



意科控股

# eFORCE HOLDINGS LIMITED

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(STOCK CODE : 943)

Environmental, Social and  
Governance Report **2016**

## Contents

ABOUT THIS REPORT	2
INTRODUCTION	3
STAKEHOLDERS ENGAGEMENT	4
ENVIRONMENTAL ASPECTS	5
EMISSIONS	5
USE OF RESOURCES	5
THE ENVIRONMENT AND NATURAL RESOURCES	6
SOCIAL ASPECTS	7
EMPLOYMENT AND LABOUR PRACTICES	7
EMPLOYMENT	7
HEALTH AND SAFETY	8
DEVELOPMENT AND TRAINING	9
LABOUR STANDARDS	10
OPERATING PRACTICES	11
SUPPLY CHAIN MANAGEMENT	11
PRODUCT RESPONSIBILITY	12
ANTI-CORRUPTION	15
COMMUNITY	15
COMMUNITY INVESTMENT	15



## About This Report

eForce Holdings Limited (the “Company”), together with its subsidiaries (the “Group”), is pleased to present the first Environmental, Social and Governance Report (the “Report”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance issues. This Report is prepared by the Group with the professional assistance of APAC Compliance Consultancy and Internal Control Services Limited.

### PREPARATION BASIS AND SCOPE

This Report is prepared in accordance with Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) (the “Listing Rules”) – “Environmental, Social and Governance Reporting Guide” and has complied with “comply or explain” provision in the Listing Rules.

This Report summarises the performance of the Group’s operations which are considered as material in respect of corporate social responsibility - namely (i) manufacturing and trading of healthcare and household products (the “Healthcare and Household Business”) and (ii) production and sales of microorganism fertilizers and agricultural products, cultivation and processing of organic vegetable and fruits (the “Agricultural Business”) in the People of Republic of China (“PRC”). In view of the first time of publishing of the Report, only general disclosure of required aspects is disclosed. The Group will continue to optimise and improve according to the disclosure requirements. This Report shall be published both in Chinese and English. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

### REPORTING PERIOD

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2016 to 31 December 2016.

### CONTACT INFORMATION

The Group welcomes your feedback on the Report for our sustainability initiatives. Please contact us by email to [info@eforce.com.hk](mailto:info@eforce.com.hk).



## Introduction

In the Healthcare and Household Business, we have a manufacturing site in Tangxia, Dongguan. It mainly manufactures powered toothbrush, hair clippers, health and beauty care devices and other personal care products.

In the Agricultural Business, we research and develop microbial technology in order to enhance the production process of organic farming. We aim to improve the quality of agricultural products and reduce production cost.

The Group is committed to responsible operation and value creation for stakeholders and community by integrating environmental and social factors into management considerations. Sustainability strategy is based on the compliance with the legal requirements in the area we operate and opinions from stakeholders. It is crucial for the Group's growth in order to achieve business excellence and to build capabilities for long-term competitiveness. The Group has established various policies to manage and monitor the risks related to the environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas have illustrated in this Report.



## Stakeholders Engagement

The Group acknowledges the importance of intelligence gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. The following table provides an overview of the Group's key stakeholders and various platforms and methods of communication are used to reach, listen and respond.

Stakeholder	Expectation	Engagement channel
Government	<ul style="list-style-type: none"> <li>– To comply with the laws</li> <li>– Proper tax payment</li> <li>– Promote regional economic development and employment</li> </ul>	<ul style="list-style-type: none"> <li>– On-site inspections and checks</li> <li>– Annual and interim reports</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>– Low risk</li> <li>– Return on the investment</li> <li>– Information disclosure and transparency</li> <li>– Protection of interests and fair treatment of shareholders</li> </ul>	<ul style="list-style-type: none"> <li>– Annual general meeting and other shareholder meetings</li> <li>– Annual and interim reports, announcements</li> <li>– Website of the Company and The Stock Exchange of Hong Kong Limited respectively</li> </ul>
Employees	<ul style="list-style-type: none"> <li>– Safeguard the rights and interests of employees</li> <li>– Working environment</li> <li>– Career development opportunities</li> <li>– Self-actualization</li> <li>– Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>– Training, seminars, briefing sessions</li> <li>– Cultural and sport activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>– Legal and high-quality products</li> <li>– Stable relationship</li> <li>– Information transparency</li> <li>– Integrity</li> <li>– Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>– Websites of the Company and certain subsidiaries of the Company, brochures, annual reports</li> <li>– Exhibition</li> <li>– Email and customer service hotline</li> </ul>
Peer/Industry Associations	<ul style="list-style-type: none"> <li>– Experience sharing</li> <li>– Co-operation</li> <li>– Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>– Industry conference</li> <li>– Exhibition</li> <li>– Site visit</li> </ul>
Financial Institution	<ul style="list-style-type: none"> <li>– Compliance with the law and regulations</li> <li>– Disclosure information</li> </ul>	<ul style="list-style-type: none"> <li>– Consulting</li> <li>– Information disclosure</li> <li>– Reports</li> </ul>
Public and communities	<ul style="list-style-type: none"> <li>– Community involvement</li> <li>– Social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>– Charity and social investment</li> </ul>

## Environmental Aspects

As a manufacturing enterprise, the Group conducts its production and business development with a friendly attitude to the environmental and natural resources.

The Group is committed to continuously improving the environmental sustainability of our business. In striving to do the right thing as a company, we recognise that we have an obligation to reduce the impact of our operations and be accountable for the resources and materials we use each day. The Group has established “Environment, Health and Safety Committee” to oversee the implementation of policies and procedures. Annual assessment is conducted to review the performance. The manufacturing site for the Household and Healthcare Business in Dongguan has acquired ISO 14001 Environmental Management Certificate.

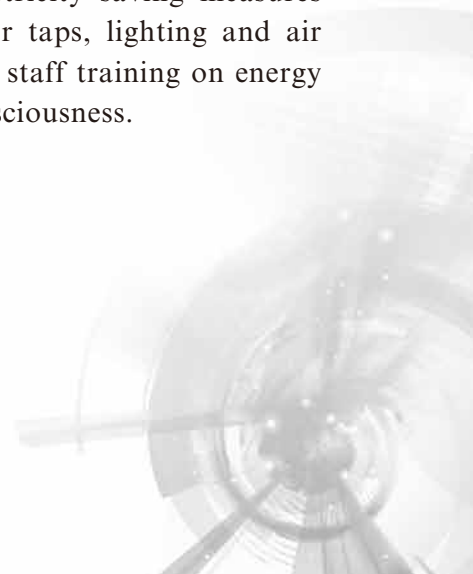
### EMISSIONS

Manufacturing sites have set up a fixed storage area, collection containers and identification cards for hazardous wastes generated during production and operation. Hazardous wastes are sorted and delivered by designated persons to designated warehouse and stored tidily every day. Qualified recyclers are engaged for transferring and recycling hazardous wastes. For non-hazardous wastes, they are being recycled by the general solid waste disposal institution. During the reporting period, the Group was in strict compliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, such as the Environmental Protection Law of the PRC.

### USE OF RESOURCES

To maximise the conservation of energy and resources, our manufacturing sites implement stringently the “Energy Resources Control Procedure” (能源使用控制程序). We conduct fine control on energy, record daily for equipment and unit energy consumption, conduct variance analysis for monthly energy consumption to identify high energy consuming process or equipment in time, conduct a comprehensive analysis and spot checking, carry out equipment maintenance or process and equipment upgrade and renovation when applicable.

In office areas, the Group requires employees to adopt water and electricity saving measures stringently. It stipulates and monitors the on and off time for the water taps, lighting and air conditioning and the indoor temperature. Meanwhile, the Group enhances staff training on energy and resources conservation constantly to strengthen their conservation consciousness.



## Environmental Aspects

### THE ENVIRONMENT AND NATURAL RESOURCES

During the manufacturing process, there are different emissions may cause harm to the environment. For example, air pollutants from fuel combustion, noise from the operation of machinery. The Group strives to mitigate impacts to the environment by the development of “Environmental Monitoring and Measuring Control Procedure” (環境監視和測量控制程序) to manage the practices and procedures on mitigation of emission. The Group engages external qualified institution in monitoring and recording the emissions within the factories while the internal department will assess the effectiveness of procedures implemented.





