

**FIH<sup>®</sup> 富智康<sup>™</sup>**

**FIH Mobile Limited**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2038

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

**2017**



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# Environmental, Social and Governance Report

## ABOUT THE ESG REPORT — REPORTING STANDARD AND SCOPE

This Environmental, Social and Governance (“ESG”) Report highlights the stance and various efforts of FIH Mobile Limited (“Company”) and its subsidiaries (collectively, “Group”) in ensuring the sustainability of the Group’s overall business unit/group operations. It has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix 27 (“ESG Guide”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). The scope of this ESG Report covers the Group for the period from 1 January 2017 to 31 December 2017 (“Reporting Period”). This ESG Report addresses the general disclosures of two ESG subject areas — “Environmental” and “Social” — in the ESG Guide as well as the material key performance indicators (“KPIs”) of the “Environmental” subject area in the ESG Guide. The quantitative data provided for the environmental KPIs in this ESG Report are based on the Group’s operations in Mainland China (“PRC”), India and Vietnam, which are considered (in terms of the number of employees, factory units and office units) to reflect the comparatively significant ESG impacts of the Group’s overall business unit/group operations.

## SUSTAINABLE GOVERNANCE

The Group’s business strategy is firmly grounded on values of sustainable development as awareness of environmental and social issues arise on the global agenda. A sound governance system is essential to drive sustainable initiatives whilst taking into account the interests of all key stakeholders, internal and external, namely employees, customers, suppliers, the community, shareholders/investors and non-governmental organisations.

As an active member of the Electronic Industry Citizenship Coalition (“EICC”), 鴻海精密工業股份有限公司 Hon Hai Precision Industry Company Limited (English name is for identification purposes only) as the ultimate controlling shareholder of the Company together with its subsidiaries and associates (collectively, “Hon Hai Group”) is dedicated to fulfilling its responsibilities as a good corporate citizen and a global industry leader, and to integrating good governance practices in all aspects of its operations. As a member of the Hon Hai Group, the Group’s operations are guided by the Hon Hai Group’s Social and Environmental Responsibility (“SER”) Code of Conduct (“SER Code”), which sets out the Group’s standards relating to code of ethics, labour rights, health and safety, environmental management system, restrictions on the use of conflict minerals and anti-corruption.

Compliance with the SER Code is monitored by the Hon Hai Group’s Global SER Committee and, in relation to the Group, the Company’s Chief Executive Officer and his delegates. Each year, they conduct evaluations and audits against the Group’s operations. For the year ended 31 December 2017, the Group operated in compliance with the SER Code.

For more details about the Group’s ESG-related risk management and internal control systems, please refer to “Accountability and Audit” set out in the Corporate Governance Report, which forms part of the Company’s 2017 Annual Report.

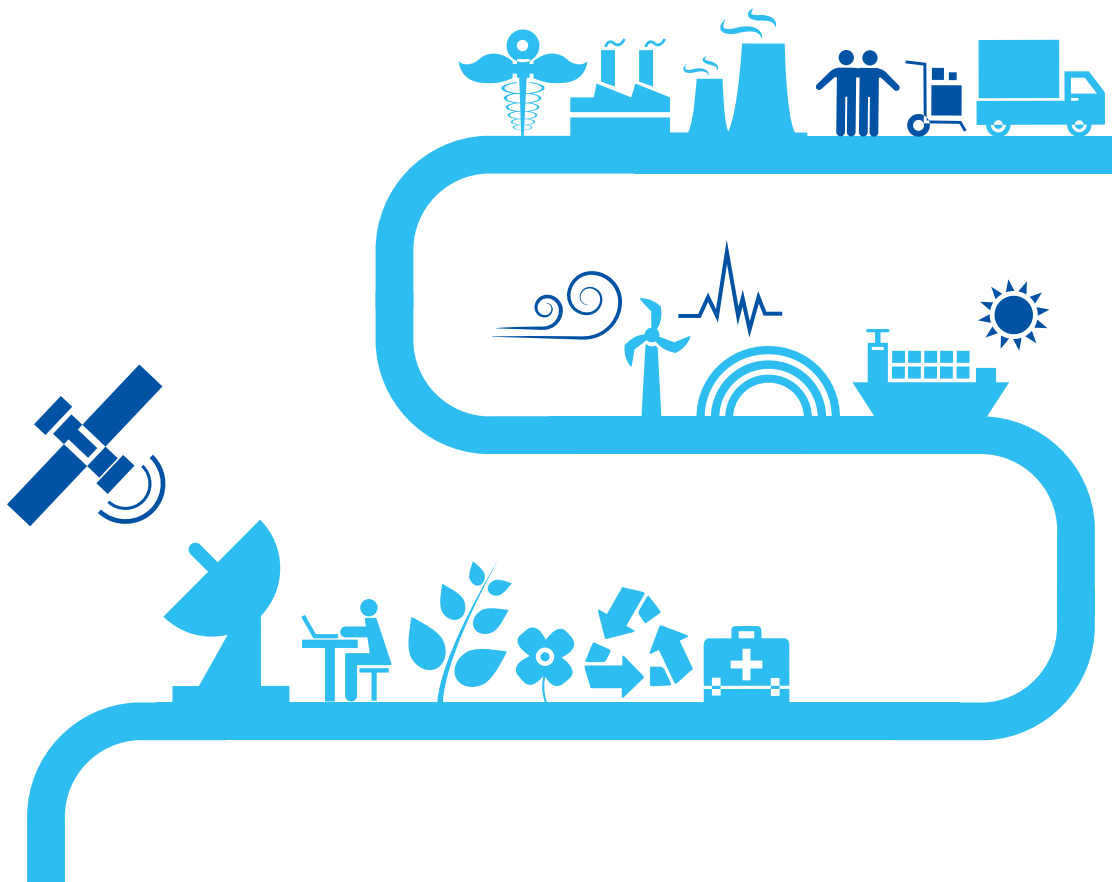
# Environmental, Social and Governance Report

## ENVIRONMENTAL STEWARDSHIP

Environmental sustainability is a top priority for the Group. The Group has put in place a systematic approach towards integrating green and sustainable practices in its operations, implementing measures in the areas of environmentally-friendly product design, greenhouse gas ("GHG") emission reduction, process management, energy and resource management and supply chain management to minimise the negative impact of the Group's operations on the environment and natural resources, with the aim of attaining the international standards laid down by the ISO14001 environmental management system and the European Eco-Management and Audit Scheme. All of the Group's manufacturing plants in PRC and Vietnam have attained the ISO14001 environmental management system. In particular, environmental protection facilities in the Group's manufacturing plants have been periodically upgraded, enhancing the processing and management capacity of wastewater, air emissions, general waste and recycled materials.

### Energy Management and Greenhouse Gas Emission Reduction

The Group works to achieve the Hon Hai Group's global energy-efficiency goals, which are set annually and communicated to its business units/groups. The attainment of these goals is facilitated by the implementation of the ISO50001 energy management system which drives progress using the model of continual improvement. By leveraging a range of energy-saving and GHG emission reduction technologies, the Group actively promotes energy efficiency management and renewable energy utilisation and hence corresponding GHG emission reduction.



# Environmental, Social and Governance Report

While all newly procured lighting and air conditioning systems adhere to high energy efficiency and GHG emission reduction standards, the Group is also adopting a phased approach to replacing existing machinery with energy-saving and GHG emission reduction models. During the Reporting Period, major technology upgrades have been made in certain production facilities at Langfang, PRC, resulting in a year-on-year reduction of energy consumption of 95.8 TJ<sup>i</sup>. The corresponding GHG emission reduction by energy-saving initiatives is as follows:

*Table 1. Energy-saving initiatives and results achieved*

Energy-saving Initiatives	Energy Saved	GHG Emissions Mitigated
24 Chillers with Condenser Tube Automatic Rubber Ball Cleaning Equipment	25.2 TJ	6,132 tonnes
7 Chillers with Polarised Refrigerant Oil Additive Technology	5.8 TJ	1,411 tonnes
19 Cooling Towers with Water Quality Improvements	64.8 TJ	15,768 tonnes

Apart from consciously enhancing energy efficiency management and GHG emission reduction within the Group, the Group also contributes to the Hon Hai Group's GHG emission reduction efforts by working continuously with suppliers on GHG emission reduction measures. In particular, suppliers are required to adhere to the Group's GHG emission reduction policies and establish systems, at the organisational and product levels, to monitor GHG emissions. Please see "The Group's Value Chain — Supply Chain Management" and "The Group's Value Chain — Sustainable Product Management" below for more details on the Group's supplier green product management.

