



JIANGSU NANDASOFT TECHNOLOGY COMPANY LIMITED

江蘇南大蘇富特科技股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8045)

# ENVIRONMENTAL, 2016

## SOCIAL AND GOVERNANCE REPORT



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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION

The Company is dedicated to maintain sound environmental, social and corporate governance to ensure holistic and harmonious development in businesses of the Group, its operating environment and the society at large. This Environmental, Social and Governance ("ESG") report has been prepared with reference to the ESG Reporting Guide as required by the Appendix 27 of the Listing Rules of the Hong Kong Exchanges and Clearing Limited ("HKEx"), in-line with recommended practice for all Hong Kong listed companies. This is our first annual ESG Report, it describes the initiatives of the Group and its progress with regard to ESG issues for the period of 1 January 2016 to 31 December 2016.

The Group has been operating a highly efficient sales and distribution network with emphasis safety and environmental friendliness. We are committed to motivating the low carbon growth of the industry, providing green energy for the development of the whole society and taking into account the needs of our stakeholders, including impact on the environment and the communities in which we operate. This report provides an overview of the sustainability strategies and social responsibilities undertaken by the Group.

The Group's view of social responsibility is as follows:



### 01

To respect and reward employees



### 02

To minimise the influence of company business on the environment



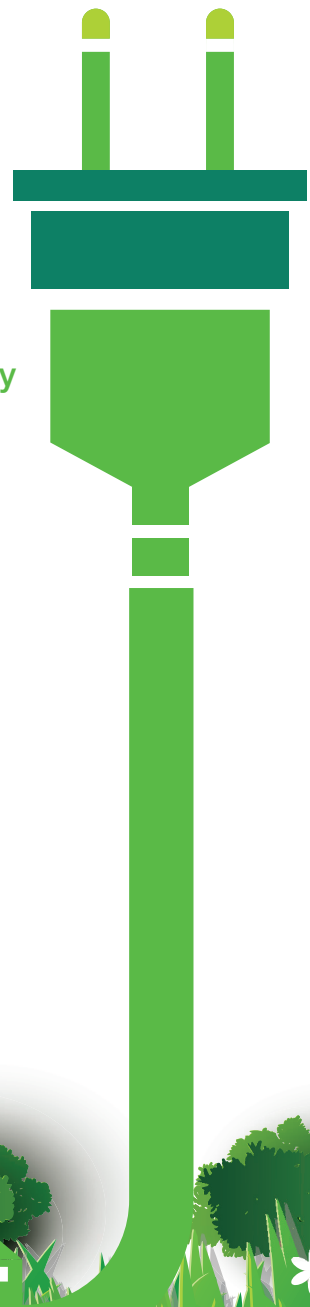
### 03

To contribute to the community



### 04

To ensure safety at work, aiming at 'No injury' and 'No fatal accident'



# Environmental, Social and Governance Report

## ENVIRONMENTAL POLICY

We place high attention to environmental protection in establishing a green corporation. For electricity utilization, staffs are required to turn off all electrical equipment before leaving for the day. We set conditions for turning on air-conditioner as well as its temperature setting, post gentle reminders on electricity saving to help employees to increase their environmental protection consciousness. For paper consumption, we encourage employees to work online for communication and exchange purposes to reduce the use of papers, print duplex copies as much as possible and also recycle and reuse papers.



## EMISSIONS

As an information technology business, the Group aims to support sustainable development by conducting our business in an environmentally responsible manner. The Group is aware of the impact of climate change and make effort to minimise the impact our operations have on the environment. Thus, we requested our contractors to build in an eco-friendly way that using materials and building methods which would be less harmful to our environment, less greenhouse gas ("GHG") would be emitted and less wastes would be produced during our operation.

The Group is dedicated to train employees to protect the environment and conduct business in such a manner that balances environmental and economic needs.

