



VIXTEL TECHNOLOGIES HOLDINGS LIMITED

飛思達科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8342



Environmental, Social and  
Governance Report **2016**

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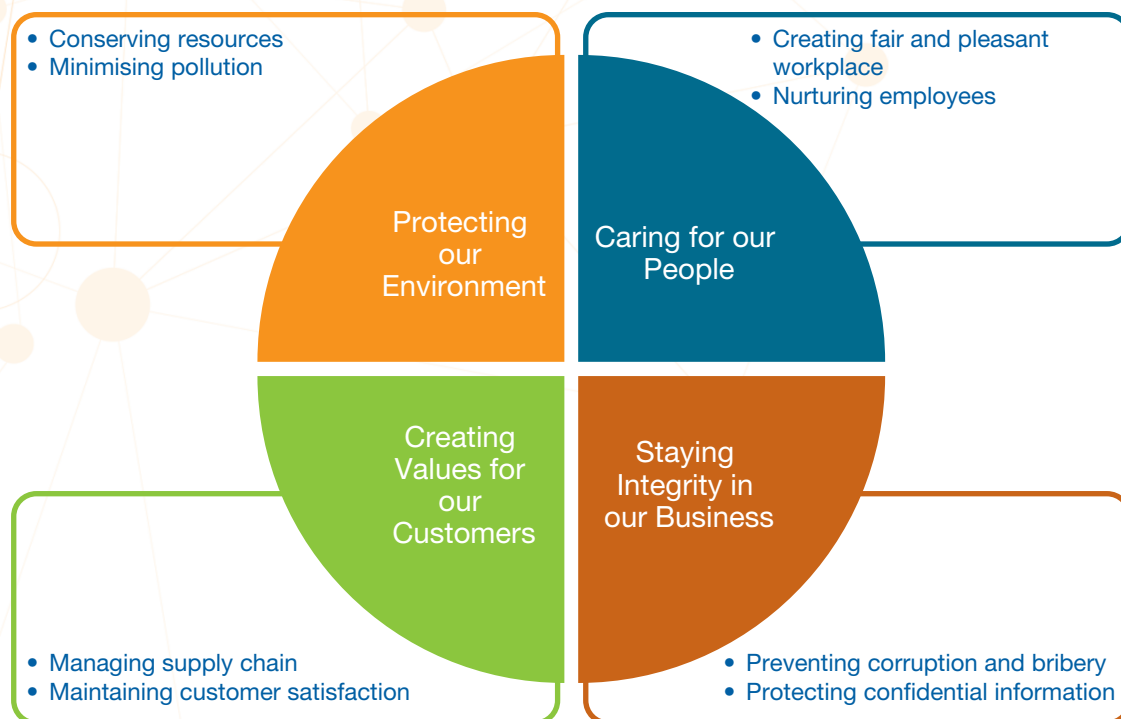
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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This is the first Environmental, Social and Governance (“ESG”) Report prepared by Vixtel Technologies Holdings Limited (hereinafter referred to as “We”, “Vixtel”, the “Company”), with reference to the Appendix 20 – Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), for the reporting period from 1 January 2016 to 31 December 2016. The scope of the ESG Report is confined to our headquarters in Beijing, our branches in Guangzhou and Shanghai, and our research and development (“R&D”) centres in Hefei and Harbin of China (the “Group”).

Throughout all the years engaging in the application performance management (“APM”) industry in China, we understand that we bear the corporate social responsibility (“CSR”) for our stakeholders apart from making profit in the business. Therefore, when conducting business, we always take the influences of our operation to the stakeholders into account, and put CSR into our corporate core values.

To ensure compliance with the relevant rules and regulations, we have established a CSR policy so that appropriate strategy can be formulated to manage the environmental and social issues in our daily operations. Our CSR strategy focuses on four areas, namely “Protecting Our Environment”, “Caring for Our People”, “Creating Values for Our Customers” and “Staying Integrity in Our Business”, as illustrated below:

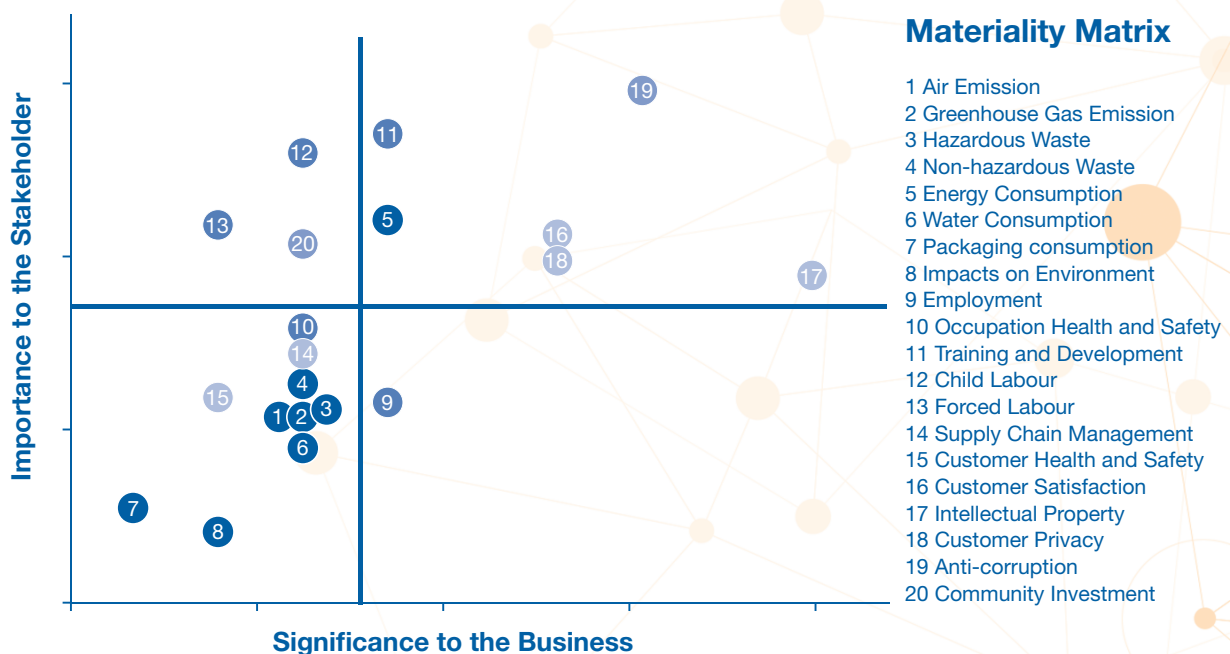


This ESG report presents the details of how we cope with the CSR issues under these four key areas. We value all readers’ feedback which can help us continuously improve our ESG performance. Please feel free to leave us your opinions by emailing at [info@vixtel.com](mailto:info@vixtel.com).

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

In order to understand the concerns of our key stakeholders and to identify the material ESG issues to the Group, we carried out a stakeholder engagement activity through an online questionnaire. The questionnaire acts as a platform for us to communicate with our stakeholders and obtain their opinions. A materiality assessment was then conducted to provide us insights into the formulation of the ESG reporting and upcoming CSR strategic goals.

During the materiality process, we engaged both internal and external stakeholders, including board of directors, employees, customers, suppliers and distributors. Their valuable feedback helps us identify the material topics, as shown in the materiality matrix below:



Based on the above analysis, we have identified topics which are the most material to the Group. It can be seen that stakeholders would like us to focus on delivering quality products and services, preventing corruption in our operations, and nurturing employees. As our business operation is confined to offices and R&D centres, the environmental issues and occupational health and safety are of less concern. Details of our efforts are presented in the later sections. We will continuously improve our performance and work towards sustainability to fulfill the expectations of our stakeholders in the future.

## PROTECTING OUR ENVIRONMENT

We emphasise on environment protection by preventing pollution and utilising resources efficiently. We have established an environmental management system (“EMS”) which follows the international ISO 14001 standard to manage the environmental risks in our operation. Under the EMS, we have complied with the environmental laws and regulations in China to improve our environmental protection performance continuously.

Training is also provided to enhance the environmental awareness of our employees and to ensure their understanding on how to manage environmental issues such as proper waste storage and treatment and efficient use of resources.

### *Preventing pollution to the environment*

As our business operation is confined to offices and R&D centres, we do not have intense direct emissions to the environment. Still, we strive to reduce our impacts on the environment; for example, policies are in place to minimise the emission from our company vehicles and solid waste generated within our operation.

To reduce the level of air pollutants released into the atmosphere, we opt for high-quality fuel and regularly maintain our company vehicles to ensure that they are in good conditions. We require our drivers to turn off idling engines to keep the air cleaner. In addition, staff are encouraged to use public transportation over company vehicles whenever possible.

Policy is established to manage solid waste generation from our offices and R&D centres. We have a goal to sort all wastes properly into three major types: recyclable, non-recyclable and hazardous. They are handled with proper procedures to meet relevant laws and regulations. For hazardous wastes, we adhere to the principle of reduction, resource recycling and harmlessness to reduce the impact on the environment. We also closely keep track of our solid waste generation and carry out regular inspection to improve the effectiveness of waste management.

### *Utilising resources efficiently*

Understanding the global environmental issues including resources depletion and greenhouse effect, we utilise resources efficiently to reduce our carbon footprints. Our use of resources policy is established to guide us on how to conserve the use of electricity, water and paper:

#### Electricity

- We purchase lights and other electronic appliances with high efficiency
- We encourage switching off the office equipments when they are not in use
- We set the temperature of air conditioning to strike the balance between electricity use and employee comfort

#### Water

- We pay close attention on water pipe maintenance to prevent any leakage of water
- We opt for water tap with high water efficiency

#### Paper

- We encourage using electronic communication channels over paper
- We encourage reusing papers and letterheads
- We encourage double-sided printing instead of single-sided printing

## CARING FOR OUR PEOPLE

Employees are our valuable assets. We strive to make Vixtel a pleasant workplace where our employees can enjoy decent working conditions and develop new skills. Being mindful of providing equal opportunities at workplace, we recruit suitable talents through conducting tests and interviews to assess their capability, technical level and attitude. Job details such as salary and working hours are also clearly explained to candidates during recruitment, while basic employment conditions including dismissal, rest periods, benefits and welfare are set out in our staff handbook and are in compliance with relevant laws and regulations. We also respect human rights and prohibit discrimination, harassment, child labour and forced labour in the workplace.

### *Healthy and safe workplace*

Providing a healthy and safe working environment is essential to the wellness of our employees. While we strive to maintain a safe and hygienic working environment, we are aware of emergencies that could happen at our workplace. To be more prepared for emergency situations, fire contingency plan is in place so as to ensure our employees understand how to respond to an emergency. We also conduct regular inspections and fire drills to raise their awareness and to minimise the risks.

Besides, we aim to support our employees in achieving work-life balance. Through our staff activity guidelines, we organise regular recreational activities, including annual staff travel, quarterly department events, outing activities and birthday parties to appreciate their hard work and create a stronger bond among employees besides daily work interaction. We also offer medical check-ups for their wellness advice.

### *Inspiring workplace*

To align with the long-term growth of Vixtel, we are committed to providing employees with comprehensive training opportunities and career development. The principles of equal opportunity and fair competition are upheld to ensure employees receive development opportunities fairly. We have a comprehensive appraisal system to assess our employee's performance based on their contribution to the Company, as well as their attitude, discipline and cooperativeness.

Our training system is established with the following procedures:



We provide both internal and external training to strengthen our employee's job-related knowledge, technical skills and personal competencies. Self-learning is also encouraged and we offer various resources, such as computers and study areas, to help employees in achieving both personal and professional goals in their spare time.

## **CREATING VALUES FOR OUR CUSTOMERS**

To achieve our long-term goal of becoming an international leading provider of APM products and services, we have a mission to create the greatest value for our customers through providing competitive products and solutions, as well as upholding high standards in our supply chain.

### ***Managing supply chain***

Suppliers are our long-term business partners. To effectively manage our supply chain, we have developed a comprehensive system for assessing new and existing suppliers. Apart from compliance with local laws and regulations, suppliers are required to go through a strict assessment on their product quality, delivery time, price and services to guarantee their products or services are of high standard and meeting our requirements. We have also established the Supplier's Code of Conduct ("CoC"), which articulates our expectations towards a sustainable supply chain on human rights, health and safety and environmental stewardship. Suppliers are required to operate in accordance with the principles set out in the CoC and are highly encouraged to carry out sustainable practices beyond the CoC to advance social and environmental responsibilities and create greater benefits.

### ***Ensuring product responsibility***

We are dedicated to providing the best customer experience with our high-quality products and services. To meet the evolving needs from our customers, we not only offer a broad range of solutions and products which are easy to use, but we also provide diversified supporting services such as free remote technical support and on-site product training. In addition, we are continuously looking for improvement through the heavy investment in R&D to meet specific needs of our customers, and to provide better products that satisfy their expectations.

Product quality is of our high concern. We have established the quality management system which is certified under the international ISO 9001 standard. Through providing sufficient training, carrying our rigorous product testing and conducting regular monitoring, we ensure our products meet requirements made by our customers and related parties. In addition, we recognise unplanned incidents such as fire, human error, loss of power, server failure may threaten our business. Therefore, an IT disaster recovery plan is in place so that our employees are able to effectively respond to and recover from any emergency cases, and in turn minimise the negative impacts on the business operations and our customers.

Listening to our customers about their experience with our products and services is the key to our success. We constantly interact with our customers by reviewing their enquiries and feedback as well as analysing results of customer satisfaction questionnaires so that we can keep track of our performance regularly. This helps us better understand their experiences and continuously improve our products and services. In addition, we have implemented complaint handling procedures to handle complaints from customers. Once a complaint is received, we will take prompt actions to investigate the case and carry out preventive action plans to avoid the issues from happening again in the future.

## **STAYING INTEGRITY IN OUR BUSINESS**

Law-abiding with integrity is the foundation for all business activities. At Vixtel, we strive to safeguard customer privacy and our intellectual property (“IP”), as well as prohibit corruption at workplace. This helps to create an ethical culture and a sustainable business.

### ***Anti-corruption***

We always exercise the highest standards of integrity and prohibit any unethical act of corruption, bribery or fraud when doing business. An anti-corruption and anti-bribery management system is established to minimise possible risks that could occur in our business activities, such as procurement, outsourcing, sales, maintenance and quality assurance. To further eliminate the risks, we have engaged not only employees but also our business partners, including customers and suppliers, to sign a probity agreement before on-board. We also pay close attention to our anti-corruption system and identify areas where we could make improvement. A whistle-blowing system is operated to encourage the reporting of misbehaviours and misconducts. Any confirmed cases will result in discounting business relationship and disciplinary actions.

During the reporting period, Vixtel has had no non-compliance cases regarding violation of relevant laws and regulations on anti-corruption.

### ***Handling intellectual property and confidential information***

We strive to safeguard the intangible assets of Vixtel and confidential information of our clients. Our success is built upon technological innovation. We make great efforts to secure our technology and innovation, and set out strict guidelines on handling IP products including patents, copyrights, trademarks, technical and trade secrets. Disciplinary actions will be taken to any staff who have been found in the mishandling of IP rights.

Understanding the importance of privacy to our customers, we require our employees to treat all confidential information with integrity and confidentiality. We have implemented a number of guidelines to protect the privacy of our customers on how we collect, use, disclose, transfer and store the information obtained from them. An information security management system (ISMS), which is certified under the international ISO 27001 standard, has been established to keep information assets secure and prevent losses due to information security incidents.



## HKEX ESG REPORTING GUIDE INDEX

### HKEx ESG Reporting Guide General Disclosures

#### A. Environment

##### A1 Emission

Information on:

- (a) the policies; and
- (b) compliance and material non-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, generation of hazardous and non-hazardous wastes, etc.

#### Policy/Procedure

Company Vehicles Management Policy  
Waste Management Policy

#### Reference Section

Protecting our Environment – Preventing pollution to the environment

##### A2 Use of Resource

Policies on efficient use of resources including energy, water and other raw materials.

Use of Resources Policy

Protecting our Environment – Utilising resources efficiently

##### A3 The Environment and Natural Resources

Policies on minimizing the operation's significant impact on the environment and natural resources.

Not applicable – the Group's operations do not have significant impact on the environment and natural resources

#### B. Social

##### B1 Employment

Information on:

- (a) the policies; and
- (b) 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.

Staff Handbook

Caring for our People

**HKEx ESG Reporting Guide General Disclosures**

**Policy/Procedure**

**Reference Section**

**B2 Health and Safety**

Information on:

(a) the policies; and

(b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.

Fire Contingency Plan

Staff Activity Guidelines

Caring for our People –  
Healthy and  
safe workplace

**B3 Development and Training**

Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.

Training Management Policy

Caring for our People –  
Inspiring workplace

**B4 Labor Standard**

Information on:

(a) the policies; and

(b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labor.

CSR Policy

Caring for our People

**B5 Supply Chain Management**

Policies on managing environmental and social risks of supply chain.

Supplier Code of Conduct

Supplier Management Procedures

Creating Values for our customers –  
Managing supply chain

**HKEx ESG Reporting Guide General Disclosures**

**B6 Product Responsibility**

Information on:

- (a) the policies; and
- (b) compliance and material non-compliance with relevant standards, rules and regulations on health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.

**Policy/Procedure**

Product Quality Management Procedures  
 IT Disaster Recovery Plan  
 Complaint Handling Procedures  
 IP Management Procedures  
 Information Security Management Handbook

**Reference Section**

Creating Values for our customers – Ensuring product responsibility  
 Staying Integrity in our Business – Handling intellectual property and confidential information

**B7 Anti-corruption**

Information on:

- (a) the policies; and
- (b) compliance and material non-compliance with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering.

Anti-corruption and Anti-bribery Management Procedures  
 Whistle-blowing policy

Staying Integrity in our Business – Anti-corruption

**B8 Community Investment**

Policies on community engagement to understand the community’s needs where it operates and to ensure its activities take into consideration communities’ interests.

Community Involvement Policy

Our focus is on supporting charitable donations for building community centres, supporting villages for fundraising activities, and offering monetary support to develop tourism. Details of the Company’s efforts will be presented in future reporting.