



Environmental, Social and  
Governance Report

2016

**联想控股**  
**LEGEND HOLDINGS**  
BUILDING GREAT COMPANIES

联想控股股份有限公司  
Legend Holdings Corporation

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
Stock Code: 3396

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## ABOUT THIS REPORT

"Legend Holdings Corporation - Environmental, Social and Governance Report" (the "Report") discloses to investors and other stakeholders the environmental and social performance of Legend Holdings Corporation (the "Company" or "Legend Holdings") and subsidiaries selected by the Company according to the materiality of their impacts on the environmental and social aspects. Key environmental and social aspects include integrity operation, staff development, supply chain management, environment protection, social welfare etc. The corporate governance of the Company is presented in the section of "Corporate Governance Report" in the 2016 Annual Report of the Company.

### Time frame and scope of the Report

Information included in the Report covers the period from 1 January 2016 to 31 December 2016 (the "Report Period") which is consistent with the financial year stated in the Group's 2016 Annual Report. The scope of the Report covers the Company and subsidiaries selected by the Company according to the materiality of their impacts on the environmental and social aspects. Moreover, practices of selected subsidiaries are elaborated and explained in details in respect of different areas covered in the Report.

### Base to compile the Report

The compilation of the Report is based on Appendix 27 "Environmental, Social and Governance Reporting Guide" of the Rules (the "Listing Rules") governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The data disclosed in the Report are extracted from the formal documentation and statistics reports of the Group.

## INFORMATION ON LEGEND HOLDINGS

Legend Holdings is a leading diversified investment holding group in China and has developed an innovative two-wheel-driven synergy business model "strategic investments + financial investments". Its strategic investments arm has diversified business into five segments: IT, financial services, innovative consumption and services, agriculture and food and new materials. Its financial investments arm primarily consists of angel investments, venture capital investments, private equity investments and other investments covering all stages of a company's life cycle. The Company was listed on the Stock Exchange on 29 June 2015 (HK: 03396). Up to 31 December 2016, the consolidated sales volume and assets values of the Company are approximately RMB306.9 billion and RMB322.3 billion respectively.

## MESSAGE FROM THE MANAGEMENT

Legend Holdings strives to work towards the pre-determined strategic goals. Through concrete actions, the Company not only offers returns to shareholders, but also persistently establishes and develops its corporate culture. The Company commits to social responsibilities in compliance with moral standards and operation integrity. The Company protects the environment and minimizes the impacts of pollution on the environment in its daily operations. The Company cares the long-term recruitment, training, development and incentives of talented staff. The Company concerns about employees' occupation health and safety, and adheres to corporate governance codes. In addition to donations, the Company also dedicates in developing people in deprived areas. We actively perform corporate social responsibilities by offering job opportunities to the society and nurturing successful entrepreneurs, this allows both the Company and the society to enjoy prosperous development. Furthermore, these commitments enable the Company to set a base for its long-term development.

## CORPORATE CULTURE AND MANAGEMENT OF LEGEND HOLDINGS

The present corporate culture is gradually evolved from the core values and thinking methods adopted by Legend Holdings in the course of its long time development.

The current managerial and cultural sediment is the core to the Company's competitiveness, as well as the principal foundation that empowers Legend Holdings to develop and achieve excellence.

**Core values are the key beliefs persistently hold on to by the Company, and the roots of Legend Holdings culture.**

- **Corporate interests come first:** realization of corporate interests should come first among other interests. When judging values and making decisions as to which interests should prevail, one should prioritise corporate interests as its top priority. Individual's interests should align with the interests of the team while the team's interests should align with the Company as a whole.
- **Be realistic** - be realistic, be honest, be accountable and be able to do as promised.
- **Be aggressive** - go beyond current interests and aims high, go beyond past experience and work with imagination and creativity, go beyond one's limits and learn continuously to achieve perfection.
- **People-oriented** - appreciate people's efforts, respect people's needs, create opportunities for people development.

Core values direct Legend Holdings people's methodology to think and solve problems:

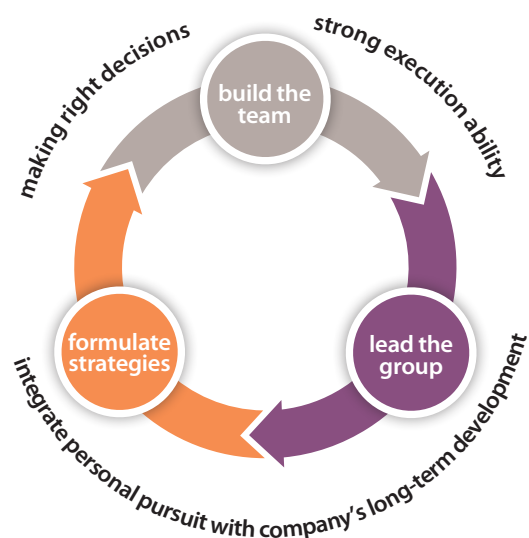
- **Strong sense of goals** - the very first thing is to figure out the goal(s) of a job, targets the goal(s) in advance and throughout the whole process, be determined to attain the goal(s).
- **Achieve the goals step by step** - achieving the goal(s) is not a straight forward process, one has to prioritize, allocate resources, analyze marginal conditions, set sub-goals and milestones and realize them progressively.
- **Evaluation** - value job evaluation, keep examine and fine-tune goals, analyze the rights and wrongs during the processes, learn from experiences and evaluate outcomes. The essence of Legend Holdings' methodology of evaluation stems from self-reflection embedded in the core values, which emphasis on open-mindedness, free to express oneself, being practical, self-reflective and welcome brainstorming.

