



亞洲聯網科技
有限公司

Asia Tele-Net and Technology Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 0679)



2016

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

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About Us

Asia Tele-Net and Technology Corporation Limited, as our name tells, we are based in Asia to provide advanced technologies to our customers worldwide. We are an investment holding company holding investments in various disciplines with particular strength in electroplating technologies. Through our brand “PAL”, it is our mission to apply electroplating technologies in different applications or business segments so that the Group would grow segment by segment. This strategy would also help us to smooth out any cyclical effect in one particular segment and hence a more stable turnover and profitability level for the benefits of shareholders.

About this Report

The board of directors of the Company is pleased to present its first environment, social and governance report for the year ended 31 December 2016. This report discloses the Company's measures and performance on sustainable development issues so that our stakeholders would appreciate our effort and commitment towards environmental protection and social responsibilities.

REPORTING YEAR AND SCOPE

The information contained in this report covers operational activities of our Hong Kong office, manufacturing facilities and various service centers in the People's Republic of China ("PRC") during the period from 1 January 2016 to 31 December 2016.

REPORTING STANDARDS

This report was prepared in accordance with Appendix 27 "Environmental, Social and Governance Reporting Guide" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Data disclosed in this report are results of internal statistics and analysis on four main aspects, namely environmental protection, operational practices, employee care and community involvement.

ACCESS OF THIS REPORT

This report is released online. The online version is available on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.atnt.biz). This report is released in Chinese and English version. Should there be any discrepancies between the two versions, the English version shall prevail.

FEEDBACK

Our continued improvement depends on your valuable comments on the contents and form of this report. If you have any question or suggestion, please send it to esg@atnt.biz via email or to our Hong Kong office by post to No. 11 Dai Hei Street, Tai Po Industrial Estate, New Territories, Hong Kong.

Environmental Protection

The Group formulates policies and measures to identify and minimize wastes and emissions from our operations. Main discharges generated from our operations are emission, solid waste and water.

We have established a data collection system to measure our emissions and waste generation. By analyzing the data year by year, it will help us identifying problematic areas and hence establishing rectification measures.

EMISSIONS

Given the nature of our businesses, our emissions mainly come from indirect energy consumption in terms of electricity. Therefore, management of energy conservation is reinforced in our offices through the following policies and measures:-

- Promote and use high efficiency or energy-saving equipment
- Promote concept of energy-saving and emission reductions amongst employees by reminding employees to turn off any computers, printers, light and other office equipment that are not being used
- Set ventilation system with an average temperature at around 25 degrees Celsius
- Offer company coach services to staff so that they commute between office and major bus/MTR stations via our company coach which is a similar form of public transport
- Reduce frequency of travel by encouraging the use of video-conferencing

Environmental Protection

Relevant emission data are reported below.

A. Air emissions and greenhouse gas emission from the fuel consumption

	Hong Kong office	PRC offices
A1.Pollutants from air emissions		
NO _x emissions (g)	29,181	231,840
SO _x emissions (g)	279.22	455
PM emissions (g)	2,648.06	17,360
	Hong Kong office	PRC offices
A2.Greenhouse gas emission		
CO ₂ emissions (kg)	45,760	73,038
CH ₄ emissions converted to CO ₂ emissions (kg)	90	160
N ₂ O emissions converted to CO ₂ emissions (kg)	5,920	9,994

B. Greenhouse gas emissions from other sources

	Hong Kong office CO ₂ emissions (kg)	PRC offices CO ₂ emissions (kg)
Use of electricity	307,720	1,060,328
Use of natural gas in kitchen	N/A	125,525
Generated from wasted paper	8,870	2,395
Electricity used by Water Supplies Department for fresh water we consumed	830	N/A
Electricity used by Drainage Services Department for sewage we generated	370	N/A
Generated from business travel activities	348,520	14,982
TOTAL	666,310	1,203,230

Environmental Protection

SOLID WASTE

Our day to day operations mainly generate non-hazardous solid waste including production remaining materials and office garbage. Our policies and procedures for minimizing solid waste are summarized below.

- Production remaining materials refer to the leftover materials and offcuts from manufacturing process. In order to minimize these remaining materials, we use CNC machining whenever possible to reduce yield loss and we set a maximum benchmark for each project. When this benchmark is crossed, responsible engineers and supervisors are required to answer for this in the review meeting
- As part of the process to reduce costs for our customers and to offer a lower price, our engineering teams continuously offer ideas on minimal material consumption design for our customers to consider
- Production remaining materials will be sorted into recyclable and non-recyclable ones. The Group works with recycling companies and hand the waste for their recycling and handling. For the non-recyclable waste, the Group will dispose them at approved waste centers
- We encourage use of recycled or reuse papers
- We encourage practice of double-sided printing
- We use recycled plastic cartridges in photocopiers and printers
- We enable passwords control at photocopiers and printers so that staff could have a second-thought before actual printing and to delete any document which is activated to print by mistake
- As part of supply chain management, we will use eco-friendly packaging material whenever possible

Total hazardous waste produced: 180.76 tonnes and intensity: 12.91 tonnes per research and development project

Total non-hazardous waste produced are as follows:–

	Hong Kong office		PRC offices	
	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity
Food waste	3.41	0.02 tonnes per employee	142	0.31 tonnes per employee
Office garbage	57.07	0.37 tonnes per employee		
Test panel waste	30.90	2.21 tonnes per project	N/A	N/A
Packing material waste	0.24	N/A	N/A	N/A
Production remaining materials	N/A	N/A	6.5	N/A

Environmental Protection

WATER

The Group uses water in three main areas, namely cleaning required during manufacturing process, water consumed for testing equipment and water consumed in office and staff quarters. Water consumed in office and staff quarters are for drinking and cleaning purposes.

As a equipment manufacturing, the volume of water we consumed during manufacturing process is relatively low. The only cleaning process involved is welding of stainless steel.

From time to time, the Group is required set up small testing equipment in Hong Kong. We mainly use distilled water and chemicals for testing purposes. After testing, hazardous waste water will be produced and will be stored in special containers. This hazardous waste water will be sent to professional contractor licensed by the Environment Protection Department for further processing before discharge to the drainage system. In order to reduce the consumption of distilled water, our testing team will carefully evaluate each project and will try to use fresh water instead of distilled water whenever possible.

Water consumption in total and intensity are as follows:-

	Hong Kong office	PRC offices	Research & Development project
Water consumption in total (cubic metres)	2,031	22,862	37
Intensity	13.21	50.69	2.673
	cubic metres per employee	cubic metres per employee	cubic metres per project

USE OF RESOURCES

Due to our business nature, we do not consume directly any natural resources. We consume natural resources indirectly by purchasing raw material such as plastic sheet, stainless steel and electronic components. As such, we believe that if we are conscious of the way we design our product and the way we operate so as to consume less of raw material, electricity and water, we will be doing less harm to the environment.

We promote a “Green” concept and is committed to act in an environmentally responsible manner through its office management and daily operation. Employees are encouraged to follow all those measures listed above and to contribute ideas to further reduce the use of resources.

During the year, we held “Ecology and Environmental Protection” one day trip in Sai Kung to promote “Green” activity.

Environmental Protection

Through the activity, our employees are not only can have relax out of city but also can have opportunity to recognize the worth of natural environment.



Consumption of vehicles fuels and electricity in total and intensity are as follows:–

	Hong Kong office	PRC offices
Consumption of vehicles fuels (tonnes)	19.0649	30.7653
Intensity (tonnes per employee)	0.124	0.068
	Hong Kong office	PRC offices
Consumption of electricity (kWh in '000s)	569.858	1,683.061
Intensity (kWh in '000s per employee)	3.706	3.732

Total packaging material used for finished products: 251 tonnes

MINIMISING ENVIRONMENTAL IMPACT

Managing the environmental impact of what we do is a high priority within our group. We continuously work to prevent harm to the environment by adopting and implementing best practice at all of our sites worldwide. Our policy is to minimise the environmental impact of what we do, while continuing to deliver reliable products and services for our customers.

