



# YADEA GROUP HOLDINGS LTD. **2017 Environmental, Social and Governance Report**

***Yadea*** More advanced electric vehicles



Yadea's Official  
WeChat Account

# EXPLANATION OF THIS REPORT

This 2017 Environmental, Social and Governance Report (the “Report”) covers all aspects of Yadea Group Holdings Ltd. (hereinafter referred to as the “Company” or “Yadea”).

## REPORTING PERIOD

This Report is the environmental, social and governance report of the Company and its subsidiaries (collectively the “Group”), covering all times during the reporting period from 1 January 2017 to 31 December 2017 (the “Reporting Period”), and some of its contents may fall beyond the above Reporting Period.

## BASIS OF PREPARATION

This Report is prepared in accordance with Environmental, Social and Governance Guide (ESG) as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), by reference to the G4 Sustainability Reporting Guidelines (G4 Guidelines) issued by Global Reporting Initiative (GRI).

## EXPLANATION OF REPORT DATA

Some of the financial data in this Report are extracted from the financial statements of 2017 of the Group, which are part of the annual report of the Group for the year ended 31 December 2017 (the “Annual Report”). If the data are inconsistent with those in the Annual Report, the data in the Annual Report shall prevail. Other data are mostly for the year of 2017 (except some may fall beyond the above range) and are mainly from the Company’s internal systems and its subsidiaries’ statistics. The currency amounts in this Report are denominated in RMB, unless otherwise stated.

## FORMS OF RELEASE

This Report is released in electronic versions and can be accessed on the Stock Exchange’s website ([www.hkexnews.com](http://www.hkexnews.com)) and the Company’s website ([www.yadea.com.cn](http://www.yadea.com.cn)).

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This Report is published in both Chinese and English. In case of any discrepancies between the two versions, the English version shall prevail.

## CONTACT

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# MESSAGE FROM THE CHAIRMAN

In 2017, China's macroeconomic growth maintained a solid pace of 6.9%. Benefiting from the favorable macroeconomic conditions and Yadea's own strategic deployment, we again achieved sound financial and operating results in 2017, realizing the annual sales volume target of 4 million units. However, while the economy develops, we also need to maintain balance between corporate governance, operating environment and community development. Being a responsible enterprise, Yadea has always attached great importance to communication and collaboration with stakeholders, participated in industry communication, strengthened strategic cooperation, enhanced risk control, and established a management system in an effort to achieve our sustainability goals.

We adhere to green operations and practice energy-saving and emission reduction to promote low-carbon development. For the production session, we strictly adhere to the concept of green environmental protection and continuously upgrade and optimize our equipment and devices. For product design session, we are committed to establishing low-energy products and promoting green travelling. The effective use of resources is achieved in all aspects of energy-saving, water-saving, and power-saving and the use of clean energy is promoted.

We adhere to the "people-oriented" core values and are committed to creating a safe working environment and a warm atmosphere for our employees. We regularly organize employee medical examinations, conduct lectures on health knowledge, promote prevention and treatment of occupational diseases, and organize various types of galas, basketball games, parent-child activities, and festival activities to improve the well-being of our employee.

We implement the "High-end Strategy" from two aspects, production quality and customer experience, in order to raise brand value continually. We strive towards technology innovation, especially the design capabilities of core parts, new products, and new technologies. During the Reporting Period, we have successfully introduced 33 new models of electric scooters and 30 new models of electric bicycles with advanced performance characteristics and upgraded 45 models of electric scooters and 6 models of electric bicycles to improve the quality of intelligent technology.

We attach importance to win-win basis of value chains. As to supplier management, we set up complete management mechanisms, improve suppliers entry and exit mechanism continually, and carry out on-going communication and develop side by side with them. As to distributor management, we standardize the management of distributor stores, and carry out trainings regularly so as to promote mutual benefit.

We focus on the communities where we operate, participating in charitable events actively and fulfilling our responsibilities as a social citizen. Yadea made donation to Wuxi Red Cross, carried out series of financial assistance events for students, encouraged employees to participate in volunteer work, and actively participated in local community services in order to propel the development of the communities where we operate.

We firmly believe that sustainable development and the Company's sound operation are mutually reinforcing. As to strategic deployment in the future, we will further incorporate the concept of sustainable development into our daily operation and boost Yadea's influence through continuous expansion of its business network. The "Green Concept" will be integrated into the "Higher-end Strategy" of Yadea.





01

# GROUP PROFILE





Established in 2001, Yadea is a high-end electric two-wheeled vehicle manufacturer, engaging in the research and development, production and sales of electric bicycles, electric scooters and related accessories. The Company was listed on the Stock Exchange on 19 May 2016 and became the first listed company of electric two-wheeled vehicle in the PRC.

Yadea has four major production facilities located in Tianjin, Jiangsu, Zhejiang and Guangdong as well as one industrial design and technology centre, with a total site area of approximately 1,200 mu. Annual production capacity is over 6 million vehicles and annual sales volume is over 4 million vehicles. The domestic network covers almost all the administrative areas of China and consists of approximately 1,825 distributors as well as their sub-distributors. As of 31 December 2017, Yadea's had points of sales in over 9,190 stores and sales were made to over 60 countries.

In 2017, Yadea continued to expand business and strengthened our leading position in the high-end electric two-wheeled vehicle market in the PRC. Revenue from the sales of electric scooters and electric bicycles amounted to RMB7,850.4 million, representing an increase of approximately 17.8% as compared with 2016. As of 31 December 2017, the total number of employees of the Group was 3,539.



# 01

## CORPORATE STRATEGY

### Better Design



- Cooperates with world's best design companies and color management agencies, using international advanced fashionable and ergonomic design. Aesthetically pleasing, easy to ride

### More High-end Technology



- The only national-level corporate laboratory approved by China National Accreditation Service for Conformity Assessment in the industry
- Owns 28 production processes and 543 core patents

### Better Quality



- Ranked No. 1 among the Top 10 Electric Two-wheeled Vehicle Enterprises of the China Light Industry for 6 consecutive years since 2013
- Won international certificates, including EN15194, E-MARK and CE

Yadea implements the “High-end Strategy”, which comprises of important deployment in terms of “Better design, More High-end Technology, Better Quality, More Precise Manufacturing, Better Service, More Export”. Through the systematic deployment of “Higher-end Strategy”, Yadea is more capable of producing products that bring pleasure to customers, building “higher-end electric vehicles” brand and creating “Higher-end” green lifestyle, electric bicycles, and its related accessories for electric vehicle consumers across the world. Over the past years, the Group has successfully established “Yadea” as a top-tier brand of electric two-wheeled vehicle in the PRC.

## Better Service



- Nationwide warranty
- Original parts guaranteed
- One-year free door-to-door service
- One-year 20 free maintenance services

## More Export



- Exporting to 66 countries including the United States, Germany and Italy

## More Precise Manufacturing



- Seamless welding of chassis by international automatic programmed robot
- Take the lead to import TPS manufacturing system
- Implement quality inspection normalization

# 01

## COMPANY HISTORY

1997

The predecessor of Yadea, Wuxi Dongshi Vehicle Industry Co., Ltd. was established

2001

Jiangsu Yadea Technology Development Co., Ltd. was established

2004

Yadea introduced 5 automatic assembly lines from Japan with significant investment

2012

Zhejiang Yadea became the first company in the electronic two-wheeled vehicle industry to obtain the license for production of electric motorcycles

2013

Yadea released Internet of Things electric two-wheeled vehicles and contributed to the compilation of the standard specifications for such vehicles



2015

Exported to 66 countries including US, Germany, UK, France, Japan and South Korea

2016

Yadea was listed on the Stock Exchange, being the first listed enterprise of electric two-wheeled vehicles in the PRC (stock code: 01585.HK)

2017

Yadea sold over 4 million electric two-wheeled vehicles, becoming the brand with the largest sales volume according to Frost & Sullivan



2018

Yadea cooperated with FIFA as an official Asian sponsor for the 2018 FIFA World Cup, becoming the first and only company to do so in the industry



01

## PRODUCT SERIES

Series	English title	Abbreviation	Photo
實用	Practical	P	
休閒	Relaxation	R	
都市	City	C	



Series	English title	Abbreviation	Photo
運動	Sports	S	
山區車	Mountain	M	
鋰電	Lithium	L	

# 01

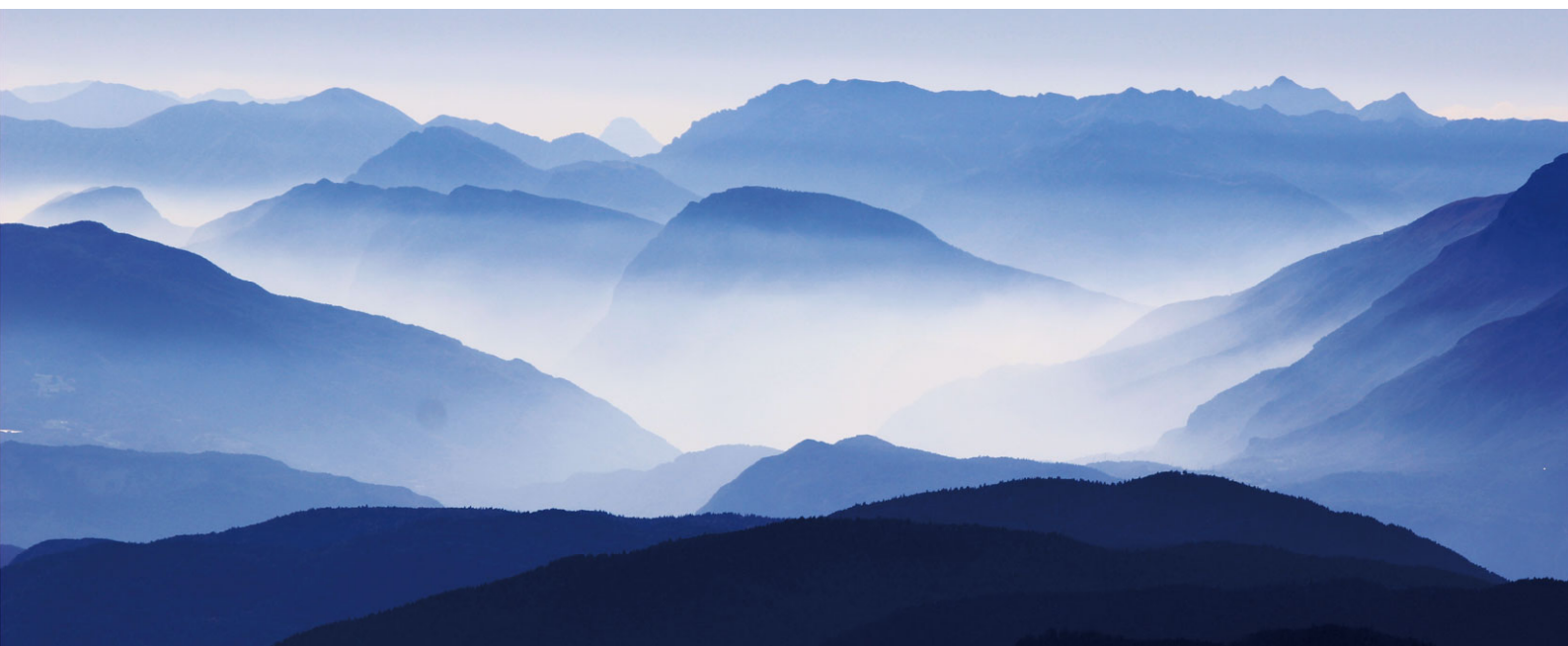
## CORPORATE GOVERNANCE

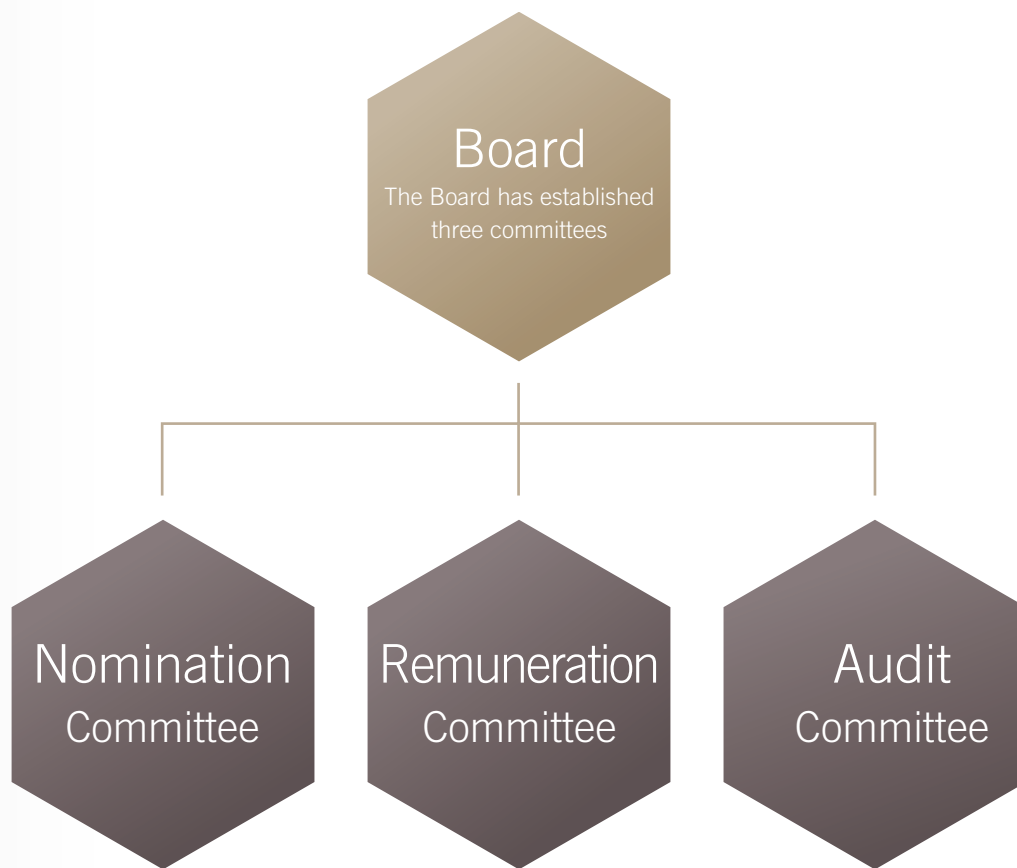
The board (the “Board”) of directors (the “Directors”) is responsible for leadership and control of the Group and the Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. The Board focuses on formulating the Group’s overall strategies, authorising the development plan and budget, monitoring financial and operating performance, reviewing the effectiveness of the risk management and internal control systems, supervising and managing the management’s performance, and setting the Group’s values and standards. The Group has internal audit function.

The Board has established three committees, namely the nomination committee (the “Nomination Committee”), the remuneration committee (the “Remuneration Committee”) and the audit committee (the “Audit Committee”), to oversee particular aspects of the Company’s affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company’s website and the Stock Exchange’s website and are available to the shareholders of the Company (the “Shareholders”) upon request.

The Board delegates the day-to-day management, administration and operation of the Group to the management and contributes to the Group through monitoring daily business operation, development plan and implementation. In addition, the Board has established several Board committees and delegates to the Board committees the responsibilities as set out in their written terms of reference. The Board regularly reviews the delegated functions to ensure that they suit the needs of the Group.

The Board has adopted a diversity policy to enhance its performance. The Board adheres to the principle of meritocracy and selects talents based on a variety of factors, including educational background, professional experience, skills, knowledge and service terms.





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# 02

## AWARDS AND INDUSTRY PARTICIPATION



## AWARDS

Award	Authority
Top 10 (Industry) Innovative Brands in Asia	Asia Brand Ceremony Organizing Committee
Top 10 Chinese (Industry) Leading Brands	Asia Brand Ceremony Organizing Committee
Top 100 Enterprise in China Light Industry	China National Light Industry Council
Ranked No. 1 in the Top 10 Electric Two-wheeled Vehicle Enterprises of the China Light Industry	China National Light Industry Council, China Bicycle Association
High-tech Enterprise	Department of Science and Technology of Jiangsu Province, Department of Finance of Jiangsu Province, Jiangsu Provincial Office of the State Administration of Taxation, Jiangsu Provincial Local Taxation Bureau
Named a Jiangsu Province Engineering Technology Research Center (江蘇省工程技術研究中心)	Department of Science and Technology of Jiangsu Province
AAA-rating Quality Trusted Enterprises of Jiangsu Province (江蘇省質量信用AAA級企業)	Quality and Technical Supervision Bureau of Jiangsu Province
Named a Guangdong Province Engineering Technology Research Center (廣東省工程技術研究中心)	Department of Science and Technology of Guangdong Province
Tianjin Innovative Technology Award	Tianjin Bicycle Industry Association

## INDUSTRY PARTICIPATION

Industry Association Involved	Position
Wuxi Trademark Association	Standing Council Unit
Jiangsu Bicycle and Electric Bicycle Association	Vice President Unit
China Bicycle Association	Vice President Unit
China Chamber of Commerce for Motorcycle	Council Unit
China Association for Consumer Products Quality and Safety Promotion	Council Unit
China Lithium Battery Industry Alliance	Vice President Unit
Jiangnan University	Director Unit

## STANDARDS DEVELOPMENT AND PARTICIPATION

Date	Participated in Drafting Standards
2017.05.10	Participated in the discussion and preparation work of Group Standard in relation to Electric Vehicles Sharing* (關於共享電動車的團體標準) organized by the Bicycle Sharing Professional Technology Committee* (共享單車專業技術委員會) under the China Bicycle Association.
2017.07.05	Participated in the standards development and standards documentation studies of Requirements on Listing Electric Vehicles Management Technology in Tianjin * (關於天津市電動自行車上目錄管理技術要求) organized by the Tianjin Bicycle Association* (天津自行車協會)
2017.07.11	Participated in comments and response sessions organized by the Office of the Development and Reform Commission for the Specifications on Electric Vehicles Safety * (《電動自行車安全技術規範》) and the preparation for vehicle sample inspection in relation to the request of compulsory national standards
2017.08.08	Participated in the standard revision development introduction and standard documentation studies of Safety Requirements on Electric Motorcycles and Electric Mopeds* (《電動摩托車和電動輕便摩托車安全要求》), the General Specifications for Electric Motorcycles and Electric Mopeds* (《電動摩托車和電動輕便摩托車通用技術條件》), and the Methods to Test the Power Performance of Electric Motorcycles and Electric Mopeds* (《電動摩托車和電動輕便摩托車動力性能試驗方法》) organized by the Electric Motorcycles Standard Working Group* (電動摩托車標準工作組)
2017.08.22	Participated in the discussion and studies on feedback of comments regarding national compulsory standard Electrical Safety Requirements for Electric Bicycle* (《電動自行車電氣安全要求》) organized by the National Bicycles Standardized Technology Committee, and developed the “standard draft for review”



# COMMUNICATION OF STAKEHOLDERS

Stakeholders	Communication Mechanisms	Expectations	Responses
Government	<ul style="list-style-type: none"> <li>• Policy guidelines</li> <li>• Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of national policies</li> <li>• Tax payment according to law</li> <li>• Honest and lawful operation</li> <li>• Creation of employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Sound operation</li> <li>• Laws and regulations compliance</li> <li>• Equal employment</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Board of directors</li> <li>• Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>• Reasonable return on investment</li> <li>• Regulation on corporate governance</li> <li>• Public information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Good operating results</li> <li>• Corporate governance</li> <li>• Public information disclosure</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Company website</li> <li>• WeChat official account/ WeChat group for customers</li> <li>• Official Weibo</li> <li>• Customer hotline</li> <li>• Users' App</li> </ul>	<ul style="list-style-type: none"> <li>• Innovative product designs</li> <li>• Timely information on new products</li> <li>• Assurance of product quality</li> <li>• Improvement of service quality</li> </ul>	<ul style="list-style-type: none"> <li>• Products of the Internet of Things</li> <li>• Service experience centre</li> <li>• "Safety Riding Insurance" service</li> <li>• Customer satisfaction survey</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Conference</li> <li>• Employee mailbox</li> <li>• WeChat official account</li> <li>• General manager hosting day</li> </ul>	<ul style="list-style-type: none"> <li>• Better individual development</li> <li>• Sound remuneration and welfare system</li> <li>• Optimization of working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of promotion channel</li> <li>• Optimization of training programmes</li> <li>• Various employee activities</li> <li>• Improvement of working and living environment</li> </ul>

Stakeholders	Communication Mechanisms	Expectations	Responses
Suppliers and partners	<ul style="list-style-type: none"> <li>Investigation and research on site</li> <li>Suppliers review</li> <li>Regular communication</li> <li>Business communication and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Long-term cooperation</li> <li>Fairness and justice</li> <li>Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Subdivision of supplier management</li> <li>Suppliers grading system</li> <li>Strategic cooperation with suppliers</li> <li>Establishment of a comprehensive coordination mechanism</li> </ul>
Community	<ul style="list-style-type: none"> <li>Care for vulnerable groups</li> <li>Community charity activities</li> </ul>	<ul style="list-style-type: none"> <li>Harmonious community relationship</li> <li>In-depth community charity</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary blood donation</li> <li>Financial assistance for needy students</li> <li>Distributors' participation encouragement</li> </ul>
The public and the media	<ul style="list-style-type: none"> <li>Media report</li> <li>Online media communication</li> </ul>	<ul style="list-style-type: none"> <li>Open</li> <li>Transparent</li> </ul>	<ul style="list-style-type: none"> <li>Objective report</li> <li>Truthful broadcasting</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Environmental protection activities and promotion</li> <li>Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>Reduction on energy consumption and carbon emissions</li> <li>Reuse and recycle</li> <li>Green travel promotion</li> </ul>	<ul style="list-style-type: none"> <li>Work suspension in response to the Heavily Polluted Weather Emergency* (《重污染天氣應急響應》) for the reduction of pollutant emissions</li> <li>Green charity ride</li> </ul>

# 04

## ENVIRONMENT EMISSIONS MANAGEMENT

Yadea has always been an active respondent to environmental protection. The Group has adopted a stringent policy over emissions management during production process, so as to ensure compliance with relevant environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law on Prevention and Control of Atmospheric Pollution of the People's Republic of China (《中華人民共和國大氣污染防治法》), the Law on Prevention and Control of Water Pollution of the People's Republic of China (《中華人民共和國水污染防治法》), and the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》). Also, the Group is subject to periodic monitoring by local environmental protection authorities. In 2017, the primary emission types of the Group were as follows:

### Water

Production sewage and domestic sewage.

The main pollutants include: COD and ammonia nitrogen emissions.

### Air

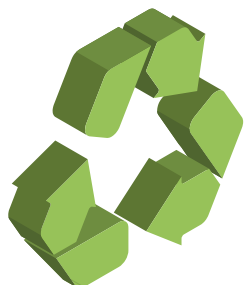
Industrial exhaust gas and canteen fumes.

The main pollutants include: VOC and nitrogen oxides.

### Solid wastes

Hazardous wastes include paint residue, spent carbon, and sludge.

Non-hazardous solid wastes include: domestic garbage and waste packaging materials.



Each manufacturing facility has employees with relevant qualification to ensure that the disposal of wastes strictly complies with the relevant management system of the Company. For sewage, exhaust gas and solid wastes from production procedures, the Group adopts effective measures according to relevant requirements to ensure that it meets the emission standards.

For wastewater treatment, the Company has built its own wastewater treatment facilities. After treatment, wastewater enters into the municipal sewage pipeline network and will be regularly inspected to ensure that the wastewater standards meet the regulations. For exhaust gas treatment, each of the Company's production bases has related treatment facilities, using purification treatment or high altitude discharge to ensure that the exhaust gas meets the emission standards. For solid waste treatment, each of the Company's production bases conducts the corresponding classification treatment. Among them, hazardous wastes are recycled by professional firms with qualifications for disposal of hazardous wastes for unified treatment and registration will be made to avoid leakage. Solid waste is handed over to the local environmental sanitation agencies and is processed on a monthly basis to reuse the recyclable waste.

In 2017, the Company continued to promote clean production and to upgrade production technologies and equipment. Among them, the Company purchased the new welding fume treatment device, and replaced the traditional organic solvent coatings with water-based coatings, which is the first in the industry. For reconstruction projects and the introduction of new process or equipment, the Company also carried out the same strict control over relevant emissions and environmental management.

In 2017, Yadea's total greenhouse gas emissions amounted to 1,780.02 tons of carbon dioxide equivalent, while greenhouse gas emissions per unit vehicle amounted to 0.43 kg of carbon dioxide equivalent.

Types of emissions	Unit of measurement	Emissions amount
Total amount of wastewater discharged .....	Ton .....	233,195.2
Total amount of COD in wastewater .....	kilogram .....	13,124.0
Total emission amount of ammonia nitrogen in wastewater .....	kilogram .....	733.3
Total emission amount of VOC in exhaust gas .....	kilogram .....	5,743.7
Total emission amount of nitrogen oxides in exhaust gas .....	kilogram .....	1,656.9
Total emission amount of sulphur dioxide in exhaust gas .....	kilogram .....	866.4
Total amount of hazardous waste generated in solid wastes .....	Ton .....	215.9
Total amount of non-hazardous waste generated in solid wastes .....	Ton .....	323.94

# 04

## USE OF RESOURCES

Yadea valued the efficient use of resources. The Group strictly complies with relevant national laws and regulations, such as the “Water Law of the People’s Republic of China” 《中華人民共和國水法》 and the “Provisions on the Management of Water Conservation in Cities” (《城市節約用水管理規定》), and formulated the “Management System on Environmental Protection and Resources Conservation” internally to clarify responsibilities and provide guidelines. Dedicated people were put in place to handle the maintenance and management of water and electric equipment. In 2017, Yadea commenced the tasks as follows:



Water conservation

1. continue to carry out quality control activities, using PDCA quality control tools to diagnose water over-consumption.
2. use water-saving equipment, and optimize production technologies to realize water recycling.
3. carry out water-saving promotion, conduct saving activities such as turning off water and lights when leaving rooms.



Energy conservation

1. periodically inspect power distribution stations and carry out preventive checks, and assess the power consumption of new equipment to ensure the safe use of electricity.
2. reasonably use indoor air-conditioning equipment, and set the indoor temperature below 20 degrees in winter and above 26 degrees in summer.
3. the 2.48 MW photovoltaic power station in Wuxi facility generated grid-connected electricity of approximately 2.59 million KWh during the Reporting Period.





#### Oil conservation

1. replace traditional forklifts in the workshop by the electric ones year by year. As at the end of 2017, electric forklifts accounted for 50% of all the forklifts.
2. promote green travel to employees and reduce the usage of corporate cars.



#### Paper saving

1. print both sides of office papers and refill cartridges.
2. handle official business electronically via the Internet to reduce paper consumption.
3. recycle used items and reduce packaging materials.

In 2017, Yadea's comprehensive energy consumption was 4,150.26 tons of standard coal, and the energy consumption per vehicle production was 1.01 kg of standard coal. The Company carried out the initiatives from multiple dimensions such as layered management and employee education, and continued to promote the high-efficient use of resources to achieve green production.

Classifications of resources	Unit of measurement	Consumption
Total amount of electricity consumption .....	kWh .....	2,404.5
Total amount of gasoline consumption .....	Litre .....	12.0
Total amount of diesel consumption .....	Litre .....	5.0
Natural gas consumption .....	cubic meter .....	104.6
Total amount of water consumption .....	cubic meter .....	28.9
Total amount of water recycled and reused .....	cubic meter .....	0.2

# 04

## USE OF RESOURCES

### Case: Recycling and reuse of wastewater



Wastewater from painting workshops is recycled and reused after treatment in the sewage treatment plant

### Case: Reduce water over-consumption with Quality Control (QC) tools

Since 2016, Zhejiang facility has continued to conduct the QC activities – “Reduce water over-consumption”. Adopting the PDCA method, the Company has been gradually reducing the consumption volume of tap water from different angles.



- |         |   |
|---------|---|
| Step 1: | Use segmented throttling method for the pipeline, find the leaking area and implement leak compensation.  |
| Step 2: | Open the sewer cover in the plant to see if there is a waterflow situation, then find the leakage point and implement leak compensation.                          |
| Step 3: | Number the water meters used by different units, and meter readers will conduct meter recording according to the water meter numbering.                           |
| Step 4: | Draw pipeline layout plans for the tap water supply pipeline of the plant and combine it with the pipeline layout plan, making future management more convenient. |
| Step 5: | Install secondary, tertiary, and end water meters respectively according to the unit in those high water consumption networks to achieve layered management.      |

### Case: Promote water conservation in plants



Water conservation promotions are widely carried out within the facilities, and water conservation prompts are posted in the production and living areas.

# 04

## ENVIRONMENT AND NATURAL RESOURCES

Yadea attaches importance to environmental and resource protection. As a leading brand in electric two-wheeled vehicles industry, Yadea concerns about the impact its products bring to the environment. In accordance with the “Technical Policy for the Recovery and Utilization of Electric Vehicle Batteries” (《電動汽車動力蓄電池回收利用技術政策》), the Group ensures that the upstream suppliers comply with environmental and product quality requirements, and organizes the downstream distributors with qualified organizations to sign battery recycling agreements. In addition to batteries, safe recycling of other parts of the vehicle is also encouraged to ensure that the entire life cycle of the product has minimal impact on the environment.

**Case: In the winter of 2017, the “Free Maintenance, Warm Winter Redemption Activity” was launched**



Owners of all brands of electric vehicles can receive free maintenance in all Yadea stores and after-sales services outlets. Owners of all brands of old electric two-wheeled vehicles can receive high-priced trade-in deals.



In addition, Yadea is also committed to promoting the lifestyle of green riding. In 2017, the Group launched the exclusive two-wheeled electric vehicle owner's festival, the "717 Electric Vehicle Festival", and organized more than 300 vehicle owners' riding events in more than 100 cities across the country. The events include various themed activities such as speed race, modification contest, beer party, campfire, etc., in order to stimulate public enthusiasm and awareness of green riding.

#### Case: The 717 Electric Vehicle Festival



Summer cycling party in Baoding



Yadea's friends cycling party in Beihai



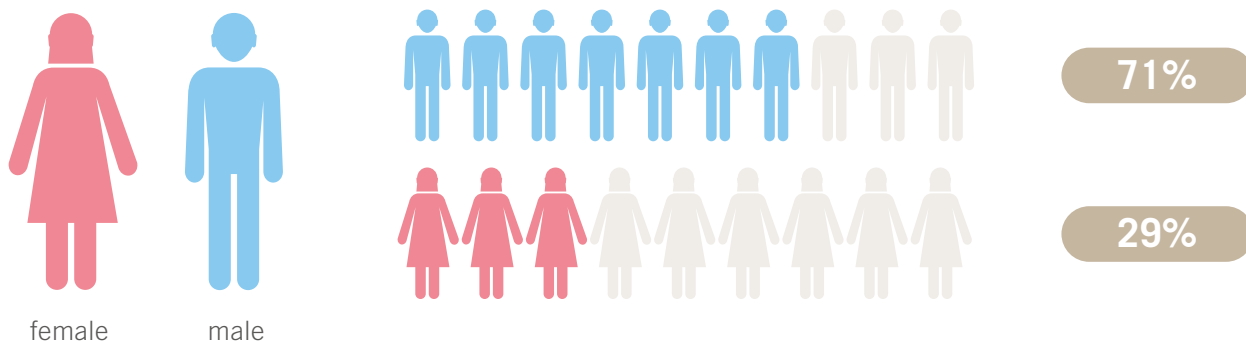
# 05

## SOCIETY

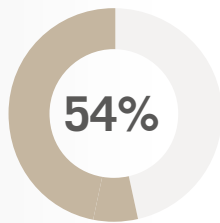
### EMPLOYMENT

Yadea upholds the core concept of “people-oriented”. The Group strictly complies with laws and regulations, such as the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》) and the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》) and formulates internal management systems and provisions, such as Internal Employees Appointment Management Measures, Senior Personnel Management Measures, Labor Contract Management Measures and Training Management Measures, specifying the relevant employee benefits and welfare, including policies on remuneration, recruitment, employment, working hours and leaves to ensure transparent information disclosure, compliance with laws and equal employment, which would eliminate discrimination or harassment in the workplace. As at 31 December 2017, the Group has 3,539 employees in total.

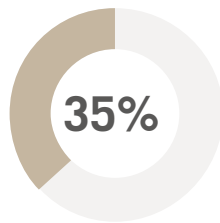
#### Percentage of employees by gender



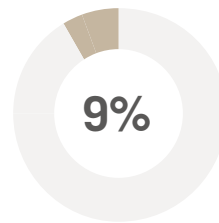
## Percentage of employees by age



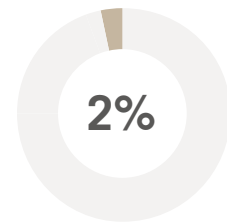
30 and below



31—40

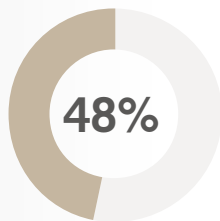


41—50

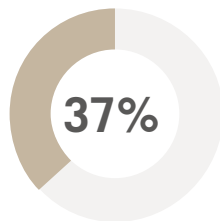


51 and above

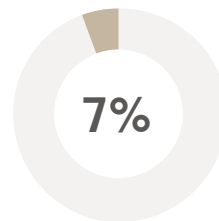
## Percentage of employees by employment category



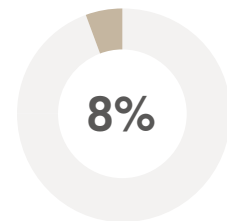
others



production



technical



marketing

# 05

## HEALTH AND SAFETY

Yadea pays great attention on production safety. The Group strictly complies with relevant laws and regulations, such as the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and the Law on Prevention and Control of Occupational Diseases of the People's Republic of China (《中華人民共和國職業病防治法》) during the course of production and operation and has established an internal safety taskforce and adopted relevant management measures to ensure that the safety precautions fully covered production and administration areas. Among which, Safety Production Management Measures are to ensure production safety, Special Equipment Management Measures are for the prevention of major safety incidents of special equipment, External Construction Personnel Management Measures are for the regulation of external construction, and Fire Safety Management Measures are for the prevention of fire incidents. During 2017, Yadea had no work-related casualty accident nor was there any major production safety accident, and it has adopted the following measures:



### Employee Health

- Organizes occupational health checks according to different posts, establishes health records and assists employees with medical treatment.
- Optimises workplace to achieve dust-free and harmless environment and lower the occupational health and safety risk.
- Improves the management system on cafeteria sanitary to ensure food safety.
- Encourages employees to participate in sports activities, and organises basketball competitions and Sports Day annually as stress relief for employees.



### Employee Safety

- Conducts mandatory safety training for all employees during induction, and only those passing the exams are allowed to start duties.
- Provides personal protection equipment for employees at production facilities and conducts relevant trainings.
- Organizes weekly safety production inspection for the whole company, and conducts immediate rectification once risks are found.
- Distributes helmets to employees living off sites and carries out safety education trainings.



## Safety Education

- Organizes the Safety Production Month, and delivers safety education to all employees by means of safety banners, fire drills and trainings.
- Organizes training in relation to External Construction Safety Management Measures, and promotes relevant safety measures at each facility from top to bottom.
- Conducts traffic safety seminars, and proactively helps employees to establish safety awareness.
- Organizes relevant employees to participate in trainings on special operations, to ensure that responsible personnel hold qualification certificates for work.

Expenditure on safety production:

RMB **457,000**

Safety education trainings held:

**66** times

Total attendees of safety education training:

**10,747** persons



Fire Drill



Health Checks for Employees

# 05

## DEVELOPMENT AND TRAINING

Yadea attaches great importance to the organic combination between the employee and the corporate. The Group formulated the Training Management Measures (《培訓管理辦法》) and the Organization Performance Management Measures (《組織績效管理辦法》) to link the employee promotion with their trainings, expressly setting out the minimum years of working experience and training courses required for the promotion. Through such procedures, the Group delivered fair opportunities and optimized the internal employee structure, so as to achieve the management concept of “selection, utilisation, development and retention of talents” and create a brilliant team which will allow Yadea to respond to market changes at ease. During 2017, the Group has carried out works on the following aspects:

### Improve the Existing Promotion System

Clarify the promotion channels for management and non-management personnel and carry out optimization of human resource deployment in terms of the needs of technology and business development.

Establish the management trainee project to meet the business needs of the departments. In 2017, 39 university graduates in total were recruited.

Establish the middle and senior management rotation system, under which positions were switched between the business management of manufacture facilities and the sales company, so as to ensure the comprehensive development of talents.

## Enhance Training Resources

- Carry out course development that combines with the development direction of the Group and focuses on the aspects of quality control, production and manufacturing, as well as corporate management.
- Integrate the internal and external training resources and commence the online and classroom trainings, including the Leadership Training courses for 68 members of middle and senior management.
- Establish libraries at all of our production facilities to promote and encourage the learning culture within the corporate.

In 2017, Yadea has organized 1,127 trainings, covered 35,258 attendees, and delivered 26 training hours per person. The Company has invested a total of over RMB17.9 million.



Total training hours

**91,722** hours

External training hours

**10,619.5** hours

Training courses	Total amount of time (hours)	Total number of people	Training hours per person (hours)
Professional training <sup>①</sup>	69,342.0	32,828.0	2.1
General training <sup>②</sup>	7,961.5	4,347.0	1.8
Special training <sup>③</sup>	9,611.0	522.0	18.4
Orientation <sup>④</sup>	4,807.5	1,010.0	4.8

<sup>①</sup> Professional training refers to trainings provided for employees in different positions regarding professional skills and knowledge. The organizing units are individual departments, and mainly in the form of internal trainings and external trainings.

<sup>②</sup> General training refers to trainings provided for employees on different levels regarding the occupational skills and abilities for specific levels. Such trainings are primarily organized by the human resource centre and the internal lecturers would provide the lectures.

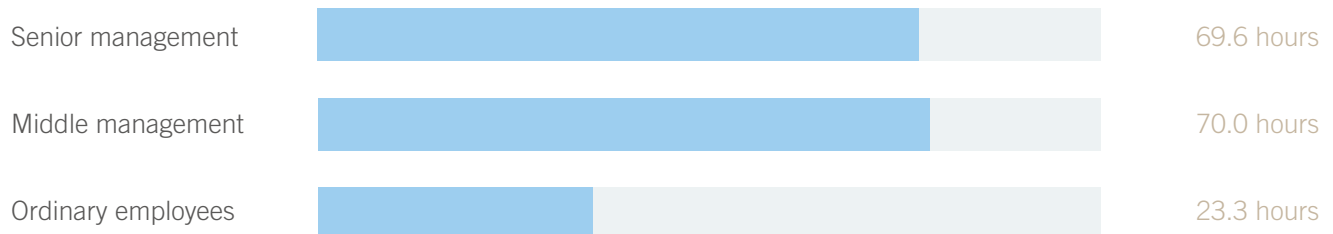
<sup>③</sup> Special training refers to special courses targeting the current condition of the corporate or the enhancement of a specific ability of the corporate or targeting individual specific cultivation.

<sup>④</sup> Orientation refers to trainings provided to help new employees familiarize with the corporate and adapt to the environment and the position quickly.

### Average Training Hours – by Gender



### Average Training Hours – by Employment Category





### Case: Management Trainee Orientation



Management trainees received orientation at the Wuxi facility

### Case: Leadership Training



A total of 68 members of middle and senior management participated in the leadership training in 9 batches, lasting 3 days for each batch

# 05

## LABOR STANDARDS

Yadea devotes to building up a corporate culture of “Love, Altruism and Harmony”. The Group strictly complies with the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) and other relevant laws and regulations, and implemented them in the internal management documents by formulating Employees Employment Management Measures (《僱員任用管理辦法》) and the Employee Rights and Interests Protection System (《僱員權益保護制度》) accordingly. In strict compliance with management measures, Yadea verifies the identification information of employees to prohibit the employment of child labor and forced labor. In 2017, Yadea did not experience any case of illegal employment.

Creating a harmonious, respecting and healthy working and living environment for the employees has always been the goal of Yadea. Yadea provides relevant benefits of different festivals and holidays for employees, such as “cooling delight for the summer” and “quilt giveaways for the winter”. And third parties are engaged to clean the employee accommodation area regularly. In 2017, Yadea continued to carry out traditional cultural and recreational activities for employees such as basketball games and sports day, and provided more care for employees through the following aspects:

### Employee communication and accreditation

- Award ceremony for outstanding employees in January.
- Organize exchange and social gathering events for employees among production plants.

### Workers with difficulties

- Establish records of workers with difficulties, implement hierarchical management and reporting system, and formulate Employee Difficulty Support Management Measures (《僱員困難救助管理辦法》).
- Prior to holidays like the Spring Festival, the Army Day and the Mid-autumn Festival, seminars and consoling activities are organized.

### Female employees

- Grant holiday benefit on Women’s Day, conduct seminars and training courses on women’s health to raise women workers’ awareness of self-protection.
- Build the “Mummy House”, and formulate “Mummy House” Configuration Standards and Management Measures (《“愛心媽媽小屋”配置標準和管理辦法》) to ensure women’s health during pregnancy and lactation.

### Employee Families

- Care for left-behind children, and provide family reunion allowance to employees from remote areas who have not been back home for a long time.
- Organize Yadea Family Day.



Selection of outstanding employees in January



Employee support to those with difficulties



2017 Yadea's First Yoga Training Course



Mummy house



Employee family reunion subsidy

Yadea attaches importance to the win-win benefit of the value chain. The Group has established a series of management methods and systems from supplier admission, management to exit, which include “Tender Management Measures”, “Management Measures for Developing New Suppliers”, “Management Measures for Supplier Performance Assessment” and “Management Measures for Supplier Suspension of Supply and Exit”. In 2017, in order to implement more effective supply chain management and control, Yadea separated the non-production purchasing and established an independent department and set up management measures accordingly.

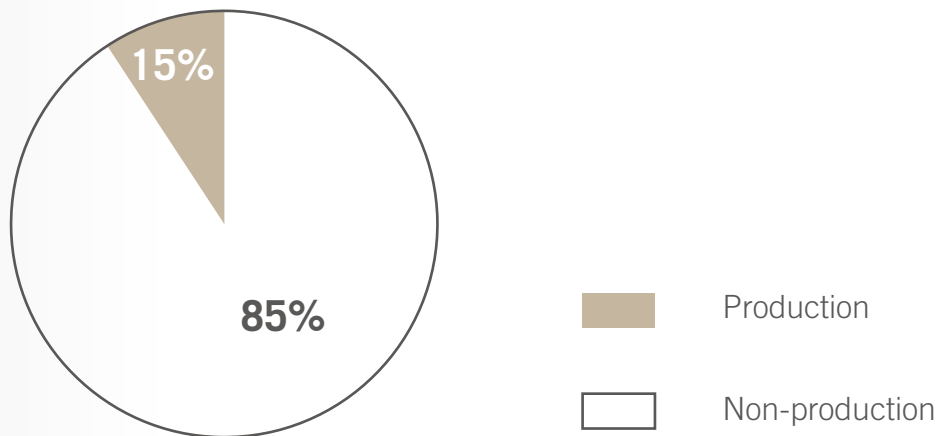
For the selection of suppliers, Yadea adheres to the purchase strategy of “being open and transparent”. Yadea established Management Measures for New Supplier Admission, including assessments of suppliers’ financial risk, management system, operational capability, intellectual property and production sites, and conducted corresponding grading assessment.

For the management of suppliers, Yadea signed the corresponding “Procurement Agreement”, “Technology Development Agreement”, and “Quality Agreement” with the suppliers to ensure that the responsibilities of both the buyer and the supplier are clear. In addition, Suppliers are required to sign the “Market Recycling Agreement” for the parts which have environmental protection requirements (such as batteries) to promote the sustainable development for Yadea’s supply chain. Furthermore, the relevant personnel from procurement, technology centre and quality centre are teamed up to conduct annual audits on the management system of suppliers, to compile summary report and to keep archives.

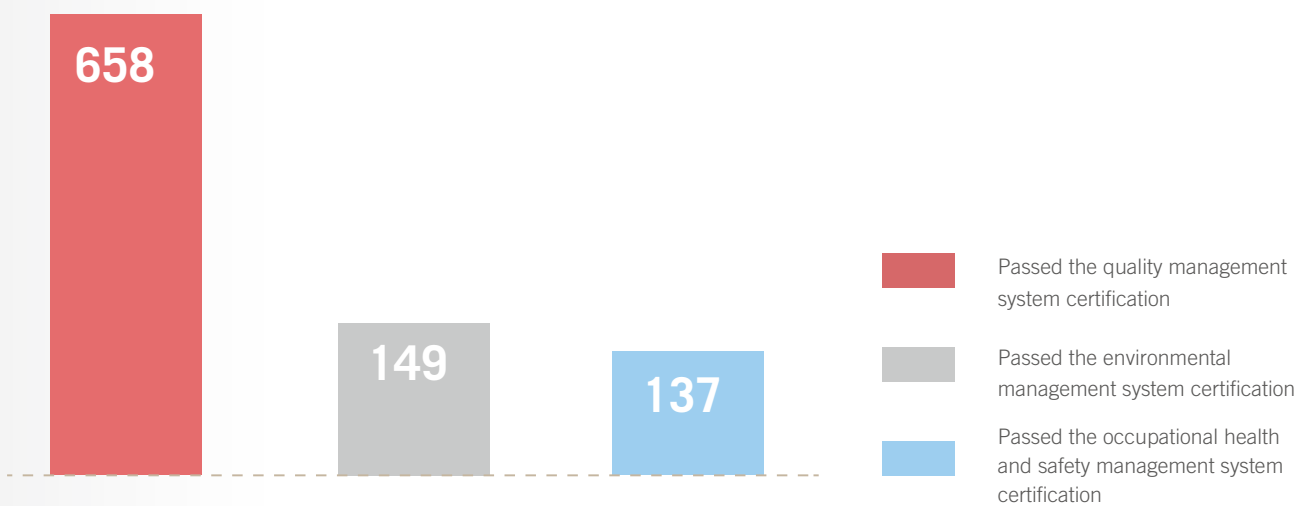
In 2017, Yadea conducted relevant reviews on a total of 1,458 suppliers to ensure that the entire supply chain implements the Company’s supplier regulations and management requirements. In addition, Yadea further promoted the certification of environmental management system (ISO 14001), quality management system (ISO 9001) and occupational health and safety management system (OHSAS 18001) to play a more proactive role in green procurement.



### Proportion of Suppliers——by Type



### Total Number of Suppliers——by Relevant Management System Certification



## PRODUCT QUALITY

Yadea strictly controls product quality. The Group complies with the “Product Quality Law of The People’s Republic of China” (《中華人民共和國質量法》), GB17761 “Electric Bicycles – General Technical Requirements”, GB24155 “Safety Specifications for Electric Motorcycles and Electric Mopeds” and other national, regional and industry product laws, regulations and policies, and, in light of these, creates the inspection standards documents for parts and vehicles such as “Inspection Management Procedures”, “Unqualified Products Management Procedures”, “Internal Quality Information Management Measures”, “Vehicle Out of the Box Assessment Management Measures”, “Parts Inspection Management Measures”, etc. in order to standardize the management of product quality and strictly control product quality. The facilities of the Group have passed the Renewed ISO9001: 2015 certification in 2017 and the facilities in Wuxi and Guangdong have extended the scope of system certification of electric motorcycles respectively.