The Group complies with all related environmental regulations, and cooperates with its partners, including clients and suppliers, to operate in an environmentally responsible manner to achieve energy efficiency and put waste minimisation, reuse and recycling into practice.





## Environmental, Social and Governance Report

### USE OF RESOURCES

Type of emissions the Group has involved in the reporting period was mainly gasoline, electricity, water, paper, computer waste and non-hazardous waste. The business does not involve in production-related air, water, and land pollutions which are regulated under national laws and regulations.

Total floor area coverage for the Group was 9,460.7 m<sup>2</sup> (2015: 7,196.91 m<sup>2</sup>) and the Group accounts for 100% of emissions from its operations in People's Republic of China.

### GASOLINE

A total of 178,615.36 litres of gasoline (2015: 206,484.92 litres) was used for motor vehicles in the reporting period, representing a decrease of approximately 13.5% when compared with 2015. The Group is delighted to reduce the gasoline emissions in order to reduce the impact for the environmental pollution.

### ELECTRICITY

As there was a drop in the revenue, the electricity consumption by the Group was decreased to 721,413.90 kWh (2015: 770,725.92 kWh) accordingly, with an energy intensity of 76.25 kWh/m<sup>2</sup> which was slightly dropped by 6.4% when compared with last year (2015: 107.09 kWh/m<sup>2</sup>). The Group continues its commitment in installing and switching to energy-saving lighting fixtures and sourcing energy efficient equipment to ensure functioning in optimal conditions and efficiency.

### WATER

Water consumption by the Group was 7,224.14 m<sup>3</sup> (2015: 8,247.81 m<sup>3</sup>), with water intensity of 0.76 m<sup>3</sup>/m<sup>2</sup> (2015: 1.15 m<sup>3</sup>/m<sup>2</sup>), representing a decrease of approximately 12.4 % as compared with last year, which was mainly due to that the Group actively promoted water efficient practices, strengthened the management, repair and maintenance of water supply equipment, facilities (including roof water tanks), instruments to reduce the wastage rate, and thereby reduced water wastage caused by human error and unintentional switching mistake.







# Environmental, Social and Governance Report

## COMPUTERS AND COMMODITIES (E-WASTE)

To reduce e-waste, we reuse or recycle phones, computer accessories and other products.

## PAPER

The Group continues to practice paper saving initiatives, such as default double-sided printing, reminder for staff to have environmentally friendly photocopying habit, and separated collection of waste paper for effective recycling. Last year the Group started enforcing double password confirmation for printing, which further reduced printing mistakes and thus less paper usage and wastage.

