



WH GROUP LIMITED

萬洲國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 288)

(the “Company”)

TERMS OF REFERENCE OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE ADOPTED BY THE BOARD ON 19 DECEMBER 2014

1. Membership

- (a) The Environmental, Social and Governance Committee (the “**Committee**”) shall be appointed by the board of directors of the Company (the “**Board**”) and shall consist of not less than three (3) members. The constitution and terms of reference of the Committee shall comply with the requirements, and take into consideration the recommendations, of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Exchange**”) (the “**Listing Rules**”) as amended from time to time.
- (b) The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board.

2. Attendance at Meetings

- (a) At all times the members of the Committee shall be notified of and be invited to all meetings of the Committee in advance.
- (b) The quorum of a meeting of the Committee shall be two members of the Committee.
- (c) The Committee may, if necessary, invite other advisors to attend the meetings of the Committee, including but not limited to external professional advisors or consultants to advise its members.

- (d) The company secretary shall be the secretary of the Committee and shall attend all meetings of the Committee.
- (e) Members of the Committee may participate in a meeting of the Committee by means of a conference telephone or other communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

3. Frequency and Proceedings of Meetings

- (a) Meetings of the Committee shall be held not less than twice a year. The Chairman or any two members of the Committee may request a meeting if they consider it necessary. Upon the receipt of such request, the secretary of the Committee shall convene a meeting as soon as reasonably practicable and having regard to the convenience of all members.
- (b) Unless otherwise agreed by all the members of the Committee, a meeting shall only be called with at least 7 days' prior notice.

4. Committee's Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effective as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by facsimile or other forms of electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

5. Authorities and Purposes

- (a) The Committee is authorised by the Board to review, assess and make recommendations on any issue in these terms of reference of the Committee.

- (b) The Committee is authorised by the Board, and at the reasonable expense of the Company, to obtain legal or other independent professional advice and to secure the attendance of other persons with relevant experience and expertise in the meetings of the Committee if it considers this necessary.
- (c) The Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on the Exchange’s website and the Company’s website. The terms of reference of the Committee shall be provided upon request and the role and function of the Committee shall be explained in the corporate governance report in the annual report of the Company.
- (d) The Committee shall be provided with sufficient resources to perform its duties.

6. Duties

The duties of the Committee shall include:

- (a) to identify the environmental, social and governance matters that are relevant and material to the operations of the Company and its subsidiaries (the “**Group**”) and/or that affect shareholders and other key stakeholders (“**Key ESG Matters**”), which shall include workplace quality, environmental protection, operating practices, community involvement and animal welfare. A27.3
A27.15-22
- (b) to review and monitor the Company’s policies, practices and performance in relation to Key ESG Matters and ensure that they are appropriate in the context of the size, business nature and scope of the Company.
- (c) to assess, review, report and make recommendations, once a year or as and when required, to the Board on the effectiveness of the Company’s policies, practices and performance in respect of Key ESG Matters;
- (d) to monitor the standards set and performance achieved on Key ESG Matters by the Company, relative to comparable business groups or other benchmarked companies, including on a regional and global basis;
- (e) to identify and engage stakeholders to understand and respond to their views by appropriate means; A27.12

Workplace Quality

- (f) to consider, implement and review policies on: A27.A1
 - (i) compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and other benefits and welfare for employees;
 - (ii) employee health and safety measures to provide a safe working environmental and protect employees from occupational hazards; A27.A2
 - (iii) improving employees' knowledge and skills for discharging duties at work; A27.A3
 - (iv) practices to avoid child or forced labour and procedures in place to eliminate such practices when discovered; A27.A4

Environmental Protection

- (g) to consider, implement and review policies on: A27.B1
 - (i) management of waste water, animal waste, greenhouse gas emissions and environmental odor pollution to minimize the impact brought by the Company's operations on the environment and natural resources and to ensure compliance with environmental protection rules and regulations;
 - (ii) efficient use of resources including energy, water and other raw materials and natural resources in order to ensure the sustainable development of the Group and maintain records of results achieved; A27.B2/
B3

Operating Practices

- (h) to consider, implement and review policies on: A27.C1
 - (i) effective supply chain management with specific focus on managing environmental and social risks of supply chain; A27.C2
 - (ii) product responsibility including aspects of health and safety, advertising, labelling and privacy, and management of any complaints and recalls in relation to the Group's products;

- (iii) prevention of bribery, extortion, fraud and money laundering and whistle-blowing procedures; A27.C3

Community Involvement

- (i) to consider, implement and review policies on community engagement to understand the needs of the communities in places where the Company operates and to ensure the Company's operations and activities take into account communities' interests; A27.D1
- (j) to consider and review the needs of the communities in places where the Company operates and to advise the Company on participation in charitable activities in such communities to ensure the Company makes adequate contribution to such charitable activities;

General

- (k) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (l) to do any such things, as the Committee deem reasonable, to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or any applicable law.

7. Reporting Procedures

- (a) The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements). At the next meeting of the Board following a meeting/written resolution of the Committee, the secretary of the Company shall submit to the Board copies of the minutes/written resolutions setting out the findings, recommendations and decisions of the Committee. A27.5

- (b) Full minutes of meetings of the Committee shall be kept by the secretary of the Committee. Draft and final versions of minutes of meetings of the Committee shall be sent to all members of the Committee for their comment and records respectively, in both cases within 7 days after the meeting is held.
- (c) The Committee shall make available the Chairman (or in his absence, at least one of its members) to attend the Company's annual general meeting to answer shareholders' questions about issues.

8. Revision of the terms of reference

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements/recommendations (e.g. the Listing Rules). Any amendment to these terms of reference shall be by way of resolution of the Board of the Company and shall be in full compliance with the Listing Rules and any other regulatory requirements.