



**eFORCE HOLDINGS LIMITED**

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(STOCK CODE : 943)

## Environmental, Social and Governance Report 2017



This Annual Report is printed on environmentally friendly paper

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## ABOUT THIS REPORT

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

### PREPARATION BASIS AND SCOPE

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

This Report summarises the performance of the Group in respect of corporate social responsibility, covering its operating activities which are considered as material by the Group – (i) manufacturing and trading of healthcare and household products (the “Healthcare and household business”); and (ii) production and sale of organic agricultural and fertilizers products (the “Trading of agricultural and fertilizers products business”). With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken initiative to formulate policies, record relevant data, implement and monitor measures. This Report shall be published both in Chinese and English on the website of Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

### REPORTING PERIOD

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2017 to 31 December 2017.

### CONTACT INFORMATION

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

## INTRODUCTION

For the manufacture and sale of healthcare and household products, the Group is a leading manufacturer with experiences working with different global major brands in small electrical home appliances. We design and develop new idea concepts with in-depth analysis to optimise cost efficiency and benefits to consumers. Our production process is managed by professional teams who can effectively monitor the production quality. Continuous optimisation of facilities and production processes are our philosophy to promote our leading position in the personal healthcare products industry.

For the production and sale of organic agricultural and fertilizers products, the Group adopts a series of sustainable agricultural technologies which involve the use of microbial agents to improve soil quality and crop resistance. We aim to promote the green concept, environmental protection and ecological agriculture in the PRC.

The Group acknowledges the importance of sustainable development to achieve affordable capital and long-term competitiveness. The Group is committed to maintaining its operations in a responsible manner for the environment and community. Various policies and procedures have established based on the law compliance and the Group's business development strategies. This can help us to manage and monitor the risks related to the environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this Report.

## STAKEHOLDERS ENGAGEMENT

The Group understands that the success of the Group's business depends on the support from its stakeholders, including regulators, shareholders, employees and customers, etc. Continuous communication with our stakeholders enables the Group to maintain stable relationships them and accurately assess the potential impacts of the business decisions. The following table provides an overview of the Group's key stakeholders and the various platforms of communication used to respond to their concerns.

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



## ENVIRONMENTAL ASPECTS

### EMISSIONS

As a manufacturer, the Group recognises its obligation to reduce the operational impact on environment. The Group is committed to continuously improving the environmental sustainability and ensuring that environmental consideration remains one of the top priorities in the operation. The Group has a set of environmental policies and procedures, including “Environmental Monitoring and Measuring Control Procedure” (環境監視和測量控制程序), to monitor all emissions such as air pollutants and wastes. Our environmental management system meets regulatory requirements and has ISO 14001:2015 environmental management system accreditation. The Group has also established “Environment, Health and Safety Committee” to oversee the environmental policies and procedures implementation. Annual assessment to conducted to review the performance.

The Group is committed to adopting environmentally friendly practices throughout its operations. The key points of our environmental policy to achieve this are:

- Comply with all environmental laws and regulations that relate to the Group’s operations.
- Prevent the environmental impact of our products throughout their design and manufacturing process.
- Ensure every employee understands and is responsible for incorporating environmental considerations in their daily business activities.
- Pursue continuous improvement in environmental performance.

Compliance procedures are in place to ensure adherence to applicable laws and regulations. During the reporting period, the Group had no non-compliance regarding environmental issues.

### Air Pollutants Emission

Air emission control is essential to mitigate the impact on environment and to protect employees’ health. Our major air pollutants are generated from fuel combustion in healthcare and household manufacturing process. All the exhaust gas emission must comply with “Emission limits of air pollutants (DB44/27-2001)”. The Group lowers the air pollutants emission by using fuel with the latest National Standard, such as China V diesel oil. In addition, the Group has engaged qualified environmental testing company to carry out testing on an annual basis to ensure the air pollutants emission complies with relevant laws and regulations.

## ENVIRONMENTAL ASPECTS

The air pollutants emission during the reporting period is as follows:

Air Pollutants	Unit	Healthcare and household business	Trading of agricultural and fertilizers products business	Total
Nitrogen oxides (NO <sub>x</sub> )	kg	993.40	23.90	1,017.30
Sulfur dioxide (SO <sub>2</sub> )	kg	21.40	3.15	24.55
Particulate matter (PM)	kg	125.86	2.53	128.39

### Greenhouse Gas (“GHG”) Emission

The Group recognises that climate change poses a risk to its businesses as it can seriously affect the crop production in our trading of agricultural and fertilizers products business. The Group is committed to mitigating the effects of climate change. GHG is considered as one of the major contributors to climate change. The majority of GHG emission of the Group comes from energy consumption. The Group reduces the GHG emission by implementing various energy use efficiency initiatives. Measures to encourage energy saving have been incorporated throughout our operation. Details are mentioned in the section “Use of Resources” of this Report.

The GHG emission during the reporting period is as follows:

GHG Emission	Unit	Healthcare and household business	Trading of agricultural and fertilizers products business	Total
Scope 1 <sup>1</sup>	tonnes of CO <sub>2</sub> -e	411.02	97.92	508.94
Scope 2 <sup>2</sup>	tonnes of CO <sub>2</sub> -e	2,893.30	154.10	3,047.40
<b>Total GHG emission</b>	tonnes of CO <sub>2</sub> -e	3,304.32	252.02	3,556.34
GHG intensity		0.43 (unit: tonnes of CO <sub>2</sub> -e/ thousand unit of production	1.81 (unit: tonnes of CO <sub>2</sub> -e/ employee)	

<sup>1</sup> Scope 1: Direct emissions from sources that are owned or controlled by the Group.

<sup>2</sup> Scope 2: Indirect emissions from the purchased electricity consumed by the Group.

## ENVIRONMENTAL ASPECTS

### Waste Management

The Group's "Wastes Control Procedures" (廢棄物控制程序) provides guidelines on classification, collection, storage and disposal of different kinds of wastes. Wastes are classified into hazardous waste, recyclable waste and non-recyclable waste. Each type of waste has its specific storage location and collection procedures.

For hazardous waste, a fixed storage area has been set up in manufacturing sites for collection in our healthcare and household business. The Group has engaged qualified recycling company to perform hazardous waste disposal and treatment so as to minimise the impact on the nature and to comply with the latest policies of National Hazardous Waste Inventory. There was no hazardous waste produced in our trading of agricultural and fertilizers products business during the year.

For non-hazardous waste, it is classified into recyclable waste and non-recyclable waste. The practice of 3Rs, namely reduce, reuse and recycle, is incorporated in our operation. For example, waste that can be recycled is required to be identified and sorted. Double-sided usage of paper is encouraged to reduce paper waste. Apart from 3Rs practice, different communication channels such as training, meetings and notices are used to inculcate the importance and methods of waste sorting into our employees.

The wastes generated during the reporting period are as follows:

Wastes	Unit	Healthcare and household business	Trading of agricultural and fertilizers products business*	Total
<b>Total hazardous waste produced</b>	tonnes	3.00	—	3.00
Hazardous waste intensity		0.0004 (unit: tonnes/ thousand unit of production)	—	
<b>Total non-hazardous waste produced</b>	tonnes	207.68	1.32	209.00
Non-hazardous waste intensity		0.03 (unit: tonnes/ thousand unit of production)	0.05 (unit: tonnes/ employee)	



## ENVIRONMENTAL ASPECTS

\* The data only includes the subsidiaries as follows: Liaoyang CHYKINGYOUNG Ecological Agriculture Limited Company(遼陽翠京元生態農業有限公司) and Wuchang CHYKINGYOUNG Ecological Agriculture Developing Limited Company (五常市翠京元生態農業發展有限公司).

### USE OF RESOURCES

The Group understands that better resources management is imperative to sustainable development. We consistently devote efforts into energy and resources management by adopting policies and guidelines such as “Energy Resource Control Procedure” (能資源使用控制程序).

#### Energy

The Group believes that strengthening the employees’ conservation consciousness is the basis for energy reduction initiatives, so the Group constantly enhances staff training on energy and resources conservation. Besides, energy consumption of the Group mainly comes from purchased electricity and fuel used for manufacturing process. The Group has implemented by following measures to minimise the energy consumption:

- Unnecessary lighting and electrical appliances are switched off when they are not in use.
- Regular maintenance is carried out on machineries and equipment to ensure smooth operation and enhance the energy efficiency.
- Temperature of air-conditioners is maintained at an energy-efficient level above 22 degrees Celsius.

The energy consumption during the reporting period is as follows:

Energy	Unit	Healthcare and household business	Trading of agricultural and fertilizers products business	Total
Purchased electricity	MWh	4,295.79	138.31	4,434.10
Diesel	MWh	354.18	—	354.18
Petrol	MWh	137.44	377.05	514.49
Liquefied petroleum gas (LPG)	MWh	6.69	24.24	30.93
<b>Total energy consumption</b>	MWh	4,794.10	539.60	5,333.70
Energy intensity		0.62	3.88	
		(unit: MWh/ thousand unit of production)	(unit: MWh/ employee)	

## ENVIRONMENTAL ASPECTS

### Water

Water is another important natural resource. Some of the water conservation measures adopted by our Group include:

- Inspect water mains and taps regularly and rectify leakage promptly.
- Turn off taps when they are not in use.
- Display water saving posters at appropriate locations to educate employees and enhance their awareness on water conservation.

The water consumption during the reporting period is as follows:

Water	Unit	Healthcare and household business	Trading of agricultural and fertilizers products business	Total
Water consumption	m <sup>3</sup>	26,218.00	1,472.00	27,690.00
Water intensity		3.38 (unit: m <sup>3</sup> / thousand unit of production)	10.59 (unit: m <sup>3</sup> / employee)	

## ENVIRONMENTAL ASPECTS

### Packaging Materials

The major packaging materials used in our operations are paper, plastic and polystyrene box. The consumption of these materials is summarised below.

Packaging Materials	Unit	Healthcare and household business	Trading of agricultural and fertilizers products business*	Total
Paper	tonnes	22.30	0.60	22.90
Plastic	tonnes	82.40	9.88	92.28
Polystyrene box	tonnes	–	3.60	3.60
<b>Total</b>	tonnes	104.70	14.08	118.78
Intensity		0.01	0.01	
		(unit: tonnes/ thousand unit of production)	(unit: tonnes/ tonnes of production)	

\* The data only includes the subsidiaries as follows: Liaