



TENGY

浙江天潔環境科技股份有限公司

Zhejiang Tengy Environmental Technology Co., Ltd

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

(於中華人民共和國註冊成立的股份有限公司)

Stock code 股份代號：1527

2016

Environmental, Social and
Governance Report

環境、社會及管治報告

TABLE OF CONTENTS

Scope and Reporting Period	2
Stakeholder Engagement and Materiality	2
Stakeholders' Feedback	2
A. Environmental	3
1. Greenhouse Gas Emission	3
2. Emission Sources and Use of Resources	4
(i) Direct Emission	4
(ii) Electricity	4
(iii) Water	5
(iv) Waste	5
(v) Business Air Travels	5
(vi) Packaging Materials	6
B. Social	6
1. Employment and Labour Practices	6
(i) Employment	6
(ii) Employee Health and Safety	10
(iii) Development and Training	11
(iv) Labour Standards	12
2. Operating Practices	13
(i) Supply Chain Management	13
(ii) Product Responsibility	14
(iii) Anti-corruption	15
3. Community Investment	15

目錄

範圍及報告期間	2
持份者之參與及重要性	2
持份者之意見反饋	2
A. 環境	3
1. 溫室氣體排放	3
2. 排放源頭及資源使用	4
(i) 直接排放	4
(ii) 電力	4
(iii) 水	5
(iv) 廢棄物	5
(v) 航空差旅	5
(vi) 包裝物料	6
B. 社會	6
1. 僱傭及勞工慣例	6
(i) 僱傭	6
(ii) 僱員健康與安全	10
(iii) 發展及培訓	11
(iv) 勞工準則	12
2. 營運慣例	13
(i) 供應鏈管理	13
(ii) 產品責任	14
(iii) 反貪污	15
3. 社區投資	15

SCOPE AND REPORTING PERIOD

This is the first Environmental, Social, and Governance (“ESG”) report by the Group, highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

The principal activities of the Group are design, manufacture, installation and the provision of services for environmental products. The Group is an integrated atmospheric pollution control solution provider, with a primary focus on particulate emission control, offering mega-sized precipitators, flue gas desulphurization and denitrification equipment to customers in various industries. The main products provided by the Group are dry, wet, movable collecting electrode plate, high temperature and low temperature electrostatic precipitators (“ESP”), bag filters, electric-bag precipitators (“EBP”), dry, semi-dry and wet flue gas desulfurizers (“FGD”), selective catalytic reduction (“SCR”) and selective non-catalytic reduction (“SNCR”) denitration systems, denitration catalysts, dense-phase fly ash conveyor systems with fluidized pumps, fly ash conveyor systems of double pipes and pulp alkali recovery equipment. This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of the business operations in the People’s Republic of China (the “PRC”) including the headquarter office and the manufacturing plant in Zhuzi, Zhejiang Province from 1 January 2016 to 31 December 2016, unless otherwise stated.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant aspects for the Group to report on for this ESG report, key stakeholders including investors, shareholders and employees have been involved in regular engagement sessions to discuss and to review areas of attention which will help the business meets its potential growth and be prepared for future challenges.

STAKEHOLDERS’ FEEDBACK

The Group welcomes stakeholders’ feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at by@tengy.com.

範圍及報告期間

此乃本集團刊發的首份環境、社會及管治(「環境、社會及管治」)報告，以重點匯報其於環境、社會及管治方面的表現，而當中的披露事項乃經參考上市規則附錄二十七所述的環境、社會及管治報告指引及香港聯合交易所有限公司所訂指引後作出。

本集團主要從事設計、製造及安裝環保產品以及提供相關服務。本集團為綜合大氣污染防治解決方案供應商，主要專注於顆粒物的排放控制，在多個行業為客戶提供特大型除塵器、煙氣脫硫及脫硝設備。本集團的主要產品包括乾式、濕式、移動極板、高溫、低溫電除塵器、布袋除塵器、電袋複合除塵器、乾法、半乾法、濕法脫硫系統、SCR、SNCR脫硝系統及脫硝催化劑、濃相流態化倉式泵氣力輸送、雙套管氣力輸送系統及造紙鹼回收系統。除另有所指外，本環境、社會及管治報告涵蓋本集團在中華人民共和國(「中國」)的業務營運(包括位於浙江省諸暨市的總部辦事處及製造廠房)於二零一六年一月一日至二零一六年十二月三十一日止期間在環境及社會兩個主要範疇之整體表現。