## REDUCTION MEASURES

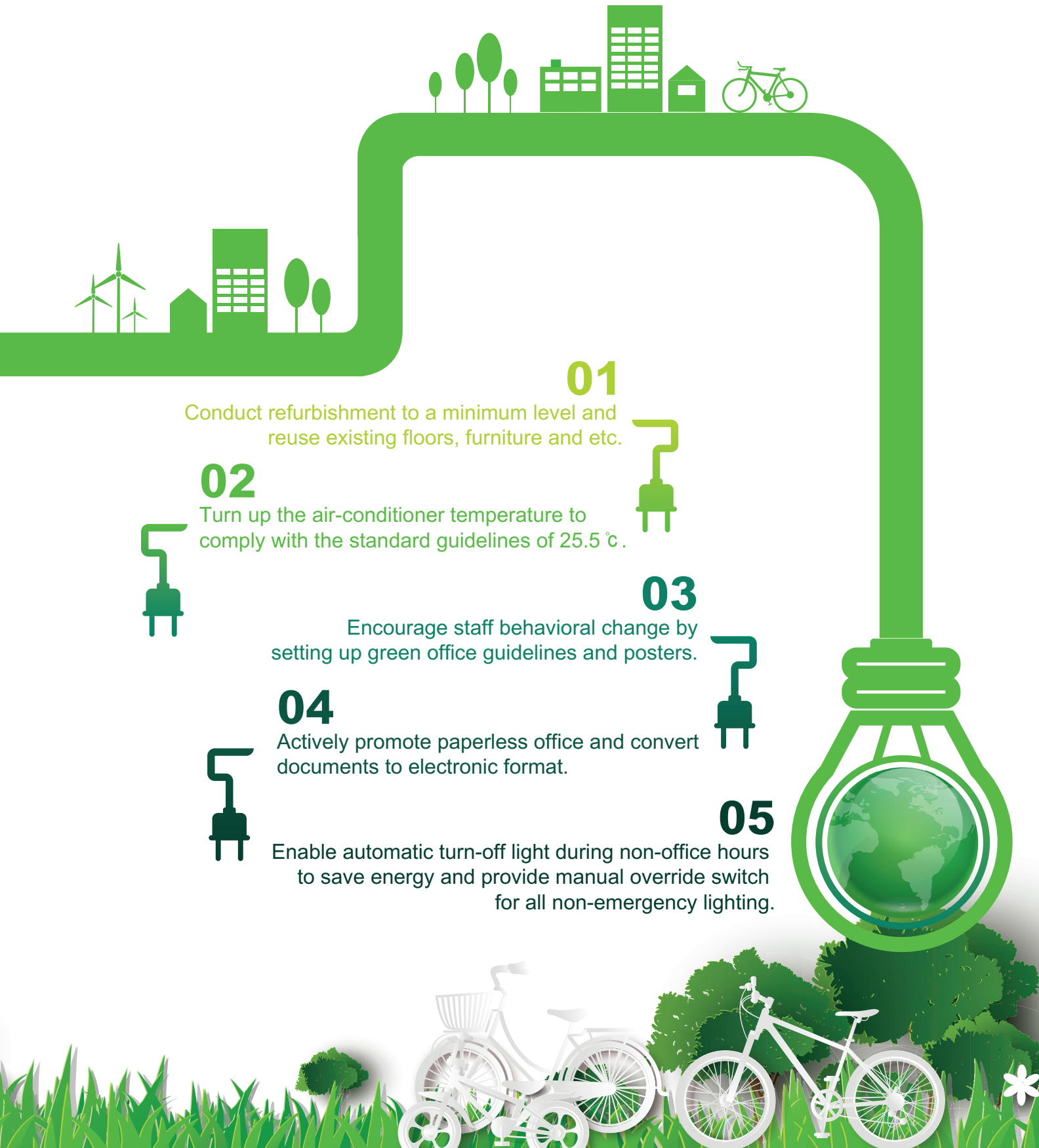
The Group undertook various measures to mitigate further extension of waste or pollution, which we considering those consumptions will be more efficient in the future:

1. Improve data collection efficient and retention by using centralised data collection To further improve on the future's corporate carbon footprint and minimise data uncertainty in the data collection, we will establish a centralised data collection process and promote to all subsidiaries. This approach would accumulate the monthly documents and the historical records into one single database specifically for carbon footprint. It would become more efficient for making carbon footprint analysis and have a better control on the usage of energy and resource.



## Environmental, Social and Governance Report

2. The Group will adopt following measures in the daily business activities in order to achieve the target of cost saving and energy conservation.



# Environmental, Social and Governance Report

## SOCIAL RESPONSIBILITY

### Personal development

As competition in labour market is intense, it is getting more and more difficult to retain talented employees. The Group is committed to retaining talented staffs through providing competitive salaries and benefits, offering employees continuous on-the-job training and development and creating a working environment of work-life balance.

The Company pays attention to talent upgrade and management, places people first, builds up the unique talent upgrade and management system and adheres to the talent strategic development route through focusing on the Company's annual operation goals and key work emphasis and leveraging on the strong teaching resources of Nanjing University to integrate with its strengths in production, academic and research, equips and provides a pool of professional talent teams for Company's development.

