

ESG Report

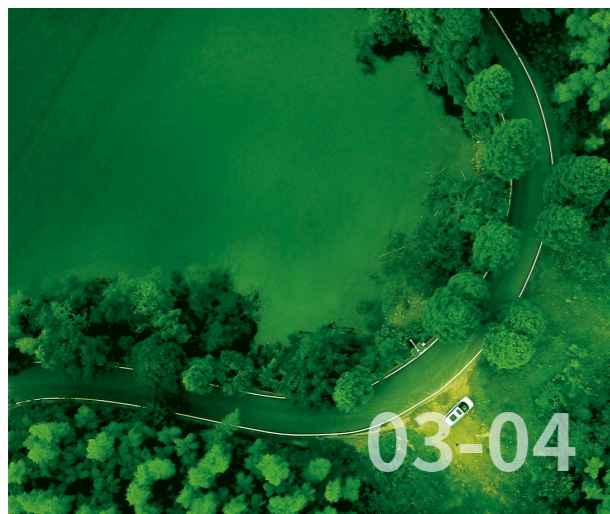
2022

Oppein Home Group Inc.

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INTRODUCTION

This is the environmental, social and governance (ESG) report 2022 (“ESG report” or “this report”) of Oppein Home Group Inc. (“Oppein” , “the Group” or “we”). On April 22, 2022, Oppein released the corporate social responsibility (CSR) report 2021, which was the first one released after the Group’s listing. Optimized and upgraded based on the CSR report 2021, this report objectively, normatively, transparently and comprehensively discloses all environmental, social and governance measures implemented by Oppein in 2022. It discloses Oppein’s ESG performances to readers and stakeholders. This is the first ESG report that Oppein has released after its listing.

Reporting Principles, Bases and Standards

With reference to the Sustainability Reporting Standards 2021 (“GRI Standards 2021”), the Environmental, Social and Governance Reporting Guide (“ESG Guide”) contained in Appendix 27 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited. and No.1 Self-regulation Guide of Shanghai Stock Exchange - Standard Operations, this report has been prepared based on the reporting principles of GRI Standards 2021 on accuracy, balance, clarity, comparability, verifiability, timeliness, sustainable context and completeness. If not otherwise specified, all monetary values mentioned in this report are denominated in RMB.

Reporting Scope

Being complementary to our annual report 2022, this report discloses our environmental, social and governance management methods, measures and performances for the year from January 1, 2022 to December 31, 2022 (“current year”), some of which can be traced back to the previous years or extended to the disclosure date of this report. The coverage of this report is the same as that of our annual report 2022. The environmental data of this report covers our head office in Guangzhou, and our four production bases in Tianjin, Qingyuan, Wuxi and Chengdu. The production base in Wuhan was not put into production in 2022. Italy Design Alliance and Milan Aesthetic Research Center are not engaged in production and therefore, their environmental data has not been included in this report.

Data Sources

The information disclosed in this report derives from official documents, reports and other related public data of Oppein and its affiliated companies. Other data has been collected from the Group manually.

Release Form and Access Method

This report has been released in both Chinese and English electronically in PDF format. In case of any discrepancy between the English translation and the Chinese version, the latter shall prevail. All readers and stakeholders are welcome to access and download this report from our official website (www.oppein.com) or the website of Shanghai Stock Exchange (www.sse.com.cn) to .



MESSAGE FROM THE GROUP'S BOARD OF DIRECTORS

With clear knowledge about the importance of good ESG management for a company, we have been making great efforts to continuously improve our ESG management. Our Board of Directors, which is our highest responsible and decision-making authority, oversees our overall ESG related management. It also takes charge of supervising and coordinating ESG related risk management. The Board of Directors has constantly enhanced its supervision and involvement in our ESG. It has reviewed our attainment of our environmental goals. This year, we have achieved our objectives on greenhouse gas emissions, benefits of energy efficiency, water conservation and wastes management. In consideration of our development status, we have set relevant environmental objectives for the current year, to realize the vision for sustainable development.

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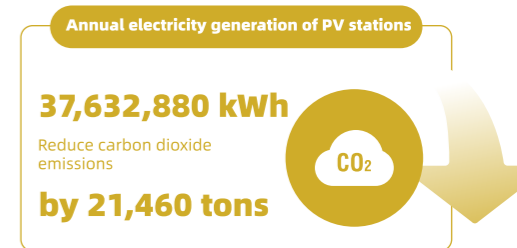
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We react swiftly to market demands. Upholding the concept of green development and healthy homes, we steadily promote digital, flexible and intelligent upgrading of our green environmental strategies. We make unremitting efforts in terms of production processes, research and development, environmental protection and informatization, to continuously drive high-quality development of the home industry and create a new business pattern for green development of the industry.

In 2022, we started our journey to process development. We have developed integrated internal control and management models fit for our actual systems and processes, to practically drive our business development. We have improved our ESG management structure and clarified our management functions. We have established a social responsibility and governance mechanism with full coverage for coordinated supervision and up-down linkage.



In 2022, we constantly promoted our green low-carbon development. We initiated the preliminary phase of “green factories” certification for our production bases. While continuously enhancing environmental management in the whole process of our operations and production, we actively invested in renewable energy initiatives. After the factory rooftop photovoltaic (PV) power station was put into use in Wuxi base in 2018, the factory rooftop PV power stations in Qingyuan and Tianjin bases were formally put into production in the current year. In 2022, the annual electricity generation was up to 37,632,880 kWh in Qingyuan and other bases, reducing carbon dioxide emissions by 21,460 tons.



In 2022, we continued striving for the strategic objective of Oppein Manufacturing 2025. By integrating the Internet, big data and artificial intelligence, we have greatly improved our business efficiency and lowered our production costs. Our information capabilities were constantly fostered from frontend design and rendering, optimization of order splitting/reviewing processes and design drawings to the factory side. We have provided our users with superior experiences from multiple perspectives, including “you get what you see”, efficient prompt responses and improved processes.

In 2022, we also upheld the policy of “people-oriented”. Attaching great importance to safeguarding our employees' rights and benefits, we considerably cared for every employee and assured them of equal employment opportunities and promotion channels. Besides, we took our social responsibilities seriously with systematic and persistent public welfare measures by concentrating on the plan for warming home with love, education donation, rescue for the desperately poor and assistance for those in difficulties. In the past three years, our major performances in social responsibilities have been constantly improved.

In the future, we will continue improving our process building, refining our ESG management system, obtaining the “green factory” certification, investing in energy conservation/emission reduction projects, as well as environment-friendly materials and products R&D.

We truly appreciate that in 2022, all of our employees, partners, authorities and other stakeholders bridged over difficulties with us, supported us, shared benefits and created a win-win situation with us in 2022. In our future operations, we will stick to the green development policies, include governance of sustainable development in our corporate governance architecture, constantly improve our governance capabilities and actively perform our corporate social responsibilities. We will pay constant attention to our shareholders, investors, governmental or regulatory authorities, employees, suppliers, partners, NGOs, communities and other stakeholders. We will take initiatives to take advances and suggestions from all parties, to create optimal returns for our investors.

ESG

WARM OUR HOME WITH LOVE

OPPEIN 欧派

With home, with love, with OPPEIN

ABOUT US



Establishment of Oppein
1994



Stock Code
603833.SH



Sales Revenues
RMB 22.48 billion



Net Profits
RMB 2.69 billion

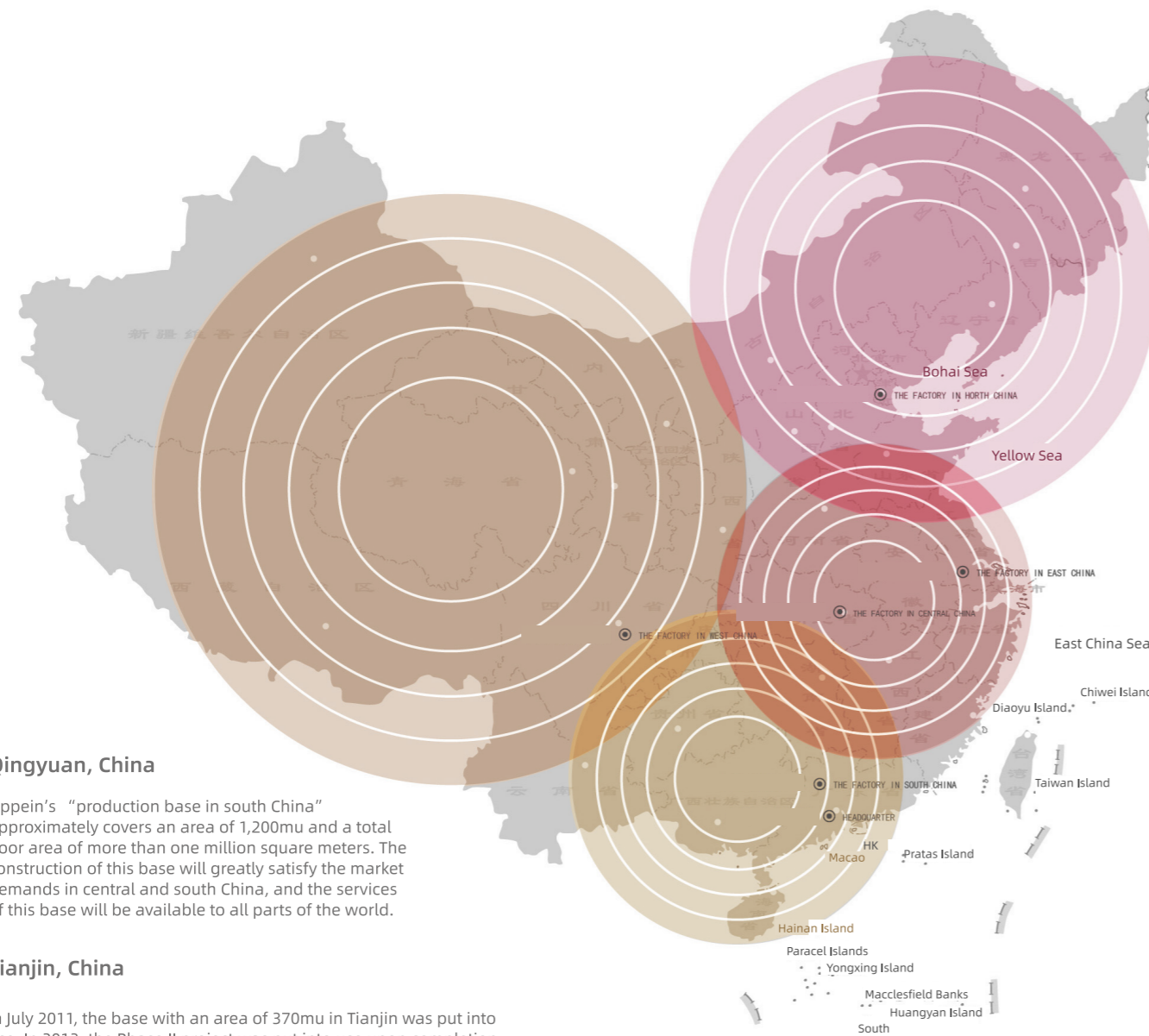
Oppein Home Group Inc. (Stock Code: 603833), established in 1994 and headquartered in Guangzhou, Guangdong Province, is the first listed enterprise with market value of more than 100 billion in the custom home industry of China. Over 29 years of development, Oppein has forged ahead and constantly worked to the maximum potential. Nowadays, our total production scale of custom home products ranks No.1 within the industry. We have five major intelligent production bases in Tianjin, Qingyuan, Wuxi, Chengdu and Wuhan. Occupying land of **more than 3,000 mu**, we take the lead in manufacturing scale in Asia. Each of our bases covers a supply system within a radius of 500km and builds a “logistics circle” for 8-hour access to all areas of China. We have **over 7,000** stores globally, and our products are sold well in 118 countries, six major continents.

It is our vision to “build Oppein into a world’s outstanding home enterprise”. As the leader of the custom home industry, Oppein has been the first one to deploy related businesses, made constant innovations and laid solid foundations. In 2021, our sales exceeded RMB 20 billion, which was unprecedentedly high. Since the establishment, Oppein has developed from a cupboard leader to a custom home service provider, and turned from a leading distributor to an omni-channel trader. Our abilities in iteration and innovation of our business models have been verified.

As the real estate industry enters an era of housing stocks, Oppein takes the lead to promote transformation of business models. Attaching equal importance to full decoration, we practise strategies to further open up space for growth. Oppein has started from integrated cupboards and extended to whole-home customization, wooden doors, bathroom products, soft outfits, kitchen appliances, metal doors and windows, armored doors, supporting furniture and fully decorated forms. Having developed diverse industrial patterns, we have built a matrix for integrated cupboards and wardrobes. Oppein is a domestic integrated service provider of comprehensive modern integrated homes, engaged in research, development, manufacturing and sales in multiple business segments. **In 2022, our sales revenues amounted to RMB 22.48 billion and our net profits were up to RMB 2.69 billion.**

We have completely built brands at multiple levels, including popular, high-end and young brands. We make diverse options available to consumers to satisfy diversified market demands in an all-round manner. Our brands include Oppein (a medium to high-end brand), miform (a high-end brand), OPPOLIA (an affordable luxury and fashion brand), BAUNIS (a full decoration brand), OPLONI (a popular brand) and so on.





● **Qingyuan, China**

Oppein's "production base in south China" approximately covers an area of 1,200mu and a total floor area of more than one million square meters. The construction of this base will greatly satisfy the market demands in central and south China, and the services of this base will be available to all parts of the world.

● **Tianjin, China**

In July 2011, the base with an area of 370mu in Tianjin was put into use. In 2013, the Phase II project was put into use upon completion.

● **Wuxi, China**

In 2014, Oppein formed strategic partnership with the government of Huishan District, Wuxi. Oppein was granted industrial land of 300mu in Huishan District, Wuxi, and the project was completed in two phases, with a total investment of RMB 2 billion.

● **Chengdu, China**

On April 10, 2019, Oppein's base with an investment of about RMB 4 billion and an area of 414mu in Chengdu was formally put into production. Oriented towards intelligent homes, Oppein has given full play to the potential for transition to home intelligence.

● **Wuhan, China**

In July 2021, the construction of Oppein Group's "Central China Intelligent Manufacturing Base" with a total investment of RMB 5 billion and an area of 840mu was formally commenced in Caidian District, Wuhan. With this base as the new start point, Oppein has further achieved exceptionally high yield, making our services available from all parts of China and the whole world.



3,000mu
Land



24,572
Employees



In October 2021, Oppein was included in the list of "national industrial design centers" recognized by the Ministry of Industry and Information Technology of the People's Republic of China. With a large team of designers within the industry, we have established a comprehensive system for further product exploration, detailed design, exhibition design and home decoration design.

In 2022, the annual output of integrated cupboards, wardrobes, bathroom products and wooden doors was over 830,000, over 3,176,000, 642,000 and 1,100,000 respectively. We possess large-scale non-standard customization and production strengths.

On January 5, 2023, the Review Board of China's TOP500 Brand Value disclosed the list of China's TOP500 brand value, where Oppein was ranked top in the home industry with a brand value of RMB 57.806 billion. Oppein has been included in this list for seven consecutive years, and our brand value listed therein has increased year after year. Oppein has engaged two outstanding Italian designers, namely Sergio Castiglia - a minimalist designer and Marco Bortolin - an emerging omnipotent designer, to jointly establish Design Italy Alliance and Milan Aesthetic Research Center.



Production Strengths

We possess large-scale non-standard customization and production strengths, with the annual output of integrated cupboards, wardrobes, bathroom products and wooden doors was over 830,000, over 3,176,000, 642,000 and 1,100,000 respectively.



Cutting-edge Product Design

Oppein has engaged two outstanding Italian designers, namely Sergio Castiglia - a minimalist designer and Marco Bortolin - an emerging omnipotent designer, to jointly establish Design Italy Alliance and Milan Aesthetic Research Center.

The Review Board of China's TOP500 Brand Value disclosed the list of China's TOP500 brand value, where Oppein has been listed for 7 consecutive years.

TOP500 List

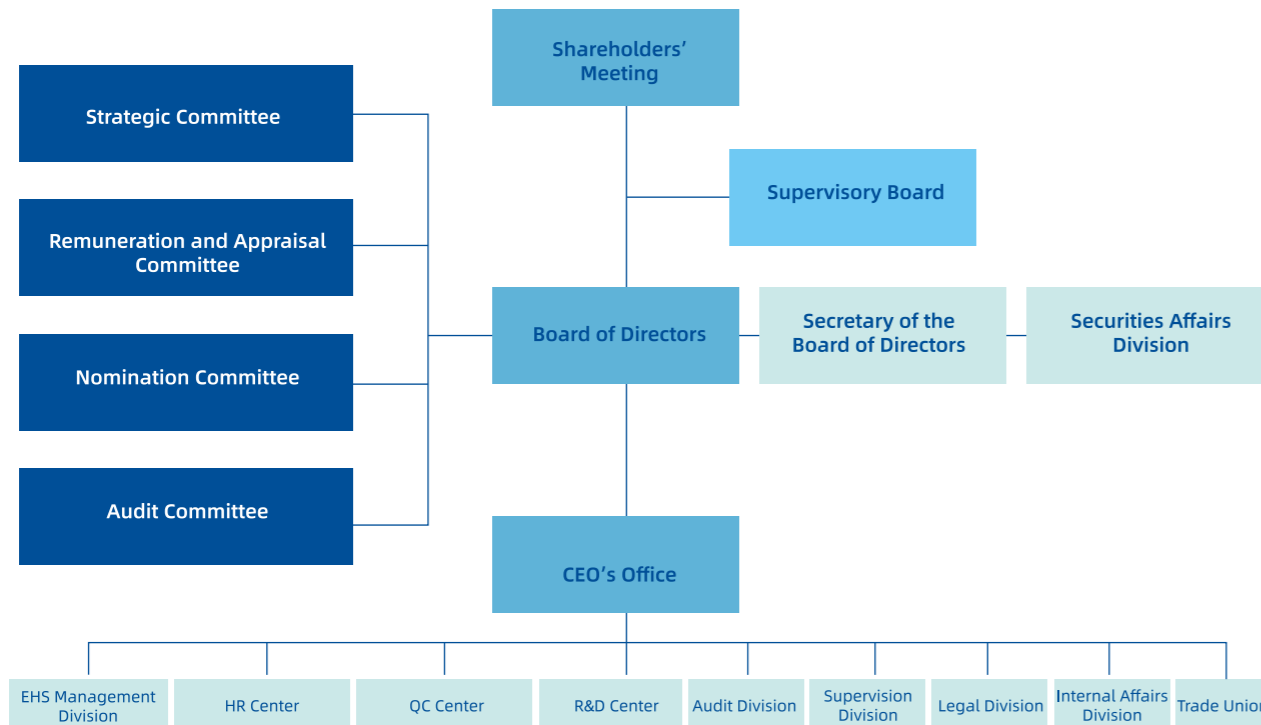


CORPORATE ESG

In 2022, Oppein further improved the corporate ESG structure and clarified functions of all divisions. We established a good governance system and constructed a compliant, professional, effective decision-making mechanism, to safeguard long-term interests of all stakeholders.

In 2022, in consideration of our actual situation, Oppein constantly improved the corporate governance structure, enhanced the insider information management, increased the awareness of responsibility for information disclosure, attached importance to investor relationship management, and truly safeguarded its own and shareholders' legitimate rights and interests in strict compliance with the Company Law, Securities Law, Code of Corporate Governance for Listed Companies, Administrative Measures for the Disclosure of Information of Listed Companies, Rules Governing the Listing of Stocks on Shanghai Stock Exchange, pertinent laws and regulations as well as division rules and normative documents.

Our management has demonstrated remarkable strategic focus and management competencies. Internally, we have constructed a complete organizational structure and a talent training system to guarantee our organizational vitality. Externally, we have established a solid supplier management system, to assure quality from sources, improve evaluation, actively empower suppliers, maintain strength of our teams, and therefore foster our long-term growth.



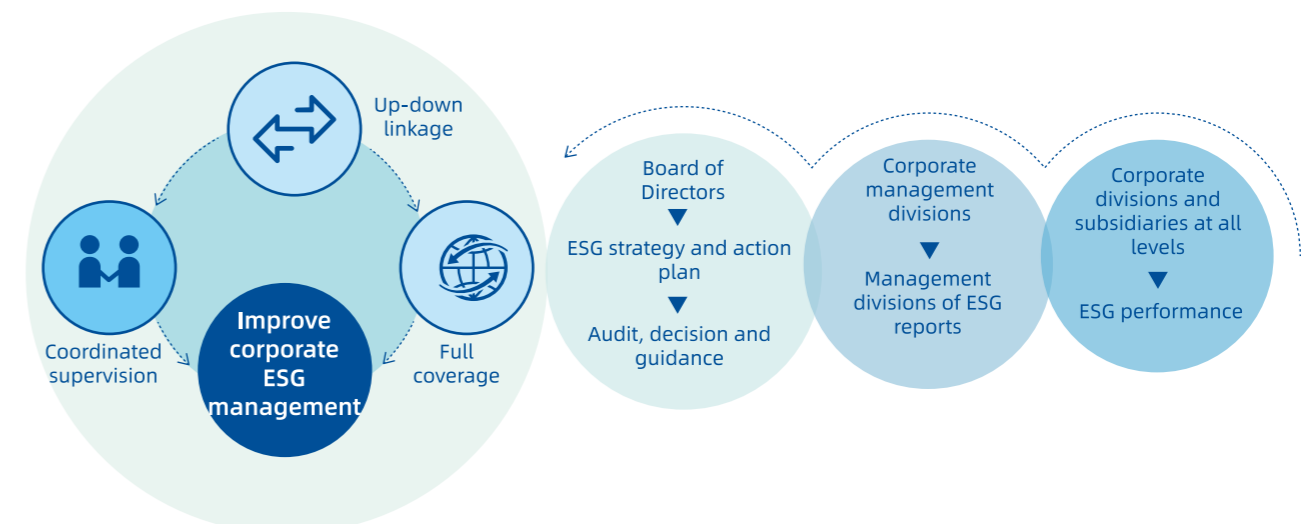
In 2022, Oppein's information disclosure work was rated A again by Shanghai Stock Exchange, for the fourth consecutive year. In the reporting period, we simultaneously implemented multiple major projects, including stock option incentive plan, employee stock ownership plan and further public issuance of convertible bonds. In respect of these projects and other routine interim announcements, Oppein has strictly performed the obligations to disclose information in compliance with the Company Law, Securities Law, Administrative Measures for the Disclosure of Information of Listed Companies, Rules Governing the Listing of Stocks on Shanghai Stock Exchange, pertinent laws and regulations as well as the Articles of Association, Oppein's Administrative Rules for Information Disclosure, Oppein's Administrative Rules for Reporting of Internal Material Information and other documents. In addition, we properly register, report and manage insider information at different stages.



Interim announcements are important channels for the investors to know about the Group's routine business operations and progress of all material matters. Regular reports are crucial references for the investors to judge value of the Group's stocks and to make investment decisions. In the reporting period, the Group disclosed regular reports and all interim announcements as required. Oppein truly, accurately, completely, promptly and impartially disclosed the information which might impose material impacts upon our production, business operations and stock price to the public. In our regular and quarterly reports, we deeply and comparatively analyzed our industry development trends, business models, core competencies, business plans, other industry and business information in combination with the industry policies and market dynamics. In 2022, it was the first time that we disclosed the ESG report in both Chinese and English to the public, to further communicate the value of Oppein to domestic and foreign investors.

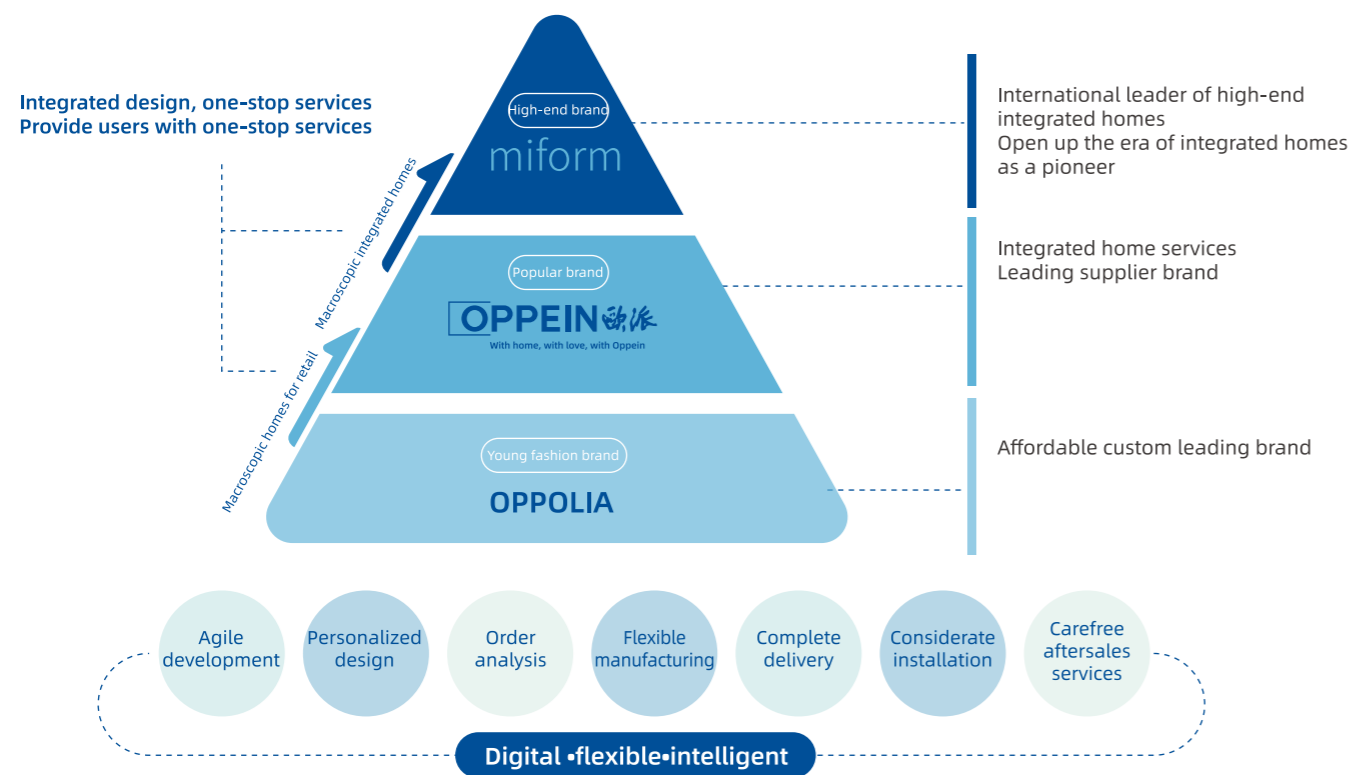
After disclosure of each regular or quarterly report, Oppein organizes a performance briefing by combining online live streaming with phone access. Our chairman, chief financial officer and management actively take part in these performance briefings so that our investors could understand our current business operations more intuitively and comprehensively. Our performance briefings have a total of more than 100,000 page views. In 2022, Oppein is awarded with "New Fortune's Best IR Team of the Year", which is the most recognized honor in the market.

Oppein has developed a strategic ESG structure which comprises of strategic decision makers, strategic planning management and strategic working group, with a review to drive attainment of goals through up-down linkage and jointly ensure effective planning management and attainment of strategic ESG goals. Under the lead of the Board of Directors, our EHS Division, Securities Division, HR Center, Internal Affairs Division, Legal Division, Supervision Division, Trade Union, R&D Division, QC Division and other divisions perform their respective duties and carry out specific management work, to promote organic combination of energy management with our product research and development, production, business operation, equipment management, project construction and other business modules.



CORPORATE STRATEGIES FOR SUSTAINABLE DEVELOPMENT

In 2022, challenges and opportunities coexisted. On one hand, decelerated growth of national economy, intensified competitions of the home industry and adjustment of industrial policies posed great challenges to the home industry; on the other hand, Oppein dared to always be the first and made active responses in face of different changes and uncertainties in the industry. Guided by our strategies for sustainable development, we completely deployed our businesses in the home industry, dared to develop new models and explore new channels, and reinforced construction of a digital, flexible, intelligent management system. We deployed multiple varieties and brands for integrated selling. By transforming our channels and modes, we deeply integrated with home decoration companies. We upgraded our production system and constructed a refined operation system. We took a range of measures steadily. Always as an industry pioneer and leader, Oppein has maintained the domestic leading position as a one-stop integrated high-quality home service provider.

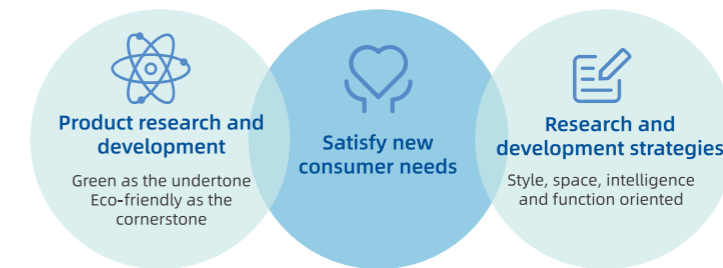


As a leading enterprise in the home industry, Oppein has adhered to the path of sustainable development, consciously practised the concept of ecological civilization and moved ahead as a pioneer. Based on the concepts of green development and healthy homes, we promote digital and intelligent upgrading of our green environmental strategies. Making unremitting efforts in terms of production processes, product research and development, green environmental protection and informatization, etc., we have constantly drive high-quality development of the home industry and developed new green development patterns for the industry.

Oppein always upholds green management and makes constant improvements of environmental governance. We pay attention to consumers' healthy home environment, create green environment-friendly products, actively respond to climate changes and implement national double-carbon strategies.

Our research and development are "based on greenness and environment-friendliness". We stick to upgrading our corporate research and development strategies in four dimensions, namely "style, space, intelligence and function", to constantly satisfy new consumer needs for green environment-friendly homes and create more wonderful and comfortable high-quality everyday life for people.

In 2022, China launched five major projects, including construction of manufacturing innovation centers, intelligent manufacturing, solid industrial foundations, green manufacturing and high-end equipment innovation, to optimize resource allocation, support manufacturing enterprises to improve their creativity and achieve breakthroughs in critical/core technologies, and procure manufacturing to be high-end, intelligent and green. In response to these projects, we deployed informatization strategies, achieved steady development on our path to transition, and fostered core competitive strengths in multi-variety coordination, multi-channel deployment and powerful organizational operation. In terms of products, we developed powerful product and supply chain strengths. As to channels, we possessed the broadest marketing service network among home brands, and especially take the lead in the new integrated home industry. On one hand, we horizontally integrated all home products for the purpose of integration, to improve operational efficiency of conventional retail channels; on the other hand, we broke through the traditional thinking of store construction in the industry. In reliance upon our powerful capacity for supply chain integration, we took the lead to promote new retail stores for integrating decoration customization. With the joint involvement of suppliers, designers and home decoration companies, we truly opened up the whole chain of renovation customization.



For informatization, Oppein will empower retailers and distributors to develop new business patterns using creative technologies such as internet, big data, cloud computing, artificial intelligence and supply chain collaboration. We will reconstruct business ecology, industry chain and value chain for macroscopic homes. In addition, we will creatively transform the traditional customization modes, to upgrade them into modernized new-generation business models for one-stop delivery.

From the perspective of development strategies, we have put forward that "Oppein's most important competitive strength is the institutional soft power - which is the source and contributor of all competitive strengths". Therefore, we will "continue completely transforming and reshaping our rules and institutions" as current action guides and key breakthroughs for governance.

For an enterprise, a scientific and excellent regime fully activates an organization and stimulates creativity to the greatest extent in all positions; an effective and applicable procedure guides execution and application, realizes capability reproduction and guarantees delivery of results. We are just about to effectively integrate our policies and processes into an integrated management system, in order to pool our efforts in management and governance. On one hand, we respond to different changes and challenges by ascertaining our management rules; on the other hand, we keep thoughts and tools of our application processes consistent at all levels, in an attempt to construct a "standard, metric, excellent" operations management system.

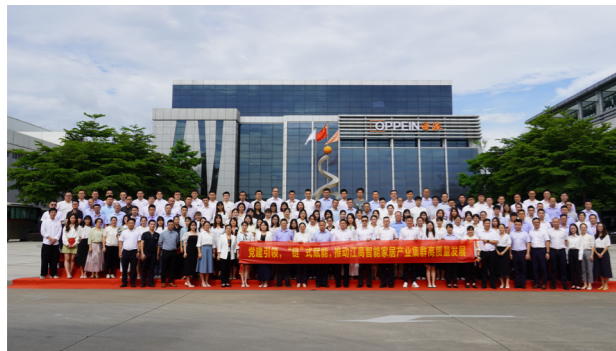
In 2022, Oppein and all subsidiaries at varying levels always adhered to the strategies for sustainable development. We achieved outstanding performances and won awards in ESG, innovations, products, services and so on. For details of some awards and honors, refer to the attached "awards and honors". For instance, for the outstanding performances in leadership, quality, innovations, brands, benefits and so on, Oppein won the 7th Guangdong Provincial Government Quality Award.



LED BY CPC WITH STRONG ASSURANCE

In 2022, the Party Committee of Oppein persisted in being guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era. It focused on studying and implementing the spirit of the 20th National Congress of the Communist Party of China ("CPC"). It followed arrangements made at the 13th Provincial Congress, the 12th Municipal Congress and the 13th District Congress of the CPC. In close combination with the objective of "build Oppein into a world's outstanding home enterprise", the Party Committee remained committed to the leadership of the CPC in construction. It gave full play to its roles as battle fortress of the party organizations and acted as a role model among the CPC members. It strove to explore Oppein's party building mode for promoting "integrated development of five aspects", namely corporate party building and production management, talent training, anti-corruption construction, enterprise cultures and social responsibilities, to "become powerful in party building and development", keep Oppein's development in sync with party building and achieve joint development. In 2022, the Party Committee was successfully included in "2022 National Outstanding Cases of Corporate Party Building", honorably titled as a Guangzhou municipal non-publicly-owned economic organization with "powerful construction and development as well as outstanding production management, decent enterprise cultures, good labor relationships, excellent party organization team, exception CPC members and favorable social response".

(I) Integrate CPC building with production management and unite motive forces of development: More than 50% of our CPC members are engaged in intermediate and senior management of the Group and business units, who clarify directions, manage overall situation and promote implementation, thus laying a solid foundation for driving intensive integration of CPC building with our production management.



(II) Integrate CPC building with talent training and enhance core competences: We convened 12 Party Committee meetings, organized learning on special subjects for 12 times, arranged 18 large-scale training camps within the Group and developed 15 major categories of training services, with coverage of 140,000 people all the year round. We constantly empowered talents and enhanced Oppein's core competitive strengths.



(III) Integrate CPC building with anti-corruption construction and make CPC disciplines more binding: In 2022, we particularly presented "major cases" in our four major production bases and business units, to keep the employees alert at all time. We also launched an effective mechanism in an integrated manner that the employees "dared not to be corrupted", "could not be corrupted" and "would not want to be corrupted", so as to maintain our business operations in order.



(IV) Integrate CPC building with enterprise cultures and stimulate corporate vitality: Carrying forward the core culture of "home with love", we always reckon increasing the employees' sense of happiness, sense of gain and sense of satisfaction as the start point and the end point of business operation and development, to constantly enhance our coherence and centripetal force. In 2022, more than 2,800 reasonable suggestions were made and presented by our CPC members.



(V) Integrate CPC building with social responsibilities and highlight Oppein's strength: Oppein actively followed the arrangements made by the Central Committee of the CPC for poverty alleviation and rural revitalization. We constantly explored modes for integrating "CPC building with public welfare". Dependent upon our national marketing network, we have established a long-term mechanism and system for distributors of different areas to take part in public welfare undertakings, to pool tremendous power of love and completely participate in all public welfare actions.



EFFICIENCY REFORMATION DRIVES DEVELOPMENT

Early in 2015, Oppein initiated Oppein Manufacturing 2025 strategy. According to the development plan for Oppein Manufacturing 2025, dual core strategies will be longitudinally and intensively implemented for macroscopic homes and informatization for efficient constant product evolution from single channels to multiple channels and from whole-home customization to whole case customization. We aim to build a digital lighthouse for Oppein Manufacturing 2025 so that "Oppein Manufacturing" will become a Chinese business card that goes global.

By integrating internet, big data and artificial intelligence based manufacturing, to link sales, research, development, production, logistics and all other parts, we have stepped into an era of AI factories for realizing "you get what you see, you want what you sense, manufactured as designed, and served as manufactured". Meanwhile, Oppein improves production and organization efficiency through QC group, "6 Sigma training", lean production and 5S.



At the same time, Oppein actively promotes development of the industry and leads the development trend as an industry "frontrunner". In 2020, Oppein took the lead among top global brands of the home industry to build a "global healthy ecological strategic alliance", with a view to coordinate enterprises, institutions of higher learning and scientific research organizations with the industry chain, to explore a more effective green path for upgrading. In 2021, Oppein was the first one that established China Kitchen Renovation Alliance, and cooperated with leading brands of the overall home industry to give full play to their resource advantages in the industry chain.

In addition, Oppein participated in amending 28 standards. To be specific, we participated in drafting 12 national and industry standards as well as 16 group standards. We led in drafting 3 national and industry standards as well as 4 group standards. In 2021, Oppein was honored as "Advanced Enterprise in Standardization Work". Details on amendments to the standards are as follows:

	2019	2020	2021	2022
Number of Amended Standards⁴ group standards	7	3	4	2
National Standards	/	1	2	1
Industry Standards	/	1	1	/
Group Standards	7	1	1	1

Participated in drafting **12** national and industry standards
Participated in drafting **16** group standards

Led in drafting **3** national and industry standards, as well as **4** group standards

2022 was the first year that we started process building to reform efficiency. While improving our "management efficiency" by "governing management approval", we boosted our operational efficiency by "governing business processes". By making breakthroughs from scratch based on existing institutional construction, we developed internal control and management models and capabilities fit for integrating our actual systems and processes. The following governance outcomes were achieved:

I. Governance of Management Approval

In reliance upon our expectations, we focused on three core aspects, namely "clarifying responsibilities, improving efficiency and adapting to trends". We clarified responsibilities, streamlined administration, delegated authority and revoked ineffective policies for costs reduction. "Overall process has been smooth and intelligent, with turnaround efficiency improved by 2 to 5 folds". "Enhanced risk prevention and control during decision-making procedure. Streamlined administration process reduced costs by RMB 2 million". All governance objectives set for current year were successfully achieved.

Overall process has been smooth and intelligent, with turnaround efficiency improved by **2 to 5 folds**
Enhanced risk prevention and control during decision-making procedure. Streamlined administration process reduced costs by **RMB 2 million**

II. Governance of Business Processes

Formulated **six major** process management mechanisms as action guides
Deepened businesses based on the second reform in **14** business areas of Oppein
Promoted process improvement
Created benefits of **RMB 7 million**

Formulated six major process management mechanisms as action guides, including Oppein Manual for Process Improvement, Practice, Exploration and Planning (a management policy), Corporate Process Management Guideline (a management and operation mechanism), Corporate Standard for Process Governance, Organization and Operations Management, and Standard for Preparing Integrated Process and Institutional Documents, etc.

Based on the second reform of institutional construction, we optimized our business process mapping, built process architectures at 4 levels from Level 1 to 4 in 14 business areas, finished 2 version iterations, identified interfaces between critical business areas, procured consensus reaching in different business areas, and facilitated our better business planning and connection.

We promoted learning and practices through competitions, to facilitate process improvements. In 12 projects, we achieved the objectives of "optimizing processes, driving coordination, reducing costs, improving efficiency and yielding benefits", approximately creating benefits of RMB 7 million.

III. Operation Review and Control

Oppein persists in maintaining effective business operations by orienting towards risk prevention and increasing management benefits through process improvement with the subsidiaries in strict combination with the existing internal systems and newly released supporting process management mechanisms. We supervise and conduct internal audits. Encourage problem spotting and improvement, and constantly build our overall capacities for business collaboration and risk prevention.

