and devoting ourselves to the construction of green homes. In January 2018, we received the honor of "International Carbon Value Comprehensive Award" issued by the Organizing Committee of the World Environmental Conference, which affirmed and encouraged us to fulfill our social responsibilities with the concept of environmentally friendly development.

Fight Against COVID-19

When a disaster strikes in one location, help comes from all quarters. Since the outbreak of the COVID-19, epidemic prevention materials have been in extremely short supply. We immediately contacted our factories, suppliers and distributors, and mobilized anti-epidemic materials worth more than RMB5.38 million, including antibacterial liquid soap and chlorine bleach. We arranged employees to deliver the supplies to Hubei, providing support to the front-line healthcare professionals and the public to combat the epidemic.



On January 26, 2020 (the second day of the Lunar New Year), we resumed work to ensure the supply of disinfection products. Due to our anti-epidemic effort, we received a number of awards, including "National Key Enterprise for COVID-19 Pandemic Prevention and Control" issued by Ministry of Industry and Information Technology of the People's Republic of China, written letter of thanks from the Medical Supplies Support Group under the Joint Prevention and Control Mechanism of the State Council against COVID-19, and "Contribution Award for Anti-epidemic Supplies Support in China Cleaning Industry" by China Cleaning Industry Association.



Poverty Alleviation

We actively practice the traditional virtues of "helping each other and relieving the impoverished", caring for the poor and devoting themselves to poverty relief actions. Since 2010, we have participated in the "Guangdong Province Poverty Alleviation Day" and the "double arrival" poverty alleviation activities for 11 consecutive years. Since 2011, we have taken part in the Southern Daily Poverty Alleviation Donation Collaboration Project for 6 consecutive years, relieving poor areas and households from poverty.

Support for Education

Education is the foundation for the thriving of a nation. We support the national education priority strategy and launch the "Quality Education Popularization Program". We have set up scholarships in schools, such as Wuhan University, Xiamen University and Shayang Middle School, to help students with good moral character and academic results in families with financial difficulties grow healthily, encouraging them to contribute to the society through hard work and self-cultivation.

Facilitating Cultural and Sports Events

Comprehensive development of culture and sports is critical for the pursuit of a wonderful life. We sponsored cultural and sports events such as the Graduates Art Fair (GAF) and 2020 Guangzhou Huangpu International Marathon to facilitate community cultural and sports development, with a cumulative donation of more than RMB 7 million in 2020.

Case: Graduates Art Fair

Since 2014, we have been the principal sponsor of the GAF, advocating the integration of art and beauty into life, inspiring people to pursue a better future. In 2020, Blue Moon brought GAF to Wuhan, a heroic city with people fighting together during difficult times, to commemorate this special chapter of history and help Wuhan revive culture and start a new life.



Statistics in Relation to Social Responsibility

KPI	Units	Value	
Number of Employees	Category	Number of people	7523
Sex	Male	Number of people	2,593
	Female	Number of people	4,930
Form of employment	Full-time	Number of people	7,523
	Part-time	Number of people	1,743
	Hired by third party	Number of people	195
Age	≤30	Number of people	2,329
	30~50	Number of people	5,051
	≥50	Number of people	143
Job Level	Senior Management	Number of people	83
	Middle Management	Number of people	358
	Others	Number of people	7,082
Location	China	Number of people	7,523
	Overseas	Number of people	0

KPI	Units	Value	
Work-related fatalities	Total	Number of people	0
Number of corruption lawsuit	Total	Case	0
Money spent on social affairs	Total	RMB 10,000	1,762
Hours spent on social affairs	Total	Hours	1,282



About the Report

Blue Moon Group Holdings Limited presents to its stakeholders its environmental, social and governance (“ESG”) policy, and describes specific implementation and performance of the Company in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (“HKEx”).

This report mainly outlines the Group's environmental and social related policies, measures and performance. Other topics including corporate governance and information related to the directors have been disclosed in the relevant section of the Group's 2020 annual report.

Reporting Period

This report covers the environmental, social and governance issues of the Group in China from the period from 1 January 2020 to 31 December 2020(“Reporting Period” or “Current Financial Year”) and traceback or extend to other relevant years.

Organizational Coverage

This report covers Blue Moon Group Holdings Limited (Stock Code: 6993), which includes Guangzhou Blue Moon Industrial Co., Ltd, Blue Moon (China) Co., Ltd., Blue Moon (Tianjin) Co., Ltd., Blue Moon (Kunshan) Industrial Co., Ltd., Blue Moon (Chongqing) Co., Ltd., Blue Moon (Guangzhou) Co., Ltd., Xingshuo (Guangzhou) Industrial Co., Ltd.

Reporting References

This report is prepared in accordance with the *ESG Reporting Guide* issued by the HKEx and has referred to *the Global Reporting Initiative*' s GRI Standards.

The report was prepared in accordance with the requirements set out in the above standards and follows a set of systematic procedures, including industry benchmarking, stakeholder communication, conducting materiality analysis of key issues, collecting relevant materials and data, writing the report, and review of this report by the Board, to ensure the content in this report follows the principles of materiality, quantitative, balance and consistency.

Data Source

All information and data used in this report originate from formal files, statistical reports, and financial reports of the Company. All materials used in this report are provided by our employees and our partners, which will only be used for reporting the Group' s environmental, social and governance progress and not for commercial purposes.

Abbreviations Statement

In this report, “Blue Moon” , “Group” , “Company” and “we” all refer to Blue Moon Group Holdings Limited.

Language Statement

This report will be provided in Chinese and English version. In case of any discrepancy between these two versions, the Chinese version shall prevail.

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Feedback

Dear readers,

Hello!

Thank you for taking the time to read the 2020 Environmental, Social and Governance Report of Blue Moon Group Holdings Limited. In order to further enhance our environmental, social and governance management and report quality, we would like you to fill out the readers' questionnaire and send it back to us through the methods listed below. Your comments and suggestions will be highly appreciated and we look forward to your reply.

Contact: Blue Moon ESG management office

Email: kcxfz@bluemoon.com.cn

Website: www.bluemoon.com.cn

1.What is your overall impression of this report:

- Good
- Above average
- Average
- Below Average
- Poor

4.What do you think of this report in terms of readability?

- Good
- Above average
- Average
- Below Average
- Poor

2.What do you think of the accuracy and comprehensiveness of identifying and prioritizing key stakeholders, conducting materiality analysis of key issues relevant to environmental, social and governance in this report?

- Good
- Above average
- Average
- Below Average
- Poor

3.What do you think of the information in this report in terms of comprehensiveness?

- Good
- Above average
- Average
- Below Average
- Poor

5.You are welcome to make comments and suggestions on Blue Moon's environmental, social and governance management and environmental, social and governance report: