



VPower Group International Holdings Limited

(Incorporated under the laws of the Cayman Islands with limited liability)
Stock Code: 1608

Leveraging Our Extensive Global Experience And Wide Range Of Capabilities

**OUR STRONG AND FAST EXECUTION
CAPABILITIES AND TRACK RECORD ARE
SIGNIFICANT COMPETITIVE ADVANTAGES IN
WINNING NEW CUSTOMER CONTRACTS**






contents

- 03** About this Report
- 05** Message from Our Chairman
- 06** About VPower
- 10** Our Sustainability Approach
- 13** Protecting Our Environment
- 16** Caring for Our People
- 22** Giving Back to Our Community
- 23** Appendix – The Stock Exchange of
Hong Kong’s ESG Reporting Guide
Content Index

about this report





VPower Group International Holdings Limited (“VPower”), headquartered in Hong Kong, is one of the world’s leading large gen-set system integration providers and Southeast Asia’s largest private gas-fired engine-based distributed power generation (DPG) station owner and operator. We deliver much-in-demand electricity to keep industries running and power the growth of fast-developing regions through (1) designing, integrating and selling gen-set and power generation systems that run on either natural gas or diesel, (2) designing, investing in, building, leasing and in collaboration with off-takers, operating DPG stations. Together, they make up our two principal business segments: (1) System Integration (SI) business and (2) Investment, Building and Operating (IBO) business.

This is our first ever Environmental, Social and Governance (“ESG”) report to present our strategies and commitment to sustainability and highlight our performance in various ESG aspects including environmental protection, employee relation, supply chain management, health and safety, and social investments during the period from 1 January 2016 to 31 December 2016. The report was prepared in accordance with The Stock Exchange of Hong Kong’s (the “Stock Exchange”) ESG Reporting Guide.

If you have any questions or comments about our first ESG report, please contact us by email at esg@vpower.com.



We are Southeast Asia's largest private gas-fired engine-based distributed power generation station owner and operator



message from our chairman

We are delighted to present to you our first ESG report for the year ended 31 December 2016. From now on, we will publish an ESG report every year to share our sustainability commitment and initiatives with our stakeholders.

2016 was a year of substantial milestones and achievements for VPower. We were successfully listed on the Main Board of the Stock Exchange on 24 November 2016, which marked the start of a new journey for VPower. In 2016, VPower recorded an outstanding business performance with 26.2% and 82.7% year on year growth in revenue and net profit (excluding one-off IPO expense) respectively. Revenue from IBO business jumped approximately 89.2% year-on-year. According to the market research conducted by Frost & Sullivan, VPower was the largest system integration provider for large gen-sets and power generation systems (PGSS) utilizing large gen-sets in Asia by revenue in 2015, and also among the five largest globally. As at 31 December 2016, we had 8 distributed power generation (DPG) stations in commercial operation in Indonesia, Myanmar and Bangladesh. Given our remarkable business development, we

have successfully transformed from a mere electricity system integrator to the largest private gas-fired engine based DPG station owner and operator delivering electricity to Southeast Asia markets.

Apart from attaining high investment return for our shareholders, we are keen to be responsible to the environment and all our stakeholders, including employees, consumers and suppliers. We treasure our environment so we are dedicated to contribute towards low carbon future with our gas-fired power generation business. Gas is a clean fuel which produces less carbon and other gases during power generation process as compared to coal. We care and respect our staff. Apart from providing a harmonious, safe and comfortable working environment, we encourage our staff to take part in wholesome social activities. We also value our customers by providing high-quality and efficient power generation systems and services to address their needs. Through all kinds of efforts, we hope VPower is contributive to the construction of a healthy society and brighter future for our stakeholders.

Looking forward, we will further expand our business in our existing operating markets including Indonesia, Myanmar and Bangladesh, and at the same time grow our business on a global scale by exploring business opportunities in Southeast Asia, Latin America, the Middle East and Africa. We will actively promote our fast-track and flexible distributed power generation solutions to seize the opportunities arising from China's Belt and Road Initiative, and the 13th Five-Year Plan to continue VPower's sustainable development.

We will keep exploring the opportunities to expand our power generation capacities in the clean and renewable energy sector with an aim to promote a clean and sustainable environment. Meanwhile, we will continue to engage and partner with various community organisations on a wide range of community activities to fulfil the role of a good corporate citizen wherever we operate.



LAM Yee Chun
Executive Chairman

about VPower

Company

Founded in 2001, VPower is one of the world's leading large gen-set system integration providers and Southeast Asia's largest private gas-fired engine-based DPG station owner and operator. We are principally engaged in two

business segments to fulfil different customer needs: (1) our SI business and (2) our IBO business. Currently, our operations have a significant presence in over 20 countries, including China, Singapore, Indonesia, Bangladesh and Myanmar. We also have our own

assembly facilities in Shenzhen, the PRC, where we assemble and integrate gen-sets and PGSS.

VPower was listed on the Main Board of the Stock Exchange of Hong Kong in November 2016.

SI Business

SI business has been our principal business since the establishment of VPower. Under our SI business, we design, integrate and sell gas-fired and diesel-fired gen-sets and PGSS to customers who prefer owning PGSS. Utilising our proprietary system designs and integration capabilities, we deliver PGSS that can cope with challenging operating conditions, such as high altitudes or extreme climates.

Our SI customers, primarily located in the PRC, Singapore, Hong Kong, the UAE, South Korea and the Philippines, cover a variety of sectors, including industry-grade and utility-grade DPG stations, governmental, residential and commercial buildings, data centres, hotels, construction works, mining operations, railway projects and telecommunications projects.



IBO Business

Leveraging our experience and capabilities we developed under our SI business, we began our investment, building and operating business in 2012. Under our IBO business, we invest, design in, build, lease and, in collaboration with off-takers, operate DPG stations. We endeavour to design and build our DPG with standardised specifications in a “plug-and-play” manner.

We focus on markets with power shortages, including Indonesia, Myanmar, Bangladesh and other emerging markets. Our customers have semi-permanent electricity needs and prefer not to own PGSS, such as government utilities in emerging countries which require interim and imminent power prior to the development of large-scale power supplies and infrastructure.



For a complete overview of our business strategy, operations and financial performance, please refer to our Annual Report.

about VPower

Key Projects

Indonesia

We entered the Indonesia market in 2012 and installed the first DPG station in Teluk Lembu I with a capacity of 14.0MW. We expect gas-fired DPG to play an important role in Indonesia to address its electricity shortage as it is rich in natural gas resources. To meet its increasing electricity demand, we have increased the capacity to a total of 20.3MW in 2016.

The market potential in Indonesia has allowed us to install our first DPG station that utilises medium-speed gas-fired engines in Teluk Lembu II. It is also the first and largest gas-fired engine-based DPG station within the PLN North Sumatera Power Plant.



Teluk Lembu II in Indonesia

Myanmar

Myanmar is one of the world's most underdeveloped power markets, but a leading producer of natural gas in Southeast Asia and the fastest growing market in Southeast Asia for gas-fired DPG. We recognised the immense business opportunities and installed and commenced the operation of our first DPG station in a remote location named Kyauk Phyu I in Myanmar in 2015. The capacity of the DPG station is 49.9MW. In 2016, we further expanded the capacity by installing another DPG station of 49.9MW in Kyauk Phyu II, adjacent to Kyauk Phyu I.



Kyauk Phyu I and Kyauk Phyu II in Myanmar

Bangladesh

Bangladesh has the second lowest electrification rate in Southeast Asia after Myanmar. We entered the market in 2013 and installed our only diesel-fired DPG station in Pagla, Bangladesh. It is also our only peak-shaving DPG station.



Pagla, Bangladesh

Our Suppliers

VPower depends on the continued supply of high-quality engines, such as alternators, radiators and ancillary equipment, to support our SI business and our IBO business. As the engine manufacturing industry is dominated by a few large global manufacturers, we rely on a limited number of manufacturers to supply engines for our gen-sets, PGSS and DPG stations. We therefore recognise the importance of building a stable and long-term relationship with our suppliers based on trust and transparency.

VPower addresses supply chain challenges through responsible sourcing and regular supplier engagement.



Supply Chain Management

While we require our suppliers to supply engines of sufficient quality, we are beginning to pay greater attention to integrating environmental and social responsibility into our supply chain management. With the goal of

promoting high environmental and social standards among our suppliers, minimum requirements on addressing environmental issues, human rights and employment practices are set out in our Supply Chain Management

Policy. We expect our suppliers to commit to comply with or exceed these requirements. During the initial supplier selection stage, these requirements also underpin the Group's procurement decisions.

Global Strategic Partner of Our Major Suppliers

We rely on a limited number of suppliers and have been able to focus our resources to maintain a strong relationship with our major suppliers. Since 2014, we have entered into a

wide range of strategic agreements with two of our major suppliers for both our SI and IBO business. Under these agreements, we ensure adequate support from our suppliers

in order to meet the needs of the growing DPG industry in emerging markets.

our sustainability approach

Stakeholder Engagement and Materiality Analysis

We value dialogues with our stakeholders as we believe that their input is crucial for our business

to grow sustainably. By engaging stakeholders regularly, we hope to obtain a comprehensive understanding of our ESG risks and opportunities, which in turn will help us make informed decisions.

