



**CHINA METAL INTERNATIONAL HOLDINGS INC.**

**勤美達國際控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 319



**2016**

**ESG REPORT**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the first year, China Metal International Holdings Inc. (the “Company”, together with its subsidiaries, the “Group”) is publishing the Environmental, Social and Governance (“ESG”) Report in accordance with the ESG Guide of Hong Kong Exchanges and Clearing Limited (“HKEX”) to cover our sustainability performance for the financial year ended 31 December 2016.

The reporting scope is confined to the four operating subsidiaries of the Company, namely:

- Tianjin CMT Industry Company Limited (“CMT”)
- Suzhou CMS Machinery Company Limited (“CMS”)
- CMW (Tianjin) Industry Company Limited (“CMW”)
- Suzhou CMB Machinery Company Limited (“CMB”)

The business of all four subsidiaries is fundamentally iron casting, except for CMT which had only electroplating process remaining and was ceased towards the end of 2016. The content of the ESG report, is therefore, focused on the other three subsidiaries.

The four subsidiaries of the Group operate in various locations, with CMW and CMT in Tianjin, and CMS and CMB in Suzhou, therefore even though they all have same business nature, their sustainability practices are not entirely the same in order to fit in the local regulations and environment.

While it is the first time for the Group to share its ESG information, sustainability has long been incorporated in our vision. To achieve sustainability in our business operation, we uphold our values – diligence and integrity – to formulate the policies and actions in a balanced way among the environmental, social and economic dimensions.

In 2016, we continued the projects set in the previous years in upgrading our facilities to be more environmentally-friendly. Yet the progress of some of them, such as the use of renewable energy, was just at an early phase. Through the continuous sustainability reporting, we will share our journey to achieve our missions with all stakeholders, and use it as a platform on which stakeholders can share their thoughts on our practice.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

### Stakeholder engagement

Stakeholders engagement is a critical process for us to identify the important sustainability issues in our operation. In this year, we have conducted an online survey to gather the views of all key stakeholders on the sustainability issues of our company. The key stakeholder groups we engaged included employees, suppliers, customers, government bodies, shareholders and community organizations.

We are glad that the responses from our stakeholder engagement reflect the success in our efforts to promote greater awareness in ESG issues through our operation. A majority of our stakeholders expressed awareness over our ESG practices, particularly in regards to our environmental protection policies and performances. For example, many have made reference to our control on wastewater emission, as well as our use of renewable energy, including solar power and wind power. This reflects our success in getting the message of environmental protection across to our stakeholders, thus promoting the overall awareness of environmental issues.

### Materiality assessment

Among various sustainability issues, we need to prioritize the issues that are most important to us and our stakeholders. The survey allowed our stakeholders to rate the sustainability issues and we conducted a materiality assessment to obtain those issues that are with the greatest impact to our business and significance to our stakeholders. The result is presented in the following materiality matrix graph.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

High Priority		Medium Priority		Low Priority	
#	Topics	#	Topics	#	Topics
1	Air emission	4	Non-hazardous waste	6	Water consumption
2	GHG emission	11	Employee training	7	Packaging consumption
3	Hazardous waste	12	Child labour	8	Impacts on environment
5	Energy Consumption	18	Customer privacy	9	Employment
10	Occupational Health and Safety	19	Anti-corruption	14	Supply chain management
13	Forced labour	20	Community investment	15	Customer health and Safety
16	Customer satisfaction				
17	Intellectual property				

8 topics were identified to be the most material issues. Among the high priority topics, half of them were under the environmental aspects, together with the concern from the PRC government on clean production and resource protection, we will continually improve our environmental practices, to meet the growing demands for green practices.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PROTECTING OUR ENVIRONMENT

Iron casting relies on the resources from our Mother Earth, and therefore inevitably put pressure on the environment. Facing the challenges arisen from deterioration of environment and climate change, we understand the importance of our environmental stewardship. Apart from meeting the legal requirements, we continuously refine our sustainability practices to become a good model from which others in the iron casting industry can learn.

### Environmental Management

All our four iron foundries have developed the Environmental Management Systems (EMS) which are certified to International ISO 14001 standard to ensure our environmental policies are in place, and all the environmental risks we come across in the operation are well-identified and managed.

In our environmental policies, compliance with all the environmental regulations involved in the local and national levels is the basic requirement for our operation, therefore, under our EMS, we pay close attention to any update in the legislation and regulations and ensure we comply with them. This year, we did not identify any regulatory non-compliance in our operation.

Besides compliance, we are committed to using our resources responsibly and minimizing environmental impacts arisen from our operation, and continuously improving our performance in the environmental protection and resources management. Energy audit and clean production audit are conducted regularly by a third-party, as well as annual carbon accounting by either internally or externally for the measurement of our carbon footprints.

We recognize there are risks that emergency events of environmental pollutions can occur. We therefore identify the potential emergency events and classify them into three levels according to their severity. An Emergency Rescue Team was also set-up in each foundry to ensure efficient responses and actions to different levels of incidents. Emergency training are provided to all staff annually to strengthen their awareness and response when an emergency event happens. For the members of the Emergency Rescue Teams, they have further training to ensure adequate rescue actions under different circumstances. Apart from training, emergency drills are also conducted annually.

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## Air Emission

Air pollutants are generated unavoidably during the iron casting process, so we are devoted to minimizing the air pollutants emitted to the environment by turning the foundries into ‘sealed production complexes’, where the air from manufacturing is filtered before emitting to the atmosphere through chimneys.

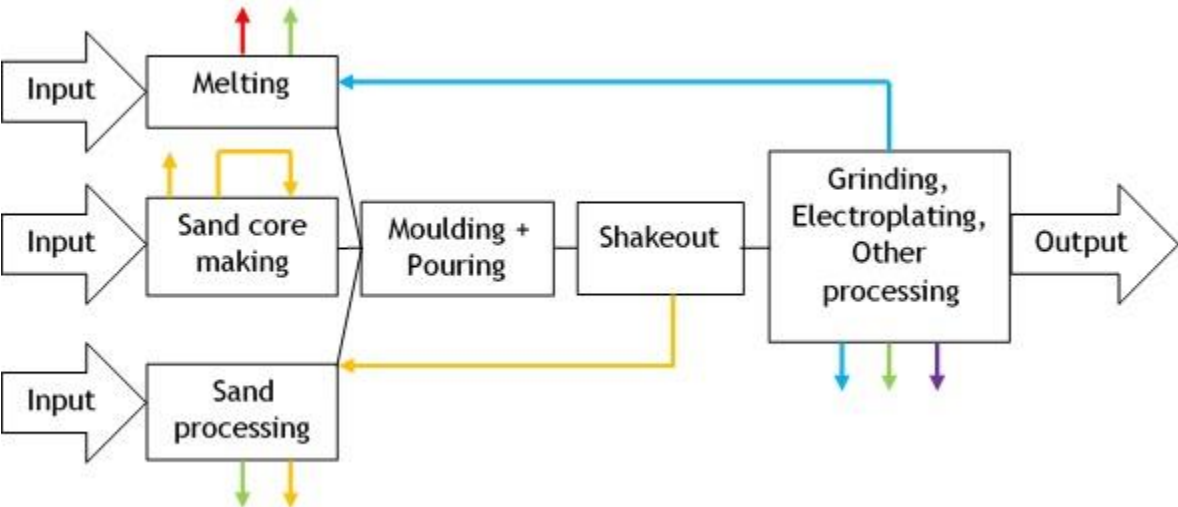
Dust comes as our biggest concern as it is produced in various manufacturing stages, from melting to grinding. Dust collection systems were installed at all identified dust sources to primarily ensure clean indoor air for our staff, and sent to bag filter before emitting to the atmosphere. In 2016, the total amount of dust generated was 107 tonnes.

## Waste Management

Waste often ends up being disposed to landfills. In our foundries, we put great efforts in lowering the disposal of waste, and making use of the waste by recycling. Our overall waste production comes from two origins - industrial and municipal.

### Industrial waste

Various industrial wastes are produced in different stages of our manufacturing process. The following diagram illustrates the sources and flows of wastes:



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### → Sand

Spent sand from sand core making and sand moulding is the biggest waste stream of our foundries. To make use of the spent sand, we recycle the spent sand from both processes back to the casting. However, there comes to a point where further recycling is not preferred due to lowered quality, and we have to dispose them. For this non-recyclable spent sand, we want to make use of it to the extent possible instead of simply disposing them into landfill. In CMW, part of the sand was used for landscaping in foundry, and in CMS and CMB, the sand was shipped and acted as a raw material for cement production in the cement plant.

### → Iron

Iron is a valuable resource, and we aim to recover iron from the leftover in the manufacturing process. During the grinding process, iron scrap is mixed with grinding fluid to filter out the iron scrap and, together with the defect products, place back into the furnace for melting.

### → Dust

Dust is generated in a mixture of different materials such as metal and sand in small particles, which is therefore difficult to be separated and put back into the production line. In CMS, dust is mixed with the non-recyclable spent sand and shipped to cement plant for cement production.

### → Slag

Slag is the leftover material in the furnace. Currently, the slag generated is collected and handled by a qualified third-party.

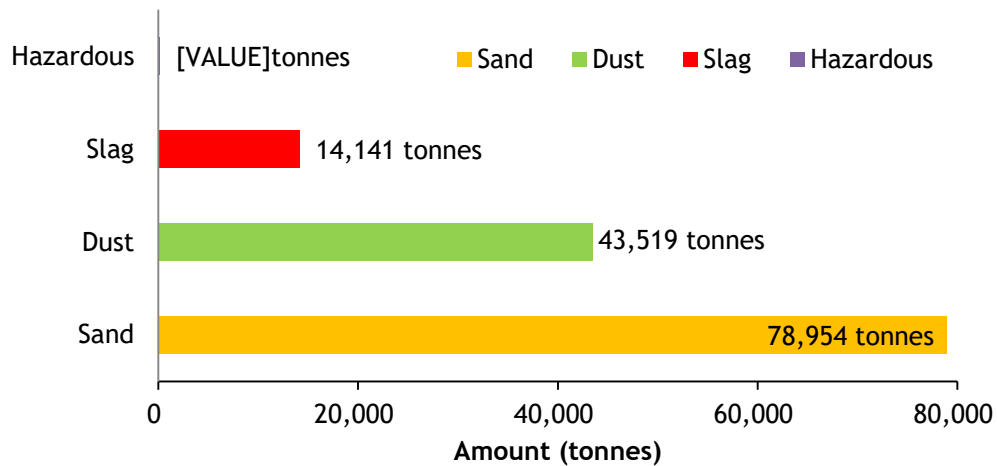
### → Hazardous waste

Our disposal of hazardous waste is handled by a qualified third-party which meets the national regulations, and some of the hazardous waste can be recycled and reused in our production. For example, in CMW, the grinding fluid is filtered to ensure they meet the quality standard before reusing in the production. With this practice, it was estimated that the amount of grinding fluid waste can be reduced by 22,000 litres per month.

The following graph summarizes the amount of the top three major wastes and hazardous waste generated during the reporting period:

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Industrial waste generation by type



Total industrial waste generated (tonnes)	136,727
Industrial waste intensity (tonnes per tonne of product)	0.71

## Domestic Waste

As compared to the amount of industrial waste generated, domestic waste does not constitute a significant amount of our waste production. Having said so, we promote responsible behaviour on the part of our staff.

We encourage staff to recycle. Recycling bins were set up within the foundries to collect used batteries and other non-hazardous recyclable waste such as plastic, bottles and papers.

In addition, we realize that minimizing food waste starts with self-initiatives. This is why we have the practice of recycling food waste from our canteens. In CMW, we have a small farm which was managed by our staff, utilizing the food wastes as feed for the livestock; while in CMB and CMS, food waste was transported and converted into fertilizer in a food waste treatment facility in Suzhou.



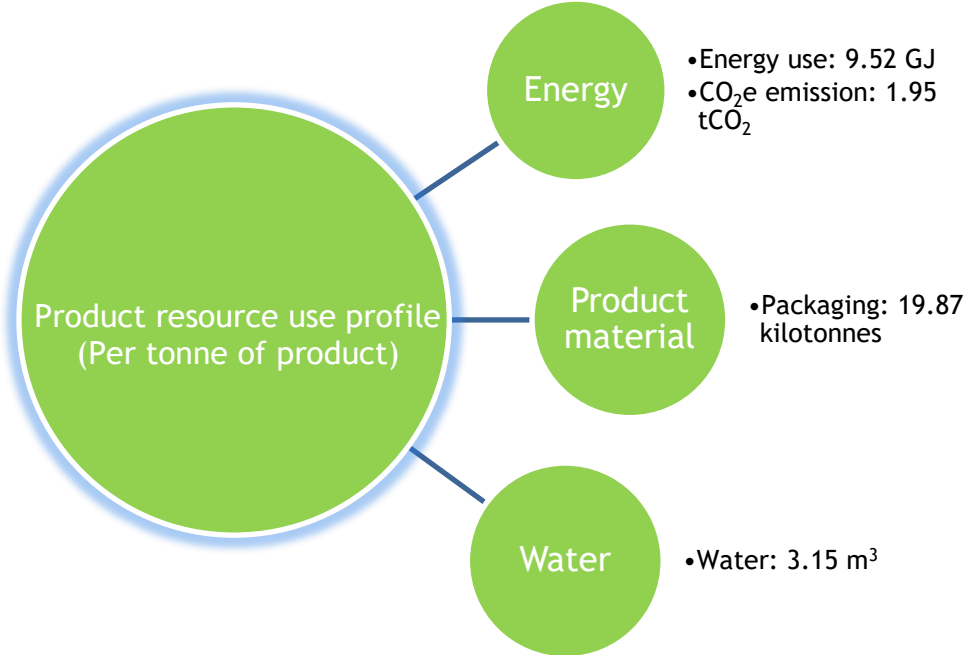
Recycling bins are placed within the factories for collecting different recyclable waste.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Resource Management

Our resource management is categorized into three aspects: energy, product material, and water. We have developed different approaches to achieve sustainability in their uses.



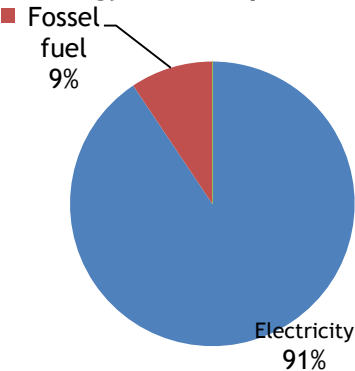
## Energy Use

Iron casting is an energy-demanding business, we therefore regard energy use as the focus area in our resource management and come up with various sustainable energy use initiatives in order to achieve two main purposes: lowering our carbon footprint and operational cost.

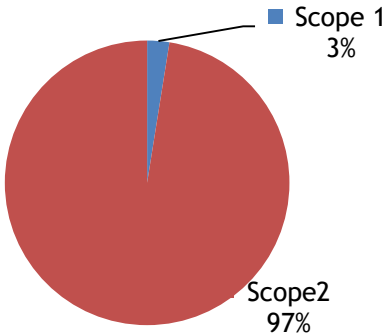
To achieve continual improvement of our energy performance, we have a systematic approach to manage energy use. Among the four iron foundries, CMW and CMS have acquired the ISO 50001 and GB/T 23331-2012 certifications respectively for their Energy Management System. Due to the cease of operation in the coming future, CMT does not have a plan to obtain new certification. At present, purchased electricity is our major energy source for most equipment and facilities in our iron foundries, while fossil fuels (natural gas, diesel oil and gasoline) are only used for vehicles, cooking and a few of the manufacturing stages.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Energy consumption by type**



**GHG emissions by scope**



*\*\*Fossil fuel" includes natural gas, gasoline and diesel.*

	Energy consumption (GJ)	GHG emissions (tCO <sub>2</sub> e)
Total amount	1,829,823	375,774

For the electricity use, our aim is to increase the efficiency of its use in order to lower the consumption. To do this, the first important step is to have a clear understanding on how and where electricity is used in the manufacturing sites. Sub-meters were installed to monitor the electricity use at workshop level. Furnaces, being the most energy intensive device, have individual meters installed to closely monitor their consumption. These, together with findings from the energy audit and clean production audit, can facilitate us to identify the major sources of energy use and design appropriate electricity saving plans for corresponding workshops.

We have implemented various measures in our foundries to increase the efficiency, including use of LED lights and incorporation of natural lighting in the facility design, heat recovery system was also installed for air compressors to heat up water for domestic use so as to reduce the use of gas for heating water. Existing facilities are also continuously reviewed to replace old and inefficient equipment with more efficient models. Apart from that, CMW has a reward scheme under which the staff in charge of the furnace operation with the least electricity use will be awarded.

Energy consumption has a strong relation with climate change because greenhouse gas (GHG), which leads to global warming or climate change, is often generated during the production of energy. Over the past few decades, the impacts of climate change have become increasingly apparent, and the solution to cope with climate change lies in collective efforts on a global scale. Being a responsible company, we are dedicated to contributing to this collective effort.

Carbon accounting is a vital tool in our strategy to understand our carbon footprint and aid in formulating countermeasures. It is conducted annually to understand the performance of each manufacturing facility.

Switching the source of energy to other sources can minimize the impacts to the environment, as well as reduce the carbon emissions.

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We have been exploring the feasibility to incorporate the application of renewable energy in our operation, for example, installation of solar panels at our facilities. CMW has introduced renewable energy street lamps which are powered by solar panels and wind turbines into the foundry in 2015. We currently have nine renewable energy street lamps, and it is estimated this can reduce 4,928kWh annually.



In addition, over 70% of our forklifts have are electricity-driven forklifts. CMW also introduced electric passenger cars for transportation.

	Number of forklifts	
	Diesel	Electricity
CMT	2	3
CMS	4	32
CMW	13	21
CMB	5	9

## Material Use

We always look for the opportunity to reduce the amount of raw materials used in our production. For example, to discuss with clients at the early design stage of the product and explore the possibility of using less material for the products without compromising the quality, as well as using a computer program to simulate the casting and calculate the necessary amount of molten metal needed for the casting of products.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

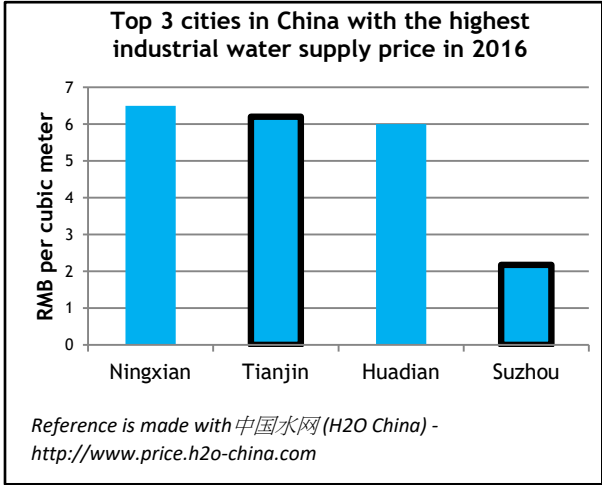
Packaging materials are another concern in our production. Since we produce a great variety of iron casting products based on different criteria from clients, the associated packaging for the products also varies. The major packaging material we use can be broadly classified into three types: paper, wood and plastic, we have also incorporated the use of reusable containers for delivery within the PRC to reduce the amount of packaging use within our operation.



Reusable containers for delivery with the PRC.

## Water Use

While iron casting is not a water intensive industry, we care about natural resources and has set the use of water as one of the Key Performance Indicators to manage water use in our manufacturing and municipal use.



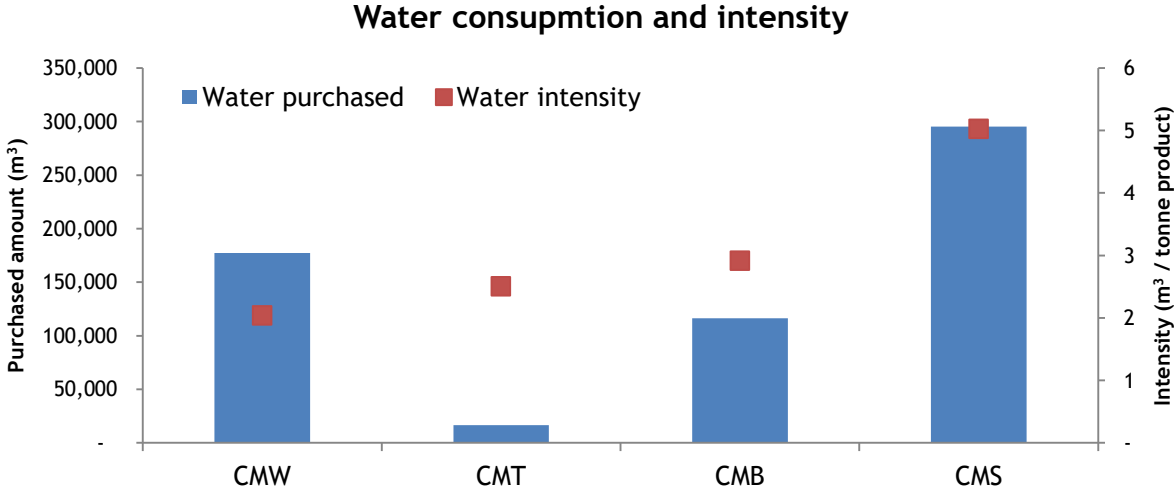
In fact, in Tianjin—the location of CMW and CMT, freshwater supply is a concern and its water tariff is the second highest among all cities in China. We, therefore, came up with a number of water conservation measures to preserve water resource including regular pipelines leak detection, and installation of water-spraying tap and automatic sensor tap. Although Suzhou does not have scarcity issue as in Tianjin, water-saving can lower the operational cost.

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Other than reducing water use, wastewater reclamation has also been implemented for all our manufacturing facilities. Both domestic and industrial wastewater are treated and reused for different purposes.

Factory (Location)	Degree of recycling	Use of reclaimed water
CMW (Tianjin)	100% recycled	Toilet flushing, irrigation, landscaping, manufacturing
CMT (Tianjin)	100% recycled	Toilet flushing, irrigation, landscaping
CMS (Suzhou)	Partially recycled	Toilet flushing
CMB (Suzhou)	Partially recycled	Toilet flushing

With all the efforts on water conservation and wastewater recycling, we have successfully raised the efficiency of water use in Tianjin as represented by the water consumption intensity in the following graph.



Total water consumption (m <sup>3</sup> )	605,350
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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CARING FOR OUR EMPLOYEES

Employees are an important asset and we appreciate their contribution to producing quality products that satisfy customers. Therefore, it is the Group's commitment to take good care of employees and provide support on their development.

### Human Resources Management and Labour Standard

Labour standard and human rights requirements stated in relevant PRC rules and regulations are strictly followed, to provide employees with their deserved benefits and protection, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and other benefits and welfare.

We understand the importance of staff retention due to the difficult working conditions at the manufacturing sites. In addition to maintaining a competitive remuneration package, employees are rewarded based on a performance related basis, as well as responsible behaviour such as promotion of production safety, energy saving, waste reduction and productivity. Additional benefits include subsidized meals, dormitory, medical and maternity.

Discrimination is prohibited and we are committed to providing equal opportunities in recruitment, workplace, promotion and welfare and benefits. Fair recruitment based on relevancy, talent and experience, and regardless of sex except for positions that are not suitable for female as stated under the PRC regulations. Staffs are promoted based on the ability and work performance, and appraisal is conducted on an annual basis.

Child and forced labour are prohibited in the workplace. Job details are clearly communicated to ensure each individual understand well what to expect before coming on board.

Employees are encouraged to report any misconduct, including breach of confidentiality or any conflicts of interest, acts of bribery and corruption, which are strictly prohibited within our operation.

### Employee Development

With an aim to cultivate a talented team, the Group allocates resources to staff training and development. We have established an education and training management procedure to ensure employees receive sufficient support and are competent in their roles.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



A training plan is developed depending on the staffs' role, education level, experiences and skill requirement. A wide range of internal and external training is provided, apart from technical knowledge, areas on occupational safety, communication and management skills are also covered. Examination/test is carried out after each training session to monitor the effectiveness of training. Towards the end of year, the training program is reviewed to assess whether it is well-designed and adequate for employees for continuous improvement of the future program.

We have also developed a comprehensive new employee orientation program which includes topics such as company overview and management style, concept of product quality, organizational structure, EMS and OHS. The program aims to help new employees adapt to the working environment and to make them feel as part of the Group, which also helps improve staff retention.



E-learning training courses were provided to employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Our employees acquired certificates upon completing the training on OHSAS 18001 Occupational Health and Safety Series.



Orientation session for new employees to get to know each other and receive training before working.



Examination was conducted to test the effectiveness of the training.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Occupational Health and Safety

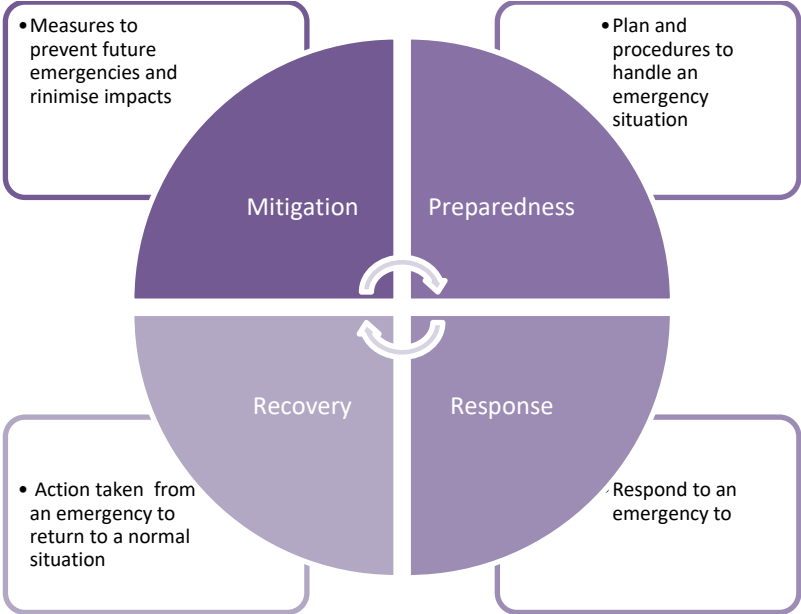
Production safety is one of the Group’s major concerns. While quality of products is important, our priority is to ensure each employee goes home safely and happily after work. All the manufacturing facilities under the Group have obtained Level 3 of the Work Safety Standardization Certification issued by the State Administration of Work Safety.

In a casting production process, the most frequently occurred accidents include burns, fires, explosions and mechanical injuries. We uphold the principle “safety first, prevention crucial and comprehensive treatment”, with a target of zero serious accidents and fatality.

### Safety Production Management System

In order to ensure operation safety, each manufacturing facility has established an effective safety management system through training and education, supervision of processes, guidelines and procedures to achieve operations safety, and continuous improvement of processes.

An emergency plan was also developed to effectively manage crisis and protect employee and property safety, resulting in minimizing casualties, loss and damage to the environment. A 4-phase emergency management is adopted:



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Safety Production Implementation

To maintain a safe and healthy workplace, our manufacturing facilities have implemented various practices:

- *Occupational hazards monitoring:* Monitor dust and noise level annually at the workplace to ensure compliance with relevant environmental standards
- *Medical examination:* Conduct periodic examinations for workers who are exposed to particular health hazards at work including dust, noise and high temperature
- *Safety inspection:* Carry out regular inspection to minimize safety risks and misconduct
- *Equipment maintenance:* Examine and repair equipment regularly to ensure they are functioning safely
- *Personal protective equipment:* Provide protective clothing, helmets, safety shoes, or other equipment for workers at the workplace to protect them from injury or infection

In addition, old production equipment and facilities have been replaced with automatic/ semi-automatic process, such as grinding machines. Production automation reduces the number of employees required to perform dangerous tasks that may be prone to injury, and therefore provides a safer working environment to the employees.

## Extend Safety Culture

All employees, from director level to worker level, have the responsibility to promote safety culture. Through the continuous education and activities, we strive to create a working atmosphere that all employees have a high level of safety awareness:



Warning signs at hazardous areas to help remind workers of hazardous condition and prevent accidents



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Regular contingency rehearsal to handle emergency situations



Occupational safety trainings for all new and existing employees, and tailored trainings for special workers (e.g. fork lift operator, welding, electrician) and safety officers