Encourage problem spotting and improvement, and constantly build our overall capacities.
for business collaboration and risk prevention



SUCCESS ASSURANCE WITH QUALITY AND SYSTEM OPTIMIZATION

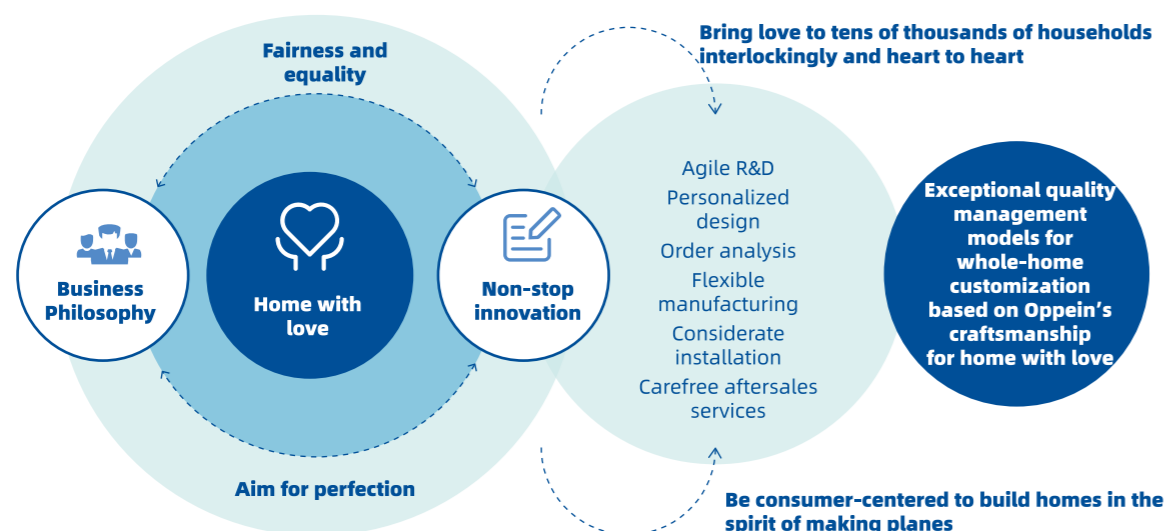
In terms of quality, Oppein remains committed to “build homes in the spirit of making planes” . We are consumer-centered to improve our products and services. Besides, we have constructed an integrated quality assurance system, having made new breakthroughs in informatization of our independent developments, patent applications and localization of testing technologies. We lead environmental upgrading, draft industry standards, upgrade the supply chain, and promote quality improvement of the custom product chain. Furthermore, we actively build national industrial design centers and construct other projects to drive high-quality development of the industry, and therefore contribute to the “high quality nation and province” construction.

In 2006, Oppein was certified by ISO9001 quality management system. Through continuous iteration and optimization of product and system operations, we have built a quality management system suitable for the industry of custom homes, and prepared a complete set of process documents for the quality management system. We control and improve quality in the whole processes in accordance with the Quality Management Rules for New Product Development Processes, Management Rules for Manufacturing System Projects, Management Rules for QCC Parks, Administrative Measures for Production Quality of Manufacturing Lines, Administrative Measures for Supervision over Product Quality and other rules, to ensure that product quality conforms to corresponding standards.

We enhanced assurance for product reliability. Oppein guarantees stability of product quality in the course of processing through strict equipment selection and automatic upgrading of production lines (we have constructed industry leading production lines for sawing with robotic electronic saws, flexible edge sealing/threading, automatic sorting and automatic packaging. We construct industry-leading laboratories with 154 testing capabilities recognized by CNAS and stringent systems for measuring product reliability, to assure reliable quality of incoming and outgoing materials. We have ensured quality of delivered products and significantly improved quality of our production processes by developing automatic size and edge sealing and testing equipment and technologies in collaboration with the Chinese Academy of Sciences. Through QMS construction and full utilization of our whole-process informatization system, we have made whole-process quality control over our orders IT-based. Thus, we place quality control over our orders and products to reduce variations and fluctuations of product quality.

We constantly improve product quality. At the corporate level, we have constructed a powerful quality BI system, to provide the management with data on internal and external quality decisions in real time and continuously drive quality improvements from the perspective of systems. To greatly increase efficiency and improve quality, Oppein was the first one of the industry that introduced and adopted the concepts and methods of lean production and Sigma quality management in combination with features of the customization industry. We have achieved desirable outcomes in shortening lead time, lowering costs and improving quality. Oppein has fully applied informatization means, automatic equipment, automatic detection technologies, advanced production, zero defect and Sigma quality management concepts and methods in quality control, thus developing core competitive strengths in product quality in the market.

In 2022, we created exceptional quality management models for whole-home customization based on Oppein’s craftsmanship for home with love. Based on the core concept of “fairness and equality, aim for perfection” , we created our Oppein specific brand culture upholding that love would exist as long as there was home. Oppein is committed to providing consumers with the best “home and love” experiences. Long-term firmly implemented brand cultures, business philosophy, constant innovations, five craftsmanship qualities and three major critical supporting efforts have made Oppein become a world’s leading home enterprise.



UPRIGHT MANAGEMENT AND STRICT COMBAT AGAINST CORRUPTION

Oppein upholds “rightful” cultures and practises the concept of “fairness and equality” . We prevent management and operational risks, and strongly fight against discipline violation and corruption. We have set up Audit Division and Supervision Division to inspect our controls and put forward suggestions for optimization, in an attempt to achieve steady development. Our Audit Division establishes complete system for internal supervision over a listed company, special examination system, anti-embezzlement mechanism, and systems for rectifying and tracking exceptions of internal controls. Our Supervision Division fully investigates and punishes all violations of rules, disciplines and rules according to strategic decisions of our President’s Office. It strictly cracks down upon and punishes all kinds of corruption and embezzlement. Our upright cultures, which are deeply rooted into our employees and stakeholders, motivate and guide them to value integrity, observe laws and regulations, and act upright.

By supervision with overall prevention and control systems, we constantly enhance our integrity evaluation and management of our employees, upstream and downstream suppliers and distributors. We strictly enforce Ten Bans, Supervision and Management Rules for Marketing Personnel, maintaining our lawful and faithful business operations by comprehensive means, including training, diagnosis and examination. Led by the Supervision Division, we have communicated our anti-corruption policies and processes to all our business partners, of which the number exceeds 1,300. In addition, we evaluated corruption risks of our business premises, and all 59 premises passed the evaluation. In addition, we have established scientific and advanced quality and integrity complaint and whistle-blowing mechanisms within the entire pan-Oppein system. We strictly implement the Complaint and Whistle-blowing Management Rules, to investigate complaints and strictly punish faults if any. In 2022, our 4 employees were fired or subject to disciplinary actions for their corruption upon confirmation.



Cases

In 2022, we organized 148 training sessions on upright cultures, and 9,309 people took part in the training. Site pictures of the training on “upright cultures” in 2022 are shown on the right:



Cases

In 2022, the leaders of China Enterprise Anti-fraud Alliance visited Oppein to know about and guide our construction of an anti-embezzlement system. They recognized that Oppein had been always taking the lead in anti-embezzlement and anti-corruption in the industry. Our investigation and handling of related cases have also reflected our persistent practising of our core values of “fairness and equality” . As a member of China Enterprise Anti-fraud Alliance, Oppein takes initiatives to perform the tasks of lesson communication and information exchange, including conducting training related to internal control and audit for the alliance members, actively taking part in the seminars held by schools and enterprises as organized by the alliance, and sharing the blacklist information with the alliance members.

IMPROVING MARKET AND CONDUCTING BUSINESSES IN GOOD FAITH

Oppein constantly enhances and improves the distributor supervision model and promotes fair competition for the customization industry. Our head office and all our distributors are committed to creating more equal and fair business environment for consumers. We have formulated the Management Rules for Distributors' Business Operations beyond the Scope. We have specified the standards for handling and punishing our distributors' distribution beyond designated areas, varieties or channels, malicious interference, cut-throat competition and malicious slander. We standardize all our business practices, avoid unfair competitions, and truly safeguard legitimate rights and interests of our consumers and partners. We rectify the sales operations online. For instance, we have opened five major complaint platforms in Alibaba and Jingdong, etc. so that our infringement links can be rapidly deleted. We maintain good communications with municipal supervisory committees of different areas and cooperate with organizations. We specially rectify through civil litigation on a large-scale basis. We strictly crack down upon the manufacturers using "Oppein" as their trade names, revoking such trade names by combining legal proceedings with administrative complaints.

In the reporting period, Oppein did not violate any local social, economic and environmental laws and regulations in any aspects such as personal data, privacy, intellectual property, corruption prevention, occupational health and safety, promotion services, chemical control and waste disposal. Within the reporting period, Oppein complied with national laws and regulations concerning taxation and accounting. That year, we paid taxes of RMB 1.42 billion in total, and in August 2022, Oppein was granted the gold award 2021 for a major taxpayer in Jianggao Town, Baiyun District, Guangzhou.



RMB1.42 billion

Total taxes paid by Oppein Home in the current year

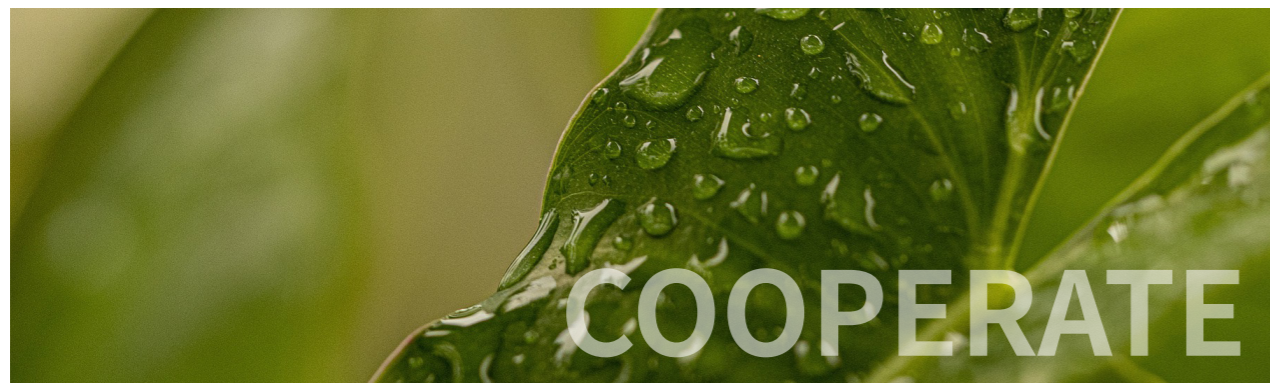


Gold award winner

A major taxpayer in 2021

COOPERATION AND SYNCHRONIZATION WITH SUPPLIERS

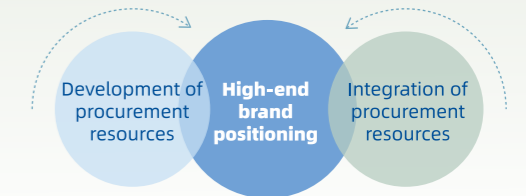
The suppliers of Oppein are mainly manufacturers, wholesalers, agents and retailers. The procedures for us to select suppliers are open and fair. Besides, we regularly review product and service qualities of our existing suppliers. In evaluating our suppliers' performances, we consider their social and environmental performances. When appropriate, we specify in our quotation or tender documents that they must comply with related regulatory requirements or standards. Such social and environmental requirements cover employee health and safety as well as energy efficiency and waste management, etc. Oppein might take disciplinary actions for or inflict punishments upon the suppliers who fail the evaluation or whose performances are not ideal dependent upon the case.



Oppein implements "four collaborations" based on the overall strategies and is committed to building a world-class supply chain

Strategic Synchronization

Develop and integrate globally purchased high-quality resources based on high-end brand positioning. For critical materials and products, we choose to develop long-term strategic cooperation with the industry's first-class, professional and top suppliers, to effectively guarantee our product quality from sources.



Information Synchronization

Construct an SRM system for supplier collaboration. The suppliers can sign purchase contracts on the platform, and acquire quotations, tender information, purchase orders, deposit collection notices, quality exceptions and other information. This facilitates two-way communications between Oppein and the suppliers, thus increasing efficiency of information flow.



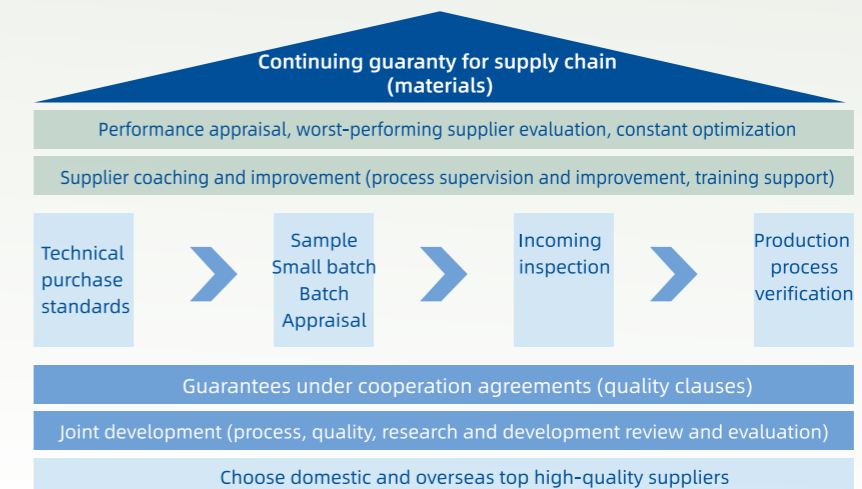
An Instance of the Interface of the SRM System

Institutional Synchronization

We systematically reconstruct and generally reshape the supply chain system with reference to the requirements of the world's leading home enterprises. We have promulgated and amended more than 30 rules, which are about supplier development and selection, supplier management, purchase price management, contracts, security deposit and management of supplier archives, in order that supplier chain management is always supported by factual grounds and standard.

Communication Synchronization

We develop favorable communication mechanisms and channels for supporting suppliers through appropriate exchange visits between our senior management and suppliers, global supplier conferences, supplier quality audit, various analysis conferences, seminars, communication meetings, supplier coaching and so on, to ensure joint development, reciprocal benefits, win-win and quality collaboration.