Ongoing stakeholder engagement exercises for different stakeholder groups are tabulated as below:

Stakeholder groups	Communication channel	Frequency
Employees	Group and departmental meetings	Biweekly to Monthly
	Survey	Annual
	Suggestion box	Always open
	Internal information/data via electronic means	Daily
	Internal trainings	Periodically
Shareholders and investors	Annual general meeting (AGM)	Annual
	Interim and annual reports	Bi-annual/annual
Customers meetings	Corporate website	Always open
	Meeting	Periodically
Suppliers	Corporate website	Always open
	Social media platforms	Always open
	Supplier meetings	Periodically
Contractors	Corporate website	Always open
	Social media platforms	Always open
	Onsite/offsite contractors meetings	Periodically
Government	Corporate website	Always open
	Social media platforms	Always open
	Government official meetings	Periodically
Community partners	Corporate website	Always open
	Participate in charitable events	Periodically

our sustainability approach

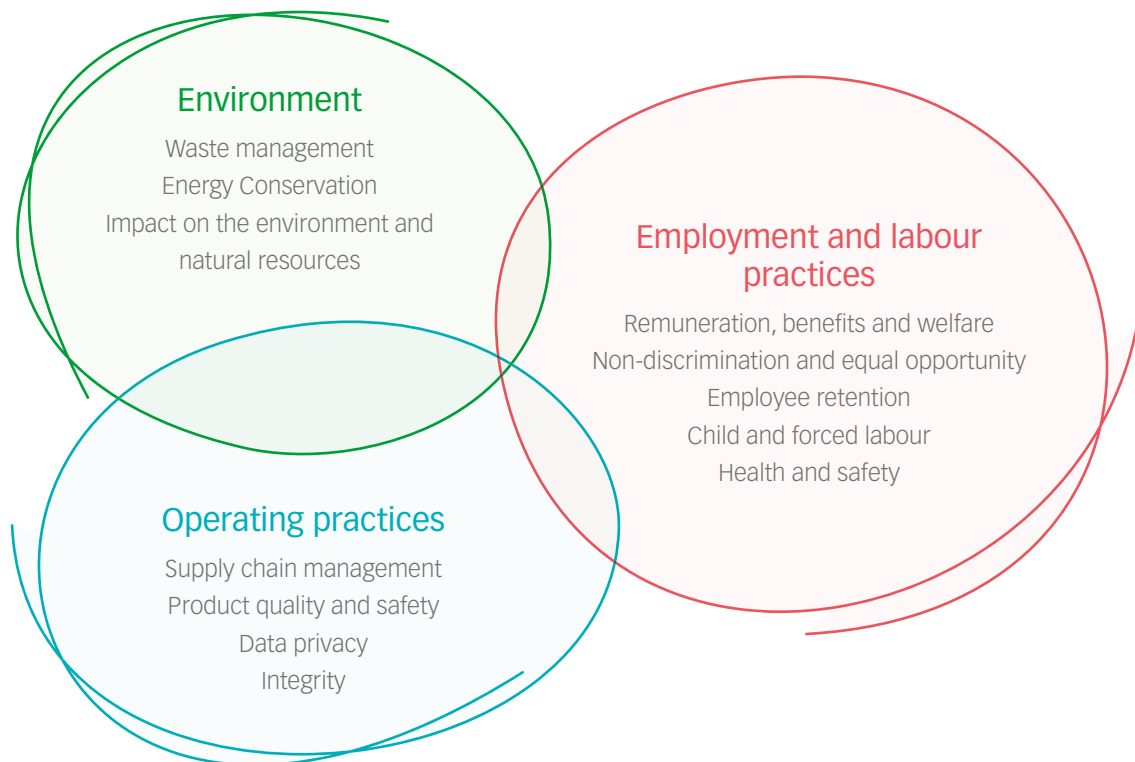
At the early stage of the preparation of this report, we have commissioned an independent third party consultant to conduct a stakeholder engagement exercise. As this is the first year for us to engage stakeholders on ESG matters, we have thoughtfully selected our internal stakeholders (i.e., our employees) as the focus of the exercise. The selection was based on the considerations of their influence and dependence on VPower. Through an anonymous survey, employees

were asked to provide feedback on the importance of a range of ESG matters based on how concerned they are as a stakeholder of VPower. We aim to understand their priorities, expectation and perceptions with regard to our management approach and performance on ESG matters.

Close to 10% of our employees were engaged in the exercise. Among them, eight management-level employees from Hong Kong, Mainland China and

Myanmar were engaged in a one-on-one interview with our consultant. They were asked to provide further feedback on specific ESG matters that are related to their responsibilities at VPower. Their insights, together with the survey results, have set a foundation for us to define the focuses of this report, as well as a strong reference for us to develop our long-term ESG strategies.

Important issues were defined as a result of this exercise.



our sustainability approach

We are planning to improve our stakeholder engagement process by expanding the scope to a wider stakeholder group in the coming years. As such, we are currently exploring an effective way to capture our external stakeholders. We hope to develop a formal stakeholder engagement plan in the future in order to obtain a balanced view of both internal and external stakeholder groups

Corporate Governance

We embrace a strong and effective corporate governance at VPower by taking a proactive role in managing our business risks. To achieve this, we have a robust internal control and risk management framework in place. We ensure that our business

is conducted with sound governance and strong business integrity in order to safeguard the interests of our stakeholders, as well as to properly manage our business risks, including environmental and social risks.