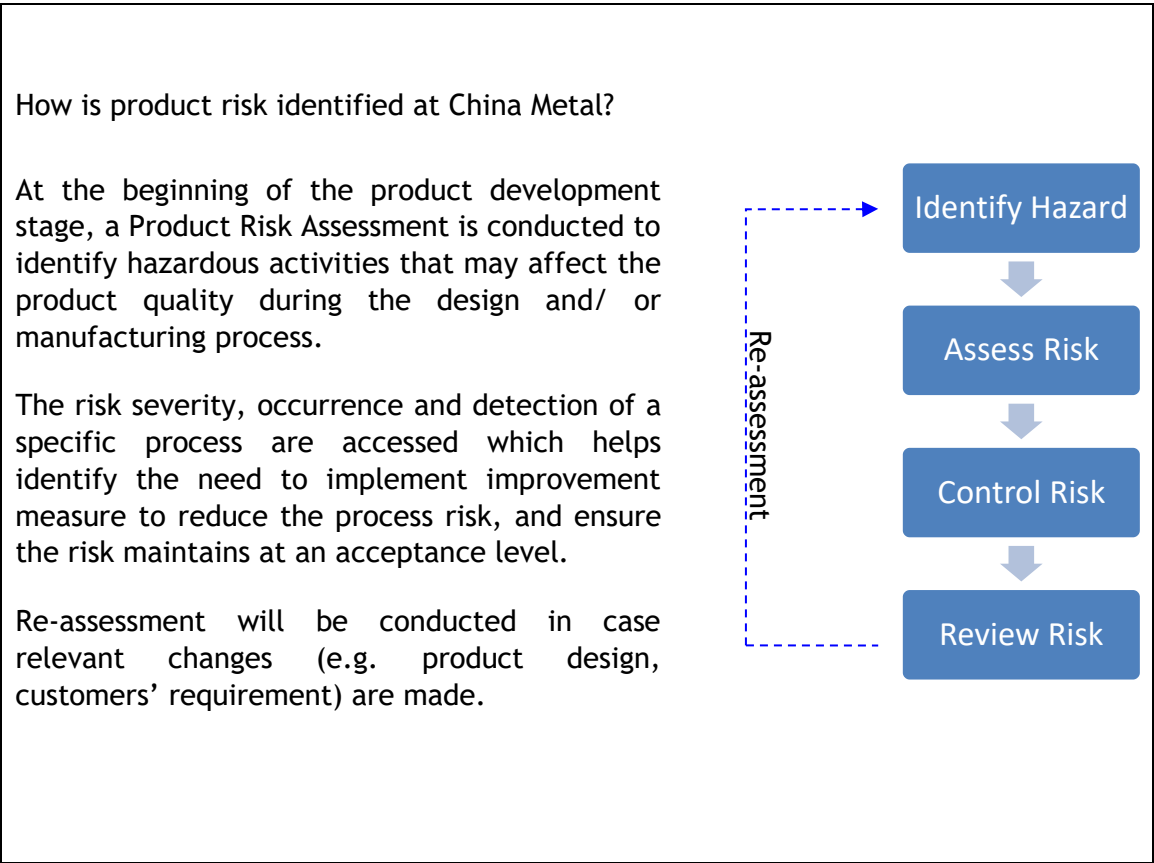
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MAINTAINING QUALITY PRODUCT

The Group’s corporate mission is to pursue satisfactory product quality to customers. The manufacturing facilities under the Group have developed quality management systems and achieved certifications such as ISO 9001, QS9000, and TS16949. Supplier components also affect the quality of products, we therefore have a systematic process to manage our suppliers. We also require our customers and suppliers to sign a commitment letter to ensure no bribery activities are involved.

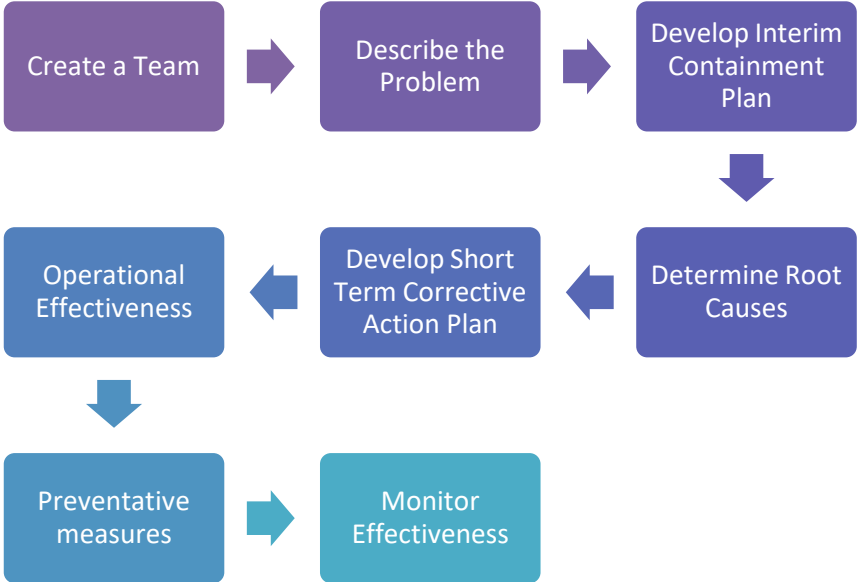
### Customer Satisfaction

The major product of the Group is metal casting for use in various industries, including automotive, agriculture machinery, mining, heavy machinery and air compressor. With the largest revenue from the sales of automobile parts and components, quality of products is crucial as it may ultimately affect the safety of consumers. We are therefore committed to product quality and takes full responsibility in case there are accidents due to failure of our products.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In case customer complaints are received, the Global Eight Disciplines (G8D) problem solving method is followed. A dedicated team was set up at each manufacturing facilities to provide prompt response to customers, and carry out investigation to understand why the problem has occurred. An improvement plan was developed to prevent recurrence of similar problems.



Customers’ opinions towards the satisfactory level of products are important for continuous improvement, CMW collects feedback and suggestions from customers via various channels such as phone interview and fax form.

To protect the client's product design confidentiality and intellectual property, a confidentiality agreement is signed with every new client. Leaking of any confidential information is strictly prohibited.

## Supplier Management

We select and assess suppliers through a systematic process to maintain products’ quality and thus, satisfy customers’ needs. All suppliers must obtain the certification of ISO9001, as well as in compliance with all relevant Environment, health and safety (EHS) regulations.

The supply chain for raw materials is mostly sourced in the PRC. In order to manage suppliers effectively, suppliers are classified into 2 major categories based on their impact to the customers’ final products. A scoring methodology was developed to rate suppliers’ performance, all new suppliers must be assessed before they are qualified, and existing suppliers are assessed at least annually by a dedicated team. While quality and capability play an important role, it is also our practice to prioritise suppliers who are certified under ISO14001 and provides a safe workplace to their employees.

For suppliers who do not perform well during the assessment, we provide assistance and corrective action plan for improvement. Suppliers would be disqualified if their performance did not meet our minimum requirement.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INVESTING IN OUR COMMUNITY

The Group endeavours to practice good corporate citizenship, and aims to support and cooperate with the community. Our manufacturing sites have long participated in the community activities organized by the industrial associations and the local government. We also encourage our employees to participate in community activities and charities events to support the economy and development of local communities.

With CMS experiences and strong presence in the community, a Community Building Agreement was signed with the Resident Committee to help create a better community within the region. Our staff has also formed a volunteer auxiliary police team to assist the Suzhou Public Security Organs in police activities, safeguarding and protecting life and property of the community.



We also support education and youth development to unleash the potential of young people and nurture the next generation. Jointly organized with the Soochow University, we have developed an internship program for engineering students. Through the program, students can go through professional training tailored by our experienced engineers and the university professors, to develop skills and gain practical working experiences. We also offer free accommodations and meals for all the interns. We also participated in university recruitment talks to provide talented young professionals opportunities to work with us.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

## HKEX ESG REPORTING GUIDE INDEX

<i>HKEX ESG Reporting Guide General Disclosures &amp; KPIs</i>		<i>Explanation / Reference section</i>	<i>Policies &amp; Procedures</i>
<b>A1 Emission</b>			
<b>GD A1</b>	Information on: <ul style="list-style-type: none"> <li>- the policies; and</li> <li>- 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.</li> </ul>	Air Emission Waste Management Resource Management - Energy Use	Atmospheric pollution control procedure Waste management procedure Environmental inspection and measurement control procedure
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Air Emission	-
<b>KPI A1.2</b>	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Resource Management - Energy Use	-
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	-
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	-
<b>KPI A1.5</b>	Description of measures to mitigate emissions and results achieved.	Air Emission Waste Management Resource Management - Energy Use	-
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management	-
<b>A2 Use of Resource</b>			
<b>GD A2</b>	Policies on efficient use of resources including energy, water and other raw materials.	Resource Management	Energy Management Policy Energy consumption control procedure



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<i>HKEX ESG Reporting Guide General Disclosures &amp; KPIs</i>		<i>Explanation / Reference section</i>	<i>Policies &amp; Procedures</i>
<b>KPI A2.1</b>	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).	Resource Management - Energy Use	-
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Management - Water Use	-
<b>KPI A2.3</b>	Description of energy use efficiency initiatives and results achieved.	Resource Management - Energy Use	-
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Resource Management - Water Use	-
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resource Management - Material Use	-
<b>A3 The Environment and Natural Resources</b>			
<b>GD A3</b>	Policies on minimizing the operation's significant impact on the environment and natural resources.	Environmental Management  Air Emission  Resource Management - Water Use	Environmental management policy
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	No significant impact of activities on the environment.	-
<b>B1 Employment and Labor Standard</b>			
<b>GD B1</b>	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.	Human Resources Management and Labour Standard	Employee promotion management methodology  Employee reward/punishment management methodology  Human resource management policy

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<i>HKEX ESG Reporting Guide General Disclosures &amp; KPIs</i>		<i>Explanation / Reference section</i>	<i>Policies &amp; Procedures</i>
<b>B2 Health and Safety</b>			
<b>GD B2</b>	Information on: <ul style="list-style-type: none"> <li>- the policies; and</li> <li>- compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.</li> </ul>	Occupational Health and Safety	Occupational health and safety policy
<b>B3 Development and Training</b>			
<b>GD B3</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	Employee Development	Human resource management policy
<b>B4 Labor Standard</b>			
<b>GD B4</b>	Information on: <ul style="list-style-type: none"> <li>- the policies; and</li> <li>- compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labour.</li> </ul>	Human Resources Management and Labour Standard	Anti-child labor policy
<b>B5 Supply Chain Management</b>			
<b>GD B5</b>	Policies on managing environmental and social risks of supply chain.	Supplier Management	Supplier management procedure Procurement control policy
<b>B6 Product Responsibility</b>			
<b>GD B6</b>	Information on: <ul style="list-style-type: none"> <li>- the policies; and</li> <li>- compliance and material non-compliance with relevant standards, rules and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</li> </ul>	Customer Satisfaction	Product safety risk assessment and management control procedure Customer service control procedure

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<i>HKEX ESG Reporting Guide General Disclosures &amp; KPIs</i>		<i>Explanation / Reference section</i>	<i>Policies &amp; Procedures</i>
<b>B7 Anti-corruption</b>			
<b>GD B7</b>	Information on: <ul style="list-style-type: none"> <li>- the policies; and</li> <li>- compliance and material non-compliance with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering.</li> </ul>	Human Resources Management and Labour Standard	Anti-corruption commitments
<b>B8 Community Investment</b>			
<b>GD B8</b>	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests.	Investing in Our Community	We are working on the community investment policy to identify the focus areas which are relevant to where the subsidiaries locate. Anyhow, we have done various initiatives to contribute to the community in 2016.