In order to achieve this, we:

- integrate our environmental policy across the Group;
- comply with environmental legislation and regulation in every country in which we operate; and
- establish environmental targets and monitor them continuously, analysing and reporting the results to our management team

Environmental Protection

1/ Reduction in energy consumption

We measure and monitor consumption with the sincere aim to reduce the amount of energy we use in our offices and factory wherever possible. This will indirectly reduce greenhouse gas emissions.

2/ Water consumption

We strive to reduce the amount of water we use in the coming years compared to this year.

3/ Waste management

We always seek to use materials more efficiently to reduce the amount of potentially harmful waste we generate. This includes reviewing the type and quality of materials we source as well as the way we make and package our finished goods. We are committed to good recycling practices and also recommend that our suppliers to do so.



COMPLIANCE TO LAWS AND REGULATIONS

During the year, the Group strictly adheres to the required law and regulations in relation to all environmental issues.

Operational Practice

SUPPLY CHAIN MANAGEMENT

Sound supply chain management ensures the Group to sustain its business operations and development. We have maintained strong relationships with our suppliers to meet our customers' needs in an effective and efficient manner. When selecting suppliers, the Group takes factors into accounts such as quality of products, price, reliability and anticipated market acceptance. The Group expects suppliers to observe the environmental, social, health and safety and governance considerations in their operations.

During the year, geographical distribution of our suppliers by number are as follows:–

Region	Quantity	Percentage
China/Hong Kong	302	80.32%
Southeast & East Asia (except China)	33	8.78%
USA	7	1.86%
Other region	1	0.27%
Europe	33	8.78%
Total	376	100.00%

PRODUCT RESPONSIBILITY

The Group recognizes quality product with good safety features and excellent after-sale-service are key to the success and sustainability of a corporation.

Our engineering team will ensure that our electroplating equipment is designed to meet appropriate safety standards. Appropriate electrical components are selected to meet various local requirements e.g. UL marked components for American customers, CE marked components for European customers.

The Group's manufacturing facilities are ISO certified and have a comprehensive set of quality control policies to ensure that any major defects are identified and rectified before shipment. We have regular weekly departmental meetings and monthly management meetings to report, review, monitor each project and to address customer's request.

We have also set up various service centers and their locations are closer to our customers' manufacturing facilities. Our experienced technician will provide on-time after-sale-service and solutions to our customers.

During the reporting period, we experienced no product recall.

Operational Practice

INTELLECTUAL PROPERTY

We are one of the few Hong Kong companies who will maintain its own technology development team in Hong Kong. The Group would continue to commit on product reengineering, research and development in next generation technology and costs reduction measures so that we are able to grab fruitful return and further strengthen our leading position in electroplating equipment.

We respect original design and work done. Apart from registration of trademark, the Group has also patented some of our top-notch engineering design. We warrant to our customers that we have good titles to the technology and design in the equipment we sold to them.

As we will from time to time develop new product or process with our customer or other engineering firm, it is our practice to sign non-disclosure agreement with them to protect each party's rights in its own intellectual property.

DATA PRIVACY

The Group is abided by the Personal Data (Privacy) Ordinance, Law on Protection of Consumer Rights and Interests of the PRC. Information collected would only be used for the purpose for which it is intended for.

Besides, we have included in the employee handbook several confidentiality provisions which require employees to keep confidential of the information they receive from time to time from our customers or business partners. Also, access rights are set so that the information in our ERP system, databases and servers is only available for colleagues who are responsible for that particular area. This is to avoid undue disclosure of information.

ANTI-CORRUPTION

To maintain a fair and ethical business environment, the Group strictly adheres to the anti-corruption laws in every country in which we operate. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, and with integrity in all our business dealings and relationships, wherever we operate.

The Group has issued an Anti-Corruption Policy Statement to educate staff what is bribery and advise them on how to avoid and how to raise a concern to management. We have also stated clearly in the statement what enforcement action may be taken including disciplinary action and reporting to the relevant authorities. At the same time, we assure our staff that they will not suffer retaliation for reporting, in good faith, a violation or suspected violation of the anti-corruption policy statement.