For product safety, a series of safety technical guidance documents, such as “Electric Bicycle Electrical Components Technical Standards” (《電動自行車各電氣零部件技術標準》) and “Luxury Electric Vehicle Road Test Methods” (《豪華款電動車道路試驗方法》), are compiled by making reference to the automotive industry and motorcycle industry standards, to ensure that the products from parts to vehicles are designed and developed in accordance with standard regulations. In the product development phase, product inspection benchmarks are developed based on product characteristics. A comprehensive safety test is conducted in the manufacturing process.

In 2017, Yadea upgraded once more by introducing the “Diamond Edition” product quality standard with 37 parts and accessories of the vehicle having been upgraded, and the warranty period for the core accessories having been extended. Yadea is the first and only company in the industry equipped with a national-level corporate laboratory obtaining CNAS (China National Accreditation Service for Conformity Assessment) accreditation. In the laboratory, scenarios of the vehicle in real environment can be simulated, and various advanced equipment performs professional and stringent testing on the parts and components of the vehicles. The accessories must go through 183 testing procedures to enter the production session. The vehicle must go through 41 tests before entering the market so as to ensure product quality.



# The Pioneer of Advanced Electric Vehicles

Falling Head Over Heels for Riding



**Diamond  
Edition**

Developed with prime supply chain worldwide

Warranty period twice as long as ordinary electric two-wheeled vehicles

## TECHNOLOGY INNOVATION

Yadea encourages technology innovation. The Group has specially formulated “Management Measures for Patent Incentives” (《專利獎勵管理辦法》), “Declaration of Government Project Incentives Measures” (《申報政府項目獎勵辦法》) and “Measures for Project Management Evaluation” (《項目管理考評辦法》) to stimulate the innovation enthusiasm of personnel and strictly combat patent infringements, thereby enhancing the level of independent innovation capability and technological advancement of the corporate.



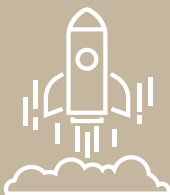
### Encouraging scientific research and development

The Group has formulated a project management evaluation mechanism for vehicle development and special technological innovation to encourage scientific research and development. The Group has established the “cross-functional teams” and introduced an “evaluation mechanism” to fully integrate resources and accelerate the development of projects.



### Encouraging patent applications

The Group has set out the corresponding incentive forms and amounts based on invention patent, patent for utility model and appearance patent.



### Accelerating the conversion of patents

The Group has set out the corresponding incentive forms and amounts for the projects that have completed the declaration of the technology result transformation and successfully obtained the provincial national-level honorary certificates or government grants.




### Raising awareness of patent protection

The Group effectively communicates with and joins judicial protection authorities, establishes corporate intellectual property rights WeChat official account, conducts regular employee training, and implements protection measures at each phase from application to authorization.

In 2017, Yadea had a total of three R&D bases in China, and established a 230-person scientific research team with R&D expenditure of RMB182.6 million. In addition, “Yadea New Internet of Things Intelligent Anti-Theft Electric Vehicle Technology (雅迪新型物聯網智能防盜電動車技術)” was granted the Excellence Award in the “2017 World Internet of Thing Expo New Technology and New Product Achievement Award (2017世界物聯網博覽會新技術新產品成果獎)”.


In 2017, based on the research on forward-looking topics in relation to the Internet of Thing, new energy transportation, and internet+, Yadea has launched:

### Case: “Yadea Intelligent Butler (雅迪智能管家)” Mobile Phone App

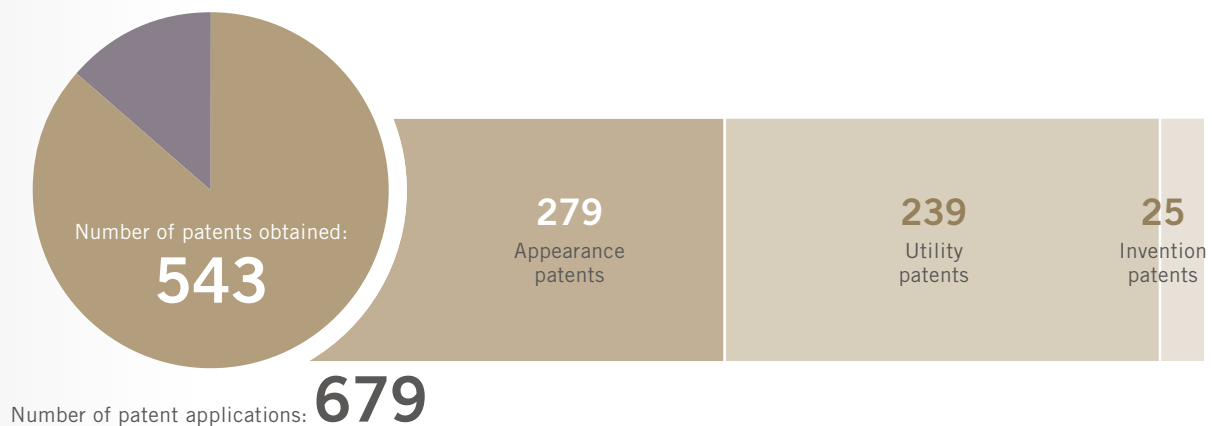


This APP enables the user to send control instructions such as start, fault self-test, LED lights intelligent sensing to the vehicle through the mobile phone. In addition, there is also a communication platform between users and the corporate.

### Case: “Eagle Eye Intelligent Anti-Theft System (鷹眼智能防盜系統)”



The system uses the “YADEALINK” platform to send GPS position signals and vehicle anti-theft alarm signals to the user’s mobile phone APP in real time. If the vehicle encounters violent demolition, it will be immediately locked up.



# 05

## PRODUCT RESPONSIBILITY

### CUSTOMER SERVICE

Yadea is committed to providing better service. The Group has formulated the “Customer Complaint Management Measures” in accordance with the laws and regulations such as the Consumer Protection Law (《消費者權益保護法》), the Regulations on Liability for Industrial Products Liability (《工業產品質量責任條例》), requiring the sales and after-sales end strictly complying with them, and conducting trainings for relevant personnel regularly. By speeding up the handling of consumer complaints and standardizing problem-solving methods (8D report forms), the protection of consumer rights is maximized.

Regarding the service-end storefronts, the Group has vigorously promoted the concept of 4S-level maintenance of vehicles and has become the first company in the industry to obtain the 5-star service certification. Users can enjoy 20 free services, one-click repairing service of 365 days i.e. responding to customer claims within 5 minutes, and safety riding insurance of RMB52,000. Regarding service-end personnel, Yadea is involved in the drafting and review of industry service standards and has become the first organization with the largest number of service managers in the electric bicycle industry.

20  
items

free services

RMB 52,000

safety riding  
insurance service

365 days  
within 5 minutes

one-click repairing  
service

In 2017, Yadea announced the “Three Guarantees” extension for its vehicle accessories. It also carried out more than 8,000 “Free Maintenance, Warm Winter Redemption Activities” across the country to provide free car washing and overhaul repairs for customers, and conducted service satisfaction survey on consumers and suppliers via WeChat official account “Yadea Bike-owners Platform”. In response to the problems raised, the sales department has also formulated the “2017 Customer Satisfaction Survey Improvement Plan” and carried out corrective actions accordingly.

The survey showed that in 2017, Yadea’s product satisfaction rate reached 96.2% while after-sales service satisfaction rate reached 96.0%. In addition, Yadea’s five-star after-sales service has also been recognized by the business community by winning the “Top 10 Best PRC After-Sales Service Enterprises” in the “Eighth National After-sales Service Evaluation Campaign” (第八屆全國售後服務評價活動) jointly organized by the China Business Confederation and the China Consumer Protection Foundation.