### Working environment

The Group has complied with labour laws and government regulations set out by Hong Kong and other places of the People's Republic of China (the "PRC" or "China"). The Group does not employ staff who are below 18 years of age. No employee is paid less than the minimum wage specified by the government regulations in different jurisdictions. In addition, a code of conduct for directors and employees ("Code of Conduct") which applying to directors, managements and employees of the Group and which are clearly communicated to all, including new staffs. The Code of Conducts mainly include three principles:

1. soliciting or accepting advantages & offering advantages;
2. conflicts of interest;
3. data protection.

As for the handling of any breach of the law and misconduct, we have in place a "whistle-blowing" system which is monitored by the audit committee of the Company.





## Environmental, Social and Governance Report

### *Development and training*

The Group believes that the quality of its employees is the most important factor for sustaining the Group's growth and improving its profitability. We committed to allocate resources to develop our staffs, including provide trainings to enhance the technical competency, safety consciousness for the operation staffs. We also sponsored our staff to take several training provided by professional bodies.

#### (I) System as Foundation

We established a sound talent upgrade and management system, forming a closed loop procedures in training, application and performance and also doing well in the foundation assurance works in talent upgrade and management.

#### (II) Technology as Support

We strengthened human resource professional service technology, follow the Company's direction in terms of business development, clarify the needs for talents in meeting our development objectives, with specific identification for training staff and its content, promote accomplishment and professional quality of professionals and enhance middle and senior management abilities of strategy planning, operational decision, resources integration, management innovation and crisis intervention.

#### (III) Execution as Protection

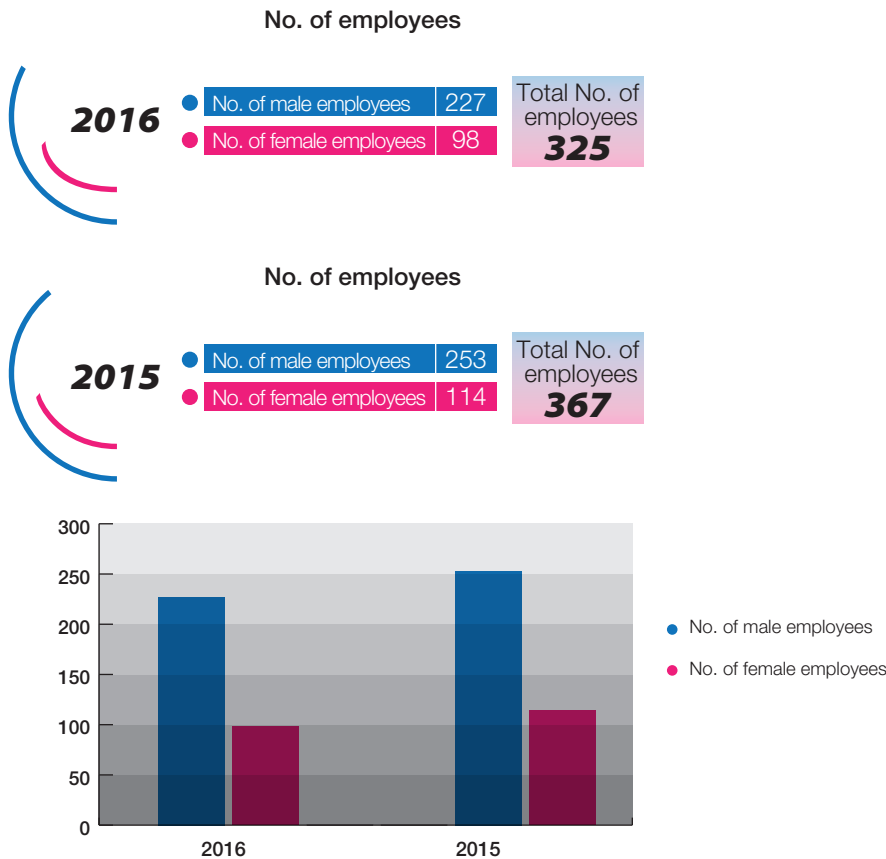
We fully implement talent upgrade and management measures, accelerate talents team building up, broaden talents growth channels, improve training efficiency, fully exert every level of talent's exemplary and public roles in work, practically achieve people first and focus on talents' upgrade and development, stabilize talents team, and provides assured talents foundation resources for Company's development.