Cohesive corporate culture unites employees in building up a  
"family" business without the presence of family ties.



Legend Holdings management style consists of the operation aspect and the fundamental aspect, whereas the fundamental consists of mechanism, system, corporate culture and Legend Holdings' "Three Managerial Elements".

- **"Three Managerial Elements"** - Legend Holdings' managerial ideas can be summarized as "Build a top management team, Formulate strategies, Lead the group".
- **Build a top management team** - select talented and reliable people from management to be members of the top management team. This team adopts both vertical and horizontal division of labor and advocates "frank" and "friendly" discussion. Working as a team, the top management team makes rational decisions and executes those decisions in an efficient manner. Through all these, the top management team gradually heightens its prestige in the Group.
- **Formulate strategies** - Legend Holdings follows the "Seven Steps" when determining its strategies - define the vision, state the strategies, set the tactics, analyze the methods, identify the leaders, adjust the organization structure and assess the incentives.
- **Lead the group** - Legend Holdings ensures "its staff members love to work, know how to work, be able to work smoothly as a team" and execute the strategies effectively.



## COMMUNICATION WITH STAKEHOLDERS

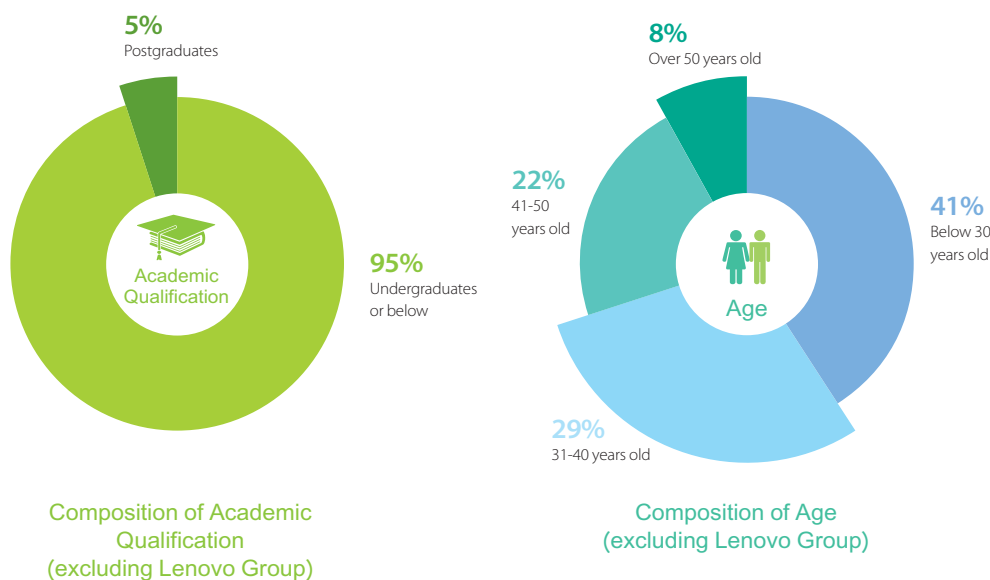
The Group not only makes great efforts in providing returns to shareholders and maintaining benefits to investors, but also listens to the demands and suggestions of customers and other stakeholders. In this way, the Group keeps a corporate image of being responsible in the capital market, and consolidates the market recognition of the Group's value.

Stakeholders	Scope	Expectations	Responses
<b>Government agencies</b>	Ministry of Environmental Protection Ministry of Industry and Information Technology Ministry of Commerce Ministry of Housing and Urban-Rural Department Ministry of finance State Administration of Taxation Local Government Government agencies in related countries and regions	Tax contribution Environmental protection Create job opportunities Science and technology innovation Fair competition Compliance management Risk control	Accepting supervision and inspection Enhancing awareness of environmental protection Responding to and practicing regulations and policies Participating in developing industry standards and specifications Enhancing operation and management performance Supporting the development of the real economy Implement regulatory requirements Periodic reporting
<b>Investors</b>	Shareholders	Investment benefit Risk control Standardize management Sustainable development	Implementing development strategy Consummating corporation governance Enhancing risk prevention Promoting social responsibility management
<b>Customers</b>	Customers of products	Quality assurance Good services Safety and environmental friendly	Customer satisfaction survey Customer privacy protection Interactive activities
<b>Partners</b>	Suppliers Service providers	Business integrity Mutual benefit Equality and transparency	Establishment of supply chain partner screening system Conducting supplier reviewing from environmental perspective
<b>Community</b>	Local community People in poverty Public	Community environment Maintaining stability Harmonious development Supporting the poor	Public donations Community activities Poverty alleviation and other public welfare activities
<b>Employees</b>	All employees	Compensation and benefit Occupational health Career development	Equal pay for equal work Ensuring employee health and safety Organizing recreational activities Regular communication with employees Providing skill development and training Providing diversified promotion channels

## EMPLOYEES AND EMPLOYMENT PRACTICE

Practicing on “People-oriented” and “Invest in People” ideology, Legend Holdings stresses on “Mutual Commitment” with employees, incorporating individual advancement into the Company’s long term development and sharing value growth, in the joint course of building up business career unity.

As of 31st December 2016, Legend Holdings and its consolidated subsidiaries have in total 69,324 employees, of which (excluding Lenovo Group Limited (“Lenovo Group”)) female employees account 51% and female senior management (vice-president level and above) account 19%.



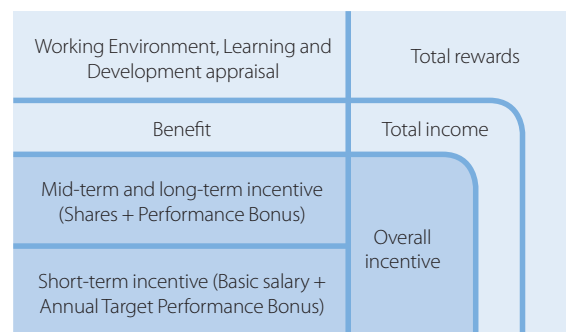
Lenovo Group, Levima Advanced Materials Co., Ltd. (“Levima New Materials”) and Bybo Dental Group Co., Ltd. (“Bybo Dental”), three subsidiaries of Legend Holdings, have a total number of employees accounting more than 90% of the Company. This report illustrates thereafter employment and labor regulations mainly based on these three subsidiaries.

## EQUAL OPPORTUNITY EMPLOYER

Adhering to the policy of open and equality, Legend Holdings conducts talent selections based on qualification and requirement of the post without any discriminations against age, gender and nationality, in strict compliance of the Employment Contract Law of the People’s Republic of China and “Labor Law of the People’s Republic of China”. Internal regulations and policies are also set up to avoid under-aged and forced labor employment.

## SALARIES AND WELFARE

### Diversified Incentives



- An integral incentive mechanism is at practice to construct cash and non-cash coverage of the incentive system, including short-term (basic salary plus target bonus) and mid to long term incentives (including equity interests incentive before listing).

Short-term incentive: basic salary and target bonus, based on each and every trade of work value.

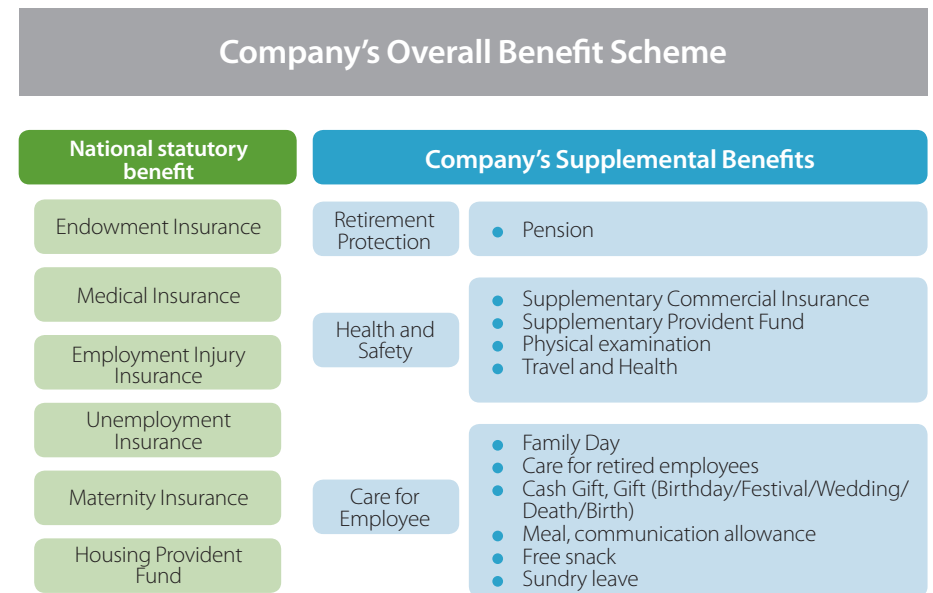
Mid to long term incentive: mid to long term strategy oriented, to realize an incentive growth level enhancement comparable to the overall value growth of the Company, through a combination of equity interests and performance-based bonus rewards.

The management of the Group believes through the implementation of mid to long term incentive system, it further inventories staff’s sense of ownership and the long-term commitment to the Company, also bind personal interests with corporate interests closely for the long term, making them devote themselves to the value creation of the Group.

- Aside from monetary incentive, Legend Holdings emphasizes on the spirit side of the incentive by setting up Legend Holdings Awards, Business Development Awards, Professional Support Awards and Outstanding Subsidiary Awards among other programs, in aims of promoting advancement and practicality within the organizational ambient, and encouraging making contributions and elevating professionalism, dedication and execution capability both as an individual and as a team.



## Diversified Welfare System



- The Company established comprehensive welfare system for employees. In addition to basic social welfares such as pension, medical, housing funds, unemployment, work injury and maternity insurances that are required by laws, contract employees are also entitled medical leave in case of illness or non-worked related injury. During the contract period, female employees enjoy maternity leave labour medical welfare during breast-feeding and among other relevant welfares according to the regulations of the country and that of the Company.
- Aside from all welfares regulated by the government, Legend Holdings also sets out additional welfares for employees based on the Company's business performance and staff need, in order to build a positive, healthy and harmonious work environment. These additional welfares includes various commercial insurances, such as additional medical care insurance, serious illness, accident injury, female health, and life insurances etc., in the meanwhile, for an enhanced retirement life standard and elevated enterprise unity, a competitive employee annuity plan is also set up, as a means of effective capital management, to sustain and grow asset value.

- Legend Holdings' care extends from employees' daily life to families. "Family Day Activity" has become a favoured brand event among employees. Since 2010, Legend Holdings has organized seven such events where employees and their families gathered to exchange understanding and support for each other and foster recognition and feeling of belongings within this big unity.



## EMPLOYEES HEALTH AND SAFETY

Legend Holdings attaches great importance to employee health and safety, through active construction of healthy, positive workplace environment. Each subsidiary, according to industry characteristics, sets up certain work procedures and safety mechanisms to ensure employee safety and financial safety of the Company.

### Levima New Materials

Levima New Materials, a new chemical materials manufacturer, understands the importance of production safety by adhering to the policy of "Safety First, Prevention Focused, and Comprehensive Governance", with scientific development guidance and safety awareness, education and knowledge. Levima New Materials sets up "Safety Education and Training Administration Regulations", and specifies appropriate safety training and education objectives and requirement. Pursuant to real time conditions and training objectives, Levima New Materials identifies demand and sets up pertinent safety training and education plans accordingly.

In response to the safety standard system management, Levima New Materials incorporates risk control and scrutiny mechanism to construct safety production management system. In order to advance safety hazardous scrutiny, eliminate potential accident risk and reduce accident rate, Levima New Materials sets out "Potential Hazardous Scrutiny Management Regulations" for a long term efficacy of constructing a safety production and hazardous elimination mechanism. In addition, "Special Trade of Work Safety Management Method" is also set up, in compliance with as to further strengthen safety management work. "Safety Production Accident Handling Proposal" to set out measures to regulate accident handlings management work, elevate handling capability, utilize resources and conduct on-site handling procedure.

Levima New Materials stresses on employee health, sticking to the policy of "People Oriented, Prevention Focused, and Prevention and Handling Incorporated" and strives to improve workplace environment by preventing, controlling and eliminating occupational hazard. Through strengthening management, implementing policy and technical advancement with the aim of eliminating occupational diseases at root among other measures, Levima New Materials continues field monitoring of hazardous factors, in controlling and eliminating occupational hazardous potential leads. Also, Levima New Materials sets up staff individual health registrations fulfilled staff engagement in physical check by 100%.

### Lenovo Group

Adhering to the ideology of creating healthy and safety workplace for staff, Lenovo Group launched and implemented a series of policies and measures to ensure staff safety and health. Detailed information can be accessed at "Lenovo Group Sustainability Report 2015/2016" published on the website of The Stock Exchange.

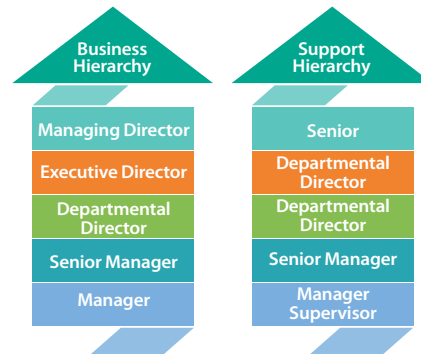
## CAREER DEVELOPMENT AND TRAINING

### LEGEND HOLDINGS

Legend Holdings stresses staff development, dedicating in building up broad room and platform to provide employees with career advancement path and comprehensive development system.

#### Career Development Path

The Company advocates professional improvement and constructs multiple development paths for employee based on characteristics of different trade of work. The construction of such career development path helps employee to identify status quo and future development directions, and further incorporates individual growth into long-term development of the Company, with targeted supervision and enhanced capability.



#### Talent Review

Through regular review on employee quantity, quality and structure, the Company holds discussions on key aspect of talent management in analysis of performance and potential. The outcome of the review not only formulates basis for talent development strategy, but also offers guidance on employee future development.



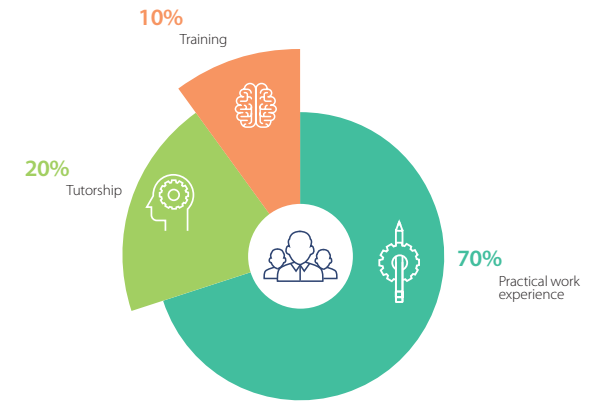
#### "7-2-1" Talent Development Tactics

Legend Holdings emphasizes on talent cultivation and adopts real-world practice, supervisor guidance and classroom training among other measures to facilitate talent growth, based on the following "7-2-1" principle:

70% of employee capability enhancement arises from practical work experience: Legend Holdings strategic and business development provides employee with broad opportunities to practice. Superintendents from each business sector and division assign challenging tasks, in response to individual capability and characteristics, to drive employee growth.

20% from tutorship: Legend Holdings sets up supervisor system, in which experienced managers or staffs act as supervisor to offer customized guidance and experience sharing for new employees in the course of career development.

10% from training: aligning with the Company's business development and staff need, Legend Holdings organizes sorts of administration, professional and general training programs either through internal resources or public engagement.



## SUPPORT FOR SUBSIDIARIES

Legend Holdings established “Legend Management Institute” to promote culture study within the Company and its subsidiaries, as well as practices of Legend working method and management ideology.

### Culture infusion

A traditional “Modeling” training program is in place, offering orientation of the Company development history, business status and management culture requirement for all new employees and member enterprises. This program is open to core management staff and employees stay in professional positions from each subsidiary. Over 849 employees participated in this program since 2010 when strategic investment business of the Company began to take shape. Half of these participants came from subsidiaries. Such program plays an important role for them in understanding the Company’s strategic goal and fostering unity.

Time	Year 2010	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Total
Participants	118	127	134	133	121	107	109	849

Legend Holdings “Modeling” Participants Statistics (2010~2016)



## Professional Skills and Management Capabilities Enhancement

The Company also provides reasonable resources for learning development in professional skills and management capabilities for its corporate members’ employees and to provide value-added services in the field of expertise.

These resources mainly include: leveraging on the platform of Legend Management Institute for continuous output of Legend Holdings enterprise culture and management experience, incorporating Bybo Dental, Golden Win Mao among other companies businesses, sharing our unique “reviewing” methodology to assist management in capturing business logic; tailor-made theme activities in orientation of Legend Holdings business and management culture for JC Finance & Leasing, Shanghai Neuromedical Center and other subsidiaries to expedite blending-in into the Company management system; supporting Zhengqi Finance, Levima New Materials and other subsidiaries in talent reserve project by sharing “Three Managerial Elements” of Legend Holdings, such as “Lead the team” out of our “Three Managerial Elements”.

As the parent company, Legend Holdings is also focusing on building the platform for the professional talents to learn and communicate by using its advantageous resources, in order to help the professional teams of its subsidiaries to enhance their ability on training and organizing development, and to facilitate mutual sharing of experience.

## Levima New Materials

Levima New Materials establishes and implements employee occupational development channel, through setting up various systematic mechanisms, such as “Staff Development Channel Construction Method”, “Star Operator Rating Management Method” and “Equipment Operation Engineer”, to formulate multiple development paths encompassing professional technology and operational technique such as launching. In accordance with promotion mechanism reflecting staff development and performance, technicians’ classification and operational technique level for each trade of work correspond with defined compensations.



## Bybo Dental

Bybo Dental organizes training program for employees encompassing every stage of their career development, including “Emerging Growth Plan”, “Bybo Chongqiong Dragon Plan” and “Bybo Leadership Nurturing Plan” among other programs, to provide opportunities of studying and mastering management skills and practical tools for management staff via multiple methods.

In the meanwhile, Bybo Dental offers standard and regulated medical training for medical staff, covering a wide range of disciplines, targeting varied levels and subjects, to meet demands of different trades of medical work.

## Lenovo Group

Lenovo Group’s innovation and breakthrough are closely interrelated with employee growth and development. By offering equal career advancement opportunity and comprehensive training system, Lenovo Group encourages employee dedication and specialization in assistance of individual development and value realization. Details of employee career development channel and specialized training system are accessible at “Lenovo Group Sustainability Report 2015/2016” published on the website of the Stock Exchange.

## OPERATION PRACTICE

The Report will describe in greater details the IT sector, the investment arm with products that are more well-known by the public and with brands that enjoy greater influence to the public.

## SUPPLY CHAIN MANAGEMENT

Legend Holdings adopts a sincere and responsible approach to establish an equal, fair, and effective long-term relationship with its business partners. With this relationship, the Company, together with the business partners, heightens the abilities for a sustainable development, discharge duties effectively and attain business goals successfully. Legend Holdings will ensure all its supply chain management measures vigorously adhere to local legal requirements.

## Lenovo Group

The Group adopts a standardized global procurement management system, and offers a fair and transparent procurement management model to protect the interests of suppliers. A set of “Suppliers Code of Conducts” has been formulated that is applicable to all suppliers of the Group. At the same time, the Group is committed to promoting sustainable activities through internal operations and supply chain operation movement. As a member of Electronic Industry Citizenship Coalition, the Group is currently involved in the development and implementation of a global strategy and program, with the aim to improve the general compliance standards of suppliers in the areas of sustainable development and social responsibilities. Through the terms and conditions of procurement orders, suppliers are requested to observe the laws, regulations and other rules on sustainable development. Please refer to “Lenovo Group Sustainability Report 2015/2016” published on the website of the Stock Exchange for greater details.

## PRODUCT RESPONSIBILITIES

Legend Holdings holds the view that the life cycle of each product from any of its investment arms, from design and development, production, sales, utilization and recycle, must comply with local legal requirements, and the Company also strives to reduce the impacts of its products on the environment. The Company concerns about the energy efficiency, use of materials and packaging of products, and enhances the environmental aspect of products through a series of technology advancement and operations.