## Air Pollution Control

The Group's operations do not have a significant impact on the environment from air emissions. Nevertheless, the Group closely controls and monitors any air pollutants which may be generated during the manufacturing and transportation processes. The functioning of air pollutant emission systems is also under routine examination. Please refer to the Environmental Performance Data Table for the data on the Group's vehicular air emissions.

<sup>i</sup> TJ: Terajoule, an energy measurement unit equivalent to 10<sup>12</sup> joules.

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## Water Treatment and Utilisation

The Group actively promotes the reduction and reuse of wastewater and adopts the use of reclaimed water throughout its production lines in order to reduce the impact of manufacturing on the environment. The Group strictly complies with local regulations regarding wastewater discharge and sludge disposal. Wastewater is closely monitored and controlled before discharge, and the functioning of wastewater handling systems is also under routine examination. Industrial wastewater is treated with a vacuum distillation system, reducing up to an average of 550 tonnes of wastewater discharge per month. The Group only engages collectors licensed by the local authorities for the collection of sludge.

The Group is also committed to conserving water resources through the ongoing optimisation of production processes. At certain Langfang, PRC facilities, discharge from cooling towers is treated by reverse osmosis and reused for flushing purposes. Greywater is also being collected, treated and reused for flushing at dormitories. Both systems have the capacity to produce an average of 1,000 tonnes of reusable water per day.

## Waste Management

The Group has a systematic approach to differentiate, control, reduce, dispose of, transport, store and recycle solid waste as well as chemicals and hazardous materials. All relevant waste is treated and disposed of in compliance with relevant environmental laws and regulations. The Group works to maximise waste recycling, and leverages design and technology to transform waste into usable resource inputs. At the Group's production facilities in Vietnam and Langfang, PRC, old wooden and plastic pallets are being collected, cleaned and reused to avoid the unnecessary generation of waste. During the Reporting Period, instead of disposal, 2,238,835 kilograms of wooden pallets and 226,396 kilograms of plastic pallets were reused.

## Environmental Permits and Reporting

The Group complies with relevant laws and regulations in obtaining, maintaining and renewing the requisite environmental permits and with the requirements on the use and reporting relating to relevant permits.

## Recycled Materials

The Group actively promotes the use of environmentally friendly materials and has conducted research to develop and design environmentally-friendly products that are sustainable. The Group's efforts in the recycling of waste and the use of renewable materials not only create economic benefits, but also effectively utilise resources and hence reduce the environmental impact. The Group generally prepares the packaging materials (using materials such as paper and plastic) for finished products in accordance with its customers' respective requirements and specifications. Accordingly, specific information on types and volume of materials used represents commercial sensitive information of customers. Notwithstanding this, the Group strives to reduce the environmental impacts of packaging materials by actively engaging and collaborating with its suppliers and customers.



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## Product Content Restrictions

The Group complies with relevant laws and regulations as well as the instructions of its customers regarding the non-use of restricted or hazardous substances as well as the recycling and processing of relevant wastes.

## Employee Awareness

The Group actively pursues a variety of environmental activities to raise employee awareness of environmental conservation, and to educate and increase the engagement of employees in doing their part to protect the environment.

## Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste.

## HUMAN CAPITAL — THE GROUP'S GREATEST ASSET

Employees are the Group's most important assets, and the Group is fully committed to continuing to provide employees with an industry-leading working environment, and protecting the rights and interests of its employees, with the aim of attaining the standards prescribed by the United Nations' Declaration of Human Rights, the EICC, the International Labour Organisation, and the Ethical Trading Initiative as well as the requirements laid down by relevant local laws and regulations.

As at 31 December 2017, the Group had a total of 92,779 (31.12.2016: 74,652) employees as set out below. Total staff costs incurred during the Reporting Period amounted to US\$570 million (31.12.2016: US\$407 million).

