



Yongsheng Advanced Materials Company Limited
永盛新材料有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 3608

**Environmental, Social and
Governance Report**
環境、社會及管治報告

2017



Industry Structure	產業結構	2
Corporate Values and Motto	企業文化及宗旨	3
Certifications and Qualifications	認證及資格	4
Introduction	引言	5
About this Report	關於本報告	5
Reporting Standards and methodology	編制准則	5
Environmental Aspects	環境方面	6
Emission Policies	排放政策	6
Use of Resources	資源使用	10
Environment and Natural Resources	環境及天然資源	11
Social Aspects	社會方面	14
Care for Employees	關懷員工	14
Employment	僱傭	14
Health and Safety	健康與安全	17
Development and Training	發展及培訓	18
Labour Standards	勞工準則	19
Operating Practices	營運慣例	19
Supply Chain Management	供應鏈管理	19
Product Responsibility	產品責任	21
Anti-Corruption	反貪污	23
Communing Investment	社區投資	24

Industry Structure 產業結構

Yongsheng Advanced Materials Company Limited
永盛新材料有限公司



Differentiated polyester filament yarn production
Differentiated fabric dyeing and processing
差別化滌綸長絲生產
差別化織物染整

High polymer advanced materials research
高分子新材料研究

Percentage held by the Group
本集團所佔百分比

Percentage held by the Group
本集團所佔百分比

70%

Hangzhou Huvis Yongsheng Chemical Fiber Co. Ltd
杭州滙維仕永盛化纖有限公司

97.6%

Jiangsu Yongsheng High Polymer Advanced Materials Research Institute Co. Ltd
江蘇永盛高分子新材料研究所有限公司

92%

Nantong Yongsheng Fiber Advanced Materials Co. Ltd
南通永盛纖維新材料有限公司

100%

Hangzhou Huvis Yongsheng Dyeing & Finishing Co. Ltd
杭州滙維仕永盛染整有限公司



Integrity 誠信

Abiding by commitments, attaching importance to reputation credibility
恪守承諾·講求信譽



Cooperation 合作

Solidarity and cooperation, complementing each other's advantages
團結合作·優勢互補



Reciprocity 互惠

Mutual benefit, seeking win-win
互惠互利·追求雙贏



Learning 學習

Forging ahead, lifelong learning
銳意進取·終身學習



Innovation 創新

Continuous innovation, never being satisfied
不斷創新·永不滿足

Certifications and Qualifications

認證及資格



The Group was accredited as the Fabrics China Pioneer Plant for Differential Fibers and Yarn-dyed Fabric
 本集團成為國家差別化纖維及染織產品開發基地



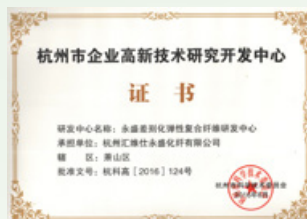
The Group was accredited as the Vice-chairman unit of the Chinese Chemical Fibers Association
 本集團成為中國化學纖維工業協會副會長單位



Nantong Yongsheng Fiber Advanced Materials Company Limited (“**Nantong Yongsheng**”) was accredited as a Research and Development Center of Engineering Technology of Jiangsu province
 南通永盛纖維新材料有限公司(「**南通永盛**」)被授予江蘇省企業技術中心



Three of the members of the Group were accredited as “National High and New Technology Enterprises”
 本集團旗下的三家成員全獲「國家級高新技術企業」資格



Hangzhou Huvis Yongsheng Chemical Fiber Company Limited (“**Yongsheng Chemical Fiber**”) was accredited as a Municipal Research and Development Center
 杭州匯維仕永盛化纖有限公司(「**永盛化纖**」)被授予市級高新技術研發中心



Yongsheng Dyeing and Finishing Company Limited (“**Yongsheng Dyeing**”) was accredited as a Municipal-Level Research and Development Center
 杭州匯維仕永盛染整有限公司(「**永盛染整**」)被授予市級高新技術企業研發中心



ABOUT THIS REPORT

This is the second Environment, Social and Governance (the “**ESG**”) report published by Yongsheng Advanced Materials Company Limited (the “**Company**”, together with its subsidiaries, “**Yongsheng**”, or the “**Group**”), for the purpose of disclosing the initiatives of the Group in relation to its ESG development.

As per the “Environment, Social and Governance Reporting Guide” (the “**Reporting Guide**”) published by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the board of directors (“**Board**”) of the Company has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for assessing and determining the risks in relation to the ESG of the Group, as well as ensuring the establishment of appropriate and effective ESG risk management and internal control systems by the Group. The management of the Group is responsible for reporting to the Board for confirmation of the effectiveness of these systems.

The ESG report aims at improving the stakeholders’ confidence and understanding of the Group’s environmental and social performance as well as the sustainable development strategies of the Group. The Board has reviewed and confirmed the ESG report has contained material, complete and balanced content.

REPORTING STANDARDS AND METHODOLOGY

The report is prepared based on the principles set out in the Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

The ESG report covers the Group’s two main businesses: (i) polyester filament yarns (“**PFY**”) production and (ii) differentiated fabrics dyeing and processing in the People’s Republic of China (“**PRC**”).

This report covers the financial year ended 31 December 2017 (“**Period Under Review**”).

關於本報告

此乃永盛新材料有限公司（「**本公司**」，連同其附屬公司為「**永盛**」或「**本集團**」）之第二份環境、社會及管治（「**環境、社會及管治**」）報告，借此披露有關永盛之在環境、社會及管治方面之發展及措施。

根據香港聯合交易所有限公司（「**聯交所**」）發佈的《環境、社會及管治報告指引》（「**報告指引**」），本公司董事會（「**董事會**」）全權負責本集團的環境、社會及管治策略及報告。董事會負責評估及釐定本集團有關環境、社會及管治的風險，並確保本集團設立合適及有效的環境、社會及管治風險管理及內部控制系統。本集團的管理層負責向董事會提供有關該等系統是否有效的確認。

環境、社會及管治報告旨在提高持份者對本集團環境及社會表現以及本集團可持續發展策略之信心及理解。本公司董事會已審閱並確認環境、社會及管治報告已載列重要、完整及均衡內容。

編制准則

報告乃遵照聯交所證券上市規則（「**上市規則**」）附錄二十七之報告指引所載原則而編製。

環境、社會及管治報告涵蓋本集團於中華人民共和國（「**中國**」）之兩大主要業務：(i)滌綸長絲（「**滌綸長絲**」）生產及(ii)差別化面料加工及染色。

本報告涵蓋截至二零一七年十二月三十一日止財政年度（「**回顧期間**」）。



Environmental Aspects 環境方面

BUILD A SUSTAINABLE ECOSYSTEM

In response to urge for accelerating the development of “conservation-oriented society”, the Group has actively complied with the relevant laws and regulations in relation to emissions and pollutants control, the Group has put in practices the “Quality and Environmental Management Manual” in association with management procedure manuals in relation to waste water treatment, gas emission, waste handling and resources management procedures to monitor the treatment and disposal of waste water, gas emissions and wastes disposal. The Group has been accredited with the ISO 14001 environmental management certification since February 2015 and has been assessed to comply with the requirements of ISO 14001 standard during the Period Under Review.

A1. EMISSION POLICIES

Gas Emission Policy

The Group has formulated the “Gas Emission Management Procedure” in order to manage its gas emission and ensure the Group’s compliance with the relevant rules and regulations regarding gas emissions in the PRC.

The Group primarily produces the greenhouse gas (“GHG”) due to energy consumption in the production process. Pursuant to the GHG Protocol (an international standard for measuring emissions from private and public operations) in translating the GHG emission resulted from energy consumption under Scope 2 Guidance of the GHG Protocol (an international standard regarding how corporations measures emissions from purchased or acquired electricity, steam, heat and cooling), the Group has a total GHG emission of approximately 78,594 tonnes of carbon dioxide equivalence during the Period Under Review.

締造可持續發展的生態環境

為積極響應國家提出的加快建設「節約型社會」的要求，本集團積極遵守有關排放物及污染物監控之相關法律法規，本集團已實行與管理程序手冊相關之「品質環境管理手冊」，有關內容包括廢水處理、廢氣排放、廢棄物處理及資源管理流程，以及監控廢水、氣體排放物處理、處置以及廢棄物處置。本集團已自二零一五年二月取得ISO 14001環境管理體系認證，並於回顧期內通過符合ISO 14001標準的評估。

A1. 排放政策

氣體排放政策

為有效及高效管理其氣體排放及確保本集團符合中國有關氣體排放的相關規則及規例，本集團已制定「廢氣管理程序」。

本集團的溫室氣體排放主要源於生產過程的能源消耗。於回顧期間，根據溫室氣體（「溫室氣體」）核算體系（一項計量私營及公營企業排放物的國際標準）對範圍二項下由於能源消耗導致的溫室氣體排放進行折算（一項關於企業如何計量購買式收購電力、蒸汽、加熱及製冷產生之排放之國際標準），本集團合共產生溫室氣體排放量約78,594噸二氧化碳當量。

Waste Water Treatment Policy

The Group has formulated the “Waste Water Management Procedure” in order to effectively and efficiently manage the treatment and disposal of waste water and comply with the rules and regulations regarding waste water disposal.

The Group adopts measures to separate waste water produced during its production from other uses. Waste water segregation is adopted in the production sites in order to facilitate segregation in treatments for different types of waste water.

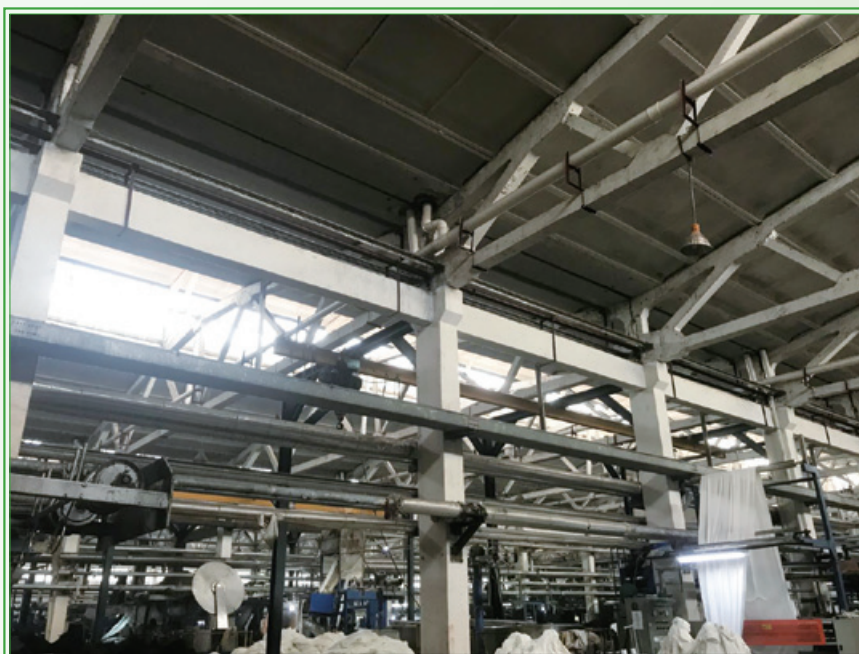
The Group’s waste water is mainly produced in the dyeing facilities. In order to comply with the local government requirements to ensure waste water was pre-treated (i.e. reducing the Chemical Oxygen Demand (“COD”) level of the waste water) before entering the municipal drainage system, the Group had built a water pre-treatment facility on the dyeing production site in 2015 with further enhancement in 2017.

廢水處理政策

為有效及高效管理廢水處理及處置，並遵從有關廢水處置之規則及規例，本集團已制定「廢水管理程序」。

本集團採取措施對來自其他用途的生產過程中產生的廢水進行分流。於生產現場採用廢水分流，以利於對各類廢水分流分治。

本集團之廢水主要產生於染整裝置。為符合當地政府規定以確保廢水在進入市政排水系統前得到預處理（即降低廢水的化學需氧量（「COD」）水平），本集團已於二零一五年在染整裝置生產現場建立廢水預處理設施，並於二零一七年得到進一步提升。



The rainwater drainage system of Yongsheng dyeing’s factory
永盛染整廠區之屋面雨水直排系統

Environmental Aspects 環境方面

In terms of sewage separation measures, the Group further modified its roof rainwater drainage system during the Period Under Review. Rainwater collected by such system enters the factory's rainwater pipe networks, thus effectively prevented the sewage of the workshop from seeping into the rainwater pipe networks.

The Group has also installed a sewage online automatic monitoring system in its factory to keep Chemical Oxygen Demand (COD), pH value, ammonia-nitrogen, total nitrogen and other indicators for wastewater monitoring under real-time monitor. The system is connected to the local environmental protection department and related authorities, so as to ensure the waste water emissions are properly monitored.

During the Period under Review, the Company also completed the building of its Distributed Control System ("DCS") and ammonia nitrogen automatic monitoring system for wastewater treatment process. The DCS central control system is designed to monitor the whole process of wastewater treatment by continuously monitoring sewage inflow, inflow temperature, PH value, operating condition of circulating water pump, discharge amount and other real time indexes on 24 hours basis. With such systems, wastewater treatment was under global monitoring and steady control, ensuring discharged wastewater after treatment met environmental requirements, such as COD under 200mg/L, pH value within the range of 6 to 9 and ammonia-nitrogen and total nitrogen below 20mg/L.