The Board of Directors (the "Board") is the highest governing body at VPower. The Board currently comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. Supported by the Audit Committee, Remuneration Committee and Nomination Committee, the Board has an overall responsibility to protect the interests of VPower and our stakeholders by ensuring the effective implementation of internal controls.

This includes leading in formulating and reviewing business strategies, as well as overseeing the implementation of strategies to drive sustainable development. As such, the Board is also responsible to ensure ESG-related risks are taken into consideration while formulating business strategies.

Day-to-day operations are delegated to senior management by the Board. Led by our senior management, the departments utilise their strengths and work together for smooth and effective implementation of ESG strategies and policies within VPower. The departments also report to the Board on relevant ESG matters whenever required.

protecting our environment

Environmental Management

We make every effort to ensure that we do business in an environmental responsible manner and our facilities are efficient to minimise adverse impacts on environment. Our subsidiary in China has established environmental impact assessment and control procedures to help identify the key environmental impacts of our business activities. Based on the identified potential environmental impacts, we will then develop relevant environmental prevention and mitigation measures accordingly with the aim to prevent or minimise the potential environmental impacts. In addition, we have also implemented an environmental monitoring and measurement procedures. Our environmental protection performance

such as air quality, noise level, water quality, quantity of waste generated, and energy usage are monitored and measured on a regular basis to ensure that VPower's daily business activities are in compliance with all applicable environmental laws and regulations. Our production factory in Shenzhen has been ISO 14001 certified to reaffirm our commitment to raise the level of VPower's environmental management.

Energy Conservation

We are committed to reducing our energy consumption level. To achieve this goal, we have developed an energy management plan to strengthen VPower's capability of energy conservation and management. We are in the processing of launching our first combined heat & power (CHP)

and biogas project in Mainland China and will move another step closer to tapping into better fuel and cost efficiency through turning waste heat to additional power.

Our research and development team will continue to focus on development of combined heat and power gas-fired power generation system to enable the reuse of residual heat generated from the system to produce steam or hot water for heating and cooling using an absorption chiller.

We also incorporate green purchasing principles into procurement process by using energy efficient equipment to help reduce our energy usage. High energy consuming technologies and equipment are not considered.

Energy consumption during the reporting period:

Electricity consumption (Unit: kWh)	
Offices (Hong Kong and Mainland China)	78,229
Factory (Shenzhen)	309,881
IBO Projects (Southeast Asia)	273,002
Diesel consumption (Unit: Litre)	
Factory (Shenzhen)	29,270
IBO Project (Southeast Asia)	29,228,200
Natural gas consumption (Unit: m ³)	
IBO Project (Southeast Asia)	466,211,407

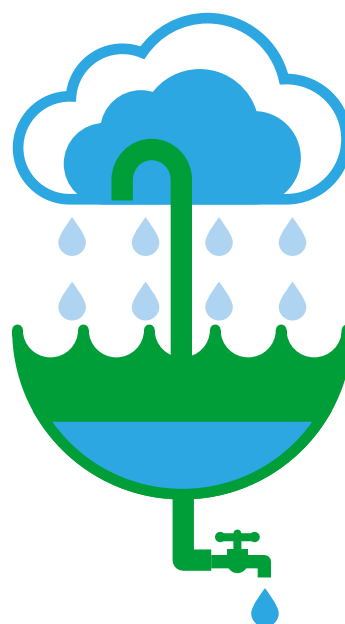
Emission Control

VPower strives to reduce air pollutant emissions from production and assembly of gen-sets, and power plant operation. All engines and gen-sets used in our power plants complies with the emission standards of the applicable national and local laws and regulations. We have established a set of operational controls and procedures for our production factory in Shenzhen to ensure that air pollutants generated from the factory are in compliance with the Class II standard of “Emission Limits of Air Pollutants” (DB44/27-2001) in Guangdong Province 《廣東省大氣污染物排放限值》.

Water Resources Management and Wastewater Treatment

We are committed to using water resources efficiently in our operations and treating wastewater generated properly in accordance with applicable national and local laws and regulations. For example in our production factory in Shenzhen, we have developed an on-site water treatment and recycling system to treat and reuse wastewater generated from assembly process of gen-sets for cleaning purpose. The quality of wastewater generated from the production factory is in compliance with Class I standard of the “Discharge Limits of Water Pollutants” (DB44/26-2001) in Guangdong Province 《廣東省水污染物排放限值》 and discharged to municipal sewer lines for further

treatment in municipal wastewater treatment plant. In Myanmar’s Kyauk Phyu project, we have implemented a rainwater harvesting system to collect rainwater onsite for fire protection purpose, contributing to water use reduction.



Water consumption during the reporting period:

Water Consumption Intensity in 2016 (m ³ /number of employees)	
Water carboys used in offices	0.06
Municipal water supply	66.69

Waste Management

We have established various waste management documents such as “waste management plan and procedures”, and “hazardous chemical waste management control procedure” for our production factories in China to help minimise and manage the quantity of waste generated from our projects and ensure that our operation is in compliance with national and local waste management laws and regulations including “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” 《中華人民共和國固體廢物污染環境防治法》, “Regulations on Prevention and

Control of Solid Waste in Guangdong Province” 《廣東省固體廢物污染環境防治條例》 and “Administrative Measures for Hazardous Waste Movement in Shenzhen City” 《深圳市危險廢物轉移管理辦法》.