CUSTOMER HEALTH - A TOP PRIORITY

As a listed company, Oppein always reckons customer health and safety as corporate responsibility and pursuit, putting them in extremely important positions in corporate business operations and development. During the reporting period, we were not warned, fined or punished in relation to impacts of our products and services upon health and safety. Oppein implements a system of the CEO's responsibility for quality and safety. We assure safety and quality from two perspectives, namely guarantees for product quality and safety as well as handling of quality accidents.



In terms of product recall, Oppein has formulated the Administrative Measures for Pending Orders, the Rules for Product Quality Supervision and so on, where specific strategies for handling quality accidents of stocks, distributors' stocks/samples, installed and used products are specified to standardize the recall procedures, ensure high efficiency in handling customer complaints and providing aftersales services, and protect consumer rights and interests. During the reporting period, no product was recalled by Oppein.

Driving development by innovations, Oppein has created a system for collecting and analyzing product and technology information. We collect scientific and technological information about domestic and foreign industries, regularly convene meetings on technology development, and analyze technology development of the home industries at home and abroad. On one hand, we introduce and absorb advanced equipment and technologies from foreign countries; on the other hand, we perform independent research and development, to weed through the old and to bring for the new. We persistently develop new products, materials, processes and technologies. We encourage and support our scientific research personnel to join in standard organizations and participate in drafting standards, to consolidate and improve our position as a technical leader. In the past three years, we have strengthened long-term and short-term advanced research and development. Our short-term advanced research and development are specific to targeted development and reserve of new products. Our long-term advanced research and development focus on exploring and study the feasibility of product processes and technologies.

We consistently attach importance to protect patents, original designs and independent intellectual property rights. We have set internal positions for intellectual property management and built a system for corporate intellectual property management. Through years of efforts, Oppein has gradually shifted the product development from single product customization to whole-home customization and whole-house customization (big homes). For new single products, we attach equal importance to new product design, extended design and function design. Oppein has a world-class designer alliance. In particular, in 2016, we established a branch in Milan. This branch leads international fashion trends with cutting-edge designs, actively promotes external exchanges and cooperation with universities and research institutions. It constantly launches new home designs according to domestic and foreign market demands. In 2023, Oppein has developed more than 600 sets of new products, granted 9 domestic and foreign design awards, including "Guangzhou Advanced Enterprise Institute", "Gold Muse of U.S. Muse Design Awards", "Italian A'design Award", "German IR Award" and "Governor Cup Award".

We have been consistently emphasizing protection of patents, original designs and independent intellectual property. As of December 31, 2022, we had owned a total of 798 patents with our holding subsidiaries, including 92 computer software copyrights. Our patent portfolios from 2019 to 2022 are as follows:

	2019	2020	2021	2022
Number of Patent Applications	181	114	204	262
Invention Patents	17	10	7	6
Utility Models	129	67	45	85
Utility Patents	35	37	152	171
Number of Granted Patents	154	130	138	240
Invention Patents	3	4	2	3
Utility Models	140	92	66	70
Utility Patents	11	34	70	167

INDEPENDENT R&D AND TECHNOLOGY INNOVATION

Oppein attaches importance to team building for research and development. At present, we have more than 3,000 research and development employees. With high educational attainment, these research and development employees make up a highly pioneering and enterprising team. We make unremitting efforts for creatively improving our production processes, making our product research and development energy-saving and environment-friendly, and empowering our digitalization and informatization, to constantly impel high-quality development of the home industry. We strengthen our recruitment of experts and technical talents, to build teams of experts from different subdivided technical fields. We actively conduct cooperation and talent exchange with Central South University of Forestry and Technology, South China Agricultural University and other professional technical institutions of higher learning, to promote in-depth cooperation with universities and research institutes, technology transfer and conversion in the home industry. Oppein's annual investments in product and technology research and development maintain growth. In 2022, **our research and development investments accounted for 5% of our operating revenues, which offered powerful guarantee for our product upgrading and technology innovation.**



INDEPENDENT RESEARCH AND DEVELOPMENT
TECHNOLOGY INNOVATION

IDENTIFICATION OF AND COMMUNICATION WITH STAKEHOLDERS

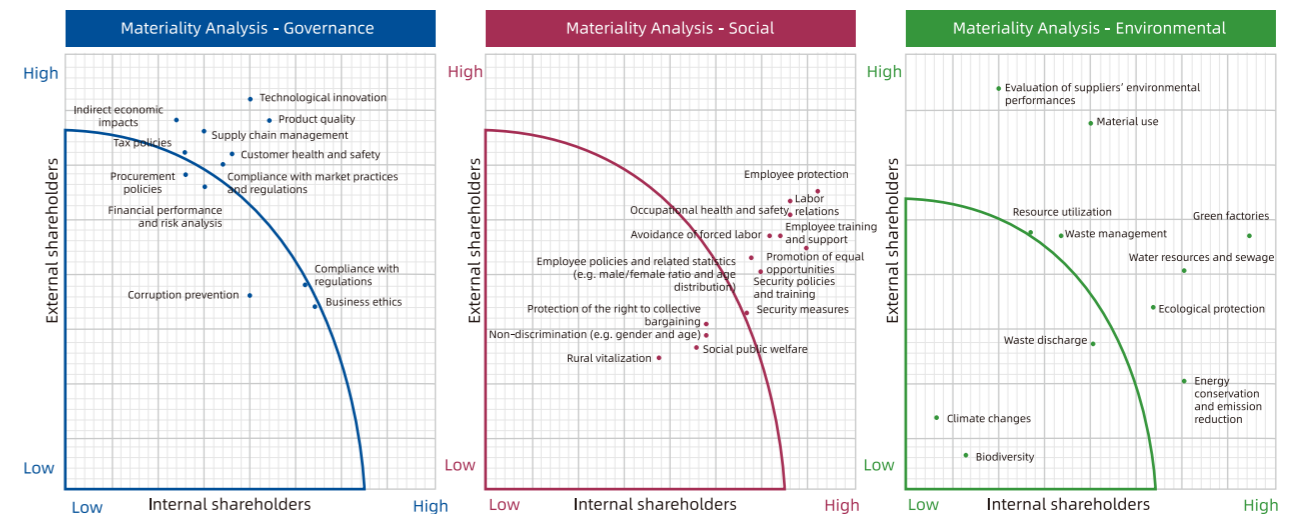
Oppein attaches importance to communicating with stakeholders. We actively build good platforms for internal and external communications. In addition, we have constructed a mechanism for smooth and transparent communications, for the purpose of attentively listening to our stakeholders' voices and integrating them into our decision making. During the report period, we continued developing close connections with our shareholders, investors, government or regulatory authorities, customers, suppliers, partners, NGOs, communities and other important stakeholders through diverse channels. We took initiatives to understand and actively responded to our stakeholders' expectations and needs.

<p>Stakeholders Shareholders and investors</p> <hr/> <p>Stakeholders Governments or regulatory authorities</p> <hr/> <p>Stakeholders Employees</p>	<p>Stakeholders Customers</p> <hr/> <p>Stakeholders Suppliers/partners</p> <hr/> <p>Stakeholders NGOs/communities</p>
<p>Communication channels and methods Corporate annual reports and announcements Shareholders' meetings Street performances Performance briefings Electronic Interaction Platform of Shanghai Stock Exchange New media platforms Special meetings Official website and investor relationship hotline or email Questionnaires</p>	<p>Communication channels and methods Regulation and evaluation or report submission and mailing Regular information or report submission and mailing Special meetings Questionnaires</p>
<p>Communication channels and methods Employee representatives' meetings Employee feedback center Employee training Employee activities Enterprise WeChat group Satisfaction surveys Questionnaires</p>	<p>Communication channels and methods Official website, official microblog Customer service hotline Satisfaction surveys Visit Questionnaires</p>

ESG MATERIALITY ANALYSIS

Stakeholders' involvement: In the current year, Oppein studied development trends of domestic and overseas home industries, analyzed key jobs of the whole year, made comparisons with excellent advertisements of the industry, extensively consulted with the stakeholders and selected crucial topics with reference to the GRI standards and ESG Guide, in order to define contents of this report. We evaluated multiple potential topics concerning environment, society, governance and economy, including those related to human rights. Finally, we summarized 36 appropriate topics for materiality analysis. Subsequently, we performed the processes for the stakeholders' involvement. We conducted an online questionnaire survey with a full coverage of the vertical and horizontal chain. From this questionnaire survey, our internal and external stakeholders gave scores with respect to importance of our ESG topics. In addition, we collected feedback and suggestions from the stakeholders for our practices in sustainable development. The stakeholders expressed their opinions on our strategies for sustainable development. At last, we performed an analysis with reference to the stakeholders' opinions to determine relative importance of the topics, for the purpose of defining the priority topics which were the most closely connected with this report.

Materiality analysis: Based on the results of our questionnaire survey on the stakeholders and in combination with our development, we evaluated the important topics in two dimensions, namely "internal" and "external" importance. We prioritized the environmental, social and governance topics according to their scores and generated their respective matrices. The topics in the upper right corner of the figure are more important.



Based on the scores for importance of the ESG topics, we comprehensively considered orientations of national macroscopic policies, key focuses of the capital market, standards related to ESG/sustainable development reports and comparative analysis with excellent associates. Finally, we identified 22 important topics, including 7 topics about corporate governance, 7 environmental topics and 8 social topics.

<p>Governance topics</p> <ul style="list-style-type: none"> ▶ Tax policies ▶ Indirect economic impacts ▶ Product quality ▶ Supply chain management ▶ Compliance with market practices and regulations ▶ Customer health and safety ▶ Technological innovation 	<p>Environmental topics</p> <ul style="list-style-type: none"> ▶ Energy conservation and emission reduction ▶ Water resources and sewage ▶ Waste management ▶ Resource utilization ▶ Green factories ▶ Material use ▶ Evaluation of suppliers' environmental performances 	<p>Social topics</p> <ul style="list-style-type: none"> ▶ Employee training and support ▶ Employee health and safety ▶ Labor relations ▶ Employee protection ▶ Promotion of equal opportunities ▶ Employee policies and related statistics ▶ Avoidance of forced labor ▶ Security policies and training
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Cases

On February 17, Oppein solemnly held the employee representatives' meeting 2022 with the theme of "pooling intelligence and power for joint development" in the head office in Guangzhou. At the meeting, active responses were made to the employees' care and concern. Mr. Yao put forward greater expectations about the Trade Union's work performance and protection of employee benefits.



ENVIRONMENTAL



DISCLOSURE OF ENVIRONMENTAL MATERIAL TOPICS

Taking green and environment-friendliness as fundamentals for the production management, Oppein strives to ensure that all aspects from material selection and production to installation strictly conform to the greenness and environment-friendliness standards. We have formulated Corporate Environmental Protection Management Rules, Corporate Environmental, Occupational Health and Safety (EHS) Management Rules, Environmental Management Handbook and other pertinent environmental management rules in accordance with the Environmental Protection Law of the People's Republic of China. Implementing the EHS management system, we have been certified by ISO14001 environmental system and passed the certification for products with Chinese environmental labels. We have constructed a complete green environment-friendly production system to drive corporate and environmental sustainable development.

In addition, Oppein has created a complete green industrial chain through its systems. By constantly saving energies and mitigating pollution, we have effectively promoted corporate and social sustainable development. From integrated green production solutions to the complete green industrial chain and systematic standards for environmental monitoring we have constructed a stringent environment-friendly production system for Oppein based on the environment-friendly design concept which focuses on sustainable development, to guarantee consumers' healthy life.



The CEO's Office leads the green factories certification project. In preparing for being certified green factories, materials on fundamental requirements, infrastructure, management systems, energy and resource investments, environmental emissions and performances were collected in strict compliance with the construction requirements for the green manufacturing system, to be well prepared for the "green factories" certification.



To be certified green factories

Oppein purchased globally advanced intelligent process equipment. In the production process, waste and old materials such as production tailings were recycled according to process requirements, thus contributing to intelligent manufacturing, green manufacturing, higher production efficiency, lower costs, energy conservation and emission reduction in the production process, green and environment-friendly production, which further enhanced our competitive market advantages.

GREEN LIVING FOR BETTER AND HEALTH

Consumers have paid more and more attention to greenness, environment-friendliness, health, safety, comfort and convenience of the living environment. The upgraded consumer requirements for personalized customization, healthy homes and environment-friendly home decoration are being constantly raised. This has driven transformation and upgrading of the industry to be green and healthy. Healthy China has been formally set as a national strategy. According to the Survey on Consumer Cognition of Chinese Healthy Homes, up to 85% consumers pay more attention to health impacts in choosing home products, while a majority of people have health problems and worries about home environment. Healthy homes have become common pursuits among hundreds of millions of Chinese families.

The "Oppein Health +3.0", a strategy released by Oppein, was a grand strategic health+ vision put forward by Oppein in a critical period when people had strong demand for healthy home life under the general background of its enforcement and implementation of "Healthy China 2030" Plan. Oppein's health+ strategy reflects our underlying wish for upgrading consumer products in response to consumer needs. By making efforts at the supply-side, we develop systematic solutions for healthy homes under all scenarios step by step as planned, in order that the consumers will realize the dream of green living.

As a leader and pioneer of green living, Oppein has been reckoning environmental protection as the most important driver of product research, development and upgrading. From the popularization of Grade E0, health+ 1.0 upholding aldehyde-free and net-aldehyde sheets to health+ +2.0 for integrated net-aldehyde cupboards and to today's health+ +3.0 for net-aldehyde space, Oppein has endowed tens of thousands of households with green and environment-friendly homes while constantly refreshing the standards for environmental protection.