During the year, we have arranged a talk by Hong Kong Independent Commission Against Corruption to further enhance the anti-corruption concept amongst our employees.



Employee Care

EMPLOYMENT PRACTICE

Employees are our valuable assets. To strengthen our employees' loyalty, satisfaction and competence development, the Group adheres to fair and open recruitment, provides protection of rights and interests as well as benefits, welfare and care for each employee. In addition, we provide a health and safety working environment and appropriate training to our employees.

Fair and open recruitment

We recruit staff based on fair and open principles to ensure the recruitment and selection process is objective and consistent. We avoid any employment discrimination and offer equal employment opportunities to all candidates.

Employment terms

To protect the legitimate rights and interests between the Group companies and the employees, all successful candidates are required to sign an employment contract which outlines all agreed terms. We have also issued employees' handbook which covers and governs the compensation, discipline, recruitment, promotion mechanism, working hours, leaves and other benefits and welfare offered by the Group.

Appraisal

To evaluate the performance of employees, we conduct performance appraisal annually for our employees. Through a bilateral communication during appraisal, the Company and employees would have a chance to understand more deeply the need of each other, and to discuss employee's work performance, achievement, expectation and goals setting and achieved in order to improve and/or enhance work performance.

Benefits, welfare and employee care

We provide medical and life insurances, mandatory provident fund scheme, free lunch, company coach service and overtime travelling allowances to our employee. Education subsidies will also be granted to appropriate employees.

To create a sense of belonging, the Company also provide massages machines, sofa and television in rest spaces and room for breast-feeding. The Group also provides accommodation to the employees in our China factory.

Employee Care

WORKFORCE DISTRIBUTION

The workforce and turnover rate of employees by employee category (Hong Kong office) for the year 2016

Employee category	Number of employees as at 31 Dec 2016	Number of employee category over total number of employees as at 31 Dec 2016	Number of employee turnover	Percentage of turnover over average total number of employees
Management	35	23.50%	1	0.65%
Production Staff	0	0.00%	0	0.00%
Engineers	59	39.60%	14	9.11%
Technicians	14	9.40%	0	0.00%
Others	41	27.50%	6	3.90%
Total	149	100.00%	21	13.66%

Average total number of employees 153.75

The workforce and turnover rate of employees by gender and age group (Hong Kong office) for the year 2016

Gender and age group	Number of employees as at 31 Dec 2016	Number of employee by gender and age group over total number of employees as at 31 Dec 2016	Number of employee turnover	Percentage of turnover over average total number of employees
Male				
30 or below	23	15.44%	7	4.55%
31-40	26	17.45%	5	3.25%
41-50	29	19.46%	4	2.60%
51 or above	33	22.15%	1	0.65%
Sub-total	111	74.50%	17	11.06%
Female				
30 or below	10	6.71%	2	1.30%
31-40	7	4.70%	2	1.30%
41-50	10	6.71%	0	0.00%
51 or above	11	7.38%	0	0.00%
Sub-total	38	25.50%	4	2.60%
Total	149	100.00%	21	13.66%

Average total number of employees 153.75

Employee Care

The workforce by employee category (PRC offices) for the year 2016

Employee category	Number of employees as at 31 Dec 2016	Number of employee category over total number of employees as at 31 Dec 2016
Management	9	2.01%
Production Staff	154	34.38%
Engineers	106	23.66%
Technicians	44	9.82%
Others	135	30.13%
Total	448	100.00%

The workforce of employees by gender and age group (PRC offices) for the year 2016

Gender and age group	Number of employees as at 31 Dec 2016	Number of employee by gender and age group over total number of employees as at 31 Dec 2016
Male		
30 or below	63	14.06%
31-40	146	32.59%
41-50	138	30.80%
51 or above	37	8.26%
Sub-total	384	85.71%
Female		
30 or below	22	4.91%
31-40	24	5.36%
41-50	14	3.13%
51 or above	4	0.89%
Sub-total	64	14.29%
Total	448	100.00%

We shall report the turnover rates for our PRC offices starting from next year.