Our waste management control programme has clearly depicted the procedures of waste separation, labelling, collection and processing. All household wastes generated from offices, production factories, and projects are collected by government’s sanitary division on regular basis, while hazardous wastes are stored properly in accordance with the “Standard for Pollution Control on Hazardous Waste Storage” 《危險廢物儲存污染控制標準》

(GB18597-2001) and “Rule for Storage of Chemical Dangers” 《常用危險化學品儲存通則》 (GB15603-1995) collected by the qualified industrial waste handlers for further treatment to minimise potential environmental impacts.

We are committed to reduce waste disposal to landfills as much as we can and encourage recycling to appreciate the real value of the materials. Waste paper, plastic waste, scrap metal, and foam waste generated from office and production factory are collected by designated recycle companies for further processing.

Waste generated from office during the reporting period:

Office (Hong Kong and Mainland China)	
Waste generated (kg/number of employees)	16
Factory (Shenzhen)	
General waste generated (kg/'000 of revenue)	3.61
Hazardous waste generated (kg/'000 of revenue)	1.81
IBO Projects (Southeast Asia)	
Waste Oil (Litre/kWh)	0.000048
Steel waste and scrap iron (kg/kWh)	0.000015



Waste collection and recycling area in Myanmar's Kyauk Phyu project

caring for our people

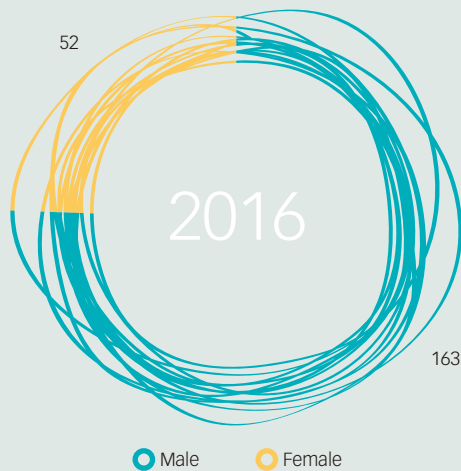
Employee relations

VPower incorporates technologically advanced innovations into our operations proactively. Attracting and retaining talents with sufficient experience and skills is essential for VPower to perform fast project execution and develop continuously. We offer competitive remuneration package and all-rounded welfare to our staff. All of our employees are entitled to group medical, dental insurance and travel insurance to financially support them in case of accidents. Our human resources policies, rules and regulations are clearly stated in our Staff Handbook, including the code of conduct, working time, recruitment and dismissal, staff welfare and paternity leave.

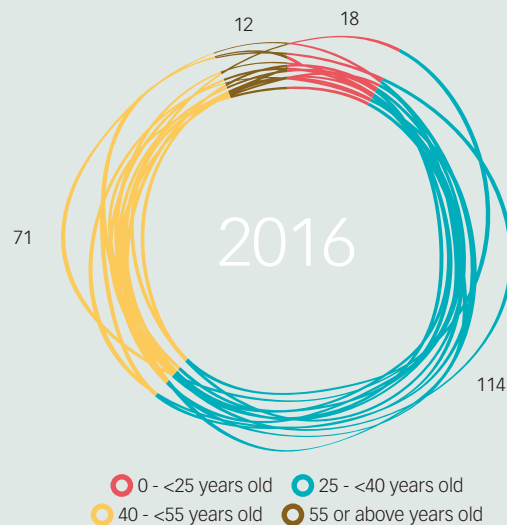
Our equal opportunities policy facilitates qualified candidates to enter into our company, regardless of their age, gender, nationality, sexual orientation, political affiliation, marriage status, ethnicity, disability, veteran status, citizen status, race and religions. To put equal opportunity into practice, we have established a comprehensive performance appraisal system to ensure reasonable remuneration and benefits packages are offered based on employees' performance. As stated in our Staff Handbook, we adhere to the relevant laws and regulations, such as "Family Status Discrimination Ordinance", "Sex Discrimination Ordinance", and

"Disability Discrimination Ordinance". All forms of discrimination are prohibited in our company. In addition to our effort in anti-discrimination, we endeavour to protect our staff from sexual harassment with our Sexual Harassment Policy. Our employees can make complaints via the grievance mechanism established under the policy. All suspected employees will be subjected to disciplinary actions, which may include summary dismissal if proven non-compliance.