*Table 2. Total workforce by gender, employment type and age group*

### Workforce Breakdown of the Group as at 31 December 2017

<b>Total workforce by gender</b>	
Male	62,060
Female	30,719
<b>Total workforce by employment type</b>	
Full-time	85,357
Part-time/temporary	7,422
<b>Total workforce by age group</b>	
Under 30	60,085
30–50	32,472
Above 50	222

# Environmental, Social and Governance Report

## Recruitment and Dismissal

The Group appreciates the need for diversity in the workforce, and recruits employees using an unbiased screening process while maintaining respect for the rights and confidentiality of applicants. The employment of child workers and forced labour is strictly prohibited, and that of underage workers is highly restricted by the Group, in accordance with relevant laws and regulations.

Pursuant to the Group's employment contracts and policies applicable to its employees generally, the Group reserves the right to terminate such employment contracts in compliance with the corresponding governing laws if (among other things) such employees breach the material employment terms and conditions (such as their breach of anti-corruption, fraud, extortion or money-laundering obligations) or violate applicable local laws and regulations giving rise to criminal convictions.

## Employee Wages and Benefits

The Group offers a comprehensive remuneration policy, which is reviewed by the management on a regular basis. In general, the Group's merit-based remuneration policy rewards its employees for good performance and productivity. The Group treats all employees equally and fairly, and evaluates employee performance (including determining promotions and wage increments) based on merit and ability. To encourage employee retention, the Group has implemented annual bonuses, time-based incentives and other incentive programs. In particular, the Company has adopted a share scheme and a share option scheme, respectively, as described in the Report of the Directors, which forms part of the Company's 2017 Annual Report. The share option scheme complies with the requirements of Chapter 17 of the Listing Rules. The Group has also introduced non-monetary rewards (including housing incentives) for employees with exceptional performance. Employees also enjoy insurance coverage provided by the Group.

## Emoluments to Directors

The emoluments payable to the directors of the Company are determined by the Company's board of directors from time to time with reference to the Company's performance, their duties and responsibilities with the Company, their contributions to the Company and the prevailing market practice as well as the recommendations from the Company's remuneration committee.

## Training and Development

Employees are appraised on an annual basis in order to assess performance and arrange specific on-the-job training to further their growth and development. Based on the Group's operational needs and business goals, the Group evaluates and explores the needs of its employees through systematic and professional means so as to formulate suitable talent development plans and educational courses for employees. The Group provides training on various areas such as occupational safety, regulations, technical skills, management skills and social and environmental responsibility in order to enhance employees' knowledge and performance.



# Environmental, Social and Governance Report

## Anti-discrimination

The Group is an equal opportunity employer and its employment policies require that recruitment, promotion, wages, training, opportunities and retirement must be people-oriented, lawful, fair and without discrimination based on (among other things) gender, age, nationality, religion, political affiliation, disability, gender identity and union membership. The Group also promotes diversity in the workplace.

## Occupational Safety and Health

The Group abides by the “safety first” policy. Its focus is to deploy proactive and preventive measures in order to eliminate and reduce occupational risks and to provide a healthy and safe working environment for its employees. Safe and sustainable operations are the cornerstone of corporate growth and a fundamental principle in its approach towards the well-being of its employees. The Group has established an advanced detection and monitoring system, implemented control and prevention mechanisms, and conducted regular safety inspections to continuously eliminate and prevent any workplace hazards. Seminars on health and safety are organised to reinforce employee awareness of safety policies and capabilities in handling machinery and hazardous materials. In addition, the Group provides facilities for complimentary health checks for its employees.

The Group has been investing in the automation of various manufacturing tasks associated with its operations to improve industrial safety and occupational hygiene. Across all of its facilities, the Group has continued to leverage automation and other innovative manufacturing technologies to replace the high-risk or repetitive tasks and enable its employees to focus on high value-added elements in the manufacturing process.