持份者之參與及重要性

為確定本集團於本環境、社會及管治報告中所匯報之最重要範疇，投資者、股東及僱員等主要持份者已定期參與會議，以討論及檢討有助發揮業務潛在增長及裝備應付未來挑戰的注意事項。

持份者之意見反饋

本集團歡迎持份者就本集團的環境、社會及管治方針及表現發表意見。如欲與本集團分享閣下的建議或意見，請電郵至 by@tengy.com。

A. ENVIRONMENTAL

Types of emission sources the Group involved in the reporting period were mainly petrol, diesel, natural gas, electricity, paper, water and business air travel. The business does not involve in consumption of packaging materials.

The Group understands that electricity consumption in its business operation contributes to significant emission of greenhouse gas thus to global warming. The Group therefore implements initiatives in reducing electricity consumption. As a manufacturer of environmental protection equipment, the Group also proactively researches on advanced technologies in treating volatile organic compounds, achieving zero wastewater discharge in power plants, cleaner bag filters, and integrating de-sulfurization, dust removal and mist elimination.

Total floor area coverage for the Group was 37,327.50 m².

1. Greenhouse Gas Emission

A. 環境

於報告期間內，本集團的排放物來源主要包括汽油、柴油、天然氣、電力、紙張、水及航空差旅。業務並不涉及耗用包裝物料。

本集團明白，其業務營運耗用電力，造成重大溫室氣體排放，從而導致全球暖化。因此，本集團實行減低耗電量的措施。作為環保設備製造商，本集團亦積極研究更先進的技術，以處理揮發性有機化合物、以達至電廠廢水零排放、超淨布袋以及脫硫除塵除霧一體化。

本集團的總建築面積為37,327.50平方米。

1. 溫室氣體排放

Scope of Greenhouse Gas Emissions	Emission Sources	Emission ¹ (in tonnes of CO ₂ e) 排放量 ¹ (以噸二氧化碳當量計)	Total Emission (in percentage) 總排放量 (以百分比計)
Scope 1 範圍一			
Direct Emission ² 直接排放 ²	Unleaded petrol consumed by Group Owned Vehicles 本集團自有車輛耗用的無鉛汽油	133.08	3%
	Diesel consumed by Group Owned Vehicles 本集團自有車輛耗用的柴油	15.85	
Scope 2 範圍二			
Indirect Emission ³ 間接排放 ³	Purchased Electricity ⁴ 外購電力 ⁴	4,859.74	94%
Scope 3 範圍三			
Other Indirect Emission 其他間接排放	Business Air Travel 航空差旅	168.32	3%
Total 總計		5,176.99	

Note 1: Emission factors were made reference to Appendix 27 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

Note 2: Emission from natural gas consumption in staff canteens was not included in the calculation due to unavailable consumption data in the reporting period.

Note 3: Emission from water consumption was not included in the calculation due to unavailable consumption data in the reporting period.

Note 4: Combined margin emission factor (average) of 0.88 tCO₂/MWh was used for purchased electricity in Mainland China.

There were 5,176.99 tonnes of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation in the reporting period. The annual emission intensity was 0.14 tCO₂e/m².

2. Emission Sources and Use of Resources

(i) Direct Emission

A total of 49,146.29 litres of petrol and 5,715.63 litres of diesel were used for the Group-owned vehicles in the reporting period, contributing to 143.32 kg of nitrogen oxides, 10.24 kg of sulphur oxides, 7.82 kg of particulate matter emissions and 148.93 tonnes of carbon dioxide equivalent emission. The Group also used natural gas for cooking, contributing to direct emission of greenhouse gases. Emission from natural gas consumption was not included in the greenhouse gas emission calculation due to unavailable consumption data in the reporting period.

(ii) Electricity

The electricity consumption by the Group was 5,522,431 kWh, with an energy intensity of 147.95 kWh/m². The Group encourages staff to adopt energy saving measures, for example:

- Setting electronic appliances and equipment in energy-saving modes
- Switching off unnecessary lighting and electronic appliances

附註1：除另有所指外，排放系數乃參考主板上市規則附錄二十七及其香港交易及結算所有限公司所訂文件得出。

附註2：由於報告期間內未能取得員工食堂的天然氣耗用量數據，其排放量因而未有納入有關計算。

附註3：由於報告期間內未能取得耗水量的數據，其排放量因而未有納入有關計算。

附註4：合併邊際排放系數(平均值)每兆瓦時0.88噸二氧化碳已用於計算中國內地的外購電力。

於報告期間內，本集團營運所排放的二氧化碳當量溫室氣體(主要為二氧化碳、甲烷及氧化亞氮)為5,176.99噸。年度排放強度為每平方米0.14噸二氧化碳當量。

2. 排放源頭及資源使用

(i) 直接排放

於報告期間，本集團自有車輛合共使用了49,146.29公升汽油及5,715.63公升柴油，產生143.32千克氮氧化物、10.24千克硫氧化物、7.82千克顆粒物排放及148.93噸二氧化碳當量排放。本集團亦使用天然氣煮食，導致直接排放溫室氣體。由於報告期間內未能取得天然氣耗用量的數據，其排放量因而未有納入溫室氣體排放量的計算。

(ii) 電力

本集團的耗電量為5,522,431千瓦時，耗能強度為每平方米147.95千瓦時。本集團鼓勵員工採取節能措施，例如：

- 將電器及電子設備設置為節能模式
- 關掉非必要的照明設備及電器

- Installing air conditioners with thermostats
- Switching on air conditioners only when ambient temperature is 25°C or above
- Switching on heaters only when ambient temperature is 5°C or below

(iii) *Water*

Water consumed by the Group was supplied by the public water utility company. Water consumption by the Group was not available in the reporting period, but it is noteworthy that the consumption is insignificant. However, the Group reminds its staff to reduce water usage whenever possible.

(iv) *Waste*

The Group generates no hazardous waste in its operation. Non-hazardous waste generated from the Group's operation in the reporting period was mainly office paper. Other recyclables wastes were sold to recycling companies.

Office Paper

The Group practices paper saving initiatives, such as encouraging employees to use duplex printing for internal documents and adopt environmentally friendly printing habit. The Group also provides ample facilities and procedures for paper waste collection so as to enhance recycling efficiency.

(v) *Business Air Travels*

During the reporting period, employees travelled by air for meetings and collaboration, resulting in a total amount of 168.32 tonnes of CO₂ emitted.

- 安裝恆溫空調
- 僅在環境溫度為25°C或以上時方開啟空調
- 僅在環境溫度為5°C或以下時方開啟暖爐

(iii) *水*

本集團所耗用的水由公共水務公司供應。於報告期間，本集團未能提供用水量，惟值得注意的是用水量屬微不足道。然而，本集團提醒員工應盡可能節約用水。

(iv) *廢棄物*

本集團的業務並無產生有害廢棄物。於報告期間，來自本集團業務的無害廢棄物主要為辦公室用紙。其他可循環再造的廢棄物會售予回收公司。

辦公室用紙

本集團實施節約用紙措施，例如鼓勵員工雙面列印內部文件及養成環保的打印習慣，並提供充足的廢紙回收設施及程序，以提高回收效率。

(v) *航空差旅*

於報告期間，員工乘搭飛機前往開會及合作，合共排放了168.32噸二氧化碳。

(vi) *Packaging Materials*

The Group consumed channel steel, angle steel and cold-rolled steel for packaging its products. Below shows the total consumption in the reporting year.

Materials 物料	Consumption (in tonnes) 消耗量 (以噸計)
Channel steel 槽鋼	3
Angle steel 角鋼	5
Cold-rolled steel 冷軋鋼	3

(vi) *包裝物料*

本集團使用槽鋼、角鋼及冷軋鋼包裝產品。下表顯示於報告年度的總消耗量。

B. SOCIAL

1. Employment and Labour Practices

(i) *Employment*

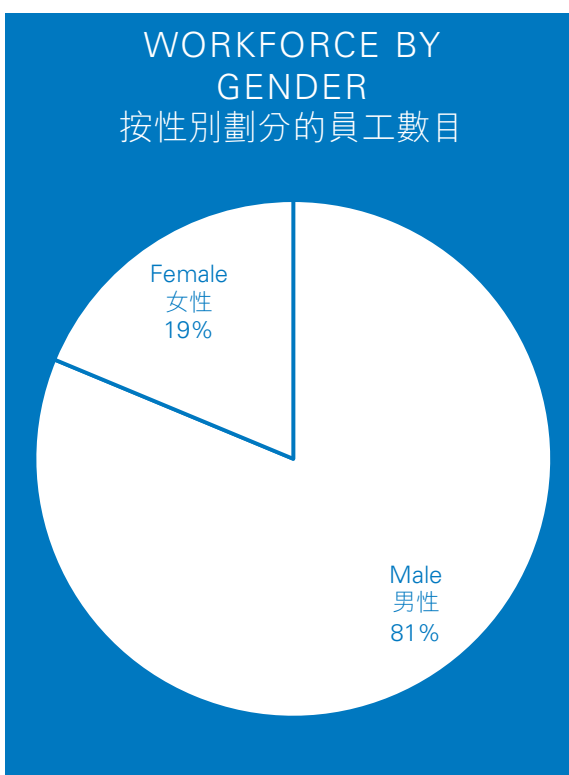
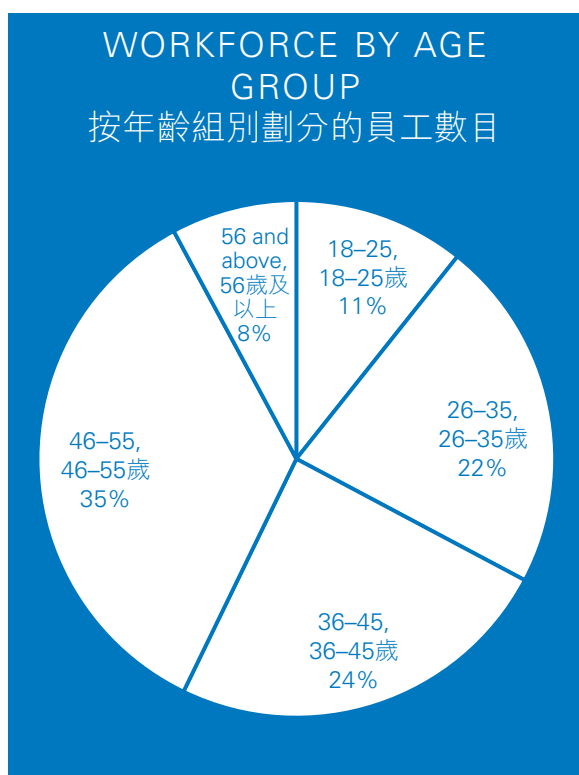
The Group had a total number of 598 employees as of 31 December 2016, in which all of them were full-time employees from different provinces of the PRC.

B. 社會

1. 僱傭及勞工慣例

(i) *僱傭*

於二零一六年十二月三十一日，本集團聘用合共598名員工，全體員工均為來自中國不同省份的全職僱員。



Competitive Compensation and Benefits

The Group offers competitive remuneration and strives to provide a pleasant and healthy work environment to staff. It established a remuneration management policy, which clearly stipulated pay scale of all positions, eligible welfare and subsidies, taxes and insurance of staff. The Board and the Human Resources Department set criteria of assessments, appraisals and audits, develop and implement the remuneration policy, award system, annual assessments and appraisals. Assessments help distinguish outstanding staff to be awards through cash or gifts. The transparent appraisal system serves as a basis for staff's remuneration and discretionary bonus adjustment.

Working hours are restricted to no more than 8 hours per day and 40 hours per week. Working hours can only be extended after consultation and discussion with the Labour Union (工會). The Group puts emphasis on staff's healthy lifestyle. Overtime work is normally restricted to an hour unless due to special reasons. The Group suggests that employees should not work overtime for over 3 hours per day and 36 hours per month. Apart from holidays under national regulations, staff is guaranteed to have at least one day of holiday per week. Annual leave, sick leave and other legal paid leave are provided to staff after approval from the management. Staff is also provided with social security from the mandatory housing fund contributions and social welfare benefits including pension insurance fund, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. Staff required to stay on-site is entitled to accommodation subsidies and free meals in canteens.

