
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2016

Phoenitron Holdings Limited

Stock Code: 08066.HK

Contents

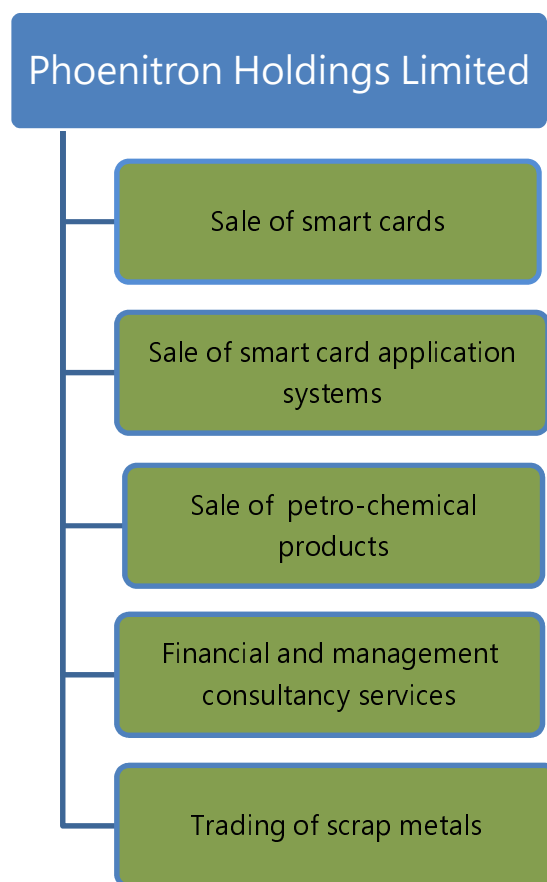
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ABOUT THE GROUP

The headquarter of Phoenitron Holdings Limited (hereby referred to as “Phoenitron” or the “Group”) is located in Hong Kong, and its investments are distributed throughout the Greater China region. The Group consists of five principle business segments, including contract manufacturing and sale of smart cards, sale of smart card application systems, sale of petro-chemical products, financial and management consultancy services and trading of scrap metals. The Group facilitates long-term shareholder value through the diversification of our businesses.

Of the businesses of Phoenitron, contract manufacturing and sale of smart cards is one our core businesses. The Group originally has plants set up both in Shenzhen and Beijing which provide services to the overseas market and the PRC market, respectively. In the view of low machinery utilisation rates in the Beijing plants and while the Shenzhen plant had been running at full capacity, the Group closed the Beijing plants and relocated the Shenzhen plant to a new plant in 2016, thereby consolidating our manufacturing business in order to further enhance manufacturing efficiency. In addition to the traditional SIM card services, the Group will also be providing certain higher-value-added SIM card services as well as higher-value-added non-SIM card ancillary services in the coming year.

Business structure of the Group



ABOUT THE REPORT

This report is the first Environmental, Social and Governance Report published by Phoenitron, which discloses the Group's practices and performances on sustainable development in a transparent and open manner to increase our stakeholders' confidence and understanding towards the Group.

Reporting Year

All the information contained in this report reflects the performance of Phoenitron on environmental management and social responsibility from January 2016 to December 2016. Going forward, the Group will publish an Environmental, Social and Governance Report on a regular basis each year for public review at any time, in order to continue to enhance transparency and fulfilment of responsibility.

Scope of Report

This report focuses on the principal operation of Phoenitron, namely the operation related to the "contract manufacturing and sale of smart cards" business¹ of the Group's Shenzhen plants, while other businesses, including sale of smart card application systems, sale of petro-chemical products, financial and management consultancy services and trading of scrap metals, are excluded. The Group will expand its scope of disclosure to fully cover all of its operations when its data collection system becomes more mature and our environmental, social and governance practices are well established. This report does not include the disclosure on environmental key performance indicators. The Group will conduct a carbon assessment next year to further refine and standardise the reporting indicators.

Report Standards

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (hereby referred to as the "Guide") issued by The Stock Exchange of Hong Kong Limited (hereby referred to as the "Stock Exchange"). This report summarises the performances of Phoenitron on the environmental, social and governance aspects in a simplified manner. The information contained in this report is derived from official documents and statistics of the Group, and is integrated with the observed, management and operational data provided by its subsidiaries according to relevant policies of the Group. A comprehensive content index is included in the last chapter hereof for the reader's quick reference. This report is prepared in both English and Chinese, and is available on the Group's website at www.phoenitron.com. If there is any inconsistency or ambiguity between the English version and the Chinese version, the Chinese version shall prevail.

¹ Topwise Technology (SZ) Limited, an indirect wholly-owned subsidiary of the Group, is responsible for its operation.

COMMUNICATION WITH STAKEHOLDERS

The Stock Exchange proposed four reporting principles as the basis of preparation for the Environmental, Social and Governance Report, including Materiality, Quantitative, Balance and Consistency. As stated by the Stock Exchange, stakeholder engagement serves as a method to assess materiality. By communicating with the stakeholders, the Company is able to understand their opinions and identify significant environmental and social matters.

For Phoenitron, stakeholders represent groups and individuals who have material impact on the Group's business or those who are affected by the Group's business. Stakeholders of the Group include not only internal staff, management and directors, but also external customers, business partners, investors, regulatory authorities and various community groups. During the past year, the Group communicated with key stakeholders through different methods. In the course of the preparing this report, the Group especially engaged a professional consultant to carry out substantive analysis by interviewing the management, and incorporated the advices from the professional consultant in order to clarify material reporting issues to determine the direction of the Group's sustainable development.

Method of communication with the stakeholders during the report period

Internal Stakeholders	External Stakeholders
<ul style="list-style-type: none">• Directors• Management• General staff	<ul style="list-style-type: none">• Government authorities• Customers• Contractors• Suppliers• Banks• Community groups
Method of communication: Regular/non-regular meetings, e-mails, letters, phone calls, company website, internal communication	

The business of Phoenitron affects various stakeholders, and stakeholders hold different expectations toward the Group. In the future, the Group will refine its substantive analysis by continuing and expanding communication with its stakeholders as well as extensively collecting their opinions in numerous ways. Meanwhile, the Group will enhance the reporting principles in terms of Quantitative, Balance and Consistency to determine the reporting contents and presentation of information to better meet the expectations of our stakeholders.

Feedback

The Group's ongoing improvement relies on your valuable opinions on our performance and reporting methods. If you are in any doubt or have any recommendations with regards to this report, you are welcome to send your opinions via email to info@phoenitron.com for the continuous improvement in our environmental, social and governance works.

CHAIRMAN’S STATEMENT

“Only by incorporating our concern for the environment and the society with our business decisions can we continue to enhance the Group’s competitiveness and achieve stable and sound operations in the fast-changing market.”

Phoenitron, a leader in smart cards technologies and market, started its smart cards business since 2001. While focusing on the Group’s business development and improving product quality, we are also striving towards a sustainable business model. We believe that only by incorporating our concern for the environment and the society with our business decisions can we continue to enhance the Group’s competitiveness and achieve stable and sound operations in the fast-changing market.

Efficient use of resources is the key element for the Group to achieve sustainable development. The Group has established the ISO14001 Environmental Management System Control Procedure for its manufacturing plants located in Shenzhen as early as 2008 to provide clear operating guidelines for the use of raw and auxiliary materials, energy management, reuse of wastes as well as waste water treatment and disposal in its manufacturing processes. The procedure not only improves manufacturing efficiency but also reduces impacts on the surrounding environment. At the same time, we have set forth annual environmental goals and targets along with formulating feasible management plans for implementation.

The Group has established a supply chain management system for its manufacturing plants in Shenzhen with reference to the SA8000 management requirements for social responsibilities. During the procurement process, the Group evaluates suppliers based on the system’s requirements and selects business partners who share our vision through an efficient assessment procedure, ensuring product quality and avoiding potential environmental and social risks. By cooperating with our business partners, we have established a reliable supply chain and we have been steadily exploring a sustainable manufacturing model.