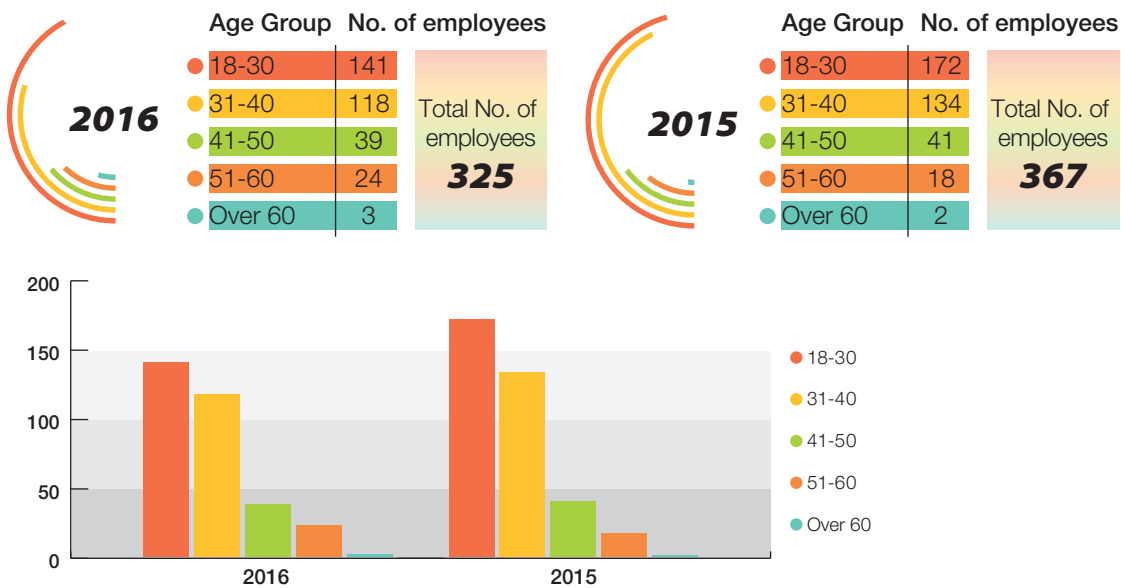
Environmental, Social and Governance Report

We strongly believe the key to our success is our passionate and progressive employees. As at 31 December 2016, we employed a total 325 employees, detail analysis are as follows:-