Employee Care

HEALTH AND SAFETY

The Group places great emphases on occupational health and safety. In our Hong Kong office, we have set out guidelines in our employees handbook. In our China office and factory, we are abided by the relevant laws and regulations such as “中華人民共和國安全生產法”. We have also set various guidelines such as “職業衛生管理制度匯編”, “職業健康衛生的防護與管理操作指引” and “安全管理和事故預防紀律處分規定”.

By adoption of these guidelines, we aim to provide a health and safe working environment which protect the employees from occupational hazards.

The Group has dedicated department and personnel for safety management in offices, factory and customers' sites. The Group has developed the relevant safety systems and operating procedures as follows:–

- At China factory
 - established Work Safety Department
 - appointed safety officers to conduct daily safety check at factory and remind staff to wear appropriate protection gears including safety helmets and belts when they are at works
- At office
 - appointed safety officer to inspect the office safety regularly
- At customers' sites
 - team leaders act as safety supervisors to conduct relevant safety training beforehand and to provide safety guidance during installation to our staff and sub-contractors (if any)
 - team leaders have to ensure staff will wear protective gears and uniform where necessary such as safety shoes, safety helmets, protective goggles, mask and acid-proof gloves (“Protective Equipments”) provided by the Company before starting the work
 - at the sites in Taiwan, all our staff are required to attend local safety training before entering into customer's site
 - the Group provides a comprehensive safety handbook to staff who works at the site
- At laboratory
 - manager or team leader will provide standard safety testing procedures and training to the staff
 - ensure staff to wear the Protective Equipments before commencement of work
 - has well-developed first-aid equipments and kits
 - has installed shower to wash away hazardous chemicals

Employee Care

In 2016, there was no fatal accident happened. Lost days in relation to slight work injury are as follows:–

	Hong Kong office	PRC offices
Lost days	19	0.5

During the year, the Company invited Department of Health and Occupational Safety & Health Council to hold a seminar called “Health Diet and Physical Activity” in our Hong Kong office. Our employees have enthusiastically participated such activity. Through the activity, our employees obtained some professional opinions on health diet and received demonstration on how to do some simple physical exercise at office for health keeping.



On the other hand, the Company provides ergonomics stands to those employees who use notebooks at work to reduce occupational strain.

DEVELOPMENT AND TRAINING

The Company encourages our employees to improve their knowledge and skills for discharging their duties at work. If the employees have interest in relevant course, they can apply to their manager for training subsidies.

Employee Care

Average training hours completed by employee is summarized as follows:-

The information of employees trained by employee category (Hong Kong office) for the year 2016

Employee category	Number of trained employees	Average training hours completed	Percentage of trained employees over average total number of employees
Senior Management	2	16.00	1.30%
Middle Management	7	138.50	4.55%
Engineers	4	49.00	2.60%
Technicians	2	4.00	1.30%
Production Staff	0	0.00	0.00%
Others	4	70.50	2.60%
Total	19	278.00	12.35%

Average total number of employees 153.75

We have also worked with professional training organization and have scheduled training classes in coming year.

LABOUR STANDARD

The Group is strictly in compliance with the Employment Ordinance of Hong Kong, Labour Law of the PRC and Protection of Minor Laws of the PRC. We fully recognize that child labour and forced labour violate fundamental human rights and have established measures to combat against illegal employment on child labour and forced labour.

During the recruitment process, we will require job applicants to provide a valid identity documents for our verification. A copy of their identity documents will be kept in file and would be subject to subsequent check and inspection. If any dishonest disclosure is found, we will terminate his or her employment immediately.

Community Involvement

During the year, we participated the “Shine Tak Hiking Walk” event held by Hongkong Shine Tak Foundation Association Limited. The purpose of the event is to sponsor teenagers who use their innovative ideas to create the care technology products for the need of people in the community.

Our employee also participated the “Race to Feed 2016” charity run activity held by Heifer Hong Kong to support Heifer’s poverty alleviation program in China.

In addition, we made contribution to Great Eastern Judo Union in order to develop judo sport.

During the year, we spent about HK\$182,000 in total on the above events.



