

(Incorporated in the Cayman Islands with limited liability) Stock Code: 3336

> 2017 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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PREPARATION OF REPORT

Overview

This report is the second Environmental, Social, Governance ("ESG") Report ("ESG Report") published by Ju Teng International Holdings Limited (hereinafter 'Ju Teng', 'the Group', or 'we'), which discloses information on our approach, strategy, priorities, objectives and performance on managing product quality, environment, safety, hygiene, use of hazardous substance, labour and business ethics. The reporting year of this report is same as the annual report, which is from 1 January to 31 December 2017.

Basis of Compiling the Report

This report is compiled in accordance with "Environmental, Social and Governance Reporting Guide" published by The Stock Exchange of Hong Kong Limited ("HKEx") as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "ESG Reporting Guide"). The content of this report is determined by a set of procedures, including identifying and prioritizing stakeholders, identifying and prioritizing material environmental, social and governance issues, collecting environmental metrics, and verifying the reported metrics.

This report has complied with all the "comply or explain" provisions set out in the ESG Reporting Guide.

Reporting Scope and Boundary

The content and metrics reported in this report cover the following subsidiaries only:

- Wujiang Dading Precision Mould Co., Ltd.
- Everyday Computer Components (Suzhou) Co., Ltd.
- Suzhou Dazhi Communication Accessory Co., Ltd.
- Ju Teng (Neijiang) Communication Accessory Co., Ltd.
- WIS Precision (Taizhou) Co., Ltd.
- Juteng Electronic Technology (Taizhou) Co. Ltd.
- Compal Precision Module (Jiangsu) Co., Ltd.
- Tasun (Chongqing) Electronic Technology Co., Ltd.
- Compal Electronic Technology (Chongqing) Co., Ltd.
- Lian-Yi Precision (Zhongshan) Inc.

As at 31 December 2017, the aforementioned subsidiaries hired approximately 97% of the Group's employees.

PREPARATION OF REPORT

Source of Data

The data and case studies of this report are prepared based on the Group's internal statistical reports and other relevant internal documents.

Board Approval

This report was reviewed by the management and was approved by the Board on 16th March, 2018.



FOREWORD

Since its inauguration in 2000, Ju Teng has been focused on providing customers with high-quality and customized casing for notebook computers, communications equipment and consumer electronics products, and received trust from its customers. In the past 17 years, Ju Teng has grown rapidly and has become a global leader in the same type of enterprises. During this period, governments, electronic brand enterprises and consumers have attached increasing importance to the responsibility issues of the labour rights, environmental pollution, energy conservation and emission reduction in the electronics industry. As a member of the electronic industry supply chain, Ju Teng is bearing social and environmental responsibility through formulating policies and internal control procedures. We are also committed to work with upstream suppliers to safeguard the labour rights and protect the environment. Through these actions, Ju Teng anticipates continuous support from our investors and stakeholders.

Ju Teng's environmental, social and governance commitment are as follows:

Operating responsibly:

Complying with laws and regulations of jurisdictions that we operate in, and with social responsibility requirements of our customers for suppliers;

Appointing dedicated personnel to take responsibility in implementing internationally recognized environmental, health and safety, labour rights management systems;

Upholding business ethics, rooting out corruption, protecting confidential information and respecting intellectual property rights.

Being people-oriented:

Respecting basic labour rights;

Creating a fair working condition, eradicating any forms of discrimination in workplace;

Providing safe and hygienic condition for working and living to ensure the safety and health of employees;

Arranging appropriate working hours and rest days;

Providing fair remuneration;

Forbidding deployment of child labour and any forms of forced labour.

FOREWORD

Protecting the environment:

Engaging in waste minimization and resource recycling;

Minimizing generation and emission of air pollutants, noise and hazardous waste;

Consuming energy and resources efficiently.

Working with suppliers:

Implementing supplier audit mechanism to ensure protection to labour rights, natural environment and ethical business practices across the supply chain;

Forbidding the use of conflict minerals.

Satisfying customers:

Applying the motto, "Do it right the first time."

Being oriented to customers' satisfaction;

Achieving management targets on quality, cost, delivery, service and safety;

Implementing a sound customer complaint and improvement system;

Being responsible to customers at all times.

FOREWORD

Communication with Stakeholders and Materiality Analysis

We believe listening to the views of our stakeholders will help us to evaluate our performance on environmental, social and governance aspects objectively and comprehensively. Therefore, we communicate with different stakeholders on these aspects through various channels during our daily operation.

In preparation for the 2016 ESG Report, we engaged an independent third party to implement specific stakeholder engagement exercise to communicate with our stakeholders on various environmental, social and governance issues. Since the market we are operating in, the operations we are engaged in, and the risk factors we face have not changed significantly during the reporting year, the Board of Directors believes that this report can continue to use the 2016 list of material ESG issues. The list of key aspects is as follows:

Environment	Labour
 Minimizing emission and waste water Hazardous waste management Energy saving and minimizing greenhouse gas emission Hazardous substance control 	 Complying with labour regulations Protecting workers from health and safety hazards Safeguarding labour rights and living condition of workers
Governance and Community	Product Responsibility
 Anti-corruption Managing suppliers' environmental and social performance 	 Protecting customer information and privacy Assuring product quality Satisfying customer service and communication Fair sales of products Product and technique innovation
	Product and technique innovation

OPERATING RESPONSIBLY

Ju Teng is a key member of the global notebook computer, communication and consumer electronics supply chain. Over the years, members of the supply chain, including Ju Teng's major customers and suppliers, have been working together in minimizing impact on environment and labour. To meet the expectation of the supply chain members, Ju Teng has already implemented various ESG management and controls systems for years and always complying with business ethics-related regulations applicable to Ju Teng.

ESG Internal Control System and Governance Structure

Ju Teng is committed to reach the standards and requirements of customers. We continuously improve our performance on quality, environment, safety, hygiene, hazardous substances management, labour rights management and business ethics (hereinafter referred to as 'ESG aspects'). Our ESG control system is established based on the requirements of ISO9001:2008, ISO14001:2004, OHSA1S18001:2007, IECQ HSPM QC080000:2012 standards and customer requirements. It is also our objective to sustain and enhance this control system.

The general managers of Ju Teng's subsidiaries take full responsibility in building and maintaining the ESG internal control systems at their own subsidiaries. The general manager is required to allocate necessary resources for the operation and enhancement of the system. Appointed by the general manager, the management representative directs all units of the subsidiary to implement and maintain the system at operational level, reports to the general manager the performance of ESG control system, as evidence of continuous improvement. Each operational unit executes ESG control procedures, analyzes training needs on ESG, writes and executes unit-level environmental management, safe production procedures, manages and maintains environment and safety related facilities. Each operational unit appoints designated representatives to participate in the occupational health and safety ("OHS") management. They are involved in the formulation of OHS policies, identification of hazards, evaluation of risks, determination of OHS targets and monitoring the implementation of OHS policies. As such, the worker union exercises the right to monitor implementation of OHS systems.

Compliance with Regulations

Ju Teng has always been committed to comply with regulations in jurisdictions we are operating in so as to reduce the risk of direct financial losses and damage to our reputation. We have formulated the "Laws and Regulations Management Procedure" and "Information Communication Management Procedure" to compile a list of legal and customer requirements on environmental and safety hazards of our activities, products and services.

Anti-corruption

Ju Teng is devoted to sustain customers' respect and trust. We uphold fairness and honesty concept of competition and deliver quality products and services to customers. We are also devoted to strengthen our corporate governance and internal control to minimize risks and safeguard the legitimate interests of our company and shareholders. We have formulated "Business Ethics Management Procedure" and "Anti-conspiracy Management Procedure" to prevent employees from obtaining personal interest from fellow colleagues, clients, suppliers or other parties connected with the Group through bribery, extortion and fraud. The management of the subsidiaries takes overall responsibility in anti-corruption. The management department coordinates and directs anti-corruption work, including conducting training on anti-corruption laws and regulations and business ethics for employees, evaluating corruption risks and setting up corresponding control procedures, receiving, investigating corruption reports, reporting and providing advices. Ju Teng has established a reporting hotline and email address for any parties to report unethical acts involving employees of Ju Teng anonymously or with real name.

During the reporting period, there were no employees of Ju Teng and its subsidiaries involved in corruption lawsuits.

OPERATING RESPONSIBLY

Protecting Confidential Information and Respecting Intellectual Property Rights

Ju Teng promises to do our utmost in protecting confidential information, personal information and proprietary information, entrusted by customers, suppliers, employees or other third parties. The "Business Ethics Management Procedure" of Ju Teng sets out the procedure for protecting confidential information, including restricting employees to use any confidential data and proprietary information for personal purposes, and ensure Ju Teng complies with applicable regulations of privacy and information security when storing, processing, transmitting and sharing the personal information.



Ju Teng is a people-oriented business. We emphasize the protection of labour rights, respect the needs of employees, and treat all employees fairly. Ju Teng offers a desirable working environment to our employees, and anticipates in return their proactive attitude at work. Our human resources policy and procedure was formulated in compliance with the Labour Law of the People's Republic of China, and Labour Contract Law of the People's Republic of China.

Percentage of employees of Ju Teng as at December 31 ¹		
	2016	2017
Breakdown by gender		
Male	58.69%	57.85 %
Female	41.31%	42.15%
Breakdown by age		
16-17	1.50%	3.10%
18-25	31.59%	28.75%
26-35	40.96%	37.43%
36-50	25.53%	30.29%
51 or above	0.41%	0.43%
Breakdown by employee category		
Salaried employees	20.60%	32.88%
Hourly employees	79.40%	67.12%

Protecting Labour Rights

Our human resources policy meets the requirement of Labour Contract Law of the People's Republic of China, and Electronic Industry Citizenship Coalition's ("EICC") Code of Conduct. We forbid the use of child labour and forced labour, regulate working hours and rest days of workers, provide reasonable salary, benefits and living environment for workers. In addition, we respect persons of different gender, age and religion and do not tolerate any discrimination or insulting act.

These data include the subsidiaries mentioned in "Reporting Scope and Boundary", Gi-Li Co., Ltd. and Hong Ya Technology Inc.

Forced labour and juvenile worker policy

Ju Teng's subsidiaries do not deploy forced, bonded or indebted labour, contracted labour or prison labour, slaves or trafficked persons. All labour works voluntarily. Ju Teng does not employ individuals who are under 16 years old. Our human resources departments strictly examine the identification documents of applicants, verifying their age to make sure that the applicants do not present false information. No individuals can be employed without presenting a valid identification document.

Should any individuals aged below 16 are identified working in our factories, the production plant will suspend their work immediately and examine their physical condition. If they are identified with medical needs, the Group will bear their medical expenditure until recovery. It is not our policy to dismiss the child worker immediately to avoid them getting in predicament, and will persuade the child worker to receive education. The Group also provides necessary financial aid and other support to ensure the child worker has completed the statutory education and has reached the legal working age.

The Group may employ individuals who are aged over 16 but below 18 (hereinafter "juvenile workers") to meet cyclical production capacity demand. As juvenile workers are still in the stage of growth and development and need to receive compulsory education, Ju Teng has set out the work arrangements for juvenile workers to meet their needs, which include body check, forbidding them from performing tasks with health or safety risk such as spray painting, crushing, screen printing and laser engraving, tasks requiring high physical strength, and repetitive operation.

Ju Teng has entered into agreements with tertiary institutions, vocational and technical schools to hire 16 year old trainees. Our objectives are to provide vocational training opportunity for students studying relevant disciplines, build talent reserves. Ju Teng also recruits trainees from time to time to ease workers demand. At any period of time, the number of trainees on board will not exceed 20% of all workers working in the production plant.

Safety and hygiene training is arranged for trainees before they are on-board so as to prevent industrial accidents. Salary of trainees is determined at an "equal pay for equal work" basis. The salary is paid by Ju Teng directly and not by the institution that the trainee goes to. Trainees will not be arranged to work at night or work over-time. If the trainee is under 18 years old, they are treated as juvenile workers in terms of work arrangements.

Respect for female and religious persons

The Group has procedures to safeguard the legitimate rights of female workers, in particular to protect their health at work. We will not reduce the basic salary, terminate labour contract or reconsider promotion of female workers due to pregnancy, maternity and lactation. Considering the physical condition of female workers, we will not arrange tasks requiring high physical strength for female workers in mensuration period. We will not arrange tasks for married or pregnant female workers to work in places that may have exposure to hazardous substances. No overtime work is arranged for pregnant female workers and they are granted an hour of rest time during the working hours.

The Group respects religious belief and traditional customs of employees. We do our best to accommodate their needs as long as production is not seriously disrupted. For example, we provide meal options that meet religious rules. Should any employees apply leave for worship, we will arrange replacement worker accordingly.

Non-discrimination and penalty arrangement

The administrative staff of all departments must ensure all employees are equally treated in determining the recruitment, remuneration, training, promotion, dismissal and retirement, regardless of race, gender, age, position, religion, culture, physical condition and nationality. Any forms of discrimination, insult and sexual harassment are prohibited and offenders will be penalized.

Ju Teng penalize employees by issuing warning, demerits and even dismissal, by which we aim at facilitating corrective actions. We forbid insulting, physical punishment, illegal body search, economic punishment and detention as forms of penalty. Non-discrimination procedure and penalizing procedure are formulated by human resources department.

Remuneration, benefits and working hours

We offer reasonable remuneration packages to our employees. The package comprises basic salary, allowance, performance bonus and overtime pay. Employees enjoy social insurance, annual leaves, wedding leaves, compassionate leaves, maternity leaves and sick leaves. Our employees normally work 8 hours a day and less than 40 hours a week. Employees can rest at least one day per week. Overtime work is performed at a voluntary basis. Under special conditions, employees can work up to 3 hours overtime a day. Overtime working hours cannot exceed 36 hours in total per month.

Layoff policy

Ju Teng may lay off workers based on the number and frequency of existing and expecting production orders. In case of laying off, we communicate closely with the workers regarding our business improvement plan and the layoff plan and seek their views. We will financially compensate those who are being laid off.

Health and Safety

The production processes of Ju Teng have certain OHS risks. Our goal is to improve our performance in OHS management, reduce the rate of OHS incidents, and provide our employees with healthy, appropriate and safe working condition. Each of the production plants has implemented a series of procedures to prevent occupational diseases and prevent accidents from happening in the workplace, and comply with regulations such as the Production Safety Law of the People's Republic of China. OHS management systems, OHSAS 18001 certified standard, has been implemented in all of our production plants. General managers of production plants take overall responsibilities for the implementation of OHS management systems. Each department has the following responsibilities to ensure employee safety at work: designing production process with continuous improvement in techniques; planning safety techniques, labour protection, occupational hazards prevention and control measures; providing health and safety training; conducting job hazard analysis and monitoring safety hazards at work.

Enhancing employee safety awareness is a critical part of ensuring OHS. The training department conducts on-board OHS training and regular OHS training during employment. Such training promotes OHS knowledge, urges employees to abide occupational hazards prevention laws, regulations and operation procedure, and guides employees the correct use of personal occupational protective equipment. Given that we store and use inflammable substances at our workplaces, we provide fire safety training to our employees. OHS awareness raising materials are also presented on notice boards, factory newspaper, conferences and posters. Operational units communicate OHS matters at prework briefings, on-the-job safety meetings and through use of safety hazard signs.

To prevent accidents from happening, Ju Teng requires job hazard analysis ("JHA") to be conducted at every work zones. The supervisors at work zones, health and safety personnel, and the observed employees who are familiar with the work procedures form JHA group to conduct JHA.

In order to reduce the safety risk and create a safe working environment, mechanical safety cannot be ignored. During the production process, we deploy machines such as power presses, fork lifts, electronic welders, spraying equipment, injection molding machines, hot melt machines, and laser engravers and other mechanical equipment. Addressing the safety hazards of use of machines, we have restrictive machines acceptance procedures. Machines that we use must come with safety certificates, user manuals, and safe protection and control devices. Operators of machines must reach legal working age, be healthy and not be associated with sickness and physical condition that could hinder normal operation of the machines, and have obtained appropriate safe operation licenses. We maintain our machines in accordance with "Machines and Equipment Maintenance Procedure". Operators are required to conduct safety checks before operating the machines.

In response to OHS hazards for various tasks, Ju Teng provides and requires employees to wear suitable personal protective equipment. For instance, employees working in a high noise environment are required to put on earplugs and earmuffs; employees exposed to dust are required to put on dust masks. Safety facilities are installed at workplaces. For example, the painting workshop is well ventilated to keep volatile organic compounds, such as benzene and butanone, at safe levels. Workshops that create dust are installed with dust-removal facilities. If such safety facilities are out of order, production process must be suspended and the case must be reported to the supervisor who will deal with it immediately.

We closely manage the health of employees, especially for employees who may expose to health hazards at work. We have an occupational health monitoring and documentation filing system. The occupational health management department based on the existence of occupational health hazard category and contact level selects employees who are exposed to health risk at work for having health checks at statutory occupational health services institutes. Health checks are conducted prior on-boarding, followed by an annual check-up. Another check-up will be arranged when the employee is leaving the position. Each employee has a file which record their occupation history, health hazard exposure history, health hazard monitoring reports and health check result report.

	2016	2017
Number of work-related incidents	201	127
Number of work-related fatalities	0	2 ²
Lost days due to work-related incidents	6,321 man-day	5,560 man-day
Incident rate per 1,000,000 work hours ³	2.86	2.03
Lost day rate per 1,000,000 work hours ⁴	89.9	74.9

Following assessment by the relevant local authorities, Wujiang Dading Precision Mould Co., Ltd. was rated as the second-class enterprise for safe production standardization in Jiangsu Province during the year.

² One of the fatality cases was a result of traffic accident after work. Based on the judgement of relevant local authorities, this incident was classified and recorded as a work-related injury. The perpetrator was also an employee of Ju Teng.

³ The formula of incident rate is: number of injuries ÷ total working hours x 1,000,000.

⁴ The formula of lost day rate is: number of lost days due to injuries ÷ total working hours x 1,000,000.

Employee Training

Employee development is essential for the long-term development of Ju Teng. We impart production skills, maintenance and repair techniques, safety awareness, business ethics and social responsibility concepts to the employees in order to promote the Group's business development and achieve the business goal of Ju Teng. Each production plant has an established employee training system in place which implements, evaluates, reviews and improves employee training in an organized manner. The education and training centers at each production plant leads the implementation of training system. All departments appoint dedicated personnel to formulate their own training plans.

Each production plant of Ju Teng will provide three types of trainings to employees: orientation training for new recruits, on job training for existing employees and external training. All new recruits are required to pass the orientation training program before on-board and will be awarded with the new recruit armband. Orientation training covers workplace rules and regulations, quality awareness, health and safety education.

On job training program for existing employees is designed by each department based on their business nature and training needs. The department head will approve the course content, duration, lecturer and assessment approach. These trainings may cover EICC ethical requirements, hazardous substance-free requirements, quarterly environmental, health and safety and hygiene training, mechanical operation guidelines. Ju Teng has also formulated procedure and specified the requirements on selection of internal lecturer.

Prior to mass production of new products, the manufacturing departments will provide training to their employees regarding the new products' specification, quality and production requirements. After the mass production, department heads will re-educate the employees regarding quality issues identified during the production, so as to minimize the production rate of faulty products.

Regarding the external trainings, Ju Teng will sponsor the employees who operate the special equipment to receive training from outside institutions to obtain the relevant operation certificates. All training materials will be filed for verification.

In 2017, we have successfully arranged various trainings according to the annual training program. On average, each employee received training hours of approximately 8 hours.

Labour Relations and Communications

Ju Teng highly values open and frank internal communication, and emphasizes the building of trust, understanding and confidence between the management and employees. Good labour relationship also helps Ju Teng understand the needs of our employees and provide references for improving working environment, remuneration and labour rights, so that hidden problems can be dealt with in a timely manner. We are committed to providing a variety of communication channels, promoting the establishment of workers union and ensuring that they are aware of their enjoyment of rights to collective bargaining. We are also committed to preventing employees from retaliation after reporting the issues.

To protect the freedom of establishment and participation of workers union, and collective bargaining, we have formulated the methods of setting up the union and selecting workers' representatives. The workers' representatives and management representatives will regularly meet and exchange views on workers' concerns. Management will report in the workers' representative meeting the progress of improving working environment, such as plans and achievements in occupational hazards prevention and control. Ju Teng respects employees' rights to assemble peacefully for expressing their views. We ensure those who participate in unions and union activities will not be discriminated, harassed, threatened or revenged. All employees are equally treated in terms of remuneration, production, training, promotion, dismissal and retirement, regardless to their participation or non-participation in the union.

If employees discover that their superiors have acted unfairly and dishonestly, or any employees have done anything that harms the Company's interests or insult others, employees can report such matter to the department heads, management department or the general manager according to the "Employee Complaint Management Procedure". Once the department heads receive the employees' complaints, they will revert within a week. The complainant's identity is protected upon request.

During the year, employee service centers were established in some of Ju Teng's factories to further strengthen communication with factory employees and employee retention. The main functions of the center are to receive employee complaints, coordinate the issues reported by employees, and facilitates matters such as dormitory hygiene that involve the employees' living quality.



Ju Teng is a professional casing manufacturer for notebook computer, communication and consumer electronics products. Our key environmental impacts include waste emission, energy use and water consumption. While we strive to provide better and faster services to our customers, we are also committed to protecting the earth by enhancing our environmental protection performance and deliver cleaner products to the community at the same time. We observe and strictly comply with the Environmental Protection Law of the People's Republic of China.

Environmental Policy and Management System

We are committed to implementing the following environmental policies:

- To utilize energy and resources efficiently;
- To continuously improve our environmental management performance, to prevent pollution and reduce the environmental incident rate;
- To control use of hazardous substance and not to provide products that do not achieve hazardous substance free standard;
- To reduce the generation and emission of air pollutants, noise and waste;
- To engage in resources recycling; and
- To comply with environmental and hazardous substance control related regulations and other relevant requirements, and to inform such requirements to all employees.

All production plants have obtained the ISO14001:2004 environmental management systems certification, and IECQ HSPM 080000:2012 hazardous substance process management systems certification. These systems will run in parallel with other management systems such as quality management system and health and safety management system. The general managers of production plants will take overall responsibility for the implementation of these systems. All departments will execute the environmental management policies in accordance with "Quality Environment Manual", "Environment, Health, Safety and Hazardous Substance-free Policy Management Procedure", "Environmental Factors and Hazards Management Procedure", and "Environment, Health and Safety Target, Indicator and Program Management Procedure".

As outlined in the Group's "Environmental Factors and Hazards Management Procedure", the department of production plant will analyse environmental factors associated with manufacturing activities, maintenance activities and servicing process, including emission to atmosphere, water and land, emission of energy such as heat and noise, and consumption of raw materials, natural resources and energy. After the environmental factors are identified, the department will determine the management target and devise programs and timeline for achieving the specified target and to achieve the pollution prevention, management and risk control. The management representative is responsible for approving the environmental management programs.

Hazardous Substance Free Management

To minimize the environmental impact of electronic products at the disposal stage, safeguard the health and safety of consumers and electronic recyclers, and satisfy local regulations and customer requirements, we have implemented the hazardous substance process management system. We promise to control the raw materials and production process so that our products do not contain any materials as restricted by Waste Electrical and Electronic Equipment (WEEE) Directive or Restriction of Hazardous Substances (RoHS) Directive, and by any customers. Specific works include:

- To select appropriate materials and devise hazardous substance control plan based on regulatory or customers' requirements when developing new products;
- To formulate green procurement list in accordance with customers' requirements for hazardous waste management;
- To verify if incoming materials, production process and finished products meet hazardous substances free requirements;
- To identify hazardous substance that may be used in our production plants
- To arrange testing for hazardous substances by third parties.

To control the quality of incoming materials, we have provided our suppliers the hazardous substance free standard, required our suppliers to sign the hazardous substance free declaration, and regularly assessed suppliers' hazardous substance process management system.

Minimizing Pollution

Air, water and solid pollutants are generated as we operate. To minimize the impact of our operation on environment, we have implemented a series of measures to control the emission of various pollutants.

Waste management

Ju Teng classifies waste generated into general waste, recyclable waste and hazardous waste. We will label and distinguish each type of waste, especially hazardous and recyclable waste and they will be treated differently. Our production process will generate hazardous wastes such as painting sludge, paint residue, cutting fluid and used activated carbon. Hazardous waste is stored separately at designated sites, and is collected by qualified hazardous waste disposal operator for recycling. Recyclable wastes such as carton, detached paper, thin film, plastic bottle, beverage bottle, expandable polyethylene, foam and iron are collected by operator for recycling.

	2016	2017
Hazardous waste generated and transferred	4,377 tons	6,680 tons
Hazardous waste generated and transferred per million HKD income	547 kg	862 kg
Paper recycled	1,185 tons	1,462 tons
Plastic recycled	3,209 tons	4,401 tons
Metal recycled	10,679 tons	12,794 tons

Sewage management

Due to the differences in production processes at various production plants, some plants will discharge effluent, which in general contains volatile organic compound, suspended solid, phosphorus and ammonia nitrogen. Among our production plants, Lianyi, Ju Teng Neijiang, Compal Precision, and Taizhou plants all discharged effluent, while the newly built Taizhou plant had nickel-containing effluent discharged. All of these plants have advanced sewage treatment facilities, strictly abide by the laws and regulations of water pollution prevention promulgated, and properly manage the industrial and domestic sewage discharged. We regularly inspect the discharged sewage to ensure that the treated sewage quality reaches the national sewage discharge standard. The treated sewage can be reused through the recycle system for use of toilet flushing, spray painting and grinding.

	2017
General effluent discharged from Taizhou production plants	434,440 m ³
Nickel-containing effluent discharged from production plants	37,815 m ³

Air emission management

Ju Teng is committed to preventing air pollution through controlling the emission of hazardous substances. We will monitor and control the whole process of emission of air pollutant from generation to discharge in order to ensure that our air emission meets the regulatory requirements. Our production activities, such as use of boilers, spray painting and grinding generate air pollutant such as volatile organic compound, non-methane hydrocarbon, particulate matter, sulphur dioxide, nitrogen oxides and metallic dust. At present, our air emission treatment and discharge equipment mainly adopts activated carbon adsorption or sponge filtering method. Used activated carbon is recycled by qualified institutions and can be reused by us.

In Taizhou, we have pioneered in installing the use of regenerative thermal oxidizer (RTO) to replace activated carbon adhesion as the main method of exhaust gas treatment. The RTO at high temperature oxidizes the organics in the exhaust gas into carbon dioxide and water, thereby purifying the exhaust gas and recovering the heat released when the exhaust gas decomposes. WIS Precision (Taizhou) has been designated as a demonstration unit of RTO in Jiangsu Province.

According to local laws and regulations at the place of operation, each production plant needs to accept the inspection of industrial waste by a third-party company and report the concentration and rate of exhaust gas emissions to the local environmental protection authorities. During the reporting period, the concentration and emission rate of non-methane total hydrocarbons, sulfur dioxide, nitrogen oxides, emitted by all our production plants met the requirements of the local environmental authorities.

Minimizing emission

Ju Teng has taken key steps to reduce generation and emission of hazardous substances in recent years. For example, improving or changing production process, reducing the use of cutting fluid, increasing the utilization rate of paint so as to reduce the paint residue. In choosing the raw or auxiliary materials, Ju Teng will select paints and auxiliary materials that do not contain hazardous substances such as chromium, manganese, zirconium, fluorine, phosphorus, and benzene. The powder coating for magnesium alloy coating uses non-reactive dust. All coating and thinner do not contain benzene and the degreasing agent for the forming process do not contain phosphorus. During the reporting period, Compal Precision has begun to use phosphorus-free coating solutions in order to further reduce the generation of pollutants.

The ultraviolet curing paint used by Ju Teng for spray painting is one of the most environmental friendly types of paint. It has a few advantages, such as high solid content, good hardness and transparency, resistant to yellowing, long activation period, high efficiency and low cost. Comparing to the traditional paints, this type of paint is low in toluene, acetone and therefore helps to minimize the emission of hazardous substances and waste gas. We have also switched to water-based coating for some of the product lines, which also helps reducing the generation of paint residue, used activated carbon and emission of xylene and ethyl acetate. The Chongqing production plants have built grease separation and sedimentation tanks to reduce oil emissions.

Regarding the cutting fluids, we have also begun to use types that produce less volatile organic compound. The Chongqing production plants are currently exploring a system to segregate harmful substances from cutting fluids, which can significantly reduce the production of cutting fluid hazardous waste by 90%.

In terms of managing greenhouse gas emissions, our production plants located in Wujiang District, Suzhou will carry out carbon audit every year and propose greenhouse gas reduction strategy. The carbon audit reports will be verified by external parties.

Minimizing Use of Resources

Each of our production plants has formulated its own "Energy and Resources Management Procedure" which outlines procedures in conserving energy and water resources, and responsibilities of each department in conserving energy.

Ju Teng mainly consumes energy in form of natural gas, diesel and purchased electricity. In order to save energy, our production plants will arrange the workshops and production facilities according to the production process to shorten the distance travelled by products, materials, logistics and workers, so as to reduce the unnecessary energy consumption. The computer numerical control equipment we use are of energy efficient models. The waste heat recovery facilities of the three production plants in Nanjing, Chongqing and Neijiang are able to recover excessive heat from the air compressor for the use of staff dormitories. The waste heat recovery facilities at Taizhou production plant can even recover the excessive heat for heating up the boiler. In 2017, Lian-yi Precision (Zhongshan) decommissioned a number of high energy consumption injection moulding machines, stamping presses and air compressors, and also plans to disable five steam boilers. In addition, Ju Teng (Neijiang) added three 110KW heat recovery air compressor systems, saving approximately 3,860 MWh of electricity for heating water.

As 90% of lighting fixtures of Chongqing production plants are LED lights, approximately 1,000 MWh of electricity can be saved every year. In addition, air compressors are started by variable-frequency drive, saving approximately 100 MWh of electricity annually for the Chongqing production plants. In 2017, Compal Precision newly built a 11.73 MW photovoltaic power station, which put into operation on 25 December, 2017.

	2016	2017	YoY change
Energy consumption			
Diesel consumption	438,186 L	466,586 L	+6.5%
Purchased electricity consumption	518,762 MWh	570,692 MWh	+10.0%
Natural gas consumption	13,396,700 m ³	15,835,551 m ³	+18.2%
Total energy consumption	663,073 MWh	740,796 MWh	+11.7%
Energy intensity per million HKD income	82.9 MWh	95.6 MWh	+15.3%
Greenhouse gas emission			
Scope 1 (Direct greenhouse gas emission)	33,428 tons CO2-e	39,393 tons CO2-e	+17.8%
Scope 2 (Indirect greenhouse gas emission)	454,187 tons CO2-e	503,247 tons CO2-e	+10.8%
Total greenhouse gas emission (Scope 1 + 2)	487,615 tons CO2-e	542,641 tons CO2-e	+11.3%
Carbon intensity per million HKD income	60.9 tons	70.0 tons	+15.0%

Municipal water is used by Ju Teng for production, cleaning and dormitories. Most of our production plants have water reuse system installed to reduce their reliance on municipal water or adjacent natural water sources. The Chongqing production plants have completed a wastewater recycling project which directs 95% of wastewater generated from the forming process to spraying or grinding water tanks for reuse. In addition, the condensate recovery system of our Taizhou production plant saves approximately 8,800 m³ freshwater annually for cooling the boiler. The production plant located in Nanjing also achieves a monthly saving of approximately 70% water consumed for toilet flushing after installing flushing sensors. Water used for cleaning empty buckets in our Neijiang production plant is diverted to the fire water pool, and therefore approximately 900 m³ freshwater per year is recovered. After the activation of the water reuse system by Lian-Yi Precision (Zhongshan), the recovery rate can reach 80%.

	2016	2017	YoY change
Total water consumption	5,329,901 m ³	5,558,894 m ³	+4.3%
Water intensity per million HKD income	666 m ³	717 m ³	+7.7%

Ju Teng uses packaging materials such as carton boxes and blister packaging. Most customers will return the packaging material for Ju Teng's reuse through external service providers. Packaging materials will also be reused within Ju Teng production plants. Around 30-40% packaging material can be reused.

We need to purchase new packaging materials whenever packaging materials are discarded due to shipments being consumed or damaged. Therefore, the amount of packaging material purchased reflects the consumption of packaging materials.

	2016	2017	YoY change
Carton box purchased	5,100 tons	3,934 tons	-22.9%
Plastic packaging materials purchased	3,094 tons	2,255 tons	-27.1%

WORKING WITH SUPPLIERS

To ensure the quality of incoming materials and encourage the protection to labour right and natural environment across the supply chain, Ju Teng formulates the "Supplier Management Procedure", which sets out the admission criteria and audit procedure for new and existing suppliers. The Vendor Quality Assurance ("VQA") Department at each production plant leads the supplier audit program. Our supplier assessment criteria includes its performance on managing worker, environmental protection, occupational safety, hazardous substance, and business ethics, alongside with product quality, price, speed of delivery and technical competency. When a department applies for registration of new suppliers, VQA, procurement department and the application department will form an assessment team to conduct on-site audit. The supplier will be registered upon passing the audit. If on-site audit is not feasible due to geographical constraints, the supplier is required to conduct a self-evaluation on its quality management system, environmental management system and social responsibility management system. Suppliers that fail the audit are required to complete corrective actions within two months and cannot supply to Ju Teng will send the evaluation results to customer for their determination. All suppliers, except for suppliers with low volume delivery and difficulty of on-site audit and designated suppliers, are subject to on-site audit for at least once every two years, and need to respond to any required corrective actions.

All suppliers are required to sign an "Integrity and Confidentiality Agreement", so as to promise to uphold the principles of honesty, integrity and confidentiality. A supplier is subjected to financial penalty for breaching the agreement. Ju Teng reserves the right to terminate the procurement contract. Suppliers are also required to sign the "Environmental Protection Agreement" to ensure not to use prohibited or restricted materials or chemicals in the production and provision of Ju Teng's products, parts and packaging materials, and strictly abide by the relevant environmental protection laws and policies.

In addition, Ju Teng is doing its utmost to eradicate the use of conflict minerals. Conflict minerals refer to cassiterite (tin ore), columbite-tantalite (tantalum ore), wolframite (tungsten ore) and gold mined in the Democratic Republic of the Congo or its adjoining countries. Armed groups engaged in mining operations in these regions are believed to subject workers and indigenous people to serious human rights abuses. Ju Teng will conduct due diligence on the source of minerals procured, and require suppliers to complete the "Metal and Mineral Origin Questionnaire".

2016	2017
93%	92.3%
6.3%	6.8%
0.7%	0.9%
	93% 6.3%

SATISFYING CUSTOMERS

For product quality management, our principle is to 'do it right at first time'. We are committed to continuous innovation, enhancement of product quality, pursuit of customers' satisfaction, achieving customers' requirements on quality, cost, delivery time, service and safety, so as to maintain our reputation in the industry. We have established and fully implemented the quality management system certified to ISO9001 international standard, which allows us to improve our quality management performance continuously.

We monitor the product quality along the production process based on 'Incoming Material Control Procedure', 'Production Process Inspection and Testing Procedure', and 'Product Inspection and Testing Procedure'. There are systematic quality inspection procedures at each control point of production process, including acceptance of incoming materials, production procedures, and storage and delivery of finished products. Thus we are able to identify any problems related to product quality and use of restricted substances and improve accordingly. Personnel of Quality Management ("QM") Department is responsible for executing the quality inspection works at each control point. The Production Department ensures production procedures in place to avoid unqualified raw materials, semifinished products and finished products entering into the next production procedure or being stored in warehouse. No products will be shipped without confirmation from the QM Department for passing the quality inspection.

The Quality Assurance ("QA") Department of Ju Teng's production plants is responsible for handling complaints received directly from customers or referred by other departments. After receiving the complaint, the QA Department will visit customers' site to confirm the defective products, the condition of defective products and the defective rate. If we confirm the complaint is justified, we will follow up the case. The sample of defective products will then be brought back and passed to the relevant departments to analyze the reasons for causing the defective products, and inform the production department and QA personnel to improve and take corrective measures. When the relevant improvement is completed and its effect is confirmed, we will report back to the customer to close the case. We also have product recall and replacement mechanism.

Ju Teng will invite customers to fill in the customer satisfaction survey every half year through email or fax. When the total rating or rating for individual item does not meet our internal targets, the relevant departments are required to submit the improvement plan to the Company within three days. Ju Teng will inform customers the results of the improvement plan.

	2016	2017
Number of another provide a sized and benefied	570	656
Number of product complaints received and handled	579	656

COMMUNITY INVESTMENTS

Ju Teng does not have a formal community investment policy. Each subsidiary donates to local non-profit organisations on an ad hoc basis. Ju Teng considers this approach is suitable for the needs of the Group at the time being and will review such approach from time to time in light of the needs of the communities where the Group operates.



and KPIs	Description	Disclosed in	Remarks
Aspect A1: Emissions			
General Disclosure	Information on:	Protecting the natural environment:	
	(a) the policies; and	Minimizing pollution	
	(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.		
KPI A1.1	The types of emissions and respective emissions data.	Protecting the natural environment: Minimizing pollution – Air emission management	We have not disclosed annual quantities of air pollutant emissions. According to current legislation, our production
		management	plants are only required
			to measure air pollutant emissions concentrations and rates once a year, bu not total volumes emitted in the year. An annual tot of air pollutant emissions could only be estimated a
			might deviate significantly
			from actual emissions. Su figures would not facilita an understanding of the environmental performan

and KPIs	Description	Disclosed in	Remarks
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the natural environment: Minimizing use of resources	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the natural environment: Minimizing pollution – Waste management	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the natural environment: Minimizing pollution – Waste management	
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Protecting the natural environment: Minimizing pollution – Waste management	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Protecting the natural environment: Minimizing pollution – Waste management	

General Disclosures and KPIs	Description	Disclosed in	Remarks
Aspect A2: Use of Reso	ources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Protecting the natural environment: Minimizing use of resources	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Protecting the natural environment: Minimizing use of resources	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Protecting the natural environment: Minimizing use of resources	
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Protecting the natural environment: Minimizing use of resources	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Protecting the natural environment: Minimizing use of resources	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Protecting the natural environment: Minimizing use of resources	

and KPIs	Description	Disclosed in	Remarks	
Aspect A3: The Enviro	nment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.		Ju Teng's environmental impacts include external emissions, and consumption of energy and natural	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		resources. Our operation does not have significant impact on the supply of natural resources and surrounding ecological environment.	
Aspect B1: Employme	nt			
General Disclosure	Information on:	Being people-		
	information on.	oriented:		
	(a) the policies; and	Protecting labour		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	rights		
	relating to compensation and dismissal, recruitment and promotion, working hours, rest			
	periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.			
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Being people-oriented	The ratio of employees by each category is disclosed.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Not disclosed		

and KPIs	Description	Disclosed in	Remarks
Aspect B2: Health and	d Safety		
General Disclosure	Information on:	Being people- oriented:	
	(a) the policies; and	Health and safety	
	(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.		
КРІ В2.1	Number and rate of work- related fatalities.	Being people- oriented: Health and safety	
KPI B2.2	Lost days due to work injury.	Being people- oriented: Health and safety	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Being people- oriented: Health and safety	

and KPIs	Description	Disclosed in	Remarks
Aspect B3: Developm	ent and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Being people- oriented: Employee training	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		Except for those who stayed with Ju Teng for a short period of time, all employees have received training according to our annual training plan.
KPI B3.2	The average training hours	Being people-	
	completed per employee by	oriented:	
	gender and employee category.	Employee training	
Aspect B4: Labour Sta	ndards		
General Disclosure	Information on:	Being people- oriented:	
	(a) the policies; and	Protecting labour rights	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer		
	relating to preventing child and forced labour.		
KPI B4.1	Description of measures to	Being people-	
	review employment practices to avoid child and forced labour.	oriented: Forced labour and juvenile worker policy	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Being people- oriented: Forced labour and juvenile worker policy	

and KPIs	Description	Disclosed in	Remarks
Aspect B5: Supply Cha	in Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Protecting the natural environment: Hazardous substance- free management	
		Working with suppliers	
KPI B5.1	Number of suppliers by geographical region.	Working with suppliers	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Working with suppliers	

Subject Areas, Aspects, General Disclosures			
and KPIs	Description	Disclosed in	Remarks
Aspect B6: Product Resp	onsibility		
General Disclosure	Information on:	Protecting the natural environment:	For disclosure on product quality assurance, custome
	(a) the policies; and	Hazardous substance- free (Product health	complaint and satisfaction management, please refer
	(b) compliance with relevant laws and regulations that	and safety)	to the chapter "Satisfying customers".
	have a significant impact on the issuer	Operating responsibly: Protecting confidential information	
	relating to health and safety, advertising, labelling and privacy	and respecting intellectual property	
	matters relating to products and services provided and methods of redress.	rights (Privacy and intellectual property	
		rights)	No. and stand and share
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		No product sold or shipped was recalled for safety and health reasons during the year.
KPI B6.2	Number of products and service related complaints received and	Satisfying customers	
	how they are dealt with.		
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating responsibly: Protecting confidential information and	
		respecting intellectual property rights	
KPI B6.4	Description of quality assurance process and recall procedures.	Satisfying customers	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Operating responsibly: Protecting confidential information and respecting intellectual	

Aspect 87: Anti-corruption Information on: Operating responsibly: Anti-corruption General Disclosure Information on: Operating responsibly: Anti-corruption (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer Felding to bribery, extortion, fraud and money laundering. KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or iss employees during the reporting period and the outcomes of the cases. Operating responsibly: Anti-corruption KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. Operating responsibly: Anti-corruption	and KPIs	Description	Disclosed in	Remarks
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. Operating responsibly: Anti-corruption KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are Operating responsibly: Anti-corruption	Aspect B7: Anti-corrug	otion		
KPI B7.1Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.Operating responsibly: Anti-corruptionKPI B7.2Description of preventive measures and whistle-blowing procedures, how they areOperating responsibly: Anti-corruption	General Disclosure	Information on:		
KPI B7.1Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.Operating responsibly: Anti-corruptionKPI B7.2Description of preventive measures and whistle-blowing procedures, how they areOperating responsibly: Anti-corruption		(a) the policies; and		
have a significant impact on the issuerhave a significant impact on the issuerhave a significant impact on the issuerKPI B7.1Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.Operating responsibly: Anti-corruptionKPI B7.2Description of preventive measures and whistle-blowing procedures, how they areOperating responsibly: Anti-corruption				
KPI B7.1Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.Operating responsibly: Anti-corruptionKPI B7.2Description of preventive measures and whistle-blowing procedures, how they areOperating responsibly: Anti-corruption		have a significant impact on		
KPI B7.1Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.Operating responsibly: Anti-corruptionKPI B7.2Description of preventive measures and whistle-blowing procedures, how they areOperating responsibly: Anti-corruption		relating to bribery, extortion,		
KPI B7.2Description of preventive measures and whistle-blowing procedures, how they areOperating responsibly: Anti-corruption		fraud and money laundering.		
KPI B7.2Description of preventive measures and whistle-blowing procedures, how they areOperating responsibly: Anti-corruption	KPI B7.1	Number of concluded legal	Operating responsibly:	
measures and whistle-blowing Anti-corruption procedures, how they are		cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the		
	KPI B7.2	measures and whistle-blowing procedures, how they are		

and KPIs	Description	Disclosed in	Remarks
Aspect B8: Communi	ity Investment		
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.		Ju Teng does not have a formal community investment policy. Ju Teng considers this approach suitable for the needs of the Group at the time being and will review such approach from time to time in light of the needs of the communities where the Group operates.
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		Ju Teng does not have focus areas of contribution However, each production plant organises local blood
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		donation and volunteer activities each year. For example, volunteers from our Wujiang production plants visited the Wujiang
			social welfare institute and bring along some supplies to the orphans for the thirc consecutive year. Wujiang subsidiaries also organized blood donation activity this
			year, with the participation of 113 employees.