Number of employees by gender

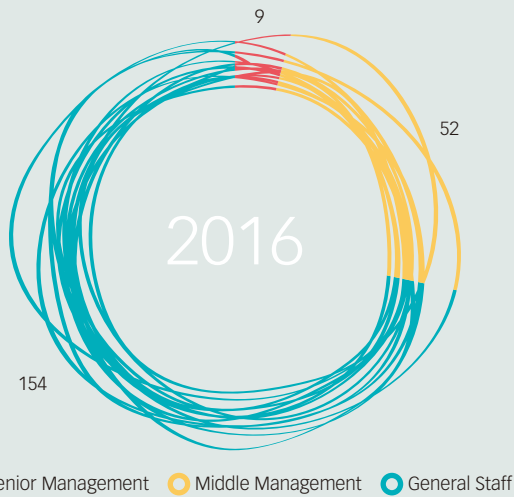


Number of employees by age group

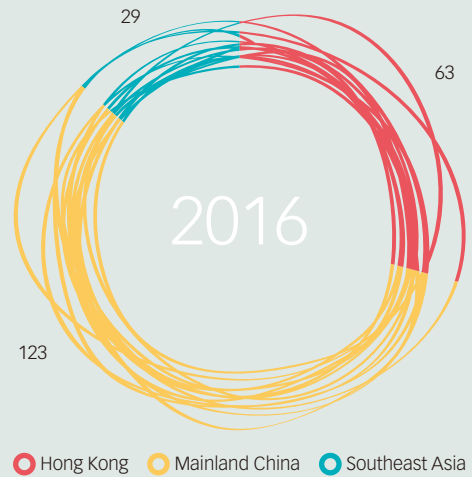


caring for our people

Number of employees by employment category



Number of employees by geographical location



Employees turnover rate

Employees turnover rate by geographical location

Geographical location	Turnover Rate
Hong Kong	20.69%
Mainland China	25.62%
Southeast Asia	0%



caring for our people

Integrity

To build up mutual trust between our employees and our company, VPower is devoted to endorsing the highest standards of honesty and integrity in our business operations. We have compiled a Code of Conduct for our employees to follow. All of our employees should be accountable for their actions and behave ethically. In 2016, we had zero case relating to corrupt practices, intellectual property rights infringement and leakage, or damage or loss of customer privacy data.

Our anti-corruption policy strictly complies with the Prevention of Bribery Ordinance. Definitions of each type of corruptive behaviour, as well as the handling method in response to bribery, gifts and political donations are provided. With clear guidance towards suspicious activities, our employees can avoid falling into the trap of corruption. In addition to the above activities, we require our employees to act honestly in the interest of our company. Our employees are expected to be free of interest or relationships with our suppliers, contractors or competitor. Otherwise, they should immediately inform our Human Resources Department to avoid potential fraud or corruption.

Protecting the right of our company and our customers, we store and make use of information cautiously. Employees are prohibited from copying or disclosing the confidential and personal information owned by our company. If an employee is found to have committed infringement of confidentiality, he or she will be subjected to disciplinary actions regardless of actual benefit brought by the activity.

We treat the issues of child and forced labour seriously to sustain our business integrity. We are compliant with all relevant laws and regulations. All candidates should provide proof of identity before employment to prevent underage persons from taking up duties that may result in physical distress.

Health and Safety

We consider our employees as an important asset of our company. We spare no effort to promote occupational health and safety in the workplace. To put this commitment into practice, we formulated the Safety Handbook to expatiate on important issues on health and safety. A risk management system has been developed to identify and manage all potential risks associated with our operations. Training is arranged to raise

our employee's awareness towards occupational health and safety. With clear guidance on working procedures and effective implementation of safety measures, we can minimise the risk of work injuries and fatalities.

Our company health and safety policy fully complies with the Occupational Safety and Health Ordinance. There are safety black spots in construction sites, which require detailed guidance to educate our workers to work in a safe manner. For instance, lifting appliances and gear can only be used after being examined and certified by a competent examiner. We have provided our staff with sufficient protective equipment. Due to the nature of our business, our employees may be exposed to chemicals, noise and dust. Employees should wear gloves, eye and ear protectors, masks and safety harnesses whenever necessary. In addition to the working procedures in daily operation, we are aware of potential incidents that may happen at construction sites. We have designated routes for evacuation and measures in case of emergency. With sufficient knowledge on health and safety, our employees are capable of protecting themselves from occupational risk.

caring for our people

Proper training can help eliminate health and safety risk. We have appointed safety supervisors at construction sites to assist others on health and safety. All safety supervisors have received safety training so as to help construction site workers to work safely. Given the different level of danger and complexity of the operations of equipment, we provide specific training for equipment with higher risk, such as material hoists, loadshifting machinery, etc. All of our employees can utilise such properly, which can minimise safety risk in the work place.

In virtue of our effort in workplace health and safety, we recorded no work-related fatalities and only one work injury case happened at Bangladesh, accounting for 152 lost working days for VPower in 2016.

Training and development

Our power generation systems business is supported with advanced technology. The knowledge and skills of our teams determine the success of our business. Our senior management team comprises experienced professionals with technical, legal and finance backgrounds. To ensure that

our talents are equipped with sufficient competence to execute their job duties, we provide internal and external training to enrich their knowledge and skills.