本集團於回顧期間，在污水分離措施上，進一步改造了屋面雨水直排系統，該系統收集的雨水進入廠區雨水專用管網，有效防止車間污水滲入雨水專用管網。

本集團亦在其工廠內安裝廢水在線自行監測系統，實時監控外排廢水的化學需氧量、PH值、氨氮、總氮等多項指標，並連接當地環保監控中心及其他相關部門，確保外排廢水達標排放。

於回顧期間，公司亦建設完成廢水處理過程的 Distributed control systems (「DCS」) 中控系統和氨氮自動監測系統。DCS 中控系統主要針對整個污水處理過程進行全程監控，包括污水進水量、進水溫度、PH值、循環水泵狀態、排水量等多項實時指標進行24小時持續監測，使污水處理在整個過程全程監控穩定控制，確保外排廢水達到COD 200mg/L以下、PH值介於6-9之間、氨氮和總氮20mg/L以下等環保要求。

Waste Management Policy

The Group has formulated the “Wastes Handling Management Procedure” in order to effectively and efficiently manage the treatment and disposal of solid wastes.

Hazardous waste produced by the Group in production process mainly includes dyeing sludge and waste oil from stenter. The Company stores such hazardous waste separately by their classification and adds labels on each depository to specify the type, quantity and deposited time before they were transferred to professional third party for disposal.

Non-hazardous wastes produced by the Group mainly derived from packaging materials in production and domestic wastes from staff dormitory and office. The Group strives to reduce the packaging of the products. The Group maintains optimal design for packaging materials in accordance with environmental protection requirements, for example: to reduce product size, minimise packaging and save storage space. Given the needs to meet customer expectations and logistics requirements, the Group strives to cut down the usage of packaging materials. The main packaging materials for the Company’s PFY products include carton boxes, paper cones, foam boards, plastic bags and plastic films, while the packaging materials for dyed fabric products include paper cones and plastic films. Wooden supports are used for product storage and auxiliary transportation and will be disposed of as general industrial waste only when damaged. The new wooden supports are those recyclable old wooden supports. On the other hand, domestic wastes are handled by municipal cleaning service.

廢棄物管理政策

為有效及高效管理固體廢棄物處理及處置，本集團已制定「廢棄物處理程序」。

本集團生產過程中產生的有害廢棄物主要是指印染污泥及定型機廢油。該部分有害廢棄物，本公司會進行分類管理、單獨存放，並於存放點樹立標籤，標明種類、數量及存放時間，再交由專業的第三方機構進行處理。

本集團的無害廢棄物主要源於生產包裝材料及員工宿舍及辦公室生活垃圾。本集團致力減少產品的包裝材料。本集團根據環保規定對包裝進行優化設計，例如：減少產品尺寸、最小化包裝及節省存儲空間。鑑於滿足客戶期望之需要及物流規定之前提下，本集團盡量減少使用包裝材料。本公司滌綸長絲產品的主要包裝材料包括紙箱、紙筒、泡沫板、塑料袋及塑料薄膜，而染色面料產品的包裝材料包括紙筒及塑料薄膜。用於產品儲存、運輸輔助的木架僅於損壞時才作為一般工業廢棄物處置。新增的木架為回收的可用的舊木架。另一方面，生活垃圾由市政清潔服務進行處理。

Environmental Aspects 環境方面

2017 A1: Emissions KPIS

The following table sets out the emission data and total amount of waste produced for the year ended 31 December 2017;

KPI	Specific Indicator	Emission	Intensity
KPI	具體指標	排放量	密度
A1.1	Effluent 廢水	658,635 tons 658,635噸	1,016.71 tons/RMB million sales 1,016.71 噸／百萬元人民幣銷售額
A1.2	Greenhouse gas 溫室氣體	78,594 tons 78,594噸	121.32 tons/RMB million sales 121.32 噸／百萬元人民幣銷售額
A1.3	Hazardous waste 有害廢棄物	624.67 tons 624.67噸	0.96 tons/RMB million sales 0.96 噸／百萬元人民幣銷售額
A1.4	Non-hazardous waste 無害廢棄物	3,430 tons 3,430噸	5.29 tons/RMB million sales 5.29 噸／百萬元人民幣銷售額

A2. USE OF RESOURCES

The following table sets out the consumption rate of Electricity, water and packaging materials for the year ended 31 December 2017;

KPI	Specific Indicator	Resource Consumption	Intensity
KPI	具體指標	資源消耗量	密度
A2.1	Electricity 電力	143,892 MWh 143,892兆瓦時	222.12 MWh/RMB million sales 222.12兆瓦時／百萬元人民幣銷售額
A2.2	Water 水	657,026 tons 657,026噸	1,014.22 tons/RMB million sales 1,014.22 噸／百萬元人民幣銷售額
A2.5	Packing Materials 包裝材料	3,430 tons 3,430噸	5.29 tons/RMB million sales 5.29 噸／百萬元人民幣銷售額

2017年A1排放物關鍵績效指標

下表列載截至二零一七年十二月三十一日止年度所產生的廢物的排放數據及總量：

A2. 資源使用

下表列載截至二零一七年十二月三十一日止年度的電力、水及包裝材料的消耗率：

A3. ENVIRONMENT AND NATURAL RESOURCES

Environmental protection measures

The main types of energy used in production are electricity and steam, all were supplied by the municipal facilities.

The Group aims at increasing energy efficiency through proper equipment maintenance and replacement of factory equipment. The Group has reduced electric consumption from production by upgrading and replacing air compression systems.

During the Period Under Review, two of the Group's energy saving renovation projects passed acceptance inspection. For Yongsheng Chemical Fiber's energy saving renovation project on air compressors, it achieved energy saving mainly through conducting technical transformation on air compressors to reduce energy consumption. For Yongsheng Dyeing's energy saving project for differentiated and superfine fibre dyeing, it achieved energy saving mainly through "coal-to-steam" technical transformation that uses steam as driving force of stenter machines, which could significantly reduce exhaust emission and environment pollution. Such new technique has obtained "utility model patent certificate" from the State Intellectual Property Office with the patent name of "A Steam Stenter System with Waste Heat Recovery Function".

The Group has a circulating cooling water system in place to reduce the usage of cooling down machinery. Furthermore, Hangzhou Huvis Yongsheng Dyeing and Finishing Co. Ltd has installed a water recycling system to recycle dyed water generated from its production and reduce water consumption.

The Group strives to recycle all recyclable industrial resources by 1) re-using leftover materials resulted from production; 2) selling sub-standard filament to downstream manufacturers; and 3) collecting and re-using packaging materials of raw materials. All these initiatives have significantly reduced packaging wastes. During the Period Under Review, the sub-standard filaments recycled were approximately 1,993.6 tonnes represented approximately 5.25% of production volume.

A3. 環境及天然資源

環保措施

本集團生產所用能源主要類型為電力及蒸汽，均由市政設施供應。

本集團旨在透過適當的設備維護及更換工廠設備提高能源效益。本集團已經透過升級及更換空氣壓縮系統減少生產耗電量。

於回顧期內，本集團兩項節能改造項目通過驗收，永盛化纖空壓機節能改造項目主要是通過對空壓機的技術改造，降低能耗，從而實現節能目的。永盛染整差異化超細纖維物節能染整項目，主要是通過煤改汽技術改造，所有定型機使用蒸汽定型，大大地降低了廢氣排放，減少環境污染。此項新技術亦被國家知識產權局授予「實用新型專利證書」，專利名稱《一種餘熱回收的蒸汽定型系統》。

本集團設置循環冷卻水系統以減少即期降溫的用水。此外，杭州永盛匯維仕永盛染整有限公司已安裝水循環系統以回收染整生產用水及降低水資源消耗量。

本集團致力於回收所有可回收的工業資源，主要透過1)重複使用生產中所產生的邊角料；2)向下游製造商銷售較次標準的長絲；及3)收集及重複利用原材料的包裝材料。所有該等舉措已大幅減少包裝廢棄物。於回顧期間，回收較次標準的長絲共計1,993.6噸，相當於生產量的約5.25%。

Environmental Aspects 環境方面

In January 2017, Yongsheng Chemical Fiber carried out the noise reduction project number 20170105001 to implement noise reduction plans and successfully met the national standards of 65 decibels.



The Group completed the upgrading of air compressors from June to August 2017 which reduced power consumption by 5%.
本集團於二零一七年六月至八月完成空壓機的更新換代，降低電耗5%。

永盛化纖於2017年1月進行了降噪項目編號為20170105001的降噪計劃並成功達到65分貝以下的國家規定標準。

Nantong Yongsheng conducted full pipe insulation of rare earth materials in a workshop, which reduced heat loss and improved ambient temperature.

南通永盛對一車間進行稀土材料全管道保溫，降低熱能損耗，改善環境溫度。



Environmental Friendly Products Development and Application

During the Period Under Review, the Group were granted two national invention patents, which can be widely applied to households, adornments and garment. The "Nylon Ultrafine Fabric Filament and Leather-Feel Velvet Fabric" are manufactured with lower temperature printing and dyeing methods which significantly reduced energy consumption and emissions, as compared with the manufacturing of regular polyester ultrafine fiber. Meanwhile, the microfiber filaments of "Ultrafine Fabric and Naked Shammy Fabric" require less or no dyestuff in production result in less or no sewage being discharged during the production process. These two patented products achieve energy-saving and environmental protection at the same time.

環保產品開發及應用

於回顧期間內，本集團獲授兩項國家發明專利，可廣泛應用於家居、裝飾及服裝領域。「尼龍超細纖維長絲及皮感絨織物」乃使用低溫印染方法生產，該方法較生產常規滌綸超細纖維能大幅減少能源消耗及排放。同時，「超細纖維長絲及無染麂皮織物」的超細纖維細絲在生產中需要很少或不需要染料，進而令生產過程中排放很少或不排放廢水。該等兩種專利產品同時實現了節能及環保。

Evaluation of the environmental performance:

環境表現的評估：

	永盛染整 Yongsheng Dyeing			永盛化纖 Yongsheng Chemical Fiber			南通永盛 Nantong Yongsheng		
	2017 Million metres 二零一七年 百萬米	2016 Million metres 二零一六年 百萬米	% Changes 變動	2017 Thousand tonnes 二零一七年 千噸	2016 Thousand tonnes 二零一六年 千噸	% Changes 變動%	2017 Thousand tonnes 二零一七年 千噸	2016 Thousand tonnes 二零一六年 千噸	% Changes 變動%
Production volume	50.9	42.3	+20.3%	14.7	12.7	15.7%	19.5	15.0	+30.0%
Water usage	Per metre water usage 每米用水量 -13.9%	Per metre water unit price 每米用水單價 +8.1%	Per metre water cost 每米用水成本 -7.0%	Immaterial 不重大			Immaterial 不重大		
Electricity usage	Per metre electric usage 每米用電量 -9.3%	Per metre electric unit price 每米用電單價 -0.5%	Per metre electric cost 每米用電成本 -9.78%	Per tonne electric usage 每噸用電量 -2.3%	Per tonne electric unit price 每噸用電單價 -1.0%	Per tonne electric cost 每噸用電成本 -3.3%	Per tonne electric usage 每噸用電量 4.2%	Per tonne electric unit price 每噸用電單價 -17.9%	Per tonne electric cost 每噸用電成本 -14.5%
Steam usage	Per metre steam usage 每米用蒸汽量 -9.49%	Per metre steam unit price 每米蒸汽單價 +19.98%	Per metre steam cost 每米蒸汽成本 +8.52%	Not used 不使用			Not used 不使用		
Water treatment usage	Per metre water treatment usage 每米水處理量 3.17%	Per metre water treatment unit price 每米水處理單價 -6.96%	Per metre water treatment cost 每米水處理成本 -4.01%	Immaterial 不重大			Immaterial 不重大		
2017 Initiatives 二零一七年之措施	<ul style="list-style-type: none"> Water recycle initiatives, reduce the per metre water cost 水回收措施·降低每米用水成本 Water pre-treatment plant reduced the water treatment unit price 水預處理廠房降低水處理單價 Increased the overall efficiency in electricity usage 提高用電之整體效率 			<ul style="list-style-type: none"> Increased the overall efficiency in electricity usage 提高用電之整體效率 			<ul style="list-style-type: none"> Increased the overall efficiency in electricity usage 提高用電之整體效率 		



Social Aspects 社會方面

CARE FOR THE EMPLOYEES

B1. Employment

Yongsheng believes that “cooperation” and “reciprocity” are the key success elements in a harmonious employment relationship. Hence, the Group strictly complies with labour laws, regulations and industry practices in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. The Group participates in the social insurance schemes operated by the relevant local PRC government authorities which include: retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance as required by the relevant PRC regulations. Apart from competitive salaries and incentives such as bonus and share options which is based on the evaluation of their contributions to the Group, the Group also provides promotion prospects and training opportunities to staff.

The Group also provides a series of facilities and benefits for its staff and their families. The Group aimed at equipping its staff with all-rounded skills and developing the full potential of its staff. Most of the senior management worked over five years in Yongsheng.