The Group’s employee health and safety policies and standards comply with relevant international and local laws and regulations, including the requirements under the OHSAS 18001 (an international occupational health and safety management system), and the SA8000 (an auditable social certification standard for workplaces across all industrial sectors), which also includes guidelines on working hours and rest periods. In particular, the working hours and rest periods (or overtime pays and/or paid holidays in lieu) of the Group’s employees follow the labour standards suggested in the EICC Code of Conduct, and comply with applicable local laws and regulations. Working time arrangements are effectively managed to promote work-life balance among the Group’s employees.

## Care for Employees

The Group considers a steady and harmonious labour relationship to be the foundation for a sustainable development of an enterprise. In order to achieve and enhance such a relationship, the Group has continuously invested in improving the infrastructure of manufacturing plants and the dormitory environment for employees. Recreational facilities provided to the employees include integrated sports stadiums, basketball courts, swimming pools, libraries, parks, gymnasiums, banking, and retail facilities to support a healthy lifestyle and promote work-life balance among employees.

# Environmental, Social and Governance Report

Employees are encouraged to participate in various cultural, entertainment and sport activities organised by the Group according to their individual interests. There are also regular volunteer activities such as blood donation, tree planting and visits to the underprivileged for employees to contribute to their local communities.

## Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare including maternity and paternity leave, safe working environment, protecting employees from occupational hazards, and preventing child and forced labour.

## THE GROUP'S VALUE CHAIN

### Supply Chain Management

The Group requires its Procurement Division and all of its suppliers to comply with the Group's social and environmental responsibility guidelines and to adhere to and implement the following policies:

- Prohibit corruption, fraud, extortion, money-laundering, discrimination, unfair or non-competitive practices throughout the procurement process by signing a letter of undertaking that they will adhere to the principles of fair competition and transparency; and
- Prohibit discrimination based on country of origin, race, culture or politics, among other things, in the supplier verification, evaluation and optimisation process.

As part of its supplier verification process, the Group conducts SER risk assessments of new suppliers on five key areas (including product quality, green products, social and environmental responsibility, commodity and financial health) on an annual basis along with continuous on-site supplier audits. For the Group's existing suppliers, they are required to have a sustainable and hazardous materials and product management system in place, with third-party certification, so that they can observe sustainable supply chain practices and implement such practices throughout the value chain from product sourcing to risk management and auditing.

A progressive grading approach is adopted via a Scorecard Platform, in which points are awarded or deducted based on performance in order to motivate suppliers to take actions to improve their standards to fulfill the Group's requirements. Based on their performance, suppliers are included in the Group's Approved Supplier List, Preferred Supplier List and Rejected Supplier List, which are updated periodically.

All suppliers are required to live up to the SER Code, and the SER performance of suppliers is a fundamental criterion in the Group's selection process. The Group maintains a supplier SER management system platform that follows the EICC management model which encompasses four phases in the management of suppliers, namely introduction, assessment, verification and continuous improvement.

# Environmental, Social and Governance Report

To ensure that the Group's suppliers observe sustainable supply chain practices and to support them in the implementation of such practices throughout the value chain, the Group incorporates a list of environmental criteria into its procurement standards, including low GHG and energy consumption, a high level of recyclability, and green logistics.

## Sustainable Product Management

The Group's commitment to sustainability can be seen across its entire supply chain, from product design to material sourcing and procurement measures. The Group has set up specialised divisions to study the environmental requirements of regulators, customers, industry and other key stakeholders, including compliance with RoHS (Restriction on Hazardous Substances), REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), HF (Halogen-Free), GHG emission reduction and restrictions on the use of conflict minerals. The results of these efforts are translated into actionable internal measures that can be integrated and applied within its operations.

Under the Design for Environment ("DfE") program set up by the Hon Hai Group, the Group integrates the five key principles — environmentally friendly, energy and resource efficiency and reduction, recyclability, and ergonomics — into its product design process. The Group requires suppliers to ensure that downstream suppliers fulfill obligatory requirements in order to restrict the use of toxic and hazardous substances, encourage the deployment of GHG emission reduction solutions and other environmentally-friendly practices, and bolsters capabilities in making eco-friendly products. It also monitors all aspects of the operations process via systematic platforms to ensure alignment with sustainability such as using recyclable materials wherever possible.