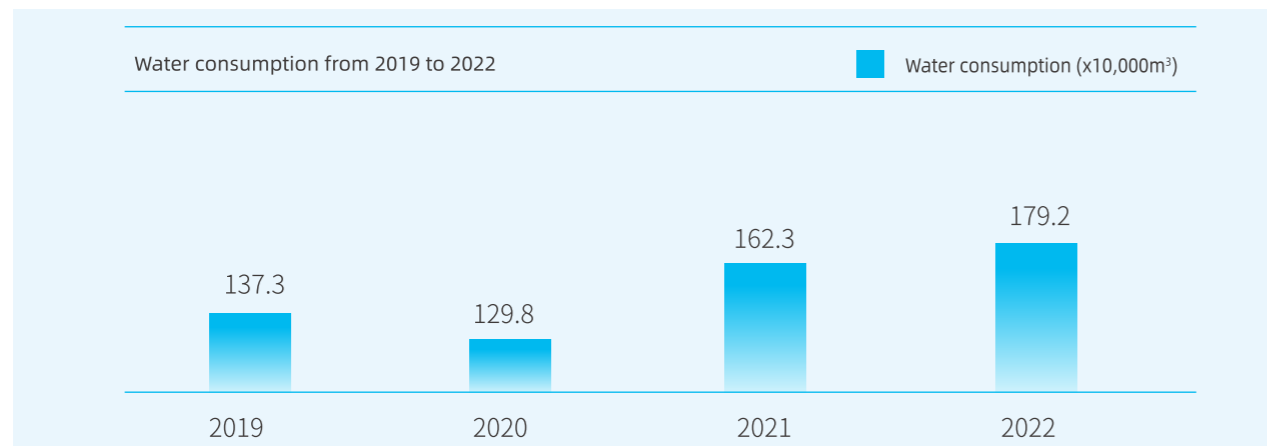
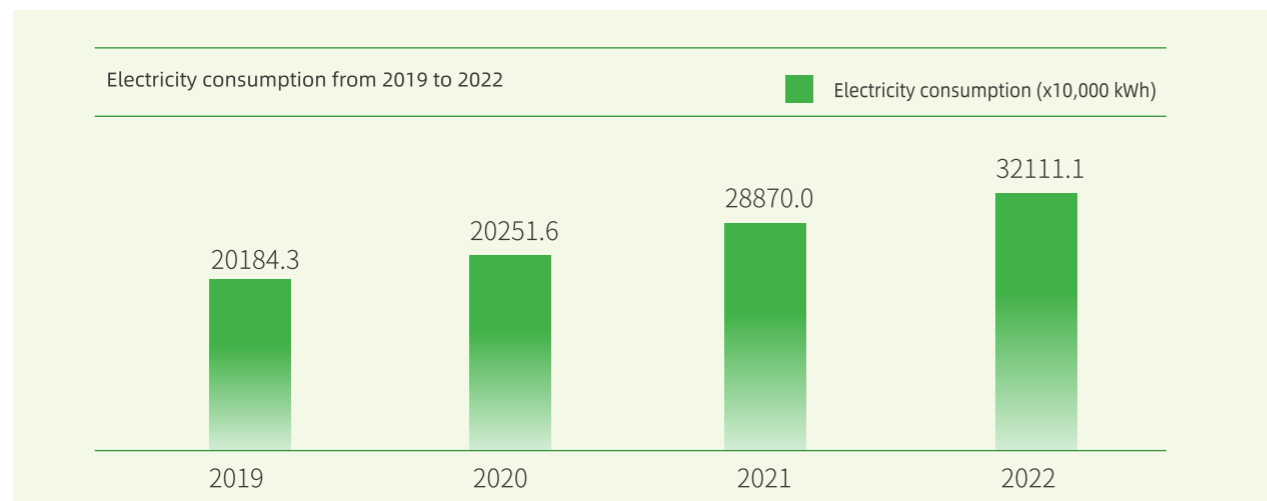
"GREEN FACTORY" CERTIFICATION UNDERWAY

To implement creative, coordinated, green, open and shared development concept, we stick to the new path of industrialization. Based on our open and transparent standard system, Oppein commenced the preliminary phase of "green factory" certification in five major production bases in Tianjin, Qingyuan, Wuxi, Chengdu and Wuhan in 2022 by focusing on transforming clean production technologies, seizing green development opportunities for "peak carbon dioxide emissions, carbon neutrality", speeding up corporate transformation and upgrading, and boosting green, low-carbon circular economy. We expect to finish our certification work in 2023. In the current year, Oppein completed the following tasks:



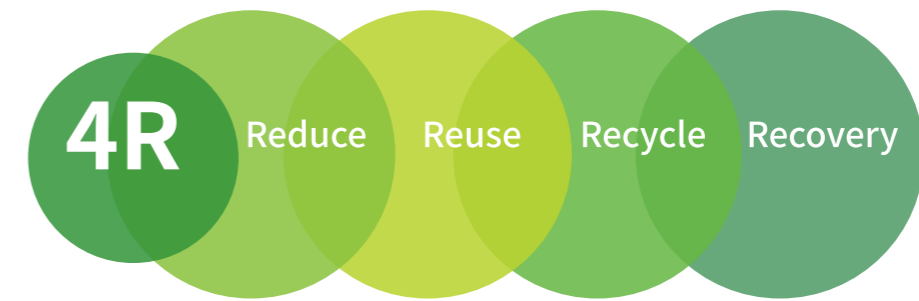
RESOURCE SAVING, ENERGY CONSERVATION AND CARBON EMISSION REDUCTION

Oppein sticks to the path to sustainable development. By implementing the responsibility system for water and electricity saving, properly arrange use of electricity in off-peak hours, appropriately applying for suspension of surplus transformers for cutting basic electricity fees, improving water and electricity metering and measurement systems, and enhancing training and publicity of water and electricity saving and consumption reduction, we take multiple measures for water and electricity saving and consumption reduction together, to effectively save energies and reduce energy consumed per unit of output.



	2019	2020	2021	2022
Annual water consumption (m³)	1,373,000	1,298,000	1,623,000	1,792,000
Annual electricity consumption (kWh)	201,843,000	202,516,000	288,700,000	321,111,000

In terms of material use, Oppein adopts the cutting-edge concept of “4R” (Reduce, Reuse, Recycle and Recovery). Based on this concept, packages of green products are simplified to the greatest extent. In addition, reusable packages which are convenient for recycling are designed for the purpose of green packaging without secondary pollution.



Oppein has also made active efforts in utilizing renewable energies. After the rooftop PV station was put into use at Wuxi base in 2018, more rooftop PV stations were formally put into production in Qingyuan and Tianjin bases in 2022. At present, the carport PV and residential rooftop distributed PV projects in Qingyuan base and the northern office PV project in the head office are under construction.

Cases >

PV projects in Qingyuan, Wuxi and Tianjin bases

PV project in Qingyuan base: In 2021, Oppein cooperated with China Energy Engineering Group Guangdong Electric Power Design Institute to construct the rooftop PV power generation project on a trial basis in Qingyuan base. With a total investment of about RMB 76,538,800 and covering an area of 180,000 m², this is the largest rooftop PV project of Guangdong Province which was constructed once for all. The installed capacity of this project is approximately 4,266.1kWp, and the electricity generated is firstly supplied to Oppein under the mode of “independent electricity generation for self-use and transfer of surplus electricity to the grid”. This project is expected to be connected to the grid at full capacity by May 1, 2023. In 2022, the total electricity generation of the rooftop PV equipment was approximately 37,632,880 kWh in 2022, which reflected a reduction of carbon dioxide emissions by 21,460 t.



CLEAN PRODUCTION, POLLUTION PREVENTION AND CONTROL

Oppein actively embraces national low-carbon development objectives. We uphold clean production and low-carbon development; place an emphasis upon simultaneous environmental protection during new construction, reconstruction and extension; properly renovate and upgrade facilities; introduce the world's advanced environmental governance facilities; dispose of and discharge organic waste gases and productive dust in the process of production in compliance with corresponding rules; and entrust professional qualified organizations to dispose of the hazardous wastes generated in the production process. Furthermore, Oppein makes great efforts in material selection. We give priority to materials from those suppliers which have passed the attestation of Chinese environment mark, to ensure that production is environment-friendly. We have introduced and constructed Asia's first powder spraying production line for furniture, explored and performed the production process of replacing oil-based paint with water-based paint, to control pollution from sources.


Oppein continuously reinforces the whole-process environmental management of the construction projects in Qingyuan, Tianjin, Wuxi and Chengdu bases. We strictly review and countersign feasibility and designs of the construction projects. We ensure that all requirements for environmental impact assessment are met so that environmental acceptance check will be finished upon project completion. All production bases in Guangzhou, Chengdu, Tianjin, Wuxi and Qingyuan hold valid pollutant discharge permits. The results of the air emissions, wastewater and noise tests conducted in the current year were conforming. In addition, Qingyuan base has enforced its independent monitoring plan since October 2022 for regular monitoring of the air emissions, wastewater, rainwater and noise inside the premise.

Wastewater treatment

Oppein has formulated management rules for wastewater discharge for strict control over domestic sewage and industrial wastewater. We regularly monitor operation and maintenance of sewage treatment facilities. Besides, we actively use wastewater treatment equipment and real-time water quality monitoring technologies, to ensure that concentration and total quantity of discharged pollutants conform to national and local standards.


Domestic sewage
The domestic sewage of living areas and production areas is discharged into the municipal sewage pipeline after pretreatment through septic tanks of the living areas (the oil-containing canteen wastewater is firstly subject to oil removal through an oil separator) and via the septic tanks in the production areas respectively. They are discharged after centralized treatment by the sewage treatment plant of the industrial park.

Production wastewater
The spray painting wastewater of the painting line is recycled in the water curtain type paint overspray treatment system and regularly replaced. The replaced wastewater is treated in the independently constructed painting wastewater treatment plant (with the "pretreatment system (coagulation reaction + air floatation) - front physio-chemical treatment system (Fenton oxidation + coagulation reaction and precipitation) - biochemical treatment system (hydrolytic acidification + contact oxidation) - rear physio-chemical treatment system). The wastewater produced in the top production process is recycled and reused in the aforementioned processes other than water jet cutting after it is treated via our own stone wastewater sedimentation and treatment system. It is regularly discharged. The production wastewater of the blank quartz plates workshops is drained into the sedimentation and treatment system mounted outside the premise. After flocculation and sedimentation, the wastewater is recycled and reused without discharge.




Air emissions treatment

During its production and business operation, the atmospheric pollutants emitted mainly include dust, organic waste gases (VOCs, methylbenzene, xylenes and phenylethylene, etc.), combustion waste gases and kitchen fume. The sawdust generated in the production process is collected by the central dust collector after collection by a gas collection cover. All central dust collectors emit the dust through the exhaust cylinder up to standard after control by the cloth bags according to the dust removal processes. Once treated by the automatic water screen, the paint spraying waste gases are emitted at height up to standard together with the waste gases of paint blending and air drying using "multistage filtration + rotary adsorption concentration + RTO system". The kitchen fume in the living quarters is expected to be treated up to the Emission Standard of Cooking Fume (GB18483-2001) after treatment by the electrostatic fume removal process. Subsequently, the fume is led to the top of a building for emission up to corresponding standard through a special fume exhaust duct.




Noise treatment

Oppein's noise pollution mainly results from the production processes, including cutting, grinding, operation of air compressors and motor vehicles, as well as operations of fans and water pumps of the wastewater treatment plants. For the noise from different sources, we take different measures to control the noise together with our affiliates, including selecting production equipment with low noise. For certain equipment with loud noise, measures are taken for noise mitigation and isolation. Keep the equipment with loud noise as far as possible away from the factory boundaries, around which greening and isolation are performed.



Treatment of solid wastes

The harmless solid wastes produced by Oppein include domestic wastes and general industrial solid wastes. The domestic wastes are delivered to a public sanitation agency for transportation and disposal after they are classified and collected by dustbins. The general industrial solid wastes, including wood scraps, dust, glass, top scraps, aluminum scraps, are classified and temporarily stored inside the temporary warehouse for general industrial solid wastes. They are regularly delivered to a qualified solid waste treatment organization for treatment. In addition, the storage areas are constructed, maintained and used in accordance with the Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes (GB18599-2001).



The hazardous wastes produced by Oppein include paint slag, waste activated carbon, grinding dust, sludge of wastewater treatment plants and other hazardous wastes included in the National Catalogue of Hazardous Wastes. They are classified and stored in the temporary warehouse for hazardous wastes inside the premise. They are monthly delivered to an organization qualified for disposing of hazardous wastes for transportation and disposal. The temporary warehouses for hazardous wastes are designed in strict compliance with the Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2001). All of them are protected against leakage and corruption. For such protection, ditches or cofferdams are designed.

Environmental Evaluation and Selection Enhancement

From the current year, Oppein started to include the environmental evaluation in the selection of new suppliers (14.84%). In the early phase of such inclusion, the suppliers were required to provide documents concerning their environmental management rules and environmental evaluation in examining them. When we reexamined the suppliers whose addresses were changed, we investigated the materials on environmental protection for the new addresses and the environment. For the suppliers whose environmental performance was relatively poor and lack stringent rules for environmental control, we would require them to make corrections, reevaluate them or refuse to use them.

Cases

In cooperating with the sheet suppliers, we particularly highlight that the sheets shall be environment-friendly and aldehyde-free so that the suppliers will produce greener and more environment-friendly diverse sheets. Furthermore, we have entered into cooperation agreements on application of MDI with multiple suppliers of main sheets, where it is specified that the sheets supplied must use such environment-friendly glue.