We believe that our employees are the most valuable assets to the Group and are crucial to the Group’s future development. Only when we provide our employees with a broad perspective and an open environment for career development can we achieve a better future for the Group. The Group has established the Employee Training Control Procedure to formulate training programmes for employees based on job requirements and individual employee competency, thereby continuing to enhance their skills to respond to the challenges and competition in a fast-changing market environment. Furthermore, we have established a highly transparent promotion policy that takes into consideration factors such as an employee’s potential and skills, relevant working experience and qualifications, as well as work performance and ethics in order to attract and retain talents.

Looking forward, we will further optimize internal governance and management, continue to value the opinions from different parties, and commit to working with every stakeholder to achieve sustainable business development and carry out our corporate social responsibilities.

Lily WU
Chairman
Phoenitron Holdings Limited

Protecting Our Beautiful Environment

Climate change has been bringing unforeseen challenges to the development of the global economy. Extreme weathers caused by climate change may have direct or indirect impacts on the abilities of different organisations to obtain resources and maintain operations. In the 2015 Paris Climate Change Conference, 195 countries agreed to implement greenhouse gas reduction plans to keep global temperature rise below 2 °C. China is also one of the countries to have signed the agreement.

The Paris Agreement officially came into effect in November 2016, with the aim to hold the increase in global temperature to below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels before the end of the century.

Faced with major trends to reduce emissions throughout the country, Phoenitron's manufacturing plant in Shenzhen has established the ISO14001 Environmental Management System in 2008, thereby setting forth the goals and strategies for environmental management. In addition to complying with environmental regulations and the best codes of practice in the industry, the Group is committed to respecting, promoting and facilitating internationally recognised environmental principles, making good use of natural resources and energy as well as properly handling and striving to reduce emissions arising from its business operations. At the same time, the Group also conducts systematic assessment, monitors and manages the environmental impacts of its businesses, and regularly reviews the progress of the measures implemented, as well as engages its key stakeholders (including its employees, customers, suppliers and communities) in two-way communications with regard to its policies in order to continuously improve its environmental protection performance. The Group actively considers introducing advanced technologies with green concepts and to incorporate environmental management into its operational decision-making, so as to align its own development with social sustainability development.

Use of Resources

In order to comply with environmental policies and integrate sustainability factors into its daily operations so as to achieve ongoing improvement in environmental efforts, Phoenitron incorporates environmental protection factors into its decision-making process, business management and corporate culture, and strives to raise environmental awareness among its stakeholders.

The Group has established clear management measures in respect of the use of electricity, water, paper and packaging materials in different aspects including its manufacturing processes, procurement of materials and administrative management, so as to achieve the goal of conserving resources through multiple approaches. This includes compiling a list of its electrical equipment, and making energy-saving improvements to high power-consuming equipment in order to conserve resources. In addition, lighting zones are implemented for manufacturing workshops covering large areas and adjustments are made to lighting positions and quantities based on actual illumination needs for different workshops. Water and electricity consumption for each manufacturing workshop is monitored and regularly reported to the respective department to help it formulate specific management policies for the use of water and electricity.

The Group actively promotes education in conserving resources and energy by reminding our employees to turn off manufacturing equipment, lighting, air-conditioning and other power-consuming equipment when not using office spaces or manufacturing workshops. Regular repairs and maintenance are also arranged to prevent unnecessary loss of resources. The Group has compiled a list of chemicals used by each department and has set out guidelines based on the properties, transport, storage, use and disposal of individual chemicals. The Group places strong emphasis on the use of resources in manufacturing technologies and keeps record of the defect rates in the manufacturing process, product qualification rates and product consumption of the main raw and auxiliary materials, if these rates

exceed the set targets, we will then analyse the causes and propose suggestions for improvement. With the implementation of water quality improvement solutions and measures, the monthly average per capita water consumption by the Group's employees was 0.24 m³ in 2016, which meets the target of not exceeding 1 m³ of water consumption per person per month.