1. Number of employees by Gender

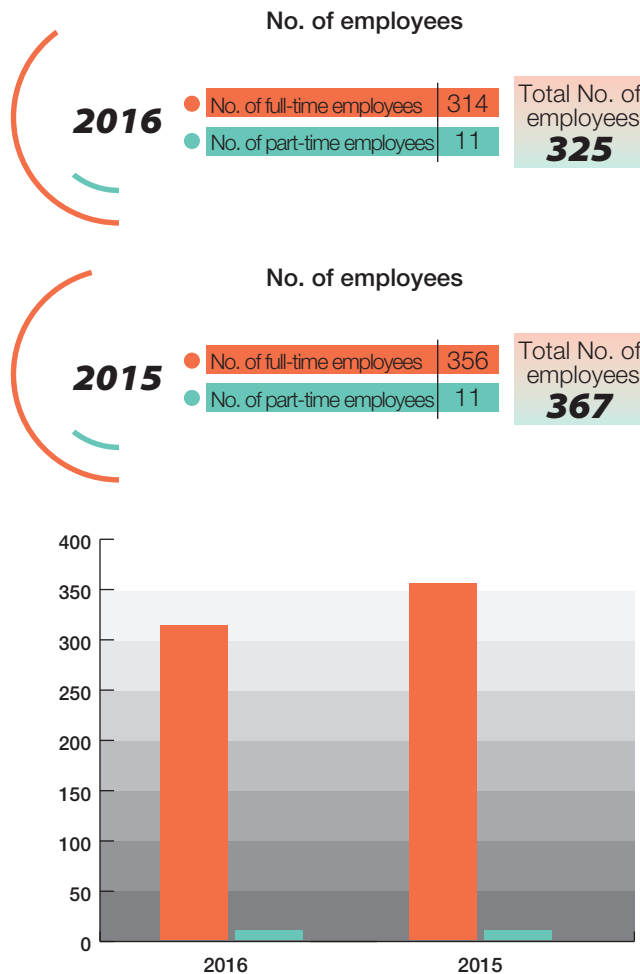


2. Number of employees by Age Group



## Environmental, Social and Governance Report

### 3. Number of employees by Employment Type



## CUSTOMERS AND VALUE CHAIN

### Supply chain management

Effective supply chain management can have implications on cost, quality and serve to mitigate social or environmental risks that an organization may face. We therefore endeavour to pay due connection with all those with whom we work. Our suppliers are expected to adhere to our high standards, demonstrating continuous development in a variety of operational, economic, social and environmental areas. In order to be considered as a supplier, organizations are required to pass an assessment questionnaire from which they will be evaluated on production management flow. Existing suppliers are then engaged on a bi-annual basis where they are required to conform with our Code of Conduct regarding anti-corruption and bribery while also declaring any conflicts of interest. Necessary due diligence is also performed where required, with site visits and verification of products or services arranged to ensure that suppliers conform to the Group's high standards.



## Environmental, Social and Governance Report

### Product responsibility

We aim to achieve the highest possible standard with all the products and services offered throughout our operations. Achieving these standards involves the application of dedicated systems and procedures to ensure compliance with both local and international specifications. Data Privacy is one such arena in which we comply with all relevant legislation governing by signing confidentially agreement with all co-operators. Similar consideration is paid with the advertising of products where our entire retail advertising and promotion efforts are cross checked to ensure that they accurately portray product descriptions. We work to ensure that our customers are able to make the most informed decisions on their purchases.

During the year, the Company has been obtained the following certification:

Period	Name of Certification
March 2014	GB/T19001-2008/ISO9001:2008 Quality Management System
December 2015	ISO/IEC 27001:2013 Information Security Management System
March 2016	GB/T 24001-2004 idt ISO 14001:2004ISO14001 Environmental Management System GB/T 28001-2011/OHSAS 18001:2007 Occupational Health and Safety Management Systems
May 2016	GB/T 24405.1-2009/ISO/IEC20000.1:2005 IT Services Management System

In recognition of the efforts and ambitions of the Group in order to align our environmental and safety management to international standards, and take up the responsibility on our environment, employees, community and customers.

The Group has ensured that the quality of its product is satisfactory to its customers. The Group has entered into standard procedures to recover products with quality defects and the management will review these procedures on a regular basis. During the period of 2016, the rate of the products which shall be recovered due to quality defects remained at a low level.

### Anti-corruption

The Group has implemented anti-corruption measures, we have established prevention system by setting up communication channels for faults and anti-corruption reporting and relevant regulations which was covered by the Code of Conducts: soliciting or accepting advantages and offering advantages. The whistle-blowing system can handle any breach of the law and we have not aware any material non-compliance up to the date of this report.

### Caring About Society

We show deep concern for society caring and responsibility awareness and devote ourselves to social charitable and social public welfare activities actively. During the year, the Company donated RMB5 million to Jiangsu Province Charity Federation, pushing forward the philanthropy development in the province to facilitate social harmony. Mr. Zhu Yongning, Chairman of the Company, is the Honorary Chairman of Jiangsu Province Charity Federation.