广州市白云区新的社会阶层
Guangzhou Baiyun New Social St

SOCIAL RESPONSIBILITY

DISCLOSURE OF SOCIAL MATERIAL TOPICS

Oppein upholds and follows the idea of being "people-oriented". We attach great importance to protecting our employees' rights and interests. We have been constantly improving our employee management system, deepening our democratic management mechanism, providing equal work environment for every employee, and considerately caring for all employees' work and life. We emphasize solving the problems that the employees and their family members are concerned about and improving their work environment so that our employees will truly feel the warmth of "home". In the past three years, we have established no negative material relationship with any employee. In addition, Oppein has made unremitting efforts in the plan for warming home with love, education donation, rescue for the desperately poor and assistance for those in difficulties. We implement persistent public welfare actions to deeply fulfill our social responsibilities. In the past three years, our critical performances in social responsibilities have been constantly improved.

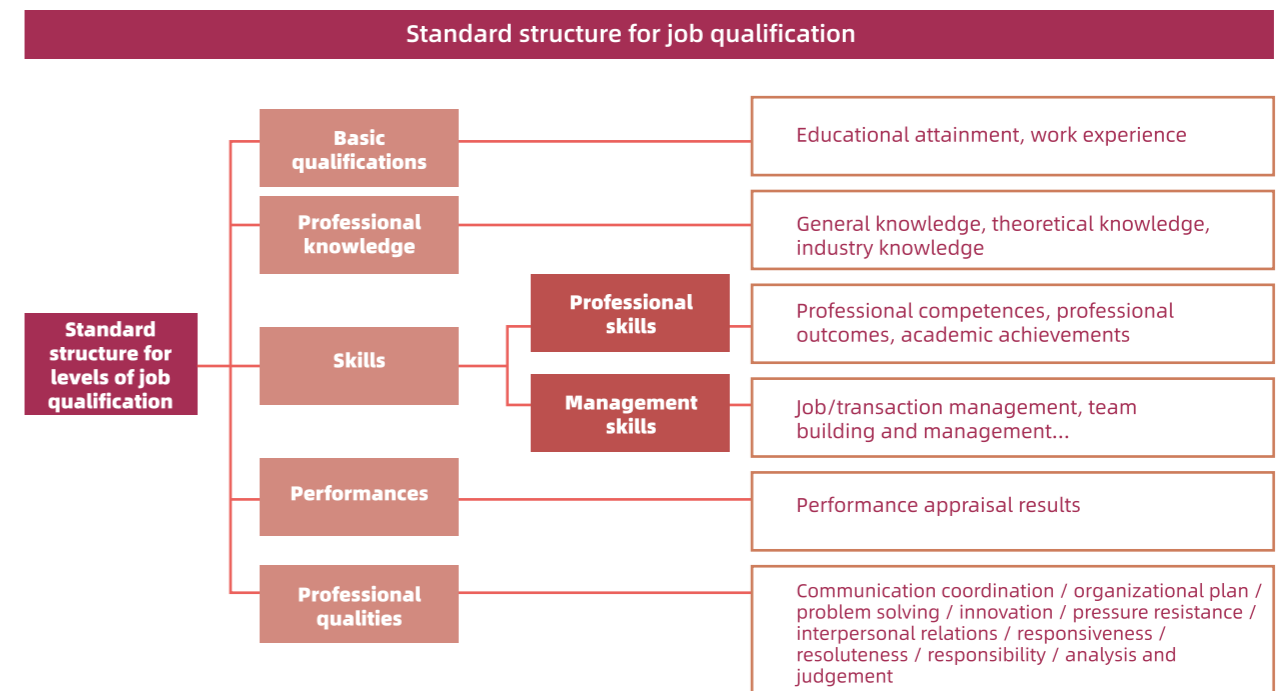


FAIR EMPLOYMENT AND EQUAL OPPORTUNITIES

Oppein specifies the standard working hours and implements a system of paid holidays in accordance with national laws and regulations as well as the requirements of the places where the business premises are located. Some of our affiliates execute a comprehensive working hours system for certain posts according to the characteristics of the manufacturing and the posts after obtaining approval from the local governments. We assure that our employees' average daily and weekly working hours conform to the legal standards. On the premise that the employee representatives consult with the Trade Union and the employees agree, we arrange our employees to work overtime according to actual orders. In addition, we pay labor remuneration to the employees for their overtime work as stipulated by local rules. Oppein strives to create work environment with mutual respect and ensure that all employees are equally treated. We strictly ban any form of child labor and forced labor, and in the reporting period, no such case was discovered. Within the reporting period, **Oppein had a total of 24,527 employees**. For detailed employee statistics, refer to the Summary of Statistics.











To guarantee equality, openness, non-discrimination and provisioning of equal opportunities, Oppein considers the job applicants' qualification, experience and functions in the recruitment process. We choose the most suitable personnel for different posts regardless of their gender, race, marital status, disability, health or family status. Oppein upholds "recruiting people by their abilities, bringing the employees' talents into full play, facilitating fair competitions and treating all employees equally regardless of their positions". We have created a "standard structure for different levels of job qualification". Based on this structure, we have established job qualification standards for different positions, jobs and posts. By institutionalizing and standardizing Oppein's Administrative Measures for the Employees' Career Development and Job Qualification, we have developed a channel for career development through "management and professional technologies". We have created standardized, professional and diverse career development paths for our employees, to promote talent selection, training and appointment.



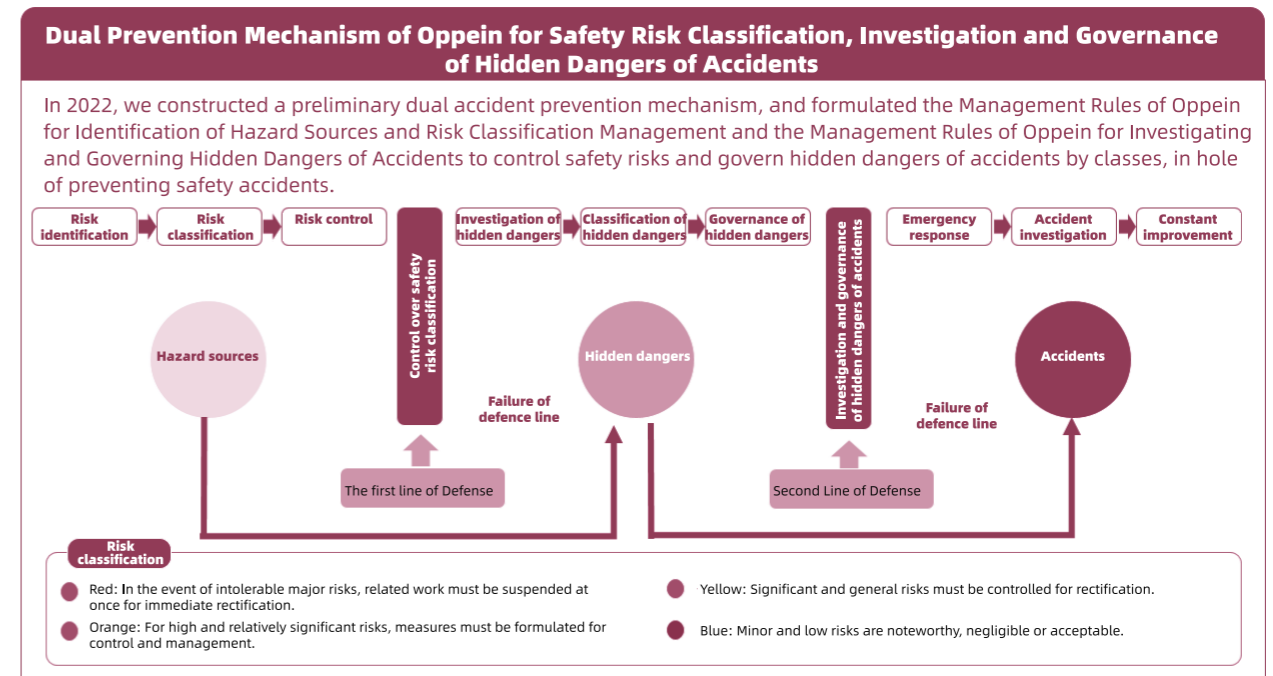
HARMONIOUS LABOR RELATIONS AND CARE FOR EMPLOYEES

Oppein concentrates on helping solve the employees' "emergencies, difficulties, concerns and expectations" about their health, employment, disability, illness and remuneration. We provide our employees with comprehensive benefits, including social insurance, housing provident fund, annual leave, sick leave, maternity leave, paternity leave, parental leave and child care leave.

 <p>Social insurance participation</p> <p>All employees are covered by the social insurance.</p>	 <p>Salary and remuneration</p> <p>Annually define the percentage for increasing the annual salary according to corporate economic benefits, to pay competitive salary and remuneration to the employees.</p>	 <p>Protection by labor law</p> <p>Strictly enforce the Special Provisions on Labor Protection of Female Employees. We have never committed any illegal act for canceling any female employee's labor contract during her pregnancy, childbirth and breastfeeding.</p>	 <p>Corporate benefits</p> <p>We provide our employees with favorable lodging and dining environment. We offer our employees corporate benefits, including holiday benefits, birthday gifts, meal allowances, health checkup, children's schooling and team building for travel.</p>
 <p>Donation to the employees with financial difficulty</p> <p>In 2022, we organized a total of 9 donations to the families of employees with financial difficulty.</p>	 <p>Condolence for the employees with disability, illness and financial difficulty</p> <p>Every year, we console the employees with disability, illness and financial difficulty. Even in 2022, we organized 24 condolences in total.</p>	 <p>Condolence for the employees on duty during the traditional Chinese Spring Festival</p> <p>Every year, we annually condole the employees on duty during the traditional Chinese Spring Festival, giving them condolence money and gifts as an expression of our sympathy.</p>	 <p>Benefits for relieving summer heat</p> <p>Every summer, we organize activities to offer the employees of the production lines benefits for relieving summer heat.</p>

SAFETY PRODUCTION AND HEALTH PROTECTION

Oppein always considers employee safety foremost. Reckoning safety production as a top priority all the time, we strictly plan, promote and realize safety production. We maintain bottom-line thinking and awareness of redline, and consolidate our foundation for safety production, to guarantee safe production and construction. In 2022, we carried out construction of a double prevention mechanism, safety production month, eight major EHS bans, promotion and application of tools for accident prevention by "stop, think and do". Compared with the preceding year, our occurrence rate of accidents per million working hours declined by 34% on a year-on-year basis.



We selected typical cases of work-related injuries and invited the general managers of our bases to expound the meaning, use and application scenarios of the tool "stop-think-do". We practise the thinking mode of "stop-think-do" in our practical work. With this tool, we train our employees to develop good habits for work safety.

Cases

Oppein has established Ping An Fund and One-million Medical Insurance, to help the families of those employees who encounter major financial difficulties for emergencies overcome their difficulties. According to incomplete statistics, we have approximately subsidized the employees who received medical treatment for serious illness, encountered natural or man-made disasters and experienced living difficulties with an amount of RMB 2,950,000 through Ping An Fund since 2017.



Condolence from the Party Committee of Tangbei Village on the New Year's Day in 2023



Oppein (Guangzhou) dispatched a public welfare foundation to Tibet for public welfare in 2023



Stop



Think



Do



The General Manager of Qingyuan base presented and introduced "stop-think-do" - the tool for accident prevention by video



The General Manager of Chengdu base presented and introduced "stop-think-do" - the tool for accident prevention by video

We have established the occupational health and safety management system and standard for the closed-loop process of safety objectives setting, basic safety management, accident investigation and handling in accordance with ISO45001 - the occupational health and safety management standard. An organizational structure has been constructed for safety management at the group, base and factory level and to effectively pool forces of the safety management at all levels and carry out different safety activities, to fully guarantee efficiency of our safety work. We have constantly improved our safety management system. We strictly comply with laws and regulations such as the Law of the People's Republic of China on Work Safety and the Fire Control Law of the People's Republic of China. We follow and improve Corporate Environmental and Occupational Health and Safety (EHS) Management Guideline, strengthening our capabilities of safety supervision and emergency response management. In 2022, our furniture and cupboard factories in Qingyuan base were certified by ISO45001 occupational health and safety management system on a trial basis.



To comply with national laws and regulations on work safety as well as corporate safety rules, Oppein has constantly standardized and enhanced management of all corporate safety training. By drafting safety education and training plans, we have conducted "special training", "safety technical training", "general training" and so on. We make constant innovations of our safety training modes, present our typical cases of accidents and dangerous acts by videos, display our critical safety behaviors by videos and visualize them. We make use of fragmented time to promote safety training, achieving desirable practical outcomes.



SKILL IMPROVEMENT AND CONTINUOUS GROWTH

In 2022, our training work was organized in accordance with overall arrangements and pertinent critical work requirements of the Human Resources Center. We have been relying upon the "6+1" mode to create a "dual engine" for training development as possible as we can. In the current year, Oppein subdivided talent training, intensively promoted talent echelon construction and guaranteed adequacy of the talent pool by organizing special talent programs, including "Mini MBA", "staff-level breakthrough program", "manager-level soaring program", "elite program for university students" and "identification of talents with occupational skills by level". We have implemented "corporate quality empowerment program", "new apprentice system", "one-million skilled workers' program", "process seed training camp", "training camp for financial elites" and other special programs through "Oppein star workshop", "cloud operations" and six sigma management model for the purpose of creativity cultivation. By focusing on pain points of marketing and manufacturing, we have rapidly constructed a business talent training system for efficient empowerment which is close to businesses. We assist our business units in improving their abilities to implement operational plans, to better support realization of performance objectives. "Walk in Oppein" to learn about iterative digital upgrading, extend business fields and explore new models for making training market-oriented by field investigation. Meanwhile, we enhance our brand influence across industries, train potential customers, expand sales channels and create benefits through marketing.



In terms of training facilities and funds, we have a multi-functional conference hall with a capacity of 200 people and over 20 training rooms which conform to different specifications. For years, our annual budget for training has always exceeded one million. In 2022, our training fund exceeded RMB 5 million.