Office paper is the other most consumed resource of the Group, therefore we promote the use of electronic communications and if printing is required, encourage our employees to print both sides of papers to reduce wastage. The Group has established management rules on reducing the use of paper, setting the target of using less than 17,500 sheets of paper every month. The two initiatives mentioned above were implemented in 2016 and have reduced use of paper for the Group by 25% and 30% respectively.

Emissions

Phoenitron's plant in the Free Trade Zone in Shenzhen manufactures smart cards, the manufacturing process mainly involves embedding computer parts provided by suppliers on to readily printed plastic boards, manufacturing cards through the punching process, and finally packaging the products after data information is transferred on to the computer parts. Manufacturing plants and offices do not have significant issues of pollutant emissions. Domestic sewage from the Groups plants is connected to the industrial park's domestic sewage system for proper treatment before discharge. During the reporting period, the Group did not identify any violations related to pollutant emissions.

Non-hazardous wastes generated from the manufacturing process in plants include waste plastic boards and packaging materials, while hazardous wastes include Freon-containing air-conditioning refrigerants, air compressor oil, toner cartridges and gloves containing chemical substances etc. The Group has established management procedures for different types of wastes in the ISO14001 Environmental Management System, with specific handling procedures for each stage, including waste reduction at its source, waste collection and separation, waste recycling and disposal. During the reporting period, the Group did not identify any violations related to waste treatment.

However, complying with laws and regulations is only a basic requirement for the Group's business operations, on top of this, the Group is in pursuit of better performance in emissions reduction and strives to reduce hazardous wastes. In 2017, the Group made replacements for new air compressors in the new plant in Guangming New District, Shenzhen, it is expected that waste machinery oil discharge will then be reduced by 30%.

The Environment and Natural Resources

With reference to the Environmental Impact Assessment approval documents issued by the Shenzhen Environmental Protection Bureau in 2005, the Futian Free Trade Zone in Shenzhen where Phoenitron is located does not involve conditions related to the environment and natural resources, such as biodiversity or land erosion.

Nevertheless, the Group is in strict compliance with relevant environmental laws and regulations in its daily operations, and closely monitors the impacts of its businesses on the environment to ensure timely identification, monitoring and management of significant environmental matters. The effectiveness of the environmental protection measures also depends on the support of our stakeholders, therefore the Group is committed to making sure our employees have a clear understanding of environmental policies, encouraging our suppliers to operate businesses in a sustainable manner, as well as releasing environmental performance-related information to the public.

Bearing Social Responsibilities

Employment and Labour Practices

Development and Training

Phoenitron is committed to providing a pleasant and healthy working environment with adequate support for our employees. The Group believes that providing equal opportunities to our employees in terms of remuneration and benefits, recruitment, training and development, as well as promotion and reappointment is the best way to maintain stability in human resources. The Group focuses on bringing benefits and value to individuals and the company through, among others, supporting staff training and learning as well as ensuring their health and safety. The Group adheres to the principle of merit and conducts assessments based on the competency and work performance of each individual employee.

In order to ensure that new employees understand job requirements, the Group has established the Orientation Training Management System for new employees. Before new employees take up their posts, they are briefed on the products, manufacturing technologies and processes, regulations on workshop behavior and discipline, and quality control, etc. After having learned about the theories, they will go through a practicing stage to understand the duties of their positions, manufacturing operation regulations, safety operation measures for manufacturing equipment and product quality requirements. Finally, the new employees will take a mock examination and begin taking up their post after passing the examination. In 2016, a total of 83 new employees received training and the examination passing rate was 94%. Moreover, if statistical data for the quality of products handled by an employee is unsatisfactory, the employee will undergo additional training to identify the cause of defects and necessary rectifying measures.