All new hires are subjected to orientation training. It serves as a guide to help the employees fully understand about the company's policies, rules and regulations in comprehensive aspects, and hence help them promptly adapt to the working environment. Standard operation procedures are introduced to workers before they officially receive their job duties. The introductory sessions are essential for effective and safe operations especially at construction sites.



Classroom training in Hong Kong Office

caring for our people

Except for the internal training, our staff should continue to enrich and update their technical knowledge. We contribute a considerable amount of resources to educating our employees by incorporating external institutions into our training programs. We actively participated in the engine training courses organised by MTU Asia in 2016. Our employees learned how to operate engines, identify and rectify faults and perform preventive maintenance during the courses supported by headquarter in Hong

Kong. Such training opportunities enable our employees to cope with technical problems during operation. In the long run, our employees can build greater competence to operate the equipment effectively and develop our own onsite maintenance capabilities.

Site Safety Training

Safety training was arranged for our site staff to familiarize themselves with operating the fire fighting facilities

and the course of action to take in an emergency. The training took place in Myanmar last December.

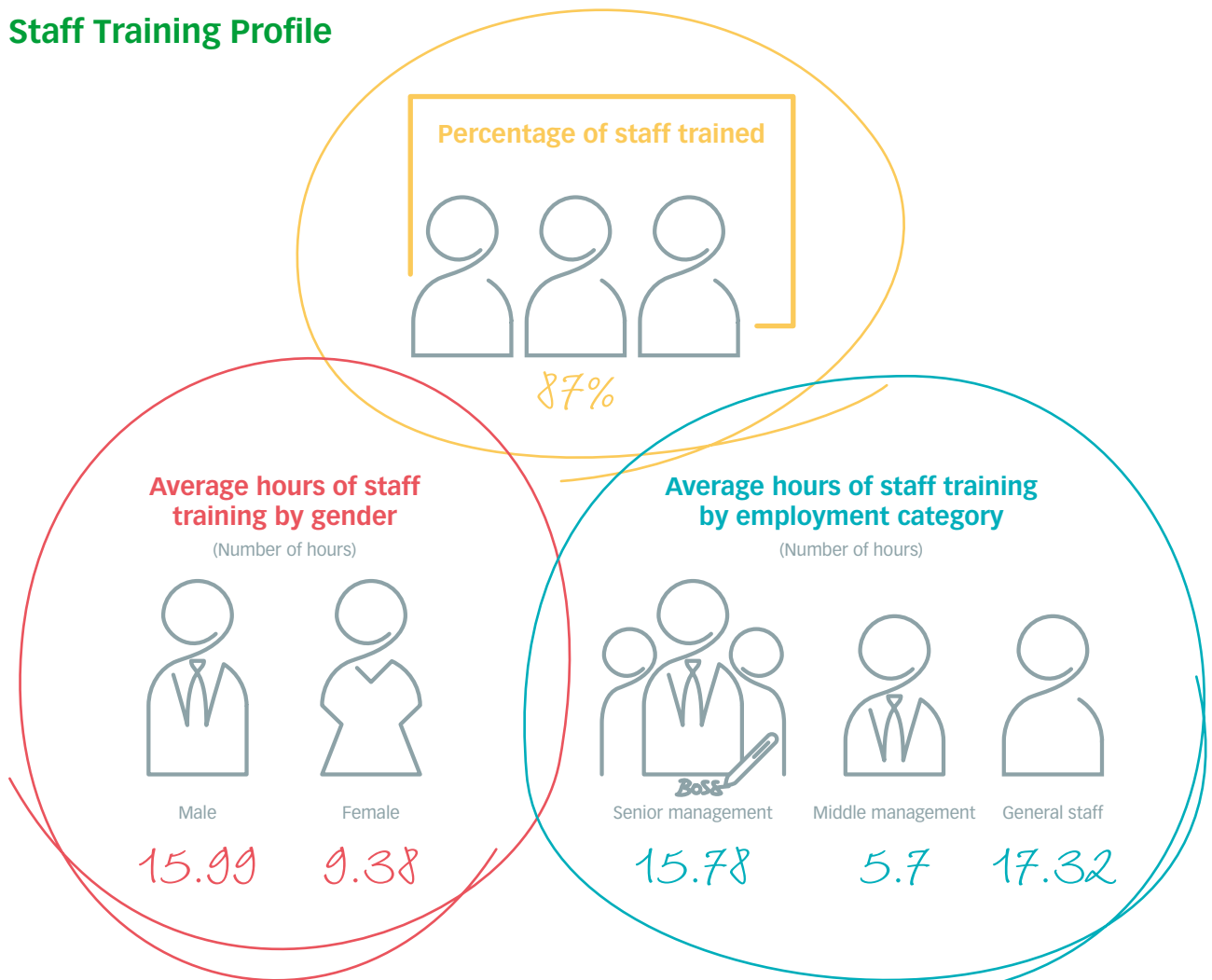
Staff from the local fire fighting centre (in visitor jacket) were invited to conduct the training which included demonstrating how to operate the fire extinguisher and the fire hydrant in an emergency.



