



JU TENG INTERNATIONAL HOLDINGS LIMITED

巨騰國際控股有限公司

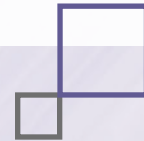
(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3336



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENTS



About this Report	2
About us	3
ESG management	4
Responsible operation	8
Win-win collaboration	9
Sustainable operation	13
Being people-oriented	19
Community care	23
Appendix: HKEX ESG Reporting Guide Index	24



## Overview

This report is the third Environmental, Social, Governance (“ESG”) Report (“ESG Report”) published by Ju Teng International Holdings Limited (hereinafter “Ju Teng International”, “the Group”, or “we”), which discloses information on our ESG strategy, measures, priorities and performance.

## Reporting period

Unless otherwise specified, the disclosed information of this report covers the period from 1 January to 31 December 2018 (“Reporting Period”).

## Basis of compiling the report

This Report is compiled in accordance with “Environmental, Social and Governance Reporting Guide” published by The Stock Exchange of Hong Kong Limited (“HKEX”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “ESG Reporting Guide”). The content of this report is determined by a set of procedures, including identifying and prioritizing stakeholders, identifying and prioritizing material environmental, social and governance issues, collecting environmental metrics, and verifying the reported data.

## Reporting scope and boundary

Unless otherwise specified, the content and metrics reported in this report cover the following subsidiaries only:

- Wujiang Dading Precision Mould Co., Ltd.
- Everyday Computer Components (Suzhou) Co., Ltd.
- Suzhou Dazhi Communication Accessory Co., Ltd. (The above three companies are hereinafter collectively referred to as “Wujiang Production Plants”)
- Ju Teng (Neijiang) Communication Accessory Co., Ltd. (Abbreviated as “Neijiang Production Plant”)
- WIS Precision (Taizhou) Co., Ltd.
- Juteng Electronic Technology (Taizhou) Co. Ltd. (The above two companies are hereinafter collectively referred to as “Taizhou Production Plants”)
- Compal Precision Module (Jiangsu) Co., Ltd. (Abbreviated as “Compal Production Plant”)
- Tasun (Chongqing) Electronic Technology Co., Ltd.
- Compal Electronic Technology (Chongqing) Co., Ltd. (The above two companies are hereinafter collectively referred to as “Chongqing Production Plants”)
- Lian-Yi Precision (Zhongshan) Inc. (Abbreviated as “Lian-Yi Production Plant”)

As at 31 December 2018, the aforementioned subsidiaries hired approximately 98% of the Group’s employees.

## Source of information

The information and case studies of this report are prepared based on the Group’s internal statistical reports and other relevant internal documents.

## Board approval

This report was reviewed by the management and was approved by the Board on 19 March 2019.

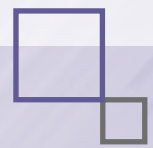


### Company overview

Ju Teng International was established in 2000 and was listed on HKEX in 2005. As a professional components manufacturer for electronic products, Ju Teng International takes up a leading position in the global market of notebook computer casing. Since 2000, Ju Teng International has been exploring the field of electronic product components continuously. With our advanced technology, quality products and sincere service, we have won recognition from numerous well-known domestic and international brands, as well as OEM/ODM companies. To counteract the weakening of global personal computer market, Ju Teng International has been actively repositioning product structure, observing changes in market demand, and seeking new momentum while maintaining steady business and financial performance. The market shall recover gradually after 2018. Ju Teng International expects to explore new development in a swift manner through reform and innovation.

### Mission and vision

Since its inauguration, Ju Teng International has determined to deliver high-quality and customized products to customers. Throughout the years, our casing product for notebook computers, communications equipment and consumer electronics products are highly trusted by customers for the outstanding, stable quality and variety. We have become a significant contributor to the global electronics industry. In the past 20 years, the electronics industry has shown a blowout growth. Sustainability issues such as labour rights, environmental pollution, energy conservation and emission reduction in the industry value chain have gradually become prominent to the public and regulators. With the increasingly stringent requirement by governments, electronic brands and consumers, we firmly believe our incumbent mission in spontaneous management of social and environmental performance, advocacy of common changes among upstream enterprises, and fulfilment of expectation from our investors and stakeholders. Through continuous efforts, we aim to become a first-class responsible supplier in the electronics industry and play a synergistic role in the sustainable development process of industry value chain.



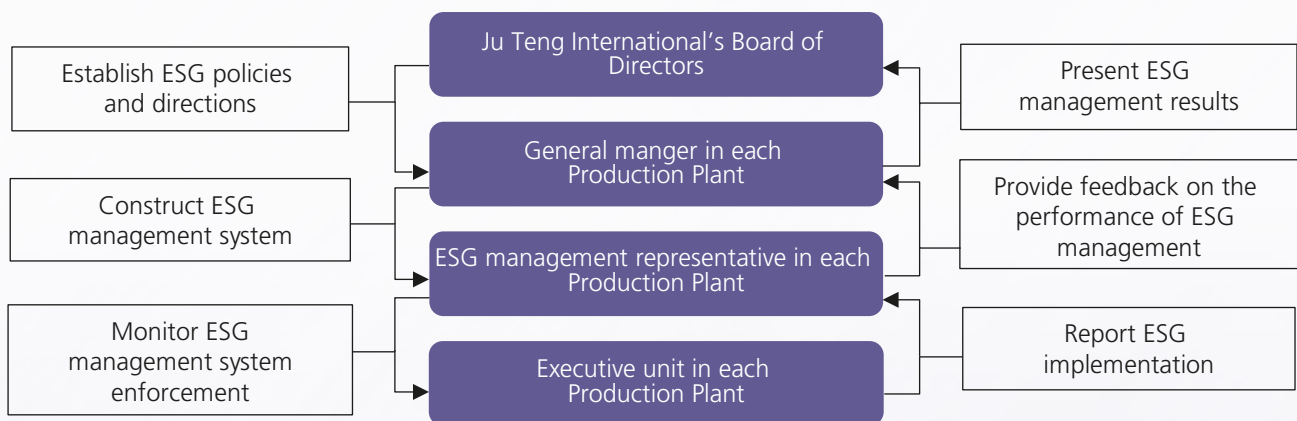
# ESG management

In response to the demand of sustainable development from the international community, Ju Teng International has been establishing a comprehensive ESG management system within its overall corporate structure recently through various control measures to minimize impacts on the environment, labour and community. Meanwhile, we actively listen to the needs and opinions of respective stakeholders, in order to keep track of the changing ESG issues significant for the Group and create a positive value for the industry chain and stakeholders.

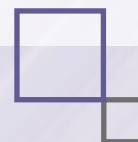
## ESG management system

At present, Ju Teng International's ESG management system mainly conforms to ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, IECQ HSPM QC 080000:2012 standards, as well as respective customer requirements. We manage product quality, environment, safety, hygiene, use of hazardous substance, labour and business ethics with multi-pronged strategy.

With the goal of "Dynamic Maintenance and Improvement of ESG Management System", Ju Teng International mainly adopts the ESG management procedures of "framework building, target setting and actions taking" to execute work tasks at all levels and actualize normalization in management. Our current ESG management model is adopted under a top-down approach. The Board of Directors is taking the lead in formulating ESG management policies at the Group level. The general manager of each subsidiary ("Production Plant") is responsible for the construction, operation and maintenance carried out in the Production Plant under ESG management system. They are also required to report the situation to the Board of Directors on a regular basis. Within the independent ESG management organizational structure of each Production Plant, the general manager appoints a management representative to supervise the implementation of ESG system, in order to ensure that all levels within the organization fully enforce the requirements. At the same time, the representative needs to submit the performance report of ESG management system to the general manager. In this way, management can evaluate the ESG performance and set up corresponding improvement goals more effectively. Each operational unit in the subsidiaries is required to execute ESG control procedures in its daily operations management, including formulating ESG training programs, compiling and executing unit-level management procedures related to environment protection and safety, as well as carrying out daily control and maintenance works for the facilities. Considering the risks of production chain in manufacturing industry, the Group requires all operational units to appoint designated representatives to participate in the occupational health and safety ("OHS") management. They are involved in the formulation of OHS policies, identification of hazards, evaluation of risks, determination of OHS targets and monitoring of OHS policies implementation. As such, the worker union fully exercises its supervisory role on safety production.



ESG Management Organizational Structure



## Stakeholders identification and engagement

Ju Teng International has always believed that the needs and suggestions of our stakeholders can help the Group in evaluating its ESG performance thoroughly and practically, thus promoting the goal of “Dynamic Maintenance and Improvement of ESG Management System”. Therefore, we have been maintaining long-term communication with different stakeholders through various channels, to discuss the key ESG issues and launch corresponding enhancement measures.

Stakeholder category	Aspiration and expectation	Engagement channel	Frequency
Shareholders/Investors	<ul style="list-style-type: none"> <li>Enterprise risk management</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>HKEX official website</li> <li>“Investor relations” section on official website</li> </ul>	<ul style="list-style-type: none"> <li>Unscheduled announcement</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Product quality and safety control</li> <li>Customer services and communications</li> <li>Customer privacy management</li> <li>Technological innovation</li> <li>Emission control</li> <li>Human rights protection</li> </ul>	<ul style="list-style-type: none"> <li>Official website</li> <li>Customer satisfaction surveys</li> <li>On-site research communications</li> </ul>	<ul style="list-style-type: none"> <li>Frequent communication</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Labour law compliance</li> <li>Employees’ wellbeing and development</li> <li>Employees’ health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Worker union</li> <li>Various staff activities</li> <li>WeChat official accounts managed by respective Production Plants</li> <li>Internal magazine 《巨騰風采》</li> <li>Employee performance appraisal</li> </ul>	<ul style="list-style-type: none"> <li>Few posts per week on the official accounts</li> <li>Two to four issues of internal magazine per year</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Supplier management</li> <li>Energy management</li> </ul>	<ul style="list-style-type: none"> <li>On-site examination</li> <li>Supplier self-assessment questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Frequent communication</li> </ul>
Community	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Press release</li> <li>Community activities</li> </ul>	<ul style="list-style-type: none"> <li>Unscheduled announcement and activities</li> </ul>





## Identification of material issues

As the risk factors faced by Ju Teng International operations and market environment have not changed significantly during the Reporting Period, the material issues identified this year through stakeholders' communication are generally consistent with the past results. We indeed realize that some of our major customers are promoting reduction in greenhouse gas emission across their supply chains, thus we will also strengthen the management of greenhouse gas emission across our plants in the coming years. The list of material issues for Ju Teng International is as follows:

Environment	Labour
<ul style="list-style-type: none"> <li>• Minimizing emission and waste water</li> <li>• Hazardous waste management</li> <li>• Energy saving and minimizing greenhouse gas emission</li> <li>• Hazardous substance control</li> </ul>	<ul style="list-style-type: none"> <li>• Complying with labour regulations</li> <li>• Protecting workers from health and safety hazards</li> <li>• Safeguarding labour rights and living condition of workers</li> </ul>
Governance and Community	Product Responsibility
<ul style="list-style-type: none"> <li>• Anti-corruption</li> <li>• Managing suppliers' environmental and social performance</li> </ul>	<ul style="list-style-type: none"> <li>• Protecting customer information and privacy</li> <li>• Assuring product quality</li> <li>• Satisfying customer service and communication</li> <li>• Fair sales of products</li> <li>• Product and technological innovation</li> </ul>

## ESG commitment

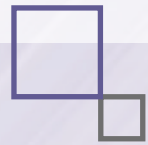
Based on the ESG materiality assessment, Ju Teng International makes the following commitment to our environmental, social and governance responsibilities.

### Responsible operation

- Complying with laws and regulations of jurisdictions that we operate in, and with social responsibility requirements of our customers for suppliers;
- Appointing dedicated personnel to take responsibility in implementing internationally recognized environmental, health and safety, labour rights management systems;
- Upholding business ethics, rooting out corruption, protecting confidential information and respecting intellectual property rights;

### Win-win collaboration

- Mutual success with customers
  - a. Being oriented to customers' satisfaction and being responsible to customers at all times;
  - b. Satisfying customers' needs, achieving management targets on quality, cost, delivery, service and safety;
  - c. Implementing a sound customer complaint and improvement system;
- Mutual success with suppliers
  - a. Implementing supplier audit mechanism to ensure protection to labour rights, natural environment and ethical business practices across the supply chain;
  - b. Forbidding the use of conflict minerals;



## Sustainable operation

- Actualizing waste minimization and resource recycling;
- Minimizing generation and emission of air pollutant, noise and hazardous waste;
- Consuming energy and resources efficiently, and protecting the environment;

## Being people oriented

- Respecting basic labour rights;
- Creating a fair working condition, eradicating any forms of discrimination in workplace;
- Providing safe and hygienic condition for working and living to ensure the safety and health of employees;
- Arranging appropriate working hours and rest days;
- Providing fair remuneration;
- Forbidding deployment of child labour and any forms of forced labour;

## Community care

- Be responsible for the well-being of the community;
- Participating in charity activities and supporting vulnerable groups in community;
- Involving in community building and contributing to community development;





As a key member of the global notebook computer, communication and consumer electronics supply chain, Ju Teng International has been continuously adhering to various business integrity regulations applicable to us, and competing in a fair manner. We are also devoted to strengthening corporate governance and internal control to minimize multiple operational risks and put our core value of “Responsible Operation” into practice. As such, the interests of our major stakeholders are safeguarded.

### Compliance

As our production sites are geographically scattered, Ju Teng International needs to pay extra attention to the corresponding laws and regulations practiced in different areas as we operate. We achieve operational compliance by tracking the changes of laws and regulations and adjusting internal regulations and management procedures. To this end, Ju Teng International has formulated specific documents such as “Laws and Regulations Management Procedure” and “Information Communication Management Procedure” to determine legal, customer and other requirements on environmental factors or hazards in specific business activities, products and services. Hence, incidence of non-compliance can be avoided and thereby reducing the risk of financial losses and damage to our reputation.

### Anti-corruption

Ju Teng International is devoted to sustaining customers’ respect and trust. We uphold fairness and honesty concept of competition and deliver quality products and services to customers. We are also devoted to strengthening our corporate governance and internal control to minimize risks and safeguard the legitimate interests of our company and shareholders. We have formulated “Business Ethics Management Procedure” and “Anti-conspiracy Management Procedure” to prevent employees from obtaining personal interest from fellow colleagues, clients, suppliers or other parties connected with the Group through bribery, extortion and fraud. The management of the Production Plants takes overall responsibility in anti-corruption. The management department coordinates and directs anti-corruption work, including conducting training on anti-corruption laws and regulations and business ethics for employees, evaluating corruption risks and setting up corresponding control procedures, receiving, investigating corruption reports, reporting and providing advices. Ju Teng International has established a reporting hotline and email address for any parties to report anonymously or with real name on unethical acts involving our employees. During the Reporting Period, there was no concluded legal cases regarding corrupt practices brought against Ju Teng International or its employees.

### Confidentiality

Ju Teng International promises to do our utmost in protecting confidential information, personal information and proprietary information, entrusted by customers, suppliers, employees or other third parties. The “Business Ethics Management Procedure” of Ju Teng International sets out the procedures for protecting confidential information, including restricting employees to use any confidential data and proprietary information for personal purposes, and ensuring Ju Teng International complying with applicable regulations of privacy and information security when collecting, storing, processing, transmitting and sharing the personal information.



Ju Teng International maintains a synergistic relationship with upstream and downstream enterprises in the electronic industry value chain, and strives to obtain collaborative success in value chain. While cooperating with customers, Ju Teng International consistently adopts the concept of “Customer First” through continuous improvement of product quality and customer service to enhance their level of satisfaction. On the other hand, while cooperating with suppliers, Ju Teng International continues to promote suppliers’ environmental and social performances, which can help strengthen their regulatory measures and market competitiveness.

## Customer first

### Quality control

Based on the target of customer satisfaction, the principle of “Do It Right at First Time” and the basis of ISO 9001 international quality standard, Ju Teng International has established and implemented a comprehensive product quality management system in striking a balanced control on quality, cost, delivery time, service and safety, so as to maintain our reputation in the industry and expand business opportunities.

Ju Teng International has established the “Process and Testing Procedure” at the Group level and applied its supporting procedures to the actual operations of each Production Plant. Each Production Plant is required to undergo systematic inspection at each control point of production process, including acceptance of incoming materials, production procedures, as well as storage and delivery of finished goods, so as to identify and alleviate any immediate problems related to product quality and use of restricted substances. Quality control of products in Production Plants is mainly led by Quality Management (“QM”) Department and Production Department in collaboration. Personnel of QM Department (hereinafter referred to as “Quality Control Personnel”) is responsible for executing quality inspection works and labelling outputs at each control point. “Incoming Material Control Procedure” requires the suppliers to use specific labels during delivery. In case of any defects, the Quality Control Personnel will attach “Adverse Examination Report” and return it to the supplier. During the production process, the Quality Control Personnel needs to screen out the defective products and check whether Production Department has met the requirement of the Group’s quality standard. Conversely, if Production Department finds any abnormalities while working in accordance with the standard production procedures, it is required to notify the QM Department and the relevant units for further processing. The Quality Control Personnel needs to check the finished goods and categorize them with labels. No products will be shipped without passing the quality inspection. With the cooperation of Quality Management Department and Production Departments, Ju Teng International can adequately avoid unqualified raw materials, semi-finished goods and finished goods entering into the next production process or being stored in warehouse, and guarantee promptness in handling product-related problems.

Quality Inspection Procedures	Inspection Label Management
<ul style="list-style-type: none"> <li>• Incoming Material Control Procedure</li> <li>• Corrective and Preventive Measures Control Procedure</li> <li>• Incoming Material Specification</li> <li>• Finished Goods Specification</li> <li>• Process Inspection and Testing Procedure</li> <li>• Special Process Control Measures</li> </ul>	<ul style="list-style-type: none"> <li>• Adverse Examination Report</li> <li>• IPQC OK Label</li> <li>• Product Run Card</li> <li>• T,S PASS/C, BPASS Label</li> <li>• Carton Box Label</li> <li>• G.P PASS Label</li> <li>• G.P FAIL Label</li> </ul>



Ju Teng International adopts the “Product Identification and Traceability Procedure”, which enables all incoming materials, processing products and finished goods to be identified and traced at any time. The operating procedures cover engineering, incoming materials inspecting, inventory storing and issuing, processing, delivery and quality assurance phases. We aim at clarifying the responsibilities of product quality from a fundamental basis.

### Customer rights protection

Each Production Plant of Ju Teng International establishes Quality Management Department and Quality Assurance Department. The former covers front-end quality control, while the latter covers back-end customer relationship management. Quality Assurance Department of each Production Plant (hereinafter referred to as “QA” Department) is responsible for handling complaints received directly from customers or referred by other departments. After receiving the complaint, QA Department will visit the customers’ sites to confirm the condition of defective products and the defective rate. If the complaint is confirmed justified, QA Department is required to bring back the sample of defective products and initiate the “Customer Complaint Handling Procedure” and “Corrective and Preventive Measures Control Procedure”. QA Department traces the product back to the relevant responsible unit. Thus, the unit will analyse the reasons for the defects, and then inform the Production Department and QA personnel to take corrective measures and ensure an improvement. After that, QA Department will report the outcome to the customers and close the case. The result will also be registered on the “Abnormality Improvement and Tracking” platform. Meanwhile, the business unit is mainly responsible for the products return and inventory replenishment due to customer complaints. The warehouse for finished goods facilitates the completion of products return and replenishment processes. In the past three years, Ju Teng International has shown an upward trend in the number of customer complaints received, mainly due to the increased production scale and variety. In the future, Ju Teng International will introduce more refined product quality control measures to reduce the number of customer complaints while achieving development at an extensive scale. We aim at providing each customer with the most satisfying products.

	2016	2017	2018
Number of Product Complaints Received and Handled	579 cases	656 cases	806 cases

In addition to handling customer complaints, Ju Teng International also actively maintains a long-term customers relationship. We understand the needs of our customers and opinions to provide better products and follow-up services for them. Therefore, we will invite customers to fill in the “Customer Satisfaction Survey” twice a year at the Group level through email or fax, so that customers can score and review our overall performance and indicators. When the total rating or rating for individual item does not meet our internal targets, the relevant departments are required to submit the improvement plan within three days and continue the execution of corrective measures. Ju Teng International has further communicated with customers regarding the improved outcomes achieved. Maintaining customers relationship has always been our focus and customers’ opinions are crucial to the development of Ju Teng International. In the future, we will further normalize and build more customers communication and feedback channels.



## Winning with suppliers

### Supplier selection

Considering the quality of incoming materials, labour rights and natural environment protection across the supply chain, Ju Teng International has formulated the “Supplier Management Procedure”, which sets out the admission criteria and audit procedure for new and existing suppliers.

Policies for selecting suppliers of Ju Teng International are mainly implemented at the Production Plant level. Vendor Quality Assurance Department at each Production Plant (hereinafter referred to as “VQA” Department) leads the supplier audit program for new and existing suppliers. Ju Teng International’s assessment criteria for suppliers are mainly based on the Quality System Audit/Quality Process Audit System (the “QSA/QPA system”), the Hazardous Substance-free Management System (the “HSFM system”) and the Code of Conduct for Responsible Business Alliance (“RBA”), which involve indicators such as managing worker, environmental protection, occupational safety, hazardous substance, and business ethics, alongside with product quality, price, speed of delivery and technical competency.

VQA Department will issue a complete supplier audit report based on the supplier audit results, and divide the suppliers into four levels of A, B, C, and D according to the evaluation scores in report:

- **Level-A Suppliers:** Excellent suppliers (Total scores reach 90 marks or above)
- **Level-B Suppliers:** Qualified suppliers (Improvement required, within 80-90 marks)
- **Level-C Suppliers:** Suppliers who need to undergo on-site improvement and review (Within 70-79 marks)
- **Level-D Suppliers:** Unqualified suppliers (69 marks or below)

Existing suppliers, except for those with low volume delivery, difficulty of on-site audit and other designated suppliers, are subject to on-site audit for at least once every two years, and need to respond to any required corrective actions. Level-A and Level-B Suppliers are required to reply within two weeks, and Level-C suppliers have to one month timeframe. Level-D suppliers are required to take corrective measures and re-audited by VQA until they are qualified within the two-month period. In case the customer-designated supplier is assessed as unqualified, Ju Teng International will send the evaluation result to the customer for their determination.

During the evaluation process of new suppliers, VQA Department, Procurement Department and Application Department will form an assessment team to conduct on-site audit. The supplier will be registered upon passing the audit. If on-site audit is not feasible due to geographical constraints, the supplier is required to conduct a self-evaluation on its quality management system, environmental management system and social responsibility management system, and then send back the information for assessment. New suppliers who are rated as Level D and are unable to improve the system within the two-month period will be disqualified.





The “Supplier Management Procedure” of Ju Teng International stipulates the inclusion of all audited suppliers into the Group’s “Qualified Suppliers List”, these suppliers can be adopted by multiple Production Plants without audit recertification. We keep this list updated on monthly basis to guarantee the authenticity of suppliers’ rating status. During the Reporting Period, the percentage of Ju Teng International’s qualified suppliers by location was as follows:

Percentage of Suppliers by Location	2016	2017	2018
Mainland China and Hong Kong	93%	92.3%	97.1%
Taiwan	6.3%	6.8%	2.3%
Other regions	0.7%	0.9%	0.6%

## Commitment of suppliers

All suppliers of Ju Teng International need to sign the “Integrity and Confidentiality Agreement” to confirm adhering to the principles of honesty, integrity and confidentiality. The specific commitments made by the suppliers are as follows:

- Adhere to the principles of honesty**

Ensure the authenticity of qualification certificates and related data, no falsehood, fraud, forgery or alteration is allowed;
- Comply with the principle of integrity**

Comply with Ju Teng International’s ethical policies of “Sincerity, Integrity, Law-abiding and Sustainable Operation”, not to adopt improper measures to achieve transactional purposes (such as providing improper benefits to Ju Teng International personnel); Disclose any act of bribery to Ju Teng International Personnel;
- Comply with the principle of confidentiality**

Based on the requirements of confidential information listed by Ju Teng International, all forms of confidential information shall be kept confidential for two years, and shall not be used or disclosed or delivered to any third party without the consent of Ju Teng International; Accept security guard supervision and inspection whenever entering Ju Teng International’s Production Plants;
- Comply with RBA guidelines**

Comply with the Code of Conduct for RBA promoted by Ju Teng International and implement the initiatives of labour, occupational health and safety, environment and professional ethics guidelines;

Suppliers are required to sign an “Environmental Protection Agreement” and “Declaration of Non-use of RoHS 2.0 Substances”, to ensure not to use prohibited or restricted materials or chemicals in the production and provision of Ju Teng’s products, parts and packaging materials. Ju Teng International has thereby set up the “Environmental-related Controlled Substances Reduction Plan” to impose strict requirements on suppliers’ use of heavy metals, formaldehyde, ozone hazardous substances, and radioactive materials.

In addition, Ju Teng International is doing its utmost to eradicate the use of conflict minerals. Conflict minerals refer to cassiterite (tin ore), columbite-tantalite (tantalum ore), wolframite (tungsten ore) and gold mined in the Democratic Republic of the Congo or its adjoining countries. Armed groups engaged in mining operations in these regions are believed to subject workers and indigenous people to serious human rights abuses. Ju Teng International will conduct due diligence on the source of minerals procured, and require suppliers to complete the “Metal and Mineral Origin Questionnaire”.



Ju Teng International aims at reducing the burden on our natural environment as we operate, in order to provide cleaner and green product for our society, and pursue for the sustainable development for business and the environment.

## Environmental management

Ju Teng International observes and complies with key environmental regulations in China such as the Environmental Protection Law, Water Pollution Prevention and Control Law, Atmospheric Pollution Prevention and Control Law and Law on the Prevention and Control of Environmental Pollution by Solid Waste. We require all Production Plants to establish their Environmental Protection Committee. Internal procedures such as the Administrative Provisions of Environmental Protection, Accountability System on Environmental Protection, Management of Environmental Incidents are established for our departments at different levels to define their roles and responsibilities in environmental management. Through the provision of clear guidance, we seek to ensure the proper functioning of our environmental management systems and the subsequent daily monitoring procedures.

The Group seeks to the enhance the standard level of environmental management continuously. During the Reporting Period, all Production Plants of all the subsidiaries have obtained the ISO 14001:2004 environmental management systems certification, and IECQ HSPM 080000:2012 hazardous substance process management systems certification. At the same time, we invest in education and training for a wide range of employees, including all newly-joined staff and other employees in different departments whose responsibilities are related to environmental protection. Through a series of training on topics like environmental compliance, ISO 14001 environmental management system and related scientific knowledge, the Group raises our employees' awareness on environmental protection.

The Group implements a series of measures to control the emissions of different types of pollutants.

Types	Management measures
Sewage management	<ul style="list-style-type: none"> <li>• Sewage facilities are set up in accordance to the actual needs of different Production Plants. Discharged sewage will be stored collectively for central processing</li> <li>• Discharge of sewage into rainwater pipelines are strictly prohibited</li> <li>• Effluents with flammable or explosive chemical reactions are required to be discharged into separated sewage pipelines</li> <li>• The progress of sewage discharge is fully recorded and monitored</li> <li>• Emissions of sewage is regularly monitored with real-time monitoring equipment to ensure compliance and effective inspection on sewage disposal</li> <li>• Reclaimed water is reused for toilet flushing or as supplementary water in spray painting and grinding</li> </ul>
Air emission management	<ul style="list-style-type: none"> <li>• Install dust removal equipment to prevent direct emissions to the air</li> <li>• Processing industrial gaseous waste with appropriate environmental facilities to ensure compliance with emission standards</li> <li>• Install desulfurization and dust removal devices to reduce emissions of sulphur dioxide, soot and nitrogen oxides while complying with emission standards</li> </ul>





Types	Management measures
Solid and Hazardous Waste Management	<ul style="list-style-type: none"> <li>All solid and hazardous wastes are categorized with appropriate labels and stored accordingly with complete recordings, and handled by third parties with relevant processing qualification</li> <li>Measures to recycle solid waste are taken to enhance the use of resources efficiency</li> </ul>
Noise Management	<ul style="list-style-type: none"> <li>All operating equipment are required to comply with Hygiene Standard of Noise in Industrial Enterprises. Equipment exceeding the standard will be fixed</li> <li>Designated operating zone and duration is set for noisy machines</li> <li>Regular testing for monitoring noise pollution is conducted by third parties with relevant professional qualifications</li> </ul>

Meanwhile, we reinforce in the maintenance of environmental protection equipment. Through constant technological innovation and transformation, timely upgrade and replacement of environmental protection equipment, process optimization, pollution control improvement to ensure our compliance with emission standard.

## Pollution and emission reduction measures adopted by Ju Teng International during the Reporting Period

### Chongqing Production Plants:

Chongqing Production Plants switched to use an environmentally friendly agent, which effectively reduced the total nitrogen content in wastewater. The plant also carried out the construction of air pollutant collection and treatment facilities for the spray painting circulating pool and sewage treatment centre. The unorganized emissions of odour in plant and VOCs gas were optimized into organized emissions, achieving 90% collection rate. It meets secondary emission standards of Integrated Emission Standards of Air Pollutants (GB16297-1996), and reducing the impact on surrounding communities and the environment.

### Neijiang Production Plant:

Neijiang Production Plant optimized the process of spraying. We have changed to water-based paint, and reduced the amount of paint slag. The spray painting wastewater can be reused for two years after recycling by flocculation and sedimentation in the circulating pool. Besides, the recycling of the cutting fluid reduced the discharge of cutting fluid.

### Compal Production Plant:

Compal Production Plant installed oil-water separation facility in the precision machine workshops. It can separate 80% water and 20% high-concentration waste oil after distillation of waste cutting fluid and the water can be used again to blend fresh cutting fluid, reducing the amount of hazardous waste disposal. Meanwhile, each processing machine in the workshop is equipped with an oil mist separator. The removal rate of PM2.5 is over 85%, and the indoor air quality of the workshop is effectively improved.

### Taizhou Production Plants:

Taizhou Production Plants added a new MVR low-temperature dephosphorization device to the sewage treatment centre to treat high-concentration phosphorus-containing wastewater, reduce the overall phosphorus content of the pool, and reduce the production of phosphorus-containing sludge. The plant also added an oil mist separator to the CNC workshop machine to separate oil and gas generated by the machines and reduce the emission of VOCs.



	Unit	2017	2018	YoY Change
<b>Effluent</b>				
General effluent discharged from Taizhou Production Plants	m <sup>3</sup>	434,440	768,848	+77.0%
Nickel-containing effluent discharged from Taizhou Production Plants	m <sup>3</sup>	37,815	46,073	+21.8%

	Units	2016	2017	2018	YoY Change
<b>Hazardous waste</b>					
Hazardous waste generated and transferred	Tons	4,377	6,680	12,076	+80.8%
Hazardous waste generated and transferred intensity	Ton/HK\$ million income	547	862	1,331	+54.4%

During the Reporting Period, as a result of the introduction of the anodizing process by the Taizhou Production Plants, the discharge of general effluent and nickel-containing effluent, and the hazardous waste increased as compared to 2017.

## Energy and resources management

Ju Teng International strictly abides by the national and regional laws and regulations such as Law of the People's Republic of China on Conserving Energy. We continuously promote the effective use and control of energy resources, and strives to maximize energy and resource conservation. All Production Plants have formulated the "Energy and Resource Management Procedures", which clearly clarifies the roles and responsibilities of relevant departments in managing the consumption of water, electricity, paper and oil and gas. We also require proper recording of resources consumption for measuring our performance.

Types	Management measures
Water	<ul style="list-style-type: none"> <li>Require employees to develop good water saving habits</li> <li>Strictly control the consumption of fresh water at restaurant and dormitory</li> <li>Strictly forbid the use of fire service water in non-emergency situations</li> </ul>
Electricity	<ul style="list-style-type: none"> <li>Set up temperature limit for use of air conditioner</li> <li>Require employees to develop good electricity saving habits and avoid consuming unnecessary power</li> <li>Require responsible personnel to conduct inspections</li> <li>Avoid machine idling</li> </ul>
Packaging Material and Paper	<ul style="list-style-type: none"> <li>Requires the proper use of paper such as reusing single-sided and non-confidential paper</li> <li>Waste paper is stored and centrally handled by management department</li> <li>Recycle packaging materials such as carton boxes and blister, and reduce the use of packaging materials</li> </ul>
Oil and Gas	<ul style="list-style-type: none"> <li>Require complete documentation of oil and gas use and ensure the full use of oil and gas</li> </ul>



Meanwhile, we proactively strengthen the innovation of our products and manufacturing process. We research and apply energy- and resources-saving, resource-efficient material, processes and equipment.

### Energy and resources conservation measures adopted by Ju Teng International during the Reporting Period

#### **Chongqing Production Plants:**

In terms of energy conservation, Chongqing Production Plant carried out the transformative upgrade of residual heat recovery to recover residual heat from air compressor and boiler to heat tap water in the living area and maintain constant temperature and humidity in the painting workshop. It can save about 1 million kWh of electricity and about 5,000 m<sup>3</sup> of natural gas. In terms of water saving, the plant recycled and reused waste water for painting. It is estimated to save about 10,000 m<sup>3</sup> of tap water.

#### **Neijiang Production Plant:**

In terms of energy conservation, Neijiang Production Plant recovered the residual heat from the air compressor to heat the water, which is estimated to save around 150,000 m<sup>3</sup> of natural gas a year. Moreover, the high-bay lights used in the workshops, corridors and warehouses of the plant were replaced with LED lights, which is estimated an annual saving of around 89,280 kWh of electricity. In terms of water saving, the plant recycled the water after bucket cleaning in water treatment workshop to fire water reservoir, which is estimated to save around 600 m<sup>3</sup> of water a year.

#### **Compal Production Plant:**

In terms of energy conservation, Compal Production Plant adopted photovoltaic power generation system with an annual generation capacity of around 14.2 million kWh. The plant replaced the energy-consuming air compressor by energy-saving air compressor to save around 1.7 million kWh of electricity. The plant also conducted residual heat recovery from air compressor to heat the water in the employee dormitory, which is estimated to save around 3.26 million kWh of energy a year. On the other hand, the replacement of energy-saving faucets is expected to save around 2,268 m<sup>3</sup> of water a year.

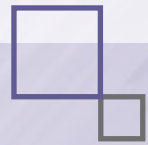


## Resource consumption

	Unit	2016	2017	2018	YoY Change
<b>Energy</b>					
Diesel consumption	L	438,186	466,586	402,868	-13.7%
Purchased electricity consumption	MWh	518,762	570,692	685,352	+20.1%
Natural gas consumption	m <sup>3</sup>	13,396,700	15,835,551	18,537,641	+17.1%
Total energy consumption	MWh	663,073	740,796	883,457	+19.3%
Energy intensity	MWh/HK\$ million income	82.9	95.6	97.4	+1.9%
<b>Water</b>					
Water consumption	m <sup>3</sup>	5,329,901	5,558,894	6,655,923	+19.7%
Water intensity	m <sup>3</sup> /HK\$ million income	666	717	734	+2.3%
<b>Packaging materials</b>					
Carton box purchased	Tons	5,100	3,934	5,405	+37.4%
Plastic material purchased	Tons	3,094	2,255	3,098	+37.4%
<b>Recycling of scrap materials</b>					
Paper	Tons	1,185	1,462	1,167	-20.2%
Plastic	Tons	3,209	4,401	2,709	-38.4%
Metal	Tons	10,679	12,794	15,561	+21.6%

## Greenhouse gas emission

	Unit	2016	2017	2018	YoY Change
Scope 1 Direct greenhouse gas emission	Tons CO <sub>2</sub> -e	33,428	39,393	45,853	+16.4%
Scope 2 Indirect greenhouse gas emission	Tons CO <sub>2</sub> -e	454,187	503,247	629,522	+25.1%
Total greenhouse gas emission	Tons CO <sub>2</sub> -e	487,615	542,641	675,375	+24.5%
Greenhouse gas emission intensity	Tons CO <sub>2</sub> -e/HK\$ million income	60.9	70.0	74.4	+6.4%

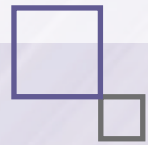


## Hazardous substance free management

Ju Teng International is committed to reducing the impact on the environment caused by disposal of products. We strictly implement the hazardous substance free management system, fulfilling the needs of the operating areas and customers, and promise not to use any material as restricted by Waste Electrical and Electronic Equipment (WEEE) Directive or Restriction of Hazardous Substances (RoHS) Directive, and by any customers. The Group has proactively carried out several controls to effectively implement the hazardous substance free management.

- Pre-product development control**
  - Formulate specific hazardous substance control plans at the beginning of product development in accordance with customer or regulatory requirements, and select appropriate materials.
- Raw material procurement control**
  - Develop a green procurement list and perform hazardous substance testing on incoming materials.
  - Require suppliers to sign “Hazardous Substances Free Guarantee Certificate” and conduct regular supplier assessments on hazardous substance management systems.
- Production process control**
  - Conduct testing of hazardous substances that may be used in the production process and within production area.
- Finished goods control**
  - Carry out regular self-assessment and testing by third parties on hazardous materials.





Ju Teng International adheres to its mission of “being people-oriented”. We respect and care for all employees, continuously motivate employees, provide employees with a fair, friendly, healthy and safe working environment, for the mutual development of employees and the Group.

### Human resources management

Ju Teng International strictly abides by the laws and regulations and industry standards applicable to jurisdictions that we operate in, such as the Labour Law, Labour Contract Law of the People’s Republic of China and the Code of Conduct of RBA in the hope of achieving fair and equitable human resources management system.

The Group has established diverse human resources policies such as Personnel Recruitment Management Policy, Employee Dismissal Management Policy, Working Hours and Compensation Management Policy, Employee Benefit Management Policy, Education and Training Management Policy, and Prohibition of Discrimination and Disciplinary Measure Management Policy to protect employee legitimate rights in recruitment, dismissal, promotion, development, and benefits. We respect human rights, prohibit forced labour, regulate employee working hours and rest days, provide reasonable compensation, benefits and living environment, and commit to forbidding any forms of discrimination against employees on the ground of race, colour, gender, age, sexual orientation, and religion.

Meanwhile, we strictly implement state council’s laws and regulations like Provisions on the Prohibition of Using Child Labour, Law of the People’s Republic of China on the Protection of Minors, and Special Protection of Minors Regulations. With a view to ensure compliance during our recruitment process, we have established a policy titled Management Procedures of Prohibited Use of Child Labour and Minors, which provides standard procedures to avoid and handle the use of juvenile workers. In case of any violation, the child labour would immediately be prevented from working and sent to hospital for a medical examination. We would then notify local bureau of labour and return the juvenile to his or her place of residence upon the bureau’s approval. We would also request for a signature from parent or guardian and stamped confirmation from respective government agency on documents. The documents would be filed by our personnel department.

According to legal requirements, we forbid juvenile workers who are aged over 16 but below 18 from performing any work that may endanger their health and safety. We also establish files for juvenile workers, and arrange regular body check before and after the appointment.





## Employee profile of Ju Teng International broken down by gender, age and employee category<sup>1</sup>

	31 <sup>st</sup> December, 2016	31 <sup>st</sup> December, 2017	31 <sup>st</sup> December, 2018
<b>Breakdown by gender</b>			
Male	58.69%	57.85%	58.77%
Female	41.31%	42.15%	41.23%
<b>Breakdown by age</b>			
16-17	1.50%	3.10%	3.07%
18-25	31.59%	28.75%	29.13%
26-35	40.96%	37.43%	37.97%
36-50	25.53%	30.29%	29.52%
51 or above	0.41%	0.43%	0.31%
<b>Breakdown by employee category</b>			
Salaried employees	20.60%	32.88%	15.75%
Hourly employees	79.40%	67.12%	84.25%

## Remuneration, benefits and working hours

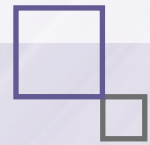
Ju Teng International establishes a remuneration and benefit system in accordance with national laws and regulations to ensure fairness and provide better working incentives. According to our Management Procedure on Employees' Shared Benefits, we provide our employees with different kinds of shared benefits like remuneration, bonuses, vacations, subsidies and insurance. Also, we promote better working incentives through a remuneration distribution mechanism that rewards the hard work of our employees reasonably. At the same time, we strictly abide by Labour Law to make sure that the daily and weekly working hours of our employees will not exceed 8 hours and 40 hours respectively and can rest at least one day per week. The Group does not impose any mandatory requirement for our employees to work over time. Overtime work, only when proved to be necessary, would be approved upon the consent from the employee or written application by the employee.

## Growing together with employees

To address the long-term development needs of both the Group and our employees, each Production Plant of the Group will tailor-made their annual training plans with reference to our "Education and training Management Procedure", and implement their training schedule in a systematic way.

There are two main types of education and training sessions, where one is conducted for new hires before on-board while the other is designated for existing employees. All training-related records will be kept by respective training units. During the Reporting Period, all business units of Ju Teng International completed all training sessions according to their annual training plans. The average training hours for employees increased by 30% to 10.4 hours when comparing to that of last year.

<sup>1</sup> The scope covers all Production Plants mentioned in "Scope and Boundary of Reporting", together with Gi-Li Co., Ltd. and Hong Ya Technology Corp.



### **Training for newly-hired employees before the start of their work**

- Training and assessment is provided based on the “Training Schedule for Newly-hired Employee,” where employees are required to pass the assessment before working
- Training at the workshop prior to taking up a new role
- Training is provided during probation
- Training is carried out for those workers who required special operation skills in accordance with the “Operation Manual for the qualification of the Special Position Operators”

### **Training for existing employees (including outsourced training sessions)**

- Training relating to the product features, requirement and manufacturing process is provided to all employees of the manufacturing department before the production of new products
- Develop and implement annual training plans which includes environmental and social protection, product quality, Code of Conduct of RBA, knowledge of greenhouse gases, human resources policies and regulations.
- Outsourced training covers topics like special equipment and manufacturing process, occupational health and safety, skills and knowledge development

## **Heart-warming working life**

Ju Teng International dedicates to creating a heart-warming working ambiance for employees and promoting good labour-management relationship. Turning our caring missions into actions, the Group has established an Employee Centre to facilitate the communication between employees and our management staff. In addition, the Group provides multiple communication channels for employees to express their opinions and requests. We listen to our employees’ opinions sincerely, and seek to improve our operating practices like working conditions, benefits, labour rights as well as risk management at our manufacturing plants. Besides, we encourage our employees to form worker union and ensure that all employees are aware of their rights to collective bargaining.

The Group cares about its female employees and has established a system to protect the rights of our female employees. Not only do we ensure the legitimate rights of our female workers during their pregnancy, perinatal period and lactation, but also concern about their safety in workplace and make sure that they are kept away from performing any physical-demanding tasks or staying in workplaces containing toxic substances.

We strive to add colours to the lives of our employees in their spare time. Through organizing different events like birthday parties and mid-autumn festival celebration, we hope not only to foster better communication and interaction among employees but also enrich their living experience and strengthen their bonding.

## **Health and safety**

Ju Teng International strictly abides by the Production Safety Law of the People’s Republic of China, Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, as well as other national and local OHS laws and regulations, to build and continuously improve the OHS management system. All Production Plants of the Group have established OHS management systems such as “Emergency Plan for Safety Incidents”, “Fire Safety Management System” and “Prevention and Control of Occupational Disease Implementation Plan”, with the aim of promoting OHS measures. During the Reporting Period, all Production Plants of the Group have obtained OHSAS 18001 certification for our OHS management systems.



We attach great importance to the occupational health of employees. Each Production Plant creates plans on prevention and control of occupational disease annually to clarify our responsibility in preventing and treating occupational diseases, and give out clear warnings and notifications of occupational hazards. At the same time,

- We monitor and evaluate occupational hazards regularly to ensure the intensity or concentration of OHS risks in workplaces meets the national occupational health standards;
- We perform maintenance on the occupational hazard prevention facilities and keep accurate records;
- We educate our employees regularly on occupational hazards regulations, knowledge and operating procedures, and guide them the correct use of personal protective equipment, to enhance employees' awareness and ability in protecting themselves;
- We keep regulating and strengthening occupational health monitoring and documentation filing system, and conduct health checks prior on-board, during employment and before leaving the position.

Ju Teng International has established "Risk Assessment and Control Management Procedures" to identify potential hazards in the process of production management, services and activities, and rank them according to the importance of hazard risks. They shall act as the foundation and basis to standardize safety objectives. While strengthening our daily management, we have also formulated comprehensive emergency plans for work-related accidents, mechanical injuries, chemical spills and immediate rescues during production safety accidents, and continuously enhance employees' safety awareness through various safety trainings and daily safety promotion.

Ju Teng International's Production Plants actively use WeChat platform to strengthen its daily safety management and education. As soon as the person-in-charge of each Production Plant receives the relevant safety hazards or problems, they will upload the updated situation on WeChat platform in a timely manner. Safety Department of each Production Plant will monitor the incident based on the relevant information shown on WeChat platform, to ensure that a timely solution is adopted to improve the situation, processing with a closed-loop perspective to examine the problem from discovery, management to improvement. Meanwhile, Safety Department actively carries out promotional education on safety production through WeChat platform, and share with all employees about the basic knowledge of safety production, management experience and typical case studies of safety production accidents, in order to improve employees' safety knowledge and awareness continuously.

	Unit	2016	2017	2018
Number of work-related incidents	Case	201	127	169
Number of work-related fatalities	Person	0	2	1 <sup>2</sup>
Lost days due to work-related accidents	Day	6,321	5,560	5,334
Incident rate per 1,000,000 work hours <sup>3</sup>		2.86	2.03	2.37
Lost day rate per 1,000,000 work hours <sup>4</sup>		89.9	74.9	74.8

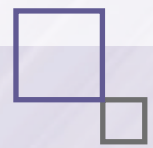
Ju Teng International does not only place emphasis on the safety of our employees but also the safety management of our suppliers. In order to achieve this, we have developed "Supplier Safety Management Measures", which provided detailed and clear requirement for suppliers on safety management. Also, we conduct monitoring on our suppliers' daily operations, of which their performance will be evaluated regularly based on our "Safety Assessment Standards for Suppliers."

<sup>2</sup> The fatality case was a result of traffic accident after work. Based on the judgement of respective local authority, this incident was classified and recorded as a work-related injury.

<sup>3</sup> The formula of incident rate per 1,000,000 work hours is: number of injuries ÷ total working hours x 1,000,000.

<sup>4</sup> The formula of lost day rate per 1,000,000 work hours is: number of lost days due to injuries ÷ total working hours x 1,000,000.





## Community care

As a listed company, Ju Teng International is aware of the social responsibilities in community building, charity involvement and environmental protection. During the Reporting Period, Ju Teng International's Production Plants organized several charity events that were well recognized by the surrounding communities, and established a responsible corporate image.

As a notebook computer casing manufacturer, Ju Teng International has always believed in the community empowerment of computers and the Internet. In October 2018, workers of the Wujiang Production Plants ran a digital literacy programs namely "Computer Class into Community" and "Computer High-Tech Awards Ceremony" which involve visits to and computer tutorials for the grassroots community and retirees who had never used computers before, with the support of the local Community Management Committee. As such, the grassroots community could make better use of the computer skills in their daily work, while the retirees could enrich their spare time through surfing the Internet. The "Computer High-Tech Awards" were awarded to employees who master computer skills and those dedicated to the digital literacy program.



In addition, Ju Teng International pays close attention to environmental protection and charity. In January 2018, Wujiang Production Plants organized the "River and Beach Clean-up" event which our colleagues cleaned the river and beach near the Production Plant. During the day, our employees picked up a total of 20 bags of garbage. Our employees learned that accumulation of waste affects the landscape and natural habitats, and reducing disposal of waste from the source will help. In the future, we plan to transform the river and beach clean-up into regular activity for team-building purpose and also help improve the surrounding environment.



In 2018, the Wujiang Production Plants and local medical units collaboratively organized the "Blood Donation Week". Thousands of employees volunteered for blood donation. The management departments of Ju Teng International also organized seminars on benefits and reminders of blood donation for raising the awareness of blood donation movement.



In the future, Ju Teng International will continue initiating a variety of community outreach activities. We are also dedicated to launching charitable marketing campaigns based on our own characteristics, thus integrating social value creation into our operation management. Many a little makes a mickle. We believe our continuous involvement in charity activities will make a solid and profound contribution to the society eventually.

# Appendix: HKEX ESG Reporting Guide Index



KPIs	Description	Disclosed in	Remarks
<b>A. Environment</b>			
<b>A1 Emission</b>			
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Sustainable operation – Environmental management	
A1.1	The types of emissions and respective emissions data.	Sustainable operation – Environmental management	
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable operation – Energy and resources management	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable operation – Environmental management	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable operation – Environmental management	Scrap materials was the major non-hazardous waste generated. We are reporting on the quantity of scrap materials recycled.
A1.5	Description of measures to mitigate emissions and results achieved.	Sustainable operation – Energy and resources management	
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Sustainable operation – Environmental management	
<b>A2 Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable operation – Energy and resources management	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Sustainable operation – Energy and resources management	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainable operation – Energy and resources management	
A2.3	Description of energy use efficiency initiatives and results achieved.	Sustainable operation – Energy and resources management	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Sustainable operation – Energy and resources management	
A2.5	Total packaging material used for finished goods (in tonnes) and, if applicable, with reference to per unit produced.	Sustainable operation – Energy and resources management	

# Appendix: HKEX ESG Reporting Guide Index



KPIs	Description	Disclosed in	Remarks
<b>A3 The Environment and Natural Resources</b>			
General Disclosures	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Sustainable operation – Hazardous substance-free management	Our operation sites are located either in industrial parks or in the urban areas. To our knowledge, our operation does not have a direct impact to the natural environment.
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable operation – Hazardous substance-free management	
<b>B. Society</b>			
<b>B1 Employment</b>			
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Being people-oriented – Human resources management  Being people-oriented – Remuneration, benefits and working hours  Being people-oriented – Heart-warming working life	Please refer to the Annual Report 2018 for our total workforce.
B1.1	Total workforce by gender, employment type, age group and geographical region.	Being people-oriented – Human resources management	
B1.2	Employee turnover rate by gender, age group and geographical region.	Not disclosed	
<b>B2 Health and Safety</b>			
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Being people-oriented – Health and safety	
B2.1	Number and rate of work-related fatalities.	Being people-oriented – Health and safety	
B2.2	Lost days due to work injury.	Being people-oriented – Health and safety	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Being people-oriented – Health and safety	



# Appendix: HKEX ESG Reporting Guide Index



KPIs	Description	Disclosed in	Remarks
<b>B3 Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Being people-oriented – Growing together with employees	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not disclosed	
B3.2	The average training hours completed per employee by gender and employee category.	Being people-oriented – Growing together with employees	
<b>B4 Labour Standards</b>			
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Being people-oriented – Human resources management	
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Being people-oriented – Human resources management	
B4.2	Description of steps taken to eliminate such practices when discovered.	Being people-oriented – Human resources management	
<b>B5 Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Win-win collaboration – Winning with suppliers – Supplier selection	
B5.1	Number of suppliers by geographical region.	Win-win collaboration – Winning with suppliers – Commitment of suppliers	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Win-win collaboration – Winning with suppliers – Supplier selection	

# Appendix: HKEX ESG Reporting Guide Index



KPIs	Description	Disclosed in	Remarks
<b>B6 Product Responsibility</b>			
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible operation – Confidentiality  Win-win collaboration – Customer first – Quality control  Win-win collaboration – Customer first – Customer rights protection	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		No product has been subject to recalls for safety and health reasons. Recalls were triggered by quality-related issues.
B6.2	Number of products and service-related complaints received and how they are dealt with.	Win-win collaboration – Customer first – Customer rights protection	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible operation – Confidentiality	
B6.4	Description of quality assurance process and recall procedures.	Win-win collaboration – Customer first – Quality control	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Responsible operation – Confidentiality	
<b>B7 Anti-corruption</b>			
General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Responsible operation – Anti-corruption	
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Responsible operation – Anti-corruption	
B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Responsible operation – Anti-corruption	
<b>B8 Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Care	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Care	
B8.2	Resources contributed (e.g. money or time) to the focus area.	Not disclosed	