For the purpose of optimize employees' performance and enhance their skills, the Group has established training control procedures, for which annual staff training programs are prepared and developed by each department to respond to specific business requirements. Training courses cover work safety operations, process flow, mechanical operations, quality control and storage management, etc. By providing on-the-job training, strengthening employee competency and expanding their skills, employees are encouraged to advance their career in the Company.

Phoenitron has established a set of comprehensive internal management system in respect of employee promotion to acknowledge and encourage active contributions from our employees. Department heads regularly fill out lists of recommendations for employee promotion and the human resources department will make necessary adjustments to job grades every year, after taking into consideration the listed recommendations and factors including working experience, qualifications, work performance and behavior of the respective employees, as well as the skills required for higher job positions.

In light of the rapid developments in modern technology, Phoenitron is committed to providing employees with training and development programs, assisting them in enhancing their knowledge and skills to respond to the challenges and competition in this fast-changing era.

Number of individuals and hours trained	Male		Female	
	Number of Individuals	Hours	Number of Individuals	Hours
Management level and managers	4	28	10	28
General staff	36	520	110	520

Employment

Phoenitron employs approximately 180 employees in the manufacturing plant located in the Free Trade Zone of Shenzhen City. Our employees are the most valuable assets in Phoenitron and they are the foundation to the growth of the company. The Group selects and attracts outstanding talents through strict recruitment procedures and is committed to providing a pleasant working environment for our employees, caring for their well-being and advocating work-life balance.

As an equal opportunity employer, Phoenitron has always strictly complied with relevant recruitment regulations. All recruitment decisions are made in consideration of the job requirement, and job applicants will not be treated unfairly due to reasons such as age, gender, race, religion, marital status, sexual orientation or disabilities. At the same time, the Group is committed to preventing discrimination or sexual harassment of any kind in the workplace. As such, the Group has established the Social Accountability Management System with reference to the requirements of the SA8000 Social Accountability standards, providing a clear set of employment management mechanism in terms of employees' remuneration and benefits, working hours, health and safety, discrimination, penalty measures, freedom of association and right to collective bargaining, for allowing our employees to understand their own rights and responsibilities.

In order to encourage employees to actively reflect the Company's operating conditions and propose suggestions for improvement to the management, the Group has rolled out the Employee Grievance and Suggestion Management Policy. To protect the rights of the complainants, investigations will be carried out in a confidential and unbiased manner. Employees will be rewarded by the Company once the suggestions they have proposed to the Group are adopted or their reported incidents are identified to be true. In 2016, the Group did not receive any complaint cases reported by any employee. Moreover, the Group has adopted the Outstanding Employee Selection Policy, incentivizing employees by way of cash or public commendation for their outstanding performances in different aspects, including employee attendance, compliance with regulations, work attitude, work competency, work efficiency, team spirit, obedience to arrangements and being creative and innovative. In 2016, 120 employees were selected as outstanding employees.

Phoenitron hopes that every employee can achieve a work-life balance. Therefore, the Group provides employees with sports, cultural and recreational activities. In addition, the Group provides employees with comprehensive supports and job allowances, including housing and communication allowance, work injury insurance, old-age insurance, medical insurance, meal allowance, pension, year-end bonuses and paid leaves.

Number and percentage of male and female employees:

180 employees (male: 33.3%; female: 66.7%)

Turnover rate of male and female employees:

Male: 9.38%; female: 4.76%

Absence rate of male and female employees:

Male: 0.04%; female: 0.05%

Health and Safety

Phoenitron believe that the health and safety of our employees' working environment is essential to the operational efficiency of the company. The Group cares about the health and safety of our employees and strives to prevent any occupational injuries or diseases. Therefore, the Group has the Occupational Safety Management Policy in place to avoid occupational diseases through the prevention, control and elimination of occupational disease hazards, safeguarding the health and relevant rights of the Group's employees, as well as improving the manufacturing working environment. The Group has formed an Occupational Health and Safety Team comprised of the management department, safety department and supervisors of relevant workshops. The team is fully in charge of the occupational health and safety of the whole company and their work includes implementation of management procedures for protective equipment and hazardous products, promotion and training for occupational disease hazards of working positions, arranging annual occupational hygiene and health check-ups for employees whose jobs are exposed to potential occupational disease hazards, and preparing detailed reports with regards to any accidents.