## Lenovo Group

The Group keeps investing efforts to increase the sustainability of its products, and offers energy-efficient products to its customers. The idea of energy conservation is central to the whole process of products design and development. The Group, in response to the demands of energy-efficient products by the public, insists on making use of advanced technology to develop its products. For more details about the use of materials, packaging, environmental certification, logistics and recycle etc., please refer to “Lenovo Group Sustainability Report 2015/2016” published on the website of the Stock Exchange.

## ANTI-CORRUPTION

Legend Holdings strictly requires management and all employees to comply with the Company's "Anti-Corruption Management System", the "Code of Conduct" for employees and relevant national laws and regulations. At the same time, employees can directly complain and report to the management or relevant departments on infringement of rights due to the Company's fraud, immoral business practices, violation of laws and regulations and violation of professional conduct and other acts. The Company may handle the situation subject to the permission of laws and regulations and in compliance of effective investigation. In addition, in order to enhance the staff's sense of integrity, we require all new employees to be trained in the "Code of Conduct" and to train existing staff on a case-by-case basis.

## OUR ENVIRONMENT

As Legend Holdings has thoroughly expanded its' strategic investments, the influence on environment becomes an increasingly important consideration factor. The Group strives for environmental protection, energy conservation, reduction of emission as well as reasonable and effective usage of resources and energy for daily operating activities. The Group also ensures our compliance with "Law of the People's Republic of China on Appraising of Environment Impacts" relevant local environmental laws and regulations as well as the environmental emission standards of relevant industry during our operation in different regions.

To continue the practice of environmental management and improve the corresponding measures, the Group requires subsidiaries in different fields to establish a sound environmental emergency system based on specific business, to provide effective protection prevention management and control of environmental emergencies, as well as to improve plant production process and deploy resource recycling system to effectively save energy consumption. Meanwhile, the Group attaches importance to environmental management of office areas. Legend Holdings actively develops staff awareness on environmental protection, economic use of office resources and energy, and actively promotes green layout in industrial parks and the green building rating of office buildings.

The Group will continue to stringently comply with the relevant requirements of environmental protections, develop sustainable policies and designs, and strive to achieve full efficiencies of economic returns, social welfare and environmental protections.

For the five fields which Legend Holdings currently has businesses, two fields as new materials and IT have relatively large potential environmental influence. In this way, this Report would focus on these two major fields.

### Levima New Materials

Levima New Materials adheres to the concept of "environmental friendly and clean production, green and sustainable development". Through the innovation of production process, industrial organization, industrial layout, management mode etc., Levima New Materials leads green industry with green technologies and spares no effort in keeping environmental harmony. While trying to become a leader of the industry, Levima New Materials is dedicated to green, efficient and environmentally friendly enterprise citizen to make more valuable products and services for the society, customers and partners.

### Emissions Monitoring

During the reporting period, Levima New Materials continued to monitor air and water pollutants generated from self-operational process, and found no environmental incident. The total amount of emissions of all kinds of pollutants was far below the amount of pollutants the government approved. The concentrations of emissions were in line with the national and industry pollutant discharge standards.

In the aspect of solid waste treatment, Levima New Materials strictly complies with the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”. As for the non-hazardous waste treatment, Levima New Materials complies with the “Standards for pollution control on the storage and disposal site for general industrial solid wastes (GB 18599-2001)”. Referring to the definition from the “Directory of National Hazardous Wastes”, and according to the rules of “Technical specifications on identification for hazardous waste (HJ/T 298-2007)”, suitable treatment and recycling are conducted for hazardous wastes, ensuring that all solid wastes are disposed legally and reasonably. Detailed monitoring data is presented below:

Pollutants		Emissions (in tonnes)	Accounting for Approved Emissions (%)	Emission Concentrations	Standard Limit <sup>1</sup>
Air	NO <sub>x</sub>	148.77	23.47	80.2 mg/m <sup>3</sup>	200 mg/m <sup>3</sup>
	SO <sub>2</sub>	105.14	25.83	55.6 mg/m <sup>3</sup>	100 mg/m <sup>3</sup>
Water	COD	468.81	72.21	248 mg/L	500 mg/L
	(NH) <sub>3</sub> N	2.89	46.43	1.6 mg/L	45 mg/L

Note 1: the standard limit adopted “Integrated Emission Standard of Air Pollutants in Shandong Province” (the third period limit) and “Wastewater quality standards for discharge to municipal sewers (CJ343-2010)”

During the reporting period, Levima New Materials did not receive any reports on violation of the environmental laws and regulations.

## Upgrade Management

During the reporting period, Levima New Materials developed a third party clean production examination and an environmental incident risk assessment and other specific works.

During the 200 days clean production examination, based on the data accumulation, Levima New Materials summarized and analysed the “Point” of energy saving during production processes. Levima New Materials also implemented working “Zone” for major tasks including energy saving, electricity saving and operation management, which totally implemented 4 cost-free projects, 3 low cost projects, 4 medium cost projects and 2 high cost projects. Finally, the concept of environment-priority was inserted into “System” of analysing, training and operation, and was also put into all kinds of daily production operation.

Levima New Materials actively developed constructive works for environmental incident risk assessment system. Surrounding environmental situation was examined with self-resource, and environmental contingency system was established and improved in such pragmatic attitude according to actual situation and the national, provincial and urban guidance on contingency control plan.