關懷員工

B1. 僱傭

永盛認為，「合作」與「互惠」乃和諧僱傭關係之關鍵成功要素。因此，本集團嚴格遵守有關薪酬及解聘、招聘及晉升、工時、休息時間、平等機會、多元化、反歧視以及其他待遇及福利之勞動法律、法規及行業慣例。本集團參與有關當地中國政府部門之社會保險制度，包括：有關中國法規規定之退休養老金、醫療保險、失業保險、工傷保險及生育保險。除具競爭力之薪金及激勵（如根據其對本集團之貢獻評估釐定之花紅及購股權）外，本集團亦為員工提供晉升前景及培訓機會。

本集團亦為員工及其家屬提供一系列便利及福利。本集團致力為員工發展全面技能，並充分發掘員工潛力。大部分高級管理人員已於永盛工作五年以上。

Gender equality and diversity

The Group promotes equal opportunity and advocates diversity. All recruitment and promotions are based on meritocracy and all candidates will be considered during the recruitment procedures. Selection of candidates will be based on a diverse range of criteria, including but not limited to gender, age, cultural and educational background, experience, skills and knowledge. Necessary procedures are also exercised to ensure fair and non-discriminatory recruitment.

As at 31 December 2017, the Group had a total of 620 employees and all of them are full-time employees. During the Period Under Review, the Group's overall average employee turnover rate is 3.55%.

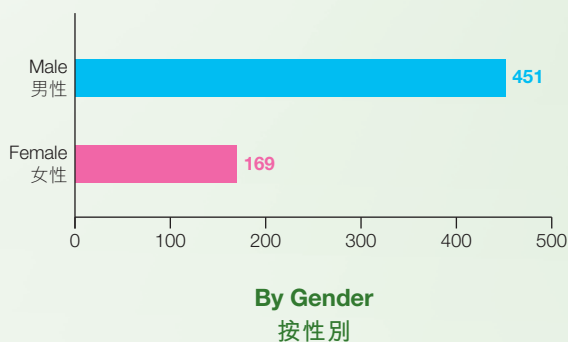
性別平等及多元化

本集團倡導機會平等並提倡多元化。所有招聘及晉升均以用人唯才為原則，且在招聘程序中會考慮所有人選。甄選候選人將以多元化標準為基準，包括但不限於性別、年齡、文化及教育背景、經驗、技能及知識。本集團於必要時亦會採取措施確保公平及非歧視招聘。

於二零一七年十二月三十一日，本集團共僱用員工620人，全部為全職僱員。於回顧期間內，本集團之整體平均僱員流失率為3.55%。

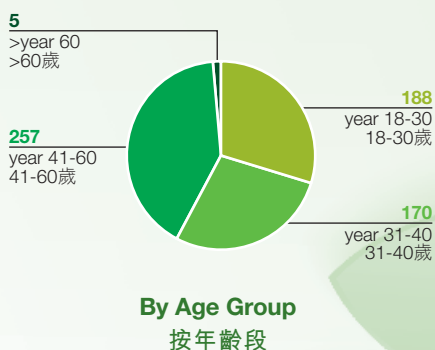
The Group's employee profile by gender is illustrated as below:

本集團僱員按性別分布如下：



The Group's employee profile by age is illustrated as below:

本集團僱員按年齡段分布如下：



Social Aspects
社會方面

Staff activities

The Group has organised various leisure activities and festival celebrations for its staff. During the Period Under Review, the Group organised a series of activities to celebrate festivals like Chinese New Year, Women's Day etc.. The Group also organised staff travel and other sports activities, in order to encourage work-life balance among its staff. The Group arranged thanksgiving gifts to its staff during Chinese New Year, Mid-Autumn Festival etc.. As a caring company, senior management of the Group regularly paid visits to staff under inferior living conditions and assist them with sincere gratitude.

員工活動

本集團已為員工組織豐富的休閒活動及節日慶典。於回顧期間內，本集團已組織一系列慶祝春節、婦女節等節日活動。本集團亦組織員工旅行及其他體育活動，旨在促進員工平衡工作與生活。本集團在春節及中秋節等期間為員工準備感恩禮物。作為一間充滿關懷的公司，本集團高級管理層定期走訪慰問困難職工，並提供誠摯幫助。



Group Tour Program
員工旅遊活動

Celebrating Party for New Year
新春聯歡



Annual Meeting for New Year
新春年會活動



Our Management visited employees in need
公司領導慰問困難職工

B2. Health and Safety

Emphasis on occupation health and safety

In accordance with the relevant local laws and regulations, the Group offers health and safety education to employees and provides induction safety training and arranges safety retraining for elder employees.

Yongsheng Chemical Fiber and Nantong Yongsheng distribute protection gears, such as earplugs and masks regularly, and offer proper training in respect of which is carried out among staff.

To promote a safe working environment and protect employees from occupational hazards, Yongsheng had formulated its own procedures of the handling of chemical products and machinery management.

The Group offers a series of safety and occupational health manuals and trainings to its staff in order to enhance their awareness in production safety. The Group has installed comprehensive fire alarm systems and fire-fighting equipment at each workshop to reduce potential fire risk. During the Period Under Review, the total training hours of occupational health and safety education were approximately 2,045 hours. All of the Group's new staff had attended the safety trainings. Apart from the basic safety training, the Group also focused on implementing the "6S" lean management framework in daily works. The Group also requires proper safety training to be conducted before new equipment or techniques being employed or being operated. The management also conducts regular safety and incidents analysis workshops with staff.

B2. 健康與安全

重視職業健康

本集團根據當地的有關法律法規，對員工進行健康安全教育和實行入職前安全培訓和老員工安全再培訓。

杭州化纖和南通化纖定期分發耳塞、口罩等勞保用品，並對如何正確佩戴進行員工培訓。

為促進安全工作環境及保障僱員避免職業性危害，永盛已制定「化學品管理程序」及「生產設備管理程序」。

本集團為員工提供一系列安全及職業健康手冊以及培訓，以加強員工生產安全意識。本集團已在每個生產車間安裝綜合性火災報警系統及滅火設備，以降低潛在火災風險。於回顧期間內，職業健康及安全教育之總培訓課時約為2,045小時。本集團所有新員工均參加安全培訓。除基礎安全培訓外，本集團亦集中於日常工作中應用「6S」精益管理體系。本集團亦要求操作或運用新設備或技術前進行適當的安全培訓。管理層亦定期為員工組織安全與事故分析討論會。