In our daily operations, posts involved in operating punching machines, packaging machines and milling machines are the main ones that require particular care. The Group has formulated Equipment Operations Guidelines for these machinery equipment regarding routine maintenance, machine operating and abnormalities, thereby reducing the chances for manual errors. Furthermore, the Group has established operating guidelines based on the properties, use and transport, labeling and storage, leakage and disposal handling of individual chemicals used by each manufacturing workshop, and conducts regular assessment on the operating performances. Corrective and preventive measures will be implemented if any deviation or deficiency in operating procedure is found.

Response capacity testing is a critical part of ensuring safe operations. Accordingly, the Group has established the Emergency Response Management Measures for potential environmental impacts (such as fire hazards) in our daily operations. Through routine fire drills, raising staff awareness and installing good firefighting equipment, risks of fire incidents may be avoided and environmental pollution and property loss may be reduced.

The employee health and safety measures implemented by Phoenitron are effective in that there were no lost days or any work injuries reported in 2016.

Labour Standards

Phoenitron fully understands that child and forced labour are in violation of basic human rights and international labour conventions, and are threats to sustainable social and economic development. The Group is in strict compliance with laws related to labour contracts and has formulated the Social Accountability Management Handbook, putting in place policies and measures against child and forced labour, which includes checking identification documents of every new employee by

The International Labour Organization is a specialised agency of the United Nations, labour standards are issued through international labour conventions and recommendations to improve working and living standards worldwide. China is a founding member of the International Labour Organization and is also a permanent member of the organisation. In Hong Kong, there is a total of 41 international labour conventions currently applicable to matters such as working conditions and

the personnel and administrative department before they enter the plants, to ensure that the employee's age meets the minimum working age requirements. The Group also monitors minor employees to ensure that their work, health, education and livings are in accordance with national labour law requirements related to minor workers. In addition, the Group makes sure that employees are working on a voluntary basis and does not allow for any kind of forced labour. Receiving deposits from newly-employed or working employees and keeping employees' identification documents are also prohibited.

During the reporting period, there were no reported cases of child or forced labour in the Group. Phenitron believes that compliance with laws and regulations is only a basic requirement in its daily operations. Therefore, the Group will strengthen promotion and communication between its suppliers and other business partners to prevent child or forced labour incidents within the supply chain.

Operation Practices

Supply Chain Management

Phenitron fully recognises that comprehensive supply chain management and good procurement management are essential to the sustainable operation of the corporation.

Subject to laws and regulations, the Group's decisions on procuring specific services or products are not only determined by price, quality, delivery capability, service and integrity, but suppliers are also required to comply with international principles on human rights, environmental protection, labour safety, forced labour and child labour. Starting from the procurement aspect, the group's purchasing decisions are actively taking into account the environmental impact of the products.

With this goal in mind, Phenitron established the Environmental System Operational Control Procedures and the Social Accountability Management Handbook according to the ISO14001 Environmental Management System and with reference to the SA8000 Social Accountability Management System, respectively, setting out guidelines for executing supply chain management. The Group clearly provides its supply chain operators with its environmental and social responsibility guidelines, and requires suppliers to comply and conduct supervision. The Group will carry out investigations through surveys and on-site assessments when necessary to review these suppliers' environmental performances. Depending on individual performances, suppliers are required to sign an undertaking to ensure their compliance with the environmental policies and requirements stipulated by the Group during the period of which they provide products and services to the Group.

If any violation against the Group's environmental and social responsibility guidelines or the social responsibility requirements placed by our customers is found during operations, the Group will investigate the issue. Solutions will be devised and follow-up checks will be made to see whether they have been effectively executed. In 2016, there was no record of violations by the Group's suppliers.