## Social Aspects

### EMPLOYMENT AND LABOUR PRACTICES

#### EMPLOYMENT

The Group has established and implemented a set of human resources management policies and procedures in place with the aim to provide good and safe working environment to its staff in order to comply with local employment laws and regulations, such as Labor Law of the PRC. The Group's staff handbook sets out the standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

#### Recruitment

We formulate a complete recruitment process. All recruited employees must go through the identity verification process to ensure no recruitment of child labour. At the same time, we advocate fair, equitable and open employment environment. The Group prohibits discrimination or harassment against any employee on their gender, age, marital status, religion, race, nationality, disability or any status protected by law. We carry out an open competition for work positions, deploys deputy position in every department and establishes talent tier-structure and opens channels for talent promotion so as to create a good platform for employees to achieve their career goals.

#### Remuneration and benefits

The remuneration management aims to attract potential employees and motivate current staff. Employees receive social welfare benefits and other benefits. We provide employee holidays, maternity leaves, social insurance. Also, the Group provides different activities for employees so as to promote the physical and mental health to them.





## Social Aspects

### HEALTH AND SAFETY

Employees' health and safety serve not only the fundamental production and operation assurance to an enterprise but also the key to the healthy growth of the enterprise. The Group places a high value on employees' health and safety and implements actively safe production accountability. The Group strictly complies with the requirements of relevant laws and regulations such as Work Safety Law of the PRC, Fire Control Law of the PRC and Prevention and Control of Occupational Diseases Law of the PRC. During the reporting period, there was no material violation of relevant laws and regulations in safety production by the Group.

To strengthen safe production management, the Group's "Environment, Health and Safety Committee (the "Committee") as mention in the previous section also monitor the issues related to occupational health and safety. The Committee organised regular meeting once for every two months. If a material issue related to health and safety is identified, the involved departments are required to identify the root cause and remedy the problem immediately.

#### Safety Training and Education

The committee promotes the importance of occupational health by providing training to employees. Through safety training, employees understand regulations related to health and safety, safety procedures and other health and safety information related to their job duties. In order to strengthen the communication, we also organize environmental and safety conference, update news on the bulletin board and set up a suggestion box for employees to express their opinions on the policies or procedures.

#### Safety Precaution and Procedures

Various chemicals are used during the manufacturing process. Containers storing chemicals are labelled with important information, including chemical name, potential risks. There are emergency eye washer and shower facilities at the manufacturing sites. Employees who handling chemicals are required to have medical check annually.

Ventilation system is installed in the premises with flammable liquid in order to avoid accumulation of the material, which may lead to fire.



## Social Aspects

### Occupational Diseases Prevention

The manufacturing site in Dongguan has established “Liability System for Prevention and Control of Occupational Hazards” (職業病危害防治責任制度) to enhance the management on the health and safety issues. The management ensures the practices and procedures comply with the local laws and regulations. We also have regular meetings for following-up the working progress and evaluate the measures implemented. All the emission that may lead to occupational hazards such as dust, gas, and noise are monitored to ensure it is within the safety limits.

### DEVELOPMENT AND TRAINING

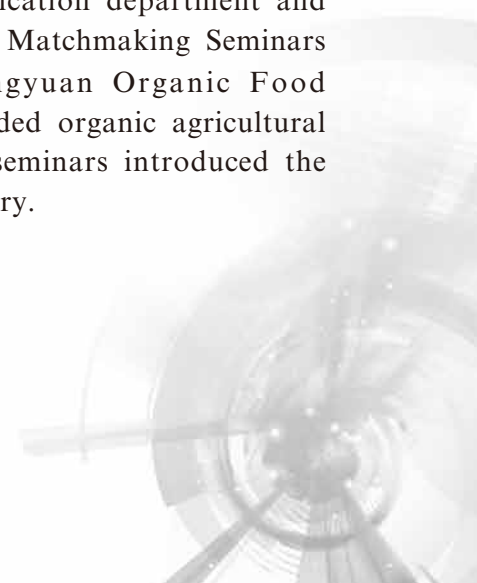
We adhere to the talent concept that human capital is the primary capital of an enterprise. The Group has implemented the “Training System” to provide relevant training for employees to make them more capable of the current jobs or meet the needs for future development of organisational structure, in order to provide a strong human resources assurance for the sustainable development of the Group. The Group continues to provide comprehensive training to employees to promote a learning culture base on the Group’s human resource management policy, and other related internal policies.

The Group has provided both internal and external training for our employees so as to enhance their competencies.

Dongguan Weihang Electrical Product Company Limited, one of our subsidiaries in the Healthcare and Household Products Business, has provided various internal training including but not limited to quality policy, ISO 9001 fundamental knowledge and fire control management procedure.

In March 2016, Liaoning CHYKINGYOUNG fertilizers and Ecological Developing Limited Company (遼寧翠京元生態環境發展有限公司) (“CHYKINGYOUNG”), one of our subsidiaries in the Agricultural Business, sent technicians to Shanghai to participate an organic farming technology training course, which was delivered by Wageningen University and Research Centre.

In July 2016, CHYKINGYOUNG sent representatives from the certification department and technology department to participate the 2016 Organic Products Trade Matchmaking Seminars (2016年度有機產品產銷對接研討培訓會), which was hosted by Fangyuan Organic Food Certification Center (遼寧方園有機食品認證有限公司). Participants included organic agricultural products certified enterprises, distributors and service providers. The seminars introduced the requirements and procedures for certification of organic agricultural industry.



## Social Aspects

The Group believes the development of employee is crucial to the sustainable development of the business. The Group will enhance the training system in order to improve the personal development of the employee.

### LABOUR STANDARDS

The Group is committed to ensuring that our employees respect human rights, including training to recognize and report human rights violations. We are also committed to upholding the elimination of all forms of forced and compulsory labour, and to supporting the effective abolition of child labour. As stipulated in the Group's "Child labour Protection Procedure" (童工和未成年工保護程序), the Group strictly complies with Labour Law of PRC, Provisions on the Prohibition of Using Child Labour and other relevant laws and regulations. Recruitment guideline clearly states that person under 16 is not allowed to work in the Group and zero tolerance to child labour and forced labour. If there is any case discovered, following measures are implemented.

1. Stop the child labour from working;
2. Report to the local labour authority and provide a medical check for him/her. If any disease is discovered, medical treatment should be arranged and the expense is covered by the Group;
3. Contact the parents or guardian of the employee immediately and bring him/her back to home. Travel expense is covered by the company; and
4. An investigation will be carried out to find out the parties that introduce child labour to the Group.

During the reporting period, the Group was not subject to any punishment by the government and was not involved in any lawsuit related to child labour or forced labour.



## Social Aspects

### OPERATING PRACTICES

#### SUPPLY CHAIN MANAGEMENT

The Group recognises that the conduct and behaviour of our suppliers, vendors and contractors can affect – both positively and negatively – the quality of our workplace and the environment, the lives of people in local communities, as well as our reputation and ability to operate effectively. We expect and demand that our supply chain partners uphold the Group’s principles of ethical business conduct and respect for human rights. We strive to do business only with those suppliers who share these principles.

The Group’s “Procurement and Supplier Selection Control Procedure” (採購及供應商評審控制程序) strengthens the management of the social and environmental risks of suppliers. The procurement department is responsible for monitoring and evaluating the performance of suppliers. The quality assurance department is responsible for conducting inspection and audit for suppliers in the aspects of environmental and quality management systems. The Group maintains a long-term relationship with suppliers based on the result of supplier assessment.

In June 2016, Dongle Vine (Beijing) Organic Agriculture Limited Company (東周豐源(北京)有機農業有限公司), one of our subsidiaries in the Agricultural Business, signed a strategic cooperation agreement with China Sannong Holding Limited Company (中國三農控股有限公司). Through this agreement, both parties will have more cooperation in various of area, including branding enhancement, agricultural industrialisation, agriculture and finance connection service.



## Social Aspects

### PRODUCT RESPONSIBILITY

Providing efficient and high-quality products to customers are the utmost concern for the Group. The Group was in strict compliance with related laws and regulations, including but not limited to Product Quality Law of the PRC, Trademark Law of the PRC during the reporting period. Our aim is for our customers to have confidence in our products and services, and sufficient information to make informed choices. Our manufacturing site in Dongguan has acquired ISO9001 Quality Management System Certification and ISO 13485 Quality Management System Certification specific to medical devices. Also, it is recognised as U.S. Food and Drug Administration (FDA) registered supplier.

#### Quality Control

To ensure the safety and quality of our products, our manufacturing site in Dongguan has established a comprehensive quality management system to monitor the entire production process as stipulated in the “Inspection and Testing Control Procedure” (檢驗與測試控制程序). It includes in-coming quality control, line quality control, in-process quality control and quality audit. Incoming Quality Control (IQC) is implemented to evaluate the quality of material from suppliers. All the information of the material including the size, packaging, appearance is recorded in the “IQC Quality Inspection Report”. All material will be labelled to indicate the result of the inspection. In-process quality control includes the process of injection moulding, paint spraying, screen printing and assembling. Line quality control refers to the inspection on the product. The qualified product will be transferred to another process while the unqualified product is separated and recorded. Quality audit is the final inspection on the finished product. The product is stamped with inspection result for identification. For nonconforming products will be handled according to the “Nonconforming Product Control Procedure”.

Dongle Vine (Beijing) vegetable and fruits Organic Agriculture Limited Company (東周豐源(北京)有機農業有限公司), one of our subsidiaries, has acquired an Organic Certificate and Green Food Certification by China Green Food Development Center. It recognised the efforts of the company in developing eco-friendly production of food.



## Social Aspects

### Recall procedures

The Group has formulated “Working Instruction on Accident communication & Product Recall Control Procedure” (事故聯繫及召回作業辦法) in order to establish a communication system on quality issues or safety accidents during production, storage or transportation.

If a quality accident or safety hidden risk is determined in the production line, they will inform Quality Assurance (QA) manager at first by E-mail or other written documents, call QA manager in case of emergency. QA manager will have a meeting with related departments to analyse and discuss the issue and study out the corrective and preventive actions.

The Group carries out a product traceability & recall drill once per year (or as required by individual customer), study out a written protocol before the drill, it will define the necessary time of traceability & recall in the protocol, and the total time should be below 40 hours, a summary report will be provided, it will record the actual time of completion of traceability and key points for recall. If it does not meet the requirements, analyse the reasons for the failures and study out the actions to improve.

### Customer Service Management

We advance our service offerings by understanding the needs and expectations of our customers. While providing professional and responsive services to our customers, our products or services may fall short of their initial expectations. Thus, a mechanism has been established to effectively respond to requests or complaints according to “Customer Service Control Procedure” (客戶服務控制程序).

For each of complaints received, our marketing or quality assurance department will initiate the investigation on the case. We would then review the case with the party concerned and take necessary action to solve the issue. An investigation report would be issued to the complainant to conclude the case.



## Social Aspects

In order to strengthen communication between the Group and the customers, we also actively participate in industry exhibitions. In November 2016, CHYKINGYOUNG was invited to participate in the First Nanjing Quality Agricultural Product Expo. Different products were displayed and introduced to the general public and government officials.

### Intellectual Property Protection

Intellectual property is an important asset for the Group, especially for our achievements in research and development. Nanjing Chyking Yong Biotechnology Limited Company (南京翠京元生物科技有限公司), CHYKINGYOUNG's subsidiary, organised the first Corporate Intellectual Property Right Management Standardization Working Seminar for the management team. The seminar aims to enhance intellectual property management system and employees' knowledge on the related area.

### Privacy and Information Protection

The Group upholds a belief that information security and privacy is the key principle for operation according to "Information Security and Computer Use Management" (信息安全與電腦使用管理). In our daily operations, we obtain various types of personal data of our customers. As such, we have set up internal control procedures to ensure the information is well-protected which include (i) all the electronic information is stored in the servers and only appointed information security manager can distribute the access rights. (ii) Employees must gain permission approval by the management before access to the system.





## Social Aspects

### ANTI-CORRUPTION

The Group believes that the integrity of business is a foundation of corporate social responsibility, as well as a fundamental element of a business's competitive advantage and sustainability. For these reasons, we have systematically incorporated anti-corruption management principles into our operations, promoted a fair and just commercial competition to achieve a win-win situation with external partners and adhered to transparent and open mechanisms for internal management as stipulated in the "Anti-Bribery and Corruption Management Regulation" (反腐敗反商業賄賂之管理規定). All crucial employees shall not accept gifts, cash or other benefits that are beyond common business hospitality. If the employee violates the regulations, the employee will be punished depends on the severity of the case. If the involved employee violates the related laws and regulations, his/her employment will be terminated and sent to related authorization.

During the reporting period, the Group was in strict compliance with Anti-Unfair Competition Law of the PRC and Anti-Money Laundering Law of the PRC and there were no cases of corruption litigation against the Group and its employees.

### COMMUNITY

#### COMMUNITY INVESTMENT

We strive to be a socially responsible company and believe it all begins from the communities in which we operate. As such, the Group always encourage its employees to take part in community activities or local charity events by providing incentives for them. To further encourage community participation, we plan to make this policy official in the coming year. In future, we intend to promote awareness of the importance of being a socially responsible company to our suppliers and buyers.