Social Aspects 社會方面

B3. Development and Training

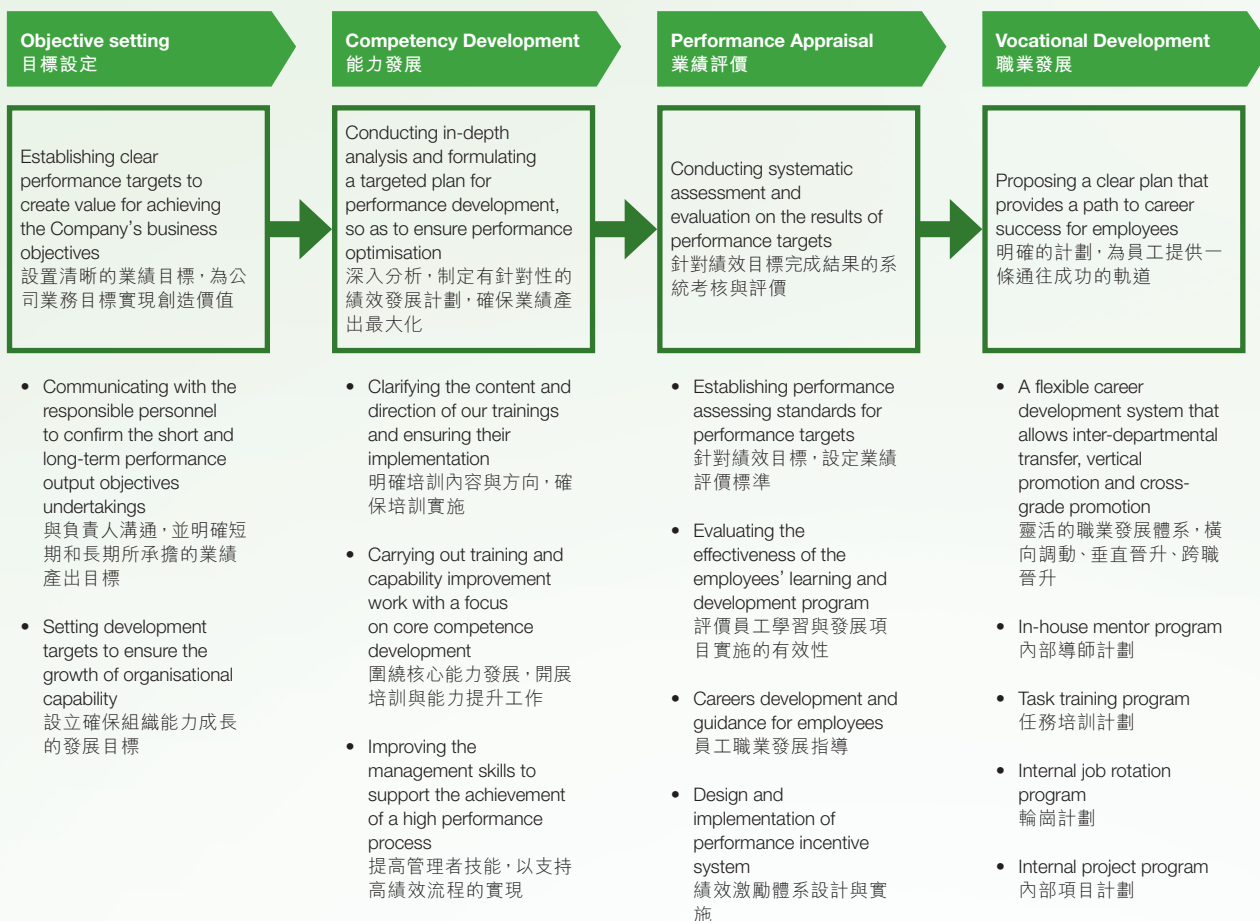
Communications are keys to the success of Yongsheng, internal management meetings were held regularly, such as management monthly meetings, periodic meetings for ad-hoc projects, functional meetings and daily team briefings, etc.. Also, in order to promote a safe production environment, efficiency and uphold the quality of the Group's products, organised trainings were provided to staff, such as new staff induction program, fire prevention seminars, work safety seminars, seminars on technical topics, managerial skills, rules and regulations updates.

B3. 發展及培訓

溝通是永盛成功的關鍵。本集團定期舉行內部管理會議，如管理月度會議、專案定期會議、功能會議及日常團隊簡會。此外，為提升安全生產環境、效率及提高本集團產品質量，本集團已為員工提供系統培訓，如新員工入職培訓、防火培訓、工作安全研討會、技術專題研討會、管理技能、規章制度更新等。

Efficient process for talent development

高效的人才發展流程



B4. Labour standards

The Group strictly complies with the relevant laws and regulations in relation of the prohibition of child and forced labour. The Group strictly prohibited employment of any staff under the age of 16. The human resources department of the Group strictly implements measures to prevent any violations thereof, for example identity cards, certificates of skills and graduation certificates of each staff member are verified before signing formal employment agreements with the candidates. The Group also has measures in place to reconfirm whether the newly recruited staff meets the recruitment criteria. The Group will pay minimum salary on a monthly basis which is no less than those required by local government in accordance with the government regulations during the probation period. It will determine staff salary in accordance with the skills and technical requirements of the position.

OPERATING PRACTICES

B5. Supply chain management

Corporate certifications, qualifications and awards

Yongsheng promotes “innovation” with strong research and development capabilities. The Group obtained certifications in quality and environment management aspects (ISO9001 and ISO14001). In addition, the Group has obtained a series of corporate certifications, qualifications and awards as listed out in the “Certifications and Qualifications” section above in recognition in its effort in promoting “innovation”:

B4. 勞工準則

本集團嚴格遵守有關禁止童工及強制勞工之有關法律及法規。本集團嚴格禁止僱傭任何16歲以下的員工。本集團人力資源部門與候選人簽署正式僱傭協議前會嚴格執行如核查每個員工的身份證、技能證書及畢業證書等措施，防止任何違規行為。本集團亦採取措施重新確認新招聘員工是否符合徵聘標準。根據政府規定，於試用期內，本集團將支付之每月最低薪金不低於地方政府規定之標準。本集團將根據職位之技能及技術要求釐定員工薪金。

營運慣例

B5. 供應鏈管理

企業認證、資格及獎勵

永盛力推具有強大研發能力的「創新」理念。本集團已取得質量及環境管理方面之認證（ISO9001及ISO14001）。此外，本集團已取得一系列為表彰其推動「創新」所作出努力的公司認證資格及獎勵（誠如上文「認證及資格」一節所載）。

Procurement reliability and relationships with suppliers

The Group monitors its procurement procedures closely as raw materials directly affect products quality. During the Period Under Review, the major suppliers of the Group were mainly located in Zhejiang province, Jiangsu province and other regions of the PRC and had over 5 years of relationship with the Group on average. When liaising with new suppliers, the sourcing department of the Group is responsible for evaluating the potential suppliers with reference to the criteria set out in the “Stakeholders Environmental Management Procedures”, for example the compliance of relevant statutory requirements, product quality, production stability, compliance of safety and environmental protection rules and regulations and pricing. The Group only engages the suppliers which have passed the evaluation. Subsequent to the engagement of the suppliers, the Group performs regular evaluation of its suppliers in order to monitor product quality.

Emergencies management

The Group formulated the “Emergency Management Procedures” and “Fire Prevention Management Procedures” and other production safety management systems to cope with emergencies. In addition, the Group has designated personnel to conduct safety inspections on production facilities and conduct instant follow-up when any exceptional situation was found.

In order to minimise the environmental and social impact due to emergencies, the Company will set up a central team to manage emergencies and designate relevant personnel to formulate evacuation plans, conduct post-incident repair and investigations in order to avoid the re-occurrence of similar incidents in accordance with the “Ratification and Prevention Measures Management Procedures”.

During the Period Under Review, there was neither report of severe injury or death of employees, occupational diseases nor fire or explosion accident causing a direct economic loss of RMB5,000 or above.

採購可靠性及與供應商的關係

由於原材料直接影響產品質量，本集團密切監控其採購程序。於回顧期間內，本集團之主要供應商主要分佈在中國浙江省、江蘇省及其他地區，且與本集團平均維持超過五年的關係。當聯絡新供應商時，本集團採購部門負責參考「相關方環境管理程序」所載標準評估潛在供應商，如相關法定要求之合規性、產品質量、產品穩定性、安全及環保規章制度之合規性及定價。本集團僅與已通過評估之供應商合作。於選擇供應商後，本集團定期評估供應商，以監控產品質量。

突發事件管理

本集團已制定「應急準備和回應管理程序」及「消防管理程序」以及其他生產安全管理制度，以應對突發事件。此外，本集團已指定人員對生產設施進行安全檢查，並在發生特殊情況時及時跟進。

為最大程度減輕突發事件造成的環境及社會影響，本公司將成立中央小組管理突發事件，並指定相關人員根據「糾正和預防措施管理程序」制定疏散計劃、進行事後維修及調查，以免再次發生類似事件。

於回顧期內，概無僱員受到嚴重傷害或死亡，患職業病報告，亦無發生造成直接經濟損失達人民幣5,000元或以上之火災或爆炸事故。

B6. Product responsibility

Product quality

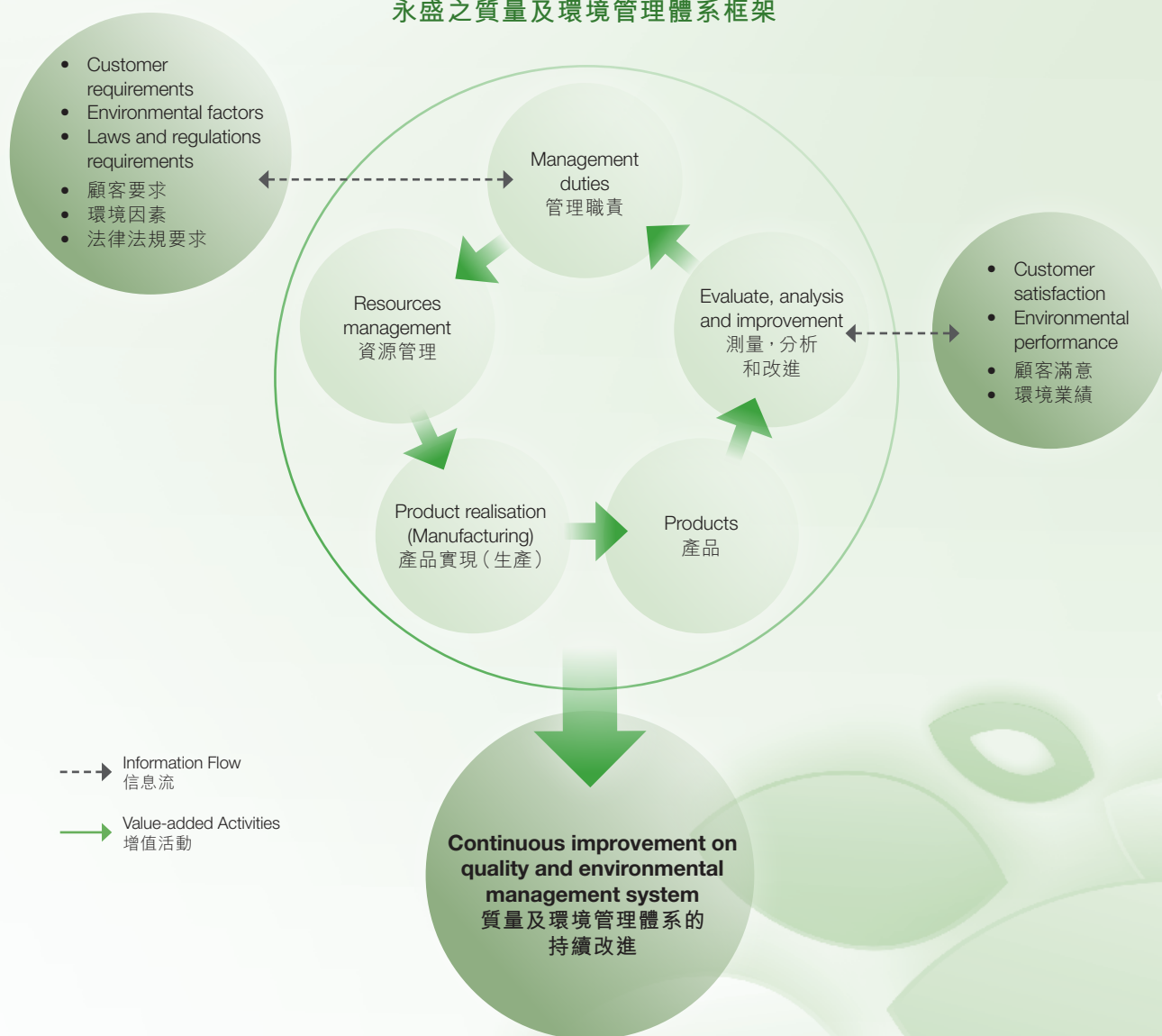
The Group is committed to offer quality products to its customers and complying with the requirements of relevant standards in relation to health and safety, advertising, labeling and privacy matters of its products. The Group has formulated the “Product Quality Monitoring and Measurement Procedures”, the “Defective Product Management Procedures” and the “Data Analysis Monitoring Procedures” in order to strictly manage product quality. The following chart illustrates the quality and environmental management framework of Yongsheng:

B6. 產品責任

產品質量

本集團致力為客戶提供優質產品，遵守有關產品健康及安全、廣告、標籤及保密事宜之相關標準規定。本集團已制定「產品的監視和測量管理程序」、「不合格品管理程序」及「資料分析控制程序」，以嚴格管理產品質量。下圖列示永盛的質量及環境管理體系的框架：

The quality and environmental management framework of Yongsheng 永盛之質量及環境管理體系框架



Social Aspects 社會方面

Patents

As one of the leading manufacturers of differentiated PFY and dyeing and processing of differentiated polyester filament fabrics in the PRC, product quality is the top priority of Yongsheng. The Group had 67 registered patents, 2 registered patents for invention, and 6 patents for invention were under approval. The number of patents being owned by each member of the Group is as follows:

		Number of patents being owned 擁有專利數
Yongsheng Dyeing	永盛染整	20
Yongsheng Chemical Fiber	永盛化纖	15
Nantong Yongsheng	南通永盛	34
		69

Yongsheng sets “innovation” as the top priority for its business growth. The Group pays great attention to the protection of intellectual property and product secrecy in order to safeguard the fruit of its innovation. The product information department is responsible for managing the patents and projects of the Group. The Group will cooperate with intellectual property service companies to improve the quantity and quality of future patents applications. The Group will continue to develop a sustainable innovation model through internal research and development, industry-university-research cooperation and others research and development efforts.

The Group will also perform periodic customer satisfaction surveys in order to understand customer demand.

專利

作為中國領先的差別化滌綸長絲及差別化滌綸面料染色及加工的生產商之一，產品質量為永盛之首要事項。本集團已取得67項註冊專利及2項發明註冊專利，6項發明專利正在審批。本集團各成員公司之擁有專利數如下：

		Number of patents being owned 擁有專利數
Yongsheng Dyeing	永盛染整	20
Yongsheng Chemical Fiber	永盛化纖	15
Nantong Yongsheng	南通永盛	34
		69

永盛將「創新」設為業務增長之第一要務，本集團高度重視保護知識產權及產品保密，以保護創新成果。產品信息部門負責管理本集團的專利及項目。本集團將與知識產權服務公司合作，提高未來專利申請之數量及質量。本集團將通過自主研發、產學研合作及其他研發工作繼續發展可持續創新模式。

本集團亦將定期進行客戶滿意度調查，以瞭解客戶需求。

B7. Anti-Corruption

The Group emphasises on transparency and responsibility in order to fulfill the corporate motto of “integrity”. The Group strives to achieve zero occurrence of incidents that are detrimental to the interests of shareholders, investors, customers and other stakeholders of the Group. The Group had formulated a set of anti-corruption policies to ensure compliance with all applicable anti-corruption laws and regulations in relation to bribery, extorting, fraud and money laundering. All directors, staff, agents and representatives and any individuals acting on behalf of the Group are prohibited from directly or indirectly offering, giving, soliciting or receiving any form of bribe, kickback or other corruptive payment or anything of value, to or from any person or organisation, including government agencies, individual government officials, private companies and employees of those private companies under any circumstances. During the Period Under Review, the Group did not have any non-compliance with laws and regulations in respect of anti-corruption, including but not limited to Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and Criminal Law of the PRC.

Moreover, the Group had formulated a whistle-blowing policy to increase employees’ awareness to uphold integrity. The chairman, chief executive officer and the audit committee of the Company will receive report of the whistle-blowing incidents and have the discretion to initiate independent investigations according to the nature of the incidents or refer the incidents to relevant regulatory authorities. The Group engaged investors and stakeholders periodically by publishing quarterly financial and business updates, organising visits to its factories and arranging focus group meetings with institutional investors and stock commentators. The Group also publish announcements in relation to its major development in accordance with the seven “Principles of Responsible Ownership” published by the Securities and Futures Commission (“SFC”).

B7. 反貪污

本集團著力保持透明度及責任感，以踐行「誠信」的企業理念。本集團致力杜絕發生有損本集團股東、投資者、客戶及其他利益相關者利益之事件。本集團已制定反貪污政策，確保遵守所有適用反貪污法律及有關賄賂、勒索、欺詐及洗黑錢之法規。所有董事、員工、代理及代表以及代表本集團行事之任何個人於任何情況下均不可直接或間接向任何人士或組織提供、作出、索取或收取任何形式的賄賂、回扣或其他腐敗付款或任何有價值的物品，其中包括政府機構、個人政府官員、私營公司及該等私營公司僱員。於回顧期間內，本集團並未違反任何有關反貪污之法律及法規，包括但不限於香港法例第201章防止賄賂條例及中國刑法。

此外，本集團已制定舉報政策，以加強員工堅守公正廉潔的意識。本公司主席、行政總裁及審核委員會將收到舉報事件報告，可酌情根據事件性質進行獨立調查，或將該等事件轉介予有關監管機構。本集團通過刊發季度財務及業務更新資料定期接洽投資者及利益相關者，組織工廠參觀並與機構投資者及股評家進行小組重點會議。本集團亦根據期貨事務監察委員會（「證監會」）制定之七項《負責任的擁有權原則》刊發有關其重大進展之公佈。

Social Aspects 社會方面

B8. Community Investment

Community Service

Management of the Group actively participates in the public positions in community service. The chairman of the Group has been elected as a representative of the Hangzhou City Xiaoshan District People's Congress of the PRC since December 2016. The chief executive officer of the Group has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People's Political Consultative Conference since December 2016.

Yongsheng is keen on contributing to the society. During the Period Under Review, the Group donated approximately RMB325,500 to surrounding communities and social organisations.

Community Care

Apart from paying high attention to corporate developments, the Group also cares about the development of the communities where its factories and offices locate. The Group has not only provided financial support to those who are in need in the surrounding communities, but also organised community events and encouraged its staff to participate. Yongsheng also participated in the singing competitions and sports events organised by the local communities.

Yongsheng Advanced Materials organized the "Summer Cooling Gifts" activity to express our regards to sanitation workers
永盛新材料開展了慰問街道環衛工人的「夏季送清涼」活動



B8. 社區投資

社區服務

本集團管理層積極參與為社區服務之公共職位。本集團主席自二零一六年十二月起當選為中國人民代表大會杭州市蕭山區代表（人大代表）。本集團行政總裁自二零一六年十二月起當選為中國人民政治協商會議杭州市蕭山區委員會委員（政協委員）。

永盛熱衷於奉獻社會。於回顧期間內，本集團已向周邊社區及社會組織捐獻約人民幣325,500元。

關愛社區

除高度重視企業發展外，本集團亦關心其工廠及辦事處所在社區發展。本集團不僅為周邊社區有需要人士提供資金支持，亦組織社區活動並鼓勵員工參與。永盛亦參加當地社區組織的歌唱比賽及運動會。



Yongsheng Advanced Materials organized its employees to participate in voluntary blood donation activity
永盛新材料組織員工參加「無償獻血」活動



Yongsheng Advanced Materials Company Limited
永盛新材料有限公司