The Group adheres to international standards and governmental and non-governmental regulations on conflict minerals. The Group does not accept, and does not use, conflict minerals in its operations. The Group requires suppliers to trace the origin of products potentially containing conflict minerals, including gold (Au), tantalum (Ta), tin (Sn) and tungsten (W), and to provide all relevant information regarding the sources of those minerals to the Group. In addition, the Group's downstream suppliers are required to fulfill their due diligence on conflict-free minerals pursuant to relevant international standards and regulations.

## Labelling and Advertising

The Group provides packaging and product information labelling services in compliance with its customers' respective instructions and applicable laws and regulations of the relevant exporting and importing jurisdictions, particularly enabling its customers to trace relevant manufacturing plants for product-return or other product-related enquiries.

Since the Group does not sell its products to end consumers directly, the Group needs not promote its products and services by advertising, whereas product advertising activities are conducted by the Group's customers.

# Environmental, Social and Governance Report

## Data Privacy

During its operations, personal data from the Group's key stakeholders such as suppliers, customers and employees are collected from time to time for different purposes. The Group recognises its responsibilities and strictly complies with relevant laws and regulations in relation to the collection, holding, processing, use, transfer and disposal of such data. Personal data are collected only for lawful and relevant purposes, and appropriate steps are taken to ensure that personal data held by the Group are accurate.

The Group strives to protect personal data from unauthorised access and abuse. Its employees are contractually responsible for safeguarding any confidential or sensitive information to which they have had access during their employment.

## Anti-corruption and Whistle-blowing Policies

The Group upholds a corporate culture of integrity and management with dignity and expects all of its directors, officers and employees to observe high standards of ethical behaviour. It is committed to full compliance with applicable national and international anti-corruption, anti-bribery, anti-extortion and anti-money-laundering laws and regulations. The Group's "Anti-Corruption Code of Conduct" describes the types of conduct which are strictly prohibited and clearly informs all employees that they are required to abide by this Code. In addition, the Group has set up an anti-corruption team under the supervision and management of the Group's chief internal auditor to handle investigation in relation to any allegations of improper business conduct. In addition, the Group requires (as a prerequisite to the establishment of business relationship) its suppliers and customers to strictly enforce high standards of anti-corruption.

The Group has also established its whistle-blowing policy and the related procedures which apply to all members of staff and suppliers. Complaints can be raised in relation to fraudulent acts, unethical acts or improper business conduct through established channels. Whistle-blower identities are protected without fear of reprisal, victimisation, subsequent discrimination or any other unfavourable prejudice. All complaints will be handled fairly and professionally by the Group's chief internal auditor for further investigation and appropriate follow-up actions.

## Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided, methods of redress, bribery, extortion, fraud and money laundering.

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## COMMUNITY CONTRIBUTION

The Group embraces a culture of sharing, contributing and giving back to the community. It actively participates in social and community-based programs, including sponsoring and hosting philanthropic activities and volunteer programs. As a responsible corporate citizen, the Group is committed to doing its part in creating a green community, providing support to underprivileged children and promoting care and respect for the elderly.

The Group has, in the financial year ended 31 December 2017, made donations for charitable or other purposes to a total amount of approximately US\$14,839.

### Creating Green Community

The Group takes opportunities to nurture a green community in places where it operates. To support city cleaning initiatives promoted by relevant government departments, staff volunteers worked with sanitation workers to clean the signage of public transport stations. Staff volunteers also sent gifts to more than 100 sanitation workers to show their deepest gratitude. To improve the environment and air quality at the Langfang, PRC facilities, staff volunteers participated in a tree planting activity to create a green space surrounding the soccer field.



Tree planting activity at the Langfang, PRC facilities



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## Caring for Underprivileged Children

Recognising children as future leaders, the Group organised and participated in activities which provided support to underprivileged children. Staff volunteers brought joy to the children at Ruicong Rehabilitation Center for Deaf Children at Langfang, PRC through games and drawing activities. On the Chinese National Action Day for "Hand-in-hand Poverty Alleviation", staff volunteers from the Langfang, PRC facilities visited children from underprivileged families in Anci District, PRC. The experience allowed both groups to build connections and mutual understanding.

To address the needs of children from underprivileged families, the Group also partnered with Sricity Foundation to distribute stationery and notebooks to children studying in public schools in Tada, India. More than a hundred students have benefited from this initiative.



Volunteering event on Chinese National Action Day for "Hand-in-hand Poverty Alleviation"



Fun day with children at the Ruicong Rehabilitation Center for Deaf Children



# Environmental, Social and Governance Report

## Caring for the Elderly

The Group organised elderly visit programmes to show gratitude and care towards senior citizens. The Group's volunteer team visited the Longhe Elderly Home in PRC and was enthusiastic to join the favourite leisure activities of the elderly. The volunteer team also shared gift packs and spread warmth to the elderly. Through this engaging experience, intergenerational understanding and connections have been strengthened.



Visit to Longhe Elderly Home



# Environmental, Social and Governance Report

## ENVIRONMENTAL PERFORMANCE DATA TABLE<sup>ii</sup>

HKEx Key Performance Indicators "KPIs"		Unit	Year 2017
<b>A. Environmental</b>			
<b>A1.1</b>	<b>The types of emissions and respective emissions data</b>		
	SOx emissions (vehicular)	kg <sup>iii</sup>	0.11
<b>A1.2</b>	<b>Greenhouse gas emissions in total and intensity</b>		
	Scope 1 emissions	tonnes of CO <sub>2</sub> e <sup>iv</sup>	10,358.69
	Scope 2 emissions	tonnes of CO <sub>2</sub> e	491,719.35
	— in total (Scope 1 and 2 emissions)	tonnes of CO <sub>2</sub> e	502,078.04
	— in intensity (Scope 1 and 2 emissions)	tonnes of CO <sub>2</sub> e/FTE <sup>v</sup>	5.61
<b>A1.3</b>	<b>Total hazardous waste produced in total and intensity</b>		
	Chemical waste — Sludge		
	— in total	tonnes	6,168.65
	— in intensity	tonnes/FTE	0.069
	Chemical waste — Waste oil		
	— in total	tonnes	2,068.07
	— in intensity	tonnes/FTE	0.023
	Fluorescent tubes		
	— in total	kg	39.16
	— in intensity	kg/FTE	0.00044
	Medical waste		
	— in total	kg	54.00
	— in intensity	kg/FTE	0.0006
	Other waste <sup>vi</sup>		
	— in total	tonnes	1,742.99
	— in intensity	tonnes/FTE	0.019
	Packaging		
	— in total	tonnes	9.84
	— in intensity	tonnes/FTE	0.00011
<b>A1.4</b>	<b>Total non-hazardous waste produced in total and intensity</b>		
	General waste		
	— in total	tonnes	532,841.46
	— in intensity	tonnes/FTE	5.95
	Food waste		
	— in total	tonnes	1,805.04
	— in intensity	tonnes/FTE	0.02
	Wastewater		
	— in total	tonnes	2,486,430.58
	— in intensity	tonnes/FTE	27.76

ii Environmental performance data are collected from the Group's operations in Mainland China, India and Vietnam.

iii kg: Kilogram

iv CO<sub>2</sub>e: Carbon dioxide equivalent

v FTE: Full-time equivalent employees. The total number of full-time equivalent employees involved in the Group's operations in Mainland China, India and Vietnam in 2017 is 89,553.

vi Includes waste cloths, electronic waste, solvent, waste ink, cutting fluid, paint process wastewater, resin, acidic compounds and alkaline compounds.

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HKEx Key Performance Indicators "KPIs"		Unit	Year 2017
<b>Total materials recycled in total and intensity</b>			
Biodegradable waste			
— in total	kg		306,890.00
— in intensity	kg/FTE		3.43
Glass			
— in total	kg		384,290.00
— in intensity	kg/FTE		4.29
Metal			
— in total	kg		6,328,259.72
— in intensity	kg/FTE		70.66
Mixed recycle			
— in total	kg		1,173,660.00
— in intensity	kg/FTE		13.11
Nylon			
— in total	kg		4.74
— in intensity	kg/FTE		0.000053
Paper			
— in total	kg		5,025,448.32
— in intensity	kg/FTE		56.12
Plastic			
— in total	kg		2,773,019.00
— in intensity	kg/FTE		30.97
Wood			
— in total	kg		466,940.00
— in intensity	kg/FTE		5.21
<b>Total materials reused in total and intensity</b>			
Plastic pallet			
— in total	kg		226,396.00
— in intensity	kg/FTE		2.53
Wooden pallet			
— in total	kg		2,238,835.00
— in intensity	kg/FTE		25.00
<b>A2.1</b>	<b>Energy consumption by type in total and intensity</b>		
Purchased electricity			
— in total	'000 kWh <sup>vii</sup>		572,553.07
— in intensity	'000 kWh/FTE		6.39
Fuel (Diesel, Petrol, LPG <sup>viii</sup> , PNG <sup>ix</sup> and CNG <sup>x</sup> )			
— in total	'000 kWh		4,149,071.50
— in intensity	'000 kWh/FTE		46.33
<b>A2.2</b>	<b>Water consumption in total and intensity</b>		
— in total	m <sup>3 xi</sup>		8,157,295.00
— in intensity	m <sup>3</sup> /FTE		91.09

vii kWh: Kilowatt hour.

viii LPG: Liquefied petroleum gas.

ix PNG: Piped natural gas.

x CNG: Compressed natural gas.

xi m<sup>3</sup>: Cubic metre.

# Environmental, Social and Governance Report

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Aspect	HKEx KPI	Description	Page Number of this ESG Report/Remarks
<b>A. Environmental</b>			
A1 Emissions	A1	General Disclosure  Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P.3–6
	A1.1	The types of emissions and respective emissions data	The Group's operations do not have a significant impact on the environment from air emissions. Please refer to P.4 for the Group's approach on air pollution control.
	A1.2	Greenhouse gas emissions in total and intensity	Refer to Environmental Performance Data Table
	A1.3	Total hazardous waste produced and intensity	Refer to Environmental Performance Data Table
	A1.4	Total non-hazardous waste produced and intensity	Refer to Environmental Performance Data Table
	A1.5	Description of measures to mitigate emissions and results achieved	P.3–4
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	P.5

# Environmental, Social and Governance Report

Aspect	HKEx KPI	Description	Page Number of this ESG Report/Remarks
A2 Use of Resources	A2	General Disclosure  Policies on the efficient use of resources, including energy, water and other raw materials.	P.3–6
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Refer to Environmental Performance Data Table
	A2.2	Water consumption in total and intensity	Refer to Environmental Performance Data Table
	A2.3	Description of energy use efficiency initiatives and results achieved	P.4
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	P.5
	A2.5	Total packaging material used for finished products	P.5  Packaging materials for finished products are prepared in accordance with customers' respective requirements and specifications. Accordingly, specific information on types and volume of materials used represents commercial sensitive information of customers.
A3 The Environment and Natural Resources	A3	General Disclosure  Policies on minimising the issuer's significant impact on the environment and natural resources.	P.3–6
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	P.3–6

# Environmental, Social and Governance Report

Aspect	HKEx KPI	Description	Page Number of this ESG Report/Remarks
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
B1 Employment	B1	General Disclosure  Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P.6–9
	B1.1	Total workforce by gender, employment type, age group and geographical region	P.6
B2 Health and Safety	B2	General Disclosure  Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P.8–9
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P.8
B3 Development and Training	B3	General Disclosure  Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P.7
B4 Labour Standards	B4	General Disclosure  Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P.7



# Environmental, Social and Governance Report

Aspect	HKEx KPI	Description	Page Number of this ESG Report/Remarks
<b>Operating Practices</b>			
B5 Supply Chain Management	B5	General Disclosure  Policies on managing environmental and social risks of the supply chain.	P.9–10
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where and how the practices are being implemented and monitored	P.9–10
B6 Product Responsibility	B6	General Disclosure  Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P.10–11
	B6.4	Description of quality assurance process and recall procedures	P.10
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	P.11
B7 Anti-corruption	B7	General Disclosure  Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P.11
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	P.11
<b>Community</b>			
B8 Community Investment	B8	General Disclosure  Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P.12
	B8.1	Focus areas of contribution	P.12–14
	B8.2	Resources contributed to the focus area	P.12–14