For statistics on the trained employees in 2022, refer to the attached summary of statistics.



With a capacity of 200 people
Multi-functional hall and training rooms



A budget of RMB 5 million
2022 training fund

DIVERSE ACTIVITIES AND BALANCE GUARANTEE

Oppein annually plans wonderful and diverse recreational and sports activities for the employees so that all of them could maintain a good balance between work and life.

Cases

On the Women's Day of 2022, Qingyuan base organized a range of activities for health care, including free medical diagnosis, health lecture and prize-giving quiz about health knowledge.



PUBLIC WELFARE WITH LOVE TO HELP AND SUPPORT THOSE IN DIFFICULTY

Since the "Initiative for Warming Home with Love" was kicked start in 2014 to support families with financial difficulties and families' sub-health, Oppein successively organized a range of public welfare activities for warming home with love, including "free lunch", "turning the phone off for one hour for better accompanying" and "calling love to return home". In addition, we set May 15 as the family day and established the charity fund for warming home with love. In addition, we creatively proposed a new independent public welfare model upholding that "I pay, I gain", to arouse people's awareness of warming home with love and stimulate the positive energy of happiness in the society. Oppein has organized multiple charity and relief activities to alleviate poverty, care for the elderly, support the orphans and help the disabled. We make donations to the vulnerable groups of the society and actively embark on public welfare undertakings. We arrange jobs for the handicapped and those confronted with difficulties in finding jobs in poverty-stricken areas, surrounding villages and towns. We support rural vitalization.



Oppein's Home Dishes made itself known outside of fixed circle. How has the IP of this brand become "top-selling"?
<https://mp.weixin.qq.com/s/CXAzjbJK-RQXPBS6Fsjn9w>



▲ 2021 free diagnosis

▲ Donation of nutritional, materials to Baiyunhu Street

▲ Donation of RMB 1 million for targeted support of Xiaosheng Town, Fengshun County



▲ Donation of anti-epidemic materials to Xiongfeng Village in 2022

▲ Sending drinks to frontline employees to relieve summer heat

▲ Condolence and support for anti-epidemic employees

Summary of Statistics

Environmental performance		
Energy consumption ¹		
Electricity ²		
Total electricity purchased	MWh	321,582.575
Total energy consumption for the total electricity purchased	GJ	1,157,696.34
Use of renewable energy and total electricity generated (PV)	MWh	29,633.236
Fuel		
Stationary combustion (fuel type)		
Gas	m ³	800,000.00
Other (natural gas)	L	1,725,096.00
Mobile combustion		
Total number of vehicles		106
	Vehicle type	Unit
Gasoline	Motorcycles	L
	Cars	L
	Buses	L
	Light-duty cargo trucks	L
Diesel oil	Cars	L
	Buses	L
	Light-duty cargo trucks	L
	Medium-duty cargo trucks	L
	Heavy-duty cargo trucks	L
Water resource		
Water consumption	m ³	1,791,910.00
Refrigerant		
Refrigerant quantity on January 1, 2022	kg	13,227.00
Quantity of purchased refrigerant in the reporting period	kg	400.50
Quantity of wasted refrigerant in the reporting period	kg	102.00
Refrigerant quantity on December 31, 2022	kg	13,525.50
Greenhouse gas emissions		
Direct emissions (Scope 1)	Carbon dioxide equivalent in metric ton (tCO ₂ e)	1,057.38
Indirect energy emissions (Scope 2)	Carbon dioxide equivalent in metric ton (tCO ₂ e)	125,417.21
Total emissions	Carbon dioxide equivalent in metric ton (tCO ₂ e)	126,474.59

Paper		
Purchased or consumed A4 paper	Ream	9,381.55
	kg	21,942.51
Purchased or consumed A3 paper	Ream	40.13
	kg	93.85
Purchased or consumed A5 paper	Ream	113.97
	pcs	1,000.00
Tri-form tri-section paper	pcs	1,000.00
Tri-form one-section	pcs	1,000.00
Logistics shipping orders (tri-form)	pcs	170,000.00
Stylus printer (duplicate-form)	pcs	961,000.00
Stylus printer (tri-form)	pcs	18,000.00
Stylus printer (quadruplicate-form)	pcs	24,000.00

Wastes		
Harmless wastes		
Disposal method		
Recycling		
Waste paper	kg	2,546,020.80
Waste metals	kg	13,598,302.33
Waste plastics	kg	809,540.00
Discarded		
Wastepaper	kg	856.09
Harmful wastes		
Recycled		
Carbon powder/cartridge	pcs	4175

Area		
Area of business units, facilities and production bases	mu	3,000

1. The power conversion factor is 1/3.6 GJ/MWh.
2. The greenhouse gas emission coefficient of electric power is from the Sustainable Development Report on Electricity 2020 and equals to carbon dioxide equivalent of 0.37kg/kWh.
3. Refer to the Hong Kong Audit and Report Guideline on Greenhouse Gas Emission and Reduction of Buildings (for Commercial, Residential or Public Purposes) (prepared by the Environmental Protection Division and the Electrical and Mechanical Services Division). The greenhouse gases include carbon dioxide, methane and nitric oxide.
4. The indirect greenhouse gas emission (Scope 2) coefficient is from the Ministry of Ecology and Environment of the People's Republic of China (2019), calculated as the carbon dioxide equivalent of 0.6102kg/kWh.



BUILDING TRUST

Serve sustainable wonderful life

Summary of Statistics

Social performance			
Employees			
Employment type			
Full-time			
Male	Person		16,590
Female	Person		7,937
Part-time			
Male	Person		0
Female	Person		0
Contract type			
Long-term			
Male	Person		16,587
Female	Person		7,877
Others			
Male	Person		3
Female	Person		60
Age group			
Male	Over 50	Person	305
	30-50	Person	10,192
	Below 30	Person	6,093
	Total	Person	16,590
Female	Over 50	Person	61
	30-50	Person	5,154
	Below 30	Person	2,722
	Total	Person	7,937
Employee type			
Male	Senior management	Person	45
	Intermediate management	Person	417
	Functional personnel	Person	1,039
	Marketing personnel	Person	2,007
	Technical personnel	Person	2,140
	Production personnel	Person	10,942
	Total	Person	16,590
Female	Senior management	Person	7
	Intermediate management	Person	302
	Functional personnel	Person	1,574
	Marketing personnel	Person	723
	Technical personnel	Person	884
	Production personnel	Person	4,447
	Total	Person	7,937

Other employees			
By gender			
Male	Employees without guaranteed working hours	Person	12
	Workers other than employees	Person	1,013
Female	Employees without guaranteed working hours	Person	0
	Workers other than employees	Person	701

Employee turnover			
* Include all types of employees			
By age			
Male	Over 50	Person	35
	30-50	Person	4,638
	Below 30	Person	4,722
	Total	Person	9,395
Female	Over 50	Person	26
	30-50	Person	2,025
	Below 30	Person	1,627
	Total	Person	3,678

Employment of new employees			
* Include all types of employees			
By age			
Male	Over 50	Person	9
	30-50	Person	4,317
	Below 30	Person	5,043
	Total	Person	9,369
Female	Over 50	Person	1
	30-50	Person	1,915
	Below 30	Person	1,845
	Total	Person	3,761

Employee benefits			
Total number of employees entitled to maternity leave, paternity leave and parental leave by gender			
By gender			
Male	Person		15,524
Female	Person		7,506
Total number of employees who took maternity leave, paternity leave and parental leave			
By gender			
Male	Person		354
Female	Person		467
Total number of employees who returned to work after maternity leave, paternity leave and parental leave			
By gender			
Male	Person		314
Female	Person		261
Total of employees who retained 12 months after returning to work following a period of parental leave			
By gender			
Male	Person		254
Female	Person		202

Training			
All trained employees			
By gender			
Male	Senior management	Person	112
	Intermediate management	Person	16,656
	Functional personnel	Person	44,356
	Marketing personnel	Person	1,631
	Technical personnel	Person	2,049
	Production personnel	Person	99,222
	Total	Person	164,026
Female	Senior management	Person	6
	Intermediate management	Person	1,903
	Functional personnel	Person	16,952
	Marketing personnel	Person	1,698
	Technical personnel	Person	2,354
	Production personnel	Person	41,775
	Total	Person	64,688

Total training hours			
By gender			
Male	Senior management	Hour	832.6
	Intermediate management	Hour	58,453.2
	Functional personnel	Hour	69,982.19
	Marketing personnel	Hour	25748.3
	Technical personnel	Hour	24792.4
	Production personnel	Hour	29013.325
	Total	Hour	208822.015
Female	Senior management	Hour	174.14
	Intermediate management	Hour	13,735.59
	Functional personnel	Hour	27,142.28
	Marketing personnel	Hour	26,699.75
	Technical personnel	Hour	13,262.48
	Production personnel	Hour	11,485.975
	Total	Hour	92,500.215

Response to the United Nations Sustainable Development Goals (SDGs)

In 2015, the United Nations approved the 2030 Agenda for Sustainable development and put forward 17 sustainable development goals, with a view to solve problems with social, economic and environmental development in overall manners by 2030 and turn to the path to sustainable development. It proposed new orientations of actions for global enterprises. For the purpose of "becoming a world-leading home enterprise", we have actively responded to the United Nations sustainable development goals (SDGs), in an attempt to act as a role model for sustainable development.

United Nations sustainable development goals	Responsible actions of Oppein
 Goal 1 End poverty in all its forms	Provide allowances for the employees experiencing medical treatment for serious illness, natural/man-made disasters and living difficulties
 Goal 2 End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	Console people in difficulty and old CPC members so that more people in need will benefit from our public welfare actions
 Goal 3 Ensure healthy lives and promote wellbeing for all at all ages	Develop safe and environment-friendly high-quality products, to provide consumers with healthy living environment
 Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Establish "Oppein Charity Scholarship Fund" to organize donations for schooling and promote education balance
 Goal 5 Achieve gender equality and empower all women and girls	Persist in paying male and female workers equal pay for equal work, support female employees' career development, and provide diverse inclusive workplaces
 Goal 6 Ensure availability and sustainable management of water and sanitation for all	Reduce energy consumption with energy-saving equipment, energy conservation and consumption reduction technologies; decrease carbon dioxide emissions by upgrading environmental protection technologies
 Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all	Construct rooftop PV power generation projects on a trial basis and enhance effective utilization of renewable resources
 Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	Implement localized management strategies, increase local employment ratio and create more employment opportunities for local people
 Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Establish a stringent quality management system and implement it; actively build platforms for cooperative research and development with the institutions of higher learning
 Goal 10 Reduce inequality within and among countries	Carry out condolence and support activities for poverty-stricken areas, to decrease regional differences
 Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable	Enhance whole-process environmental protection management for construction of our four major bases, and enhance local capacity for sustainable development
 Goal 12 Ensure sustainable consumption and production patterns	Improve services, assure service quality, and protect consumers' lawful rights and interests
 Goal 13 Take urgent action to combat climate change and its impacts	Reduce carbon dioxide emissions in the process of product production, to mitigate direct impacts upon environment
 Goal 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Strengthen wastewater treatment in the production process, and enhance efficiency of wastewater recycling
 Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	Reduce coal use and greenhouse gas emissions, and enhance utilization of clean energies by trial construction of PV power generation projects
 Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Regularly disclose financial and non-financial information to increase transparency; constantly strengthen integrity management
 Goal 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Conduct communications with and surveys on the stakeholders, to determine the topics which arouse their concerns and take corresponding actions



Content Index

Statement of Use	With reference to the disclosure requirements of the Global Reporting Initiative, Oppein disclosed information on corresponding topics for the period from January 1, 2022 to December 31 based on existing data and in combination with our actual situation.
GRI 1 used	GRI 1: Foundation 2021

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General Disclosure			
GRI 2: General Disclosure 2021	2-1 Organization Details	Chapter 3 About Us Official Website of Oppein - Our Company 2022 Annual Report of Oppein Home Group Inc.	09 - -
	2-2 Entities Included in the Organization's Sustainability Reporting	Chapter 1 Report Introduction and Scope	03
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	2-8 Workers Other than Employees	Chapter 7 Summary of Statistics	49
	2-9 Governance Structure and Composition	Chapter 4 Corporate ESG	17
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	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	Chapter 4 Corporate ESG	15
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	GRI 303: Water and Effluents 2018	303-1 Interactions with Water as a Shared Resource	Chapter 5 Disclosure of Environmental Material Topics - Resource Saving, Energy Conservation and Carbon Emission Reduction	35
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Feedback

Thank you for reading the 2022 ESG Report of Oppein. To constantly improve Oppein's environmental, social and governance work, and to further enhance our management of sustainable development, we sincerely hope that you could offer us precious opinions and suggestions in respect of our work and report.

Multiple Choice

1. What's your overall evaluation of this report?

Excellent Good Average

2. What do you think of the clarity, accuracy and completeness of this report in information and data disclosure?

Excellent Good Average

3. What do you think of the report for reflecting our major economic, social and environmental impacts?

Excellent Good Average

4. What do you think of our protection of stakeholders' interests?

Excellent Good Average

Open Questions

1. Which aspect of this report you are most satisfied with?

2. Which type of information do you expect to learn more?

3. Do you have any comments or suggestions for our management of sustainable development and preparation of the ESG Report?

Please leave your contact information below:

Name: _____ Profession: _____ Employer: _____

Email: _____ TEL: _____ Address: _____

Offering Feedback

1. Scan the QR code on the right side to complete the questionnaire online

2. FAX: 020-36733645

3. Mailed to: 366 Guanghua 3rd Road, Baiyun District, Guangzhou

To further communicate with us, please contact our Investor Relations Management Division at oppeinir@oppein.com.





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