Fire Drill training took place in Myanmar last December

caring for our people

Staff Training Profile



Employee engagement

VPower is eager to hear from our employees and make improvements based on their opinions. Our top management can formulate more precise management plans if they have a better understanding of the work of our frontline employees. To achieve this, we have developed diverse channels to collect our employees' opinions.

We launched an employee suggestion box scheme to encourage our employees to make suggestions on a wide range of aspects, including operation and service efficiency, streamline workflow and cost savings, etc. Our employees are free to report suggestions at the suggestion box or by forwarding to the company email. Suggestions are handled by the Human Resources Department and followed up on by management.

Beyond the suggestions for company improvement, our employees are welcomed to report any unethical issues or misconduct, such as fraud, embezzlement, corruption, bribery and sexual harassment. We treat all complaints seriously and carry out inspection fairly. In order to protect employees who make complaints, all complaints are considered highly confidential.

giving back to our community

Community activities

Being a caring company, we are dedicated to contributing to the community in which we operate. We improve people livelihood not only via the technological innovations in our power generation systems, but also participation in community activities. In 2016, we actively participated in charity activities such as Oxfam Trailwalker to support humanitarian aid provided by NGOs.

Oxfam Trailwalker is one of the largest fundraising sports events in Hong Kong. VPower sponsored a team to participate in the event. During the event, the participants were required

to complete a series of challenging tasks. The whole participating team needs to complete the 100km MachLehose Trail within a 48-hour time limit. The donations were used for poverty alleviation and emergency relief in Africa and Asia. As a member of the global village, we do not limit our commitment to the local community, and instead reach out to the whole world.

In addition to the fundraising event, we provided financial support to charities and community projects which share the same values as our company. In 2016, we donated to the Community Chest of Hong Kong of HK\$1 million for diverse service

areas, including children and youth, elderly, family and children, welfare, medical and health, etc. We also contributed to the development of Myingyan, which is a city located in Myanmar, with donations of more than HKD\$300,000. As Myanmar is one of our operating bases, we are committed to contributing to its community development.



Mr. LAM Yee Chun (right), Executive Chairman of VPower Group International Holdings Limited presented the donation to Mr. Billy KONG Churk-hoi, Executive Committee Deputy Chairman of The Community Chest of Hong Kong.

appendix — the stock exchange of Hong Kong's ESG reporting guide content index

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Chapter(s) in ESG report 2016 or other references/explanation
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Protecting Our Environment
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting Our Environment – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting Our Environment – Waste Management
KPI A1.5	Measures to mitigate emissions and results achieved.	Protecting Our Environment – Emission Control
KPI A1.6	How hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Protecting Our Environment – Waste Management
Aspect A2: Use of resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Protecting Our Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Protecting Our Environment – Energy Conservation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Protecting Our Environment – Water Resources Management and Wastewater Treatment
KPI A2.3	Energy use efficiency initiatives and results achieved.	Protecting Our Environment – Energy Conservation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Protecting Our Environment – Water Resources Management and Wastewater Treatment
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The use of packaging material for finished products is not applicable to our business.

appendix — the stock exchange of Hong Kong's ESG reporting guide content index

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Chapter(s) in ESG report 2016 or other references/explanation
A. Environmental (Continued)		
Aspect: A3 The Environmental and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Protecting Our Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting Our Environment
B. Social		
Aspect B1: Employment		
General Disclosure	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.	Caring For Our People
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring For Our People – Employee Relations
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Caring For Our People – Employee Relations
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Caring For Our People – Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Caring For Our People – Health and Safety
KPI B2.2	Lost days due to work injury.	Caring For Our People – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Caring For Our People – Health and Safety

appendix — the stock exchange of Hong Kong's ESG reporting guide content index

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Chapter(s) in ESG report 2016 or other references/explanation
B. Social (Continued)		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Caring For Our People – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	We ensure all our employees are provided with sufficient resources and trainings for their career development.
KPI B3.2	The average training hours completed per employee by gender and employee category.	We ensure all our employees are provided with sufficient resources and trainings for their career development.
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Caring For Our People – Integrity
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring For Our People – Integrity
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Caring For Our People – Integrity
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	About VPower – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	About VPower – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	About VPower – Supply Chain Management

appendix — the stock exchange of Hong Kong's ESG reporting guide content index

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Chapter(s) in ESG report 2016 or other references/explanation
B. Social (Continued)		
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Caring For Our People – Integrity/Health and Safety
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	There are no recall that has significant impacts on our business.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	We address complaints relating to our products and service in the best possible way.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Caring For Our People – Integrity
KPI B6.4	Description of quality assurance process and recall procedures.	We ensure the quality of our products are maintained and improved. This is achieved by our quality control team through research and development as well as supply chain management.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Caring For Our People – Integrity
Aspect B7: Anticorruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Caring For Our People – Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Caring For Our People – Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Caring For Our People – Integrity
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to Our Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to Our Community