具競爭力的薪酬及福利

本集團提供具競爭力的薪酬，並矢志為員工提供愉快及健康的工作環境，亦制定薪酬管理政策，當中明確訂明所有職位的薪級表、合資格享有的福利及補貼、稅項以及員工保險。董事會及人力資源部亦訂立評估、評核及審核的標準，並制定及實施薪酬政策、獎勵制度、年度評估及評核。評估有助區分優秀員工，令彼等可獲得現金或禮品作為獎勵，而具透明度的評核制度則可作為調整員工薪酬及酌情花紅的基礎。

我們將工作時數限制於每天不超過8小時及每週不超過40小時。工作時數只能在與工會商討及磋商後方可延長。本集團重視員工的健康生活方式。除特殊原因外，超時工作一般限制於一小時。本集團建議，員工每天超時工作不應多於3小時，而每月超時工作則不應多於36小時。除國家規例規定的假期外，我們保證員工每週至少有一天的假期，並在管理層批准後，向員工提供年假、病假及其他法定有薪假期。員工亦獲提供強制性住房公積金供款及社會福利待遇等社會保障，當中包括退休保險金、醫療保險、失業保險、工傷保險及生育保險。須留駐工地的員工可享有住宿補貼及食堂的免費膳食。

Promotion and Dismissal

The Group regularly provides promotion opportunities to employees, with consideration of employees' capability, work experience, work performance, personality, attendance to compulsory training programs, adaptability and potential. Employees in related departments are always considered first before public recruitment when there is a job vacancy. Employees with outstanding performances or remarkable contribution to the Group can be promoted at times other than the standard promotion period.

With respect to dismissal, fair conditions for changing contract terms, conditions and procedures for termination of contract have been specified in the employment contract.

Equal Opportunity

The Group provides equal opportunities for employees in respect of recruitment, training and development, job advancement, and compensation and benefits. Employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic, background, religion, colour, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws in the PRC. It also provides a just and competitive environment in recruitment and job advancement. Favouritism due to personal relationships (such as family members, relatives and close friends) is not allowed. Employees that are relatives shall avoid positions with direct business relationships. The Group can make relevant position adjustments if necessary to maintain a fair work environment.

晉升及解僱

本集團考慮員工的能力、工作經驗、工作表現、性格、強制性培訓計劃的參與情況、適應能力及潛力，定期向員工提供晉升機會。當有職位空缺時，相關部門的員工總會於公開招聘前獲優先考慮。有傑出表現或對本集團有卓越貢獻的員工不時可在標準晉升期間以外的時間獲晉升。

於解僱方面，更改合約條款、條件及終止合約程序的公平條件已詳列於僱傭合約。

平等機會

本集團在招聘、培訓及發展、晉升以及補償及福利等方面為員工提供平等機會。員工不會基於性別、種族、背景、宗教、膚色、年齡、婚姻狀況、家庭狀況、退休、殘疾、懷孕或中國適用法律所禁止之任何其他歧視因素，而遭歧視或被剝奪有關機會。本集團亦在招聘及晉升方面提供一個公正及具競爭力的環境，不允許因私人關係(如家庭成員、親屬及摯友)而出現偏私的情況。身為親屬的員工應避免出任與業務直接相關的職位。如有需要，本集團能調整相關職位，以維持公平的工作環境。

Employee Communication

Effective communication helps to maintain positive relationships, facilitate innovation and build an efficient team. The Group encourages employees to communicate closely among themselves and with the management. It also recommends the management to be role models of their fellow staff, provide employees with pragmatic advice and encourage healthy lifestyle among employees. An "Award and Penalty System" is adopted so that employees with outstanding performance is rewarded, while employees committed misconduct or deceitful behaviours will be penalised.

Turnover

A total number of 61 employees left the Group in 2016, contributing to overall turnover rate of 10.20%. The annual turnover rates (categorized by age groups and gender) in the reporting period are as follows:

員工溝通

有效的溝通有助保持良好關係、激發創新，以及建立高效率的團隊。本集團鼓勵員工彼此之間及與管理層緊密溝通，亦建議管理層成為同事的榜樣，為員工提供務實的意見，並鼓勵員工實踐健康的生活方式。本集團採用「獎罰制度」，致使有傑出表現的員工可獲獎勵，而作出不當行為或欺騙行為的員工則遭受處罰。

流失率

於二零一六年，本集團共有61名員工離職，整體流失率為10.20%。於報告期間按年齡組別及性別劃分的年度流失率如下：

Annual Turnover Rate by Age Group 按年齡組別劃分的年度流失率	18–25	26–35	36–45	46–55	56 and above
2016 二零一六年	31.25%	16.67%	8.22%	2.87%	2.13%