The overall contingency plan (the company-level comprehensive plan) is considered as the core of the system. The specific contingency plans for heavily polluted days, emission reduction plans and radioactive source related plans are considered as the components of the system. On-site treatment plans in the operation stations are considered as the processes of the components. A solid guarantee of prevention and control of environmental incidents is achieved gradually by coordination and coherence.

## Respond to Climate Change

As more and more serious climate issues are approaching, Levima New Materials adheres to ecologic treatment and maintenance as major tasks of its environmental and culture construction. In 2016, new enhanced greenery is over 35,800 m<sup>2</sup>. Besides, Levima New Materials formulated specific contingency plans for heavily polluted days to coordinate daily monitoring and control works at national, provincial and urban levels. Levima New Materials also actively developed emission reduction related works.

## IT

As one of the core business, our subsidiary Lenovo Group also attaches great importance to self-environmental performance. As a global enterprise, the comprehensive lasting environmental management of Lenovo Group covers all aspects ranging from manufacturing offices, to product design, recycling and to the end of product life cycle. Influential environmental KPIs for Lenovo Group are also disclosed in the “Lenovo Group Sustainability Report 2015/16”. Please refer to the “Lenovo Group Sustainability Report 2015/16” published on the website of The Stock Exchange to get detailed information.

### Case study: Tree Planting - Corporate Citizenship, Social Responsibility

The tree planting programme starting from 2004 was organized by about 100 employees from Legend Family. With the concept of “Communication and Environmental Protection”, this programme has been continuing for 12 years, and becomes the most durable traditional public welfare activities with the widest coverage in Legend Family.

In these 12 years, nearly 1,000 volunteers planted nearly 1,000 trees by themselves. This action fully demonstrates Legend Family’s conception of “Corporate Citizenship, Social Responsibility”. Through this programme, employees not only achieved the desire for contributing to environmental protection, but also enhanced internal communication between subsidiary companies.



## PARTICIPATION IN COMMUNITY CHARITY

Legend Holdings has always strived for the goal of being a “trustworthy and respectable” Company. We integrate corporate social responsibility with the Company’s strategies, actively participate in activities in community charity to our full capacity, and focus on systematic planning about and long-term commitment to “assisting start-ups”, “supporting education”, and “advocating for social justice”. At the same time, Legend Holdings actively encourages its employees to participate in the community charity to practically fulfill social responsibilities and return to the society.

Legend Holdings firmly believes that, through persistent efforts, the idea of “be good people, do good deeds, set good examples for society” will be carried on from generation to generation within the Company.

### Legend Holdings Charity Foundation

Legend Holdings Charity Foundation is a non-governmental social welfare organization established by Legend Holdings on March 8, 2013. The funding of the Foundation is mainly from Legend Holdings and donations from other willing donors, including social organizations, individuals and staff of the Company. Adhering to the tenet "Exercise public charity, drive social development", the Foundation develops charity activities in areas of supporting education, assisting start-ups and advocating for social justice. In 2016, the major donations of Legend Holdings Charity Foundation include:

#### Legend Progress Class

The "Legend Progress Class" is a major public welfare project of Legend Holdings in the area of education. Since 2004, Legend Holdings established the "Legend Progress Education Foundation" to set up the "Legend Progress Class" in impoverished areas, offering assistance to high school students from needy families with good character and learning attitude to help such students change their destiny, finish high school and hopefully attend university constantly in the long-term. Over the past twelve years, Legend Holdings has set up 28 Legend Progress Classes in Guizhou, Gansu and other provinces and invested more than RMB20 million in the project, benefiting more than 1,700 students. In particular, the investment in 2016 amounted to RMB2.539 million, which was mainly used for financing the tuitions and living expenses of 390 students for the year.

By setting up Legend Progress Classes, we do not only provide the students with physical supports, but also help them mentally at different growth phases with an aim to broaden their horizons, deliver optimism and facilitate their healthy growth. In 2016, we invited internationally renowned training institutes to develop sessions for students of Legend Progress Class as to how to build self-confidence and freely express themselves.

After the college entrance examination in 2016, another group of teenagers from poor households changed their destinies by seizing the opportunities offered by the platform of "Legend Progress Class", in which the results of 95% students outperformed the criteria for undergraduate admission. One student from Duyun No. 2 Secondary School was admitted to Michigan State University. It coincides with what one of the attendees of Legend Progress Class expressed: "I am gifted a pair of flying wings from Legend Progress Class. I will fly out of this impoverished mountain area like a roc. In the future when I have the ability, I will try my best to reward my loved ones, uncles and aunts from Lenovo who had offered me help as well as this caring society."

In the future, Legend Holdings will continue to contribute Legend Progress Classes to help more young generations from impoverished families to finish their education, and in turn, change their lives.

### Haidian Education Foundation of Beijing

In order to support the education development in Haidian, the Foundation donated RMB2 million to Haidian Education Foundation of Beijing in 2016. The Foundation actively promotes the development of basic education in Haidian district and establishes good social climate of respect for teachers, driving more enterprises to care and concern about education.

#### Beijing Leping Welfare Foundation

In 2016, the Foundation contributed RMB1 million to Beijing Leping Welfare Foundation for the launch of daily charity projects, mainly including training programmes for migrant workers, cultivation of innovation talents in the community and education for children from low-income families as well as participation in the board meeting of the Foundation.

#### Legend Capital Special Foundation for Heroes, Models and Justice-upholders

Inheriting the fine Chinese tradition of honoring heroes and martyrs, carrying forward the spirit of self-sacrifice and dedication, and enhancing the awareness of caring for the gallantry and bravery and the families of fallen heroes and martyrs in society as a whole, Legend Holdings Charity Foundation donates to China Women Development Foundation every year. "Lenovo Capital Special Foundation for Heroes, Models and Justice-upholders" was set up for the needy families and the children of heroes, models and justice-upholders. In 2016, a sum of RMB1.80 million was donated and approximately a hundred of excellent frontline police officers in the political and legal system in Beijing and dozens of the good Samaritans with disability or family difficulties were relieved with consolation money.

#### Alxa SEE Ecological Association

Alxa SEE Ecological Association is currently the largest and most influential entrepreneurial green organization in China. Mr. Liu Chuanzhi, the Chairman of the board of directors of Legend Holdings, is a permanent member of Alxa SEE Ecological Association. In 2016, the Foundation also actively participated in the environmental protection event named "Say No to Shark Fin's Soup" jointly initiated by Alxa SEE Ecological Association and China Entrepreneur Club.

## PARTICIPATION IN PUBLIC WELFARE

Legend Holdings has been actively participated in social responsibility, including the hosting of Legend Star CEO Special Training Programs and donation of social welfare endowment.

### Legend Star CEO Special Training Programs

Started since 2008 up to 2016 for nine consecutive years, the special training programs have been enrolling entrepreneurs to join from the entire community. Among over 10,000 applicants, around 800 outstanding entrepreneurs' CEO were admitted to join the programs. Special training programs are conducted solely for the welfares of the community. They are conducted free of charge (including accommodation) and are highly reputable. Instructors team headed by Mr. Liu Chuanzhi, Chairman of Lenovo Holdings, comprised of frontline entrepreneurs and senior executives who possess profound practical experiences. The well-designed training contents are closely related to the characteristics of start-up enterprises aiming to meet the needs of frontline business leaders so as to inspire individual self-learning and development, to guide the entrepreneurs to establish the lofty pursuits of their enterprises and to develop a morality of having the interests of the enterprises come first. After completion of the program, the entrepreneurship alliance continues to provide a platform for these entrepreneurs to share and provide in-depth service products. Members of the alliance have reached nearly 800, one of which is NASDAQ listed, three of which are A-shares listed, more than 40 of which are listed on NEEQS, more than 50 of which are enterprises valued USD100 million. Such alliance has become one of the largest entrepreneurial ecological group in China. In the past nine years, Lenovo Star invested an aggregate amount of approximately RMB100 million, among which RMB11.67 million in 2016.



### Donation to China-United States Exchange Foundation (Beijing)

China-United States Exchange Foundation (Beijing) is a non-governmental and non-profit foundation promoting the communication and cooperation between China and the United States in various areas. In 2016, Legend Holdings donated RMB3 million to China-United States Exchange Foundation (Beijing) to finance the exchange and collaboration between China and the United States in various areas, promote mutual understanding and friendship among the citizens of China and the United States, improve and strengthen the bilateral relations, facilitate efficient, in-depth and comprehensive exchange and collaboration between China and the United States in political, economic, cultural, educational and other aspects as well as to enhance the mutual understanding and friendship among the citizens of the two countries and enhance their common interests and strategic mutual trust.

### Donation to Xidian University Education Foundation

In 2016, Legend Holdings donated RMB0.5 million to Xidian University to finance the communication and collaboration between the university and all sectors at home and abroad, and to promote the development of the education, scientific research and high-tech development of the university.

### Lenovo Group

Legend Holdings' subsidiary Lenovo Group is committed to working with employees and local communities to improve the quality of people's work and life and contribute to social development. Lenovo Group's main support in the field of social welfare focuses on promoting education, innovation and entrepreneurship, poverty alleviation and other three areas. Please refer to "2015/2016 Lenovo Group Sustainability Report" published on the website of the Stock Exchange for details and examples.

\* Should there be any discrepancy between the Chinese and English versions of the Report, the Chinese version shall prevail.

## APPENDIX: CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Pages
<b>Environmental</b>		
<b>Aspect A1: Emissions</b>		
<b>General Disclosure</b>	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.	12-13
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	12
<b>KPI A1.5</b>	Description of measures to mitigate emissions and results achieved.	12
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	13
<b>Aspect A2: Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	12-13
<b>Aspect A3: The Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.	13
<b>Social</b>		
<b>Aspect B1: Employment</b>		
<b>General Disclosure</b>	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.	6-8
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	6
<b>Aspect B2: Health and Safety</b>		
<b>General Disclosure</b>	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.	8

Subject Areas, Aspects, General Disclosures and KPIs	Description	Pages
<b>Aspect B3: Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	9-11
<b>Aspect B4: Labour Standards</b>		
<b>General Disclosure</b>	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.	6
<b>Aspect B5: Supply Chain Management</b>		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	11
<b>Aspect B6: Product Responsibility</b>		
<b>General Disclosure</b>	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.	11
<b>Aspect B7: Anti-corruption</b>		
<b>General Disclosure</b>	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.	12
<b>Aspect B8: Community Investment</b>		
<b>General Disclosure</b>	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.	14-16