Phenitron highly values its relationship with its suppliers and hopes to enhance the environmental and social performance of the entire supply chain by working together with high standard requirements in corporate ethics, ensuring excellence in product quality and striving towards sustainable development together.

Product Responsibility

Phoenitron established the ISO9001 Quality Management System in 2008, listing detailed operational control documents on areas such as document control, manufacturing equipment and mould control, labelling and traceability, procurement and supplier management, monitor and measurement process, unqualified product control, internal audit, management review and continuing improvement. The Group confirms the resources required for executing each procedure, and clearly specifies the duties and responsibilities of relevant executive personnel. Procedures are monitored and analysed, systems are regularly assessed, and measures for improvement are adopted to ensure that the manufacturing operation may be continuously improved and that products are guaranteed with excellent quality. In 2016, the defective rates of the Group's card base and chip products were 0.80% and 0.48%, respectively, which is in line with the industry's standards.

To protect the privacy of our customers, safety assurance mechanisms have been established for all different phases of handling product data submitted by customers from data receipt, storage, internal transmission, processing, and delivery to erasure. For example, when receiving confidential data, the data must be encrypted and transmitted through a dedicated line. If a customer receives data through an unsecured method or does not encrypt the data files, our customer service department will notify the customers in writing of the security vulnerabilities and risks. Professional anti-virus software is used before storing data to prevent computer virus infection and to provide safety protection for the data provided to the Group by the customers. Additionally, if data-processing requires decryption with a corresponding transmission key card from the customer, two staffs are required to access a safe in the information centre for the corresponding key card, and an operating record will be saved, guaranteeing full security coverage for our customers' data.

During the reporting period, the Group did not find any violation cases in relation to product quality or customer privacy responsibility.

Anti-corruption

Phoenitron places great emphasis on values such as truthfulness, fairness, transparency and responsibility, which are reflected on relevant policies and operational procedures of the Group. In particular, the Board does not tolerate corruption and fraud incidents, and will fully comply with law enforcement authorities in any investigation. The Group believes that the practical implementation of anti-corruption policies will not only earn the trust of our customers, but also enhance the sense of belonging and fair competition between our employees.

The Group has the Anti-corruption and Anti-bribery Control Procedure in place to prevent corruption and fraud. Any incidents or suspicions involving corruption and fraud will be investigated immediately by relevant business departments, and even be reported to the audit committee and the administrative management, as well as reviewed by the internal audit system when appropriate. In addition, in order to demonstrate to the suppliers a firm stance of the Group on anti-corruption and fraud, the necessary provisions are included in the suppliers' contracts to ensure its clear requirements. The Group integrates its internal audit system to conduct independent review to enhance the effectiveness and integrity of the system as a whole.

During the reporting period, no corruption litigations towards the Group or its employees have arisen in the Group.

Community Investment

Phoenitron is determined to provide support for the surrounding communities where it operates, and seeks to bring benefits and prosperity to the area to ensure the sustainability of our plant operations. The Group adheres to its aim of “Receiving from Society, Giving to Society”, and encourages its employees to participate in public affairs to serve the community. In 2016, the Group participated in a charity-based talent recruitment event held by a local organisation and provided job positions to encourage the local workforce to work in the region. Furthermore, the manufacturing plant was relocated to the new plant in Guangming New District in Shenzhen from the old plant in the Futian Free Trade Zone of Shenzhen City in early 2017. The Group will establish a set of community investment strategies with the core concept of sustainable development in areas including environmental protection, sports and art and culture for the communities nearby the new plant to give back to the society.

The concept of the Benefit Corporation emphasizes that corporations should not only value shareholders' benefits, but also care for the workers, the environment and social justice. In order to be certified as a Benefit Corporation, a corporation must generate positive impact on the society and the environment; redefine its fiduciary duty and consider non-financial interests in its decision-making; and report its overall social and environmental performance to the public annually.

Environmental, Social and Governance Reporting Guide Content Index

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