Annual Turnover Rate by Gender 按性別劃分的年度流失率	Male 男性	Female 女性
2016 二零一六年	10.70%	8.04%

(ii) *Employee Health and Safety*

With the principle of "Safety first", the Group established a safe production management policy to ensure a preventative approach is adopted to any potential workplace hazards. The policy stipulated in-house rules in managing security, fire prevention, firefighting, personal protective equipment ("PPE") and work-related injuries. The Group performs safe production assessments to assess safety performances of different departments. Parties (including employees, departments and subsidiaries) who made significant contribution in safe production will receive cash rewards while parties in breach of the policy will be subject to disciplinary actions and held accountable under relevant laws or regulations in serious cases.

The Group provides a safe workplace with necessary PPE provided. Details of PPE distribution including distribution dates, recipients' details and type of PPE provided are recorded. The Group is in compliance with all fire control, labour protection and occupational health and safety related laws and regulations. With respect to the relatively high lost days due to work injury, the Group enhanced safety trainings to increase employees' awareness on safety. It also encourages employees to take adequate rest before they resume their duties after injury.

(ii) *僱員健康與安全*

本集團秉承「安全第一」的原則，制定了安全生產管理政策，以確保就任何工作場所可能出現的危險情況採取預防措施。有關政策訂明了管理保安、防火、消防、個人防護裝備（「個人防護裝備」）及工傷等方面之內部規則。本集團進行安全生產評估以評估不同部門之安全表現。在安全生產方面作出重大貢獻的人士（包括僱員、部門及附屬公司）將獲得現金獎勵，而違反政策之人士將受到紀律處分，並須就嚴重個案根據相關法律或法規負上責任。

本集團提供配備必要個人防護裝備的安全工作環境。分發日期、接收者詳情及個人防護裝備種類等的個人防護裝備分發詳情會記錄在案。本集團遵守所有有關消防、勞工保護及職業健康與安全的法律及法規。由於因工傷而損失的工作日數相對較高，本集團已加強安全培訓以提高僱員的安全意識，並鼓勵僱員在受傷後休息足夠，方始復工。

Occupational Health and Safety Data

職業健康與安全數據

2016

二零一六年

Work related fatality 與工作相關的死亡個案	0
Work injury cases >3 days 受傷多於3天的工傷個案	15
Work injury cases <3 days 受傷少於3天的工傷個案	0
Lost days due to work injury 因工傷損失的工作日數	873

(iii) *Development and Training*

Provision of employee training is one of the Group's long-term development strategies. The Group aims to equip employees with well-rounded qualifications in order to adapt to its dynamic business development, enhance work efficiency and stabilize its sustainable growth. Holding the corporate philosophy to "Value, Gather, Nurture and Utilize" talents, the Group provides ample training opportunities to employees and established a training management policy to maintain a standardized and structured training management. Trainings provided are categorized into internal (organized by the Group) and external (organized by external parties) trainings.

Internal trainings include induction training, general training and professional training. General training aims to enhance new employees' understanding in the Group's history, development, vision, operation and policy; while professional training familiarizes employees with their duties, relevant professional knowledge and skills. Other internal trainings include trainings on job responsibilities and work processes, which are compulsory for new employees.

External trainings include training on management skills, professional knowledge and skills that are not covered by internal trainings and personal development.

To cater for employees' needs, the Human Resources Department circulates surveys annually and quarterly to gather employees' preferences on trainings. The department will then formulate training proposals for the consecutive year and quarters, with thorough consideration of employees' needs, targets, content, organizer, audiences, time, venue, means and budget of the trainings.

(iii) *發展及培訓*

本集團其中一項長遠發展策略為提供僱員培訓。本集團旨在使僱員具備全面的資格，以適應其瞬息萬變的業務發展，提高工作效率及維持其可持續增長。本集團秉持「愛才、聚才、育才、用才」的企業理念，為僱員提供足夠的培訓機會，並制定了一套培訓管理政策以維持標準化及結構化的培訓管理。本集團提供的培訓分為內部（即由本集團舉辦）及外部（即由外界舉辦）培訓。

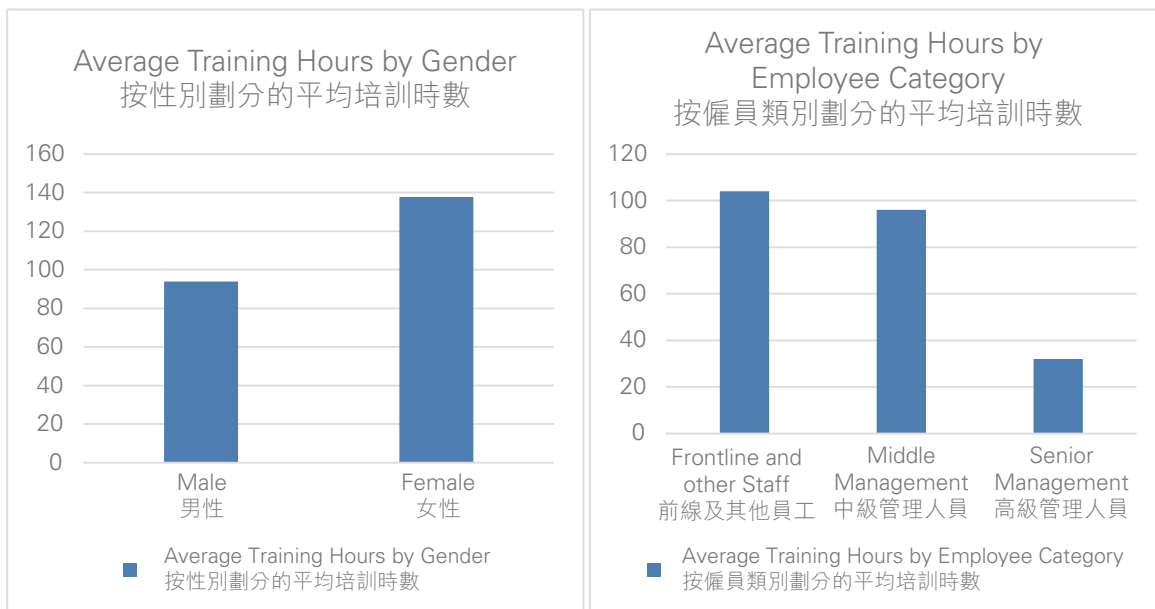
內部培訓包括入職培訓、一般培訓及專業培訓。一般培訓旨在加深新員工對本集團歷史、發展、使命、營運及政策的認識，而專業培訓則使員工熟習彼等的職責、相關專業知識及技能。其他內部培訓包括新員工必須接受的有關工作職責及工作程序之培訓。

外部培訓包括內部培訓及個人發展培訓並無涵蓋的管理技巧、專業知識及技能培訓。

為照顧員工的需要，人力資源部每年及每季均會分發問卷，以收集員工對培訓的偏好。該部門其後將全面考慮員工的需要、目標、內容、舉辦方、聽眾、時間、地點、方法及預算，以就來年及其後季度制定培訓於方案。

A total of 61,016 hours of training courses was conducted in the reporting period, in which 100% of the employees were trained. The average training hours completed per employee by gender and employee category are shown below.

於報告期間，我們合共舉辦了61,016小時的培訓課程，當中100%的僱員已接受培訓。按性別及僱員類別劃分，每名僱員完成的平均培訓時數如下。



(iv) *Labour Standards*

Pursuant to the Labour Law of the PRC, there was no child nor forced labour in the Group's operation. During interviews, job candidates' identity cards and household registration booklets are checked to ensure compliance with all applicable laws and regulations regarding labour standards.

(iv) *勞工準則*

根據中國勞動法，本集團的營運概無童工或強制勞工。我們會於面試時查核求職者的身份證及居民戶口登記簿，以確保遵守有關勞工準則的所有適用法律及法規。

2. Operating Practices

(i) Supply Chain Management

The Group manages its procurement (including rating of suppliers, formulation of contract, assurance, stocking and payment) in a just and transparent manner. Procurement management is centralized with selection of suppliers from a supplier directory, which logs qualified materials or equipment suppliers. Bulk and major materials are purchased through tendering and procurement agent. At least three quotations from different suppliers shall be obtained for comparison. Selection of supplier will be based on its price and quality. Materials Department records receipt of purchased materials while Quality Control Department conducts quality assurance assessments for acceptance of materials. In purchasing stainless steel, the Group selects stainless steel meeting American quality standards with mill test and inspection certificates provided.

Most materials were supplied by different provinces and cities of the PRC including Zhejiang, Jiangsu, Beijing, Hebei, Shanghai, Anhui, etc. in the reporting period.

2. 營運慣例

(i) 供應鏈管理

本集團以公正及透明的方式管理其採購(包括評價供應商、訂立合約、保證、貯存及付款)。採購乃由中央管理，並從供應商名錄(當中記錄了合資格的物料或設備供應商)選擇供應商。大批及主要的物料乃透過投標方式及採購代理購買，當中須取得最少三份來自不同供應商的報價以作比較。我們將根據其價格及質量選擇供應商。物料部於接收所購買物料時進行紀錄，而質量監控部則進行質量檢定評估以驗收物料。於購買不銹鋼時，本集團會選擇符合美國質量標準並提供工廠測試及檢查證書的不銹鋼。

於報告期間，大部分物料均來自中國不同省份及城市，包括浙江、江蘇、北京、河北、上海、安徽等。

(ii) *Product Responsibility*

Quality Assurance

Installation of products is supervised by on-site engineering staff while quality assurance staff regularly visits and conducts test to ensure products meet required standards. Product safety and quality is also assured by a stabilization period, which lasts for 168 hours with close monitoring to ensure emission from product complies with national emission standards. Warranty period covers one year after formal acceptance of products, which provides customers with after-sales services including technical services, emergency maintenance and necessary accessories.

The Group values customers' feedback and strives to improve its products and services continuously. The Marketing Department communicates closely with customers, understands and investigates customers' satisfaction on the Group's products and services. Investigation results will be provided to the Quality Control Department, Production Department or related departments for follow-up actions or evaluation. Any complaints received are to be dealt with promptly to ensure problems are solved with customers' satisfaction.

Confidential Information

According to the staff handbook, staff shall take cautions when dealing with any trade secrets. Customers' data is also protected with restricted access to ensure a high level of privacy.

(ii) *產品責任*

質量檢定

產品安裝乃由現場工程人員監察，而質量檢定人員則定期到訪及進行測試以確保產品符合所需標準。產品均獲長達168小時經密切監察的穩定期，保證產品的安全質量及確保產品的排放符合國家排放標準。保質期自正式驗收產品起計為期一年，為客戶提供售後服務，包括技術服務、緊急維修及必要配件。

本集團重視客戶的意見，並持續致力改進其產品及服務。營銷部與客戶保持密切溝通，以瞭解及調查客戶對本集團產品及服務的滿意度。調查結果將傳達予質量監控部、生產部或相關部門作跟進或評估。任何接獲的投訴均會獲迅速處理，以確保在客戶滿意的情況下解決問題。

機密資料

根據員工手冊，員工應謹慎處理任何商業機密。客戶資料的取用亦受到限制，以確保能高度保障其私隱。

(iii) *Anti-corruption*

The Group complies with the anti-corruption related regulations and laws of the PRC. Its staff handbook specified that it is the staff's duty to create a work environment with integrity, honesty and a high standard of ethics. Staff shall not receive undue benefits and shall avoid conflict of interest. Rebates and commissions shall be reported to the Company, embezzlement is strictly prohibited. Those violating the code of ethics as stipulated in the staff handbook will be pursued with economic compensation and can be held accountable under relevant laws in serious cases. Staff is encouraged to cease or report any noticed improprieties to relevant departments. Staff may report anonymously if he or she does not want to reveal his or her identity.

There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the reporting period.

3. Community Investment

The Group advocates staff to make contributions to the community. It regularly participates in blood donation activities.

(iii) *反貪污*

本集團遵守中國與反貪污相關的法規及法律。本集團的員工手冊指明，創造具誠信、誠實及高道德標準的工作環境乃員工的職責。員工不得收取不當利益，並應避免利益衝突。回扣及佣金須向本公司報告，而員工亦嚴禁盜用公款。違反員工手冊所載道德守則的員工將被要求作出經濟賠償，並可能須就嚴重個案根據相關法律負上責任。我們鼓勵員工杜絕不當行為，或就任何已發現的不當行為向有關部門舉報。員工如不願透露身份，可匿名舉報。

於報告期間，概無對本集團或其僱員提出並已審結的貪污的訴訟案件。

3. 社區投資

本集團支持員工為社區作出貢獻，並定期參與捐血活動。

TENGY

浙江天潔環境科技股份有限公司
Zhejiang Tengy Environmental Technology Co., Ltd