After-sales service satisfaction rate in 2017

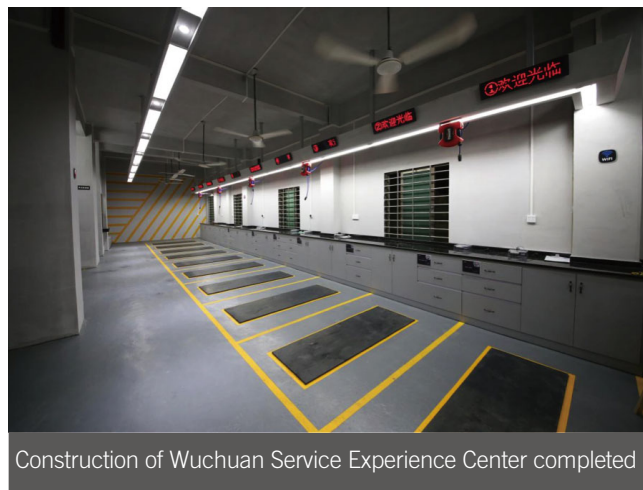
96.0%

Product satisfaction rate in 2017

96.2%



Top 10 Best PRC After-Sales Service Enterprises



Construction of Wuchuan Service Experience Center completed

In addition, Yadea attaches great importance to the protection of consumer data privacy. The Group has set up a “security and confidentiality system” and requires the organizational units at all levels to manage and use information and documents as required. Customer information is managed and maintained by designated personnel. If other departments or third-party companies need to view and use the customer information, they must complete the approval process to obtaining the authorization, and the customer information cannot be disclosed explicitly. In 2017, Yadea respected consumer privacy in production, sales, and after-sales service, and it has so far not infringed or leaked consumer information.

# 05

## ANTI-CORRUPTION

In compliance with the relevant laws and regulations on anti-corruption and anti-trust, Yadea has established the corresponding internal control system to curb the illegal acts, such as bribery and fraud. Yadea includes relevant provisions in the contracts and open tender documents. The employees are required to sign the “Yadea Group Anti-corruption Initiative” when they join the Group. Distributors and suppliers are required to sign the “Anti-commercial Bribery Agreement” when establishing the commercial relationships with Yadea. Moreover, the Company’s internal “Anti-corruption Management Practices” expressly stated the relevant responsibilities of the management and the Internal Control department of the Company. It has specified the reporting process of corruptions, guidance and supervision, prevention and control, remedial measures, and penalty procedures, and strengthened the management of record and file of the fraud cases.

Meanwhile, the Group has set up reporting and supervision channels, including the reporting hotline and the anti-corruption official account, to encourage raising concerns and issues of ethical and legal non-compliance. In addition, the Internal Control department carries out promotion of anti-corruption knowledge and reporting channels regularly via suppliers’ platform and sale APP. In 2017, Yadea was not aware of any corruption proceedings that the Group and its employees had involved in.



1. The Group and 4 facilities have set up the specialized mailboxes for receiving complaints.



2. Hotline: 0510-88101338



3. Email: [chunyan\\_t@yadea.com.cn](mailto:chunyan_t@yadea.com.cn)



4. WeChat anti-corruption official account: Yadea’s internal anti-corruption reporting account



# 05

## COMMUNITY INVESTMENT

Yadea incorporates a harmonious community into its corporate development strategy layout. The Group encourages the development and charity activities of the local community where it operates, encourages open dialogues with the local community, complies with local laws and regulations, respects local culture and customs, and supports employee to take part in volunteer activities. In addition, Yadea recruits qualified local employees as far as practicable, to create more employment opportunities for the locals.

In 2017, Yadea continued to hold the activities of “Fraternity Yadea Fund of Red Cross” (紅十字會博愛雅迪基金). Yadea also encouraged and supported distributors to take an active part in local charity work. The distributors in Shandong and Shaanxi sponsored the local sporting events such as marathon. In 2017, Yadea made a total external donation of more than RMB4 million, organized 7 sessions of employee volunteering projects, and helped 24 employees’ children to continue education.

### Case: Sustainable assistance in the development of Jinzhai County in Anhui Province

Yadea provided financial support to the public facilities in Qingshui Village, Jinzhai County for reconstruction and improvement purpose. As of 2017, the area of reconstructed roads was 6,831.62 m<sup>2</sup>, with 25 street lamps, and lawn of approximately 22,000 m<sup>2</sup>. Yadea sponsored the reconstruction of the Qingshui Central Primary School in Meishan Town. As at the end of 2017, the project has completed the renovation of the teaching building, which was surrounded by slope, the renovation of the school cafeteria and custom-made school uniforms.



Newly constructed roads and greening environment in Qingshui Village, Jinzhai County



Qingshui Central Primary School in Jinzhai County

### Case: Voluntary blood donation of our employee



### Case: The local marathons sponsored by Yadea's distributors



The 2017 Qingchuang Cup Longkou International Marathon was sponsored by the Longkou distributor, Shandong.



The Xi'an distributor in Shaanxi sponsored and participated in the First 24 hours Marathon in Xi'an (首届中国企业24小时极限挑战赛西安站).

## FUTURE OUTLOOK

In 2018, Yadea will embrace the dream and go beyond impossible.



**An official Asian sponsor for the FIFA World Cup**

As the leader in electric two-wheeled vehicles industry, Yadea will lead the industry development, go further to the global prominence in the new year and speed up the pace to become a world-class enterprise. Currently, Yadea's high-end brand image has also been recognised by the world, and Yadea has become an official Asian sponsor of the 2018 FIFA World Cup.

In this regard, Yadea will further strengthen the concept of sustainable development. Yadea will continue to be customers-oriented and to value those who contribute. The Group insists on operating in honest and efficient way, encourages their employees to be responsible, advocate honesty among teams, and promote value chains and win-win cooperation. Also, the Group is extremely strict to every detail in production and make proactive effort to the environment and communities where the Group operates so as to minimize our emission impact.

Yadea's belief in green is never a slogan but a practical act to every detail in Yadea's daily operation. From product design, production, sales, customer use to eventually recycling, every process is correspondingly under control, and the Group proactively promotes the idea of green travel along with the Group's presence around the world. Yadea also hopes that with the expansion, it will influence Yadea's stakeholders as well as new areas and groups.

Yadea not only is a corporate that continues to innovate  
but also a responsible corporate citizen.

# INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE STOCK EXCHANGE

Environmental		
Serial Number	Description of indicators	Page
Aspect A1 Emissions		
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.	19-20
KPI A1.1	The types of emissions and respective emissions data.	19-20
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	20
KPI A1.3	Total hazardous waste produced (by weight or volume) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per official employee).	20
KPI A1.4	Total non-hazardous waste produced (by weight or volume) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per official employee).	20
KPI A1.5	Description of measures to mitigate emissions and results achieved.	19-20
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	19-20

Serial Number	Description of indicators	Page
Aspect A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	21-24
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).	22
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	22
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	21-24
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	21, 23-24
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A  Most of the packaging of the Company is used with recycled packaging of previous years and there is no significant emission risk. Statistics cannot be cleared during the Reporting Period and the specific data will be disclosed in the next reporting period.
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	25-26
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	25-26



# INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE STOCK EXCHANGE

Social		
Serial Number	Description of indicators	Page
<b>Employment and Labor Practices</b>		
Aspect B1 Employment		
General Disclosure	(a) Information on: 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.	27-28
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	27-28
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	N/A
Aspect B2 Health and Safety		
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.	29-30
KPI B2.1	Number and rate of work-related fatalities.	29
KPI B2.2	Lost days due to work injury.	29
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	29-30

Serial Number	Description of indicators	Page
Aspect B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	31-34
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	33
KPI B3.2	The average training hours completed per employee by gender and employee category.	33
Aspect B4 Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	35-36
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	35
KPI B4.2	Description of the steps taken to eliminate the situation when discovered.	35
<b>Operating Practices</b>		
Aspect B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	37-38
KPI B5.1	Number of suppliers by geographical region.	N/A
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.	37-38
Aspect B6 Product Responsibility		
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.	39-44
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	39
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	43-44

Serial Number	Description of indicators	Page
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	41-42
KPI B6.4	Description of quality assurance process and recall procedures.	43-44
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	44
Aspect B7 Anti-corruption		
General Disclosures	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.	45
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.	45
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	45
<b>Community</b>		
Aspect B8 Community Investment		
General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that the activities are carried out after taking into consideration the communities' interests.	46-47
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	46
KPI B8.2	Resources contributed to the focus areas (e.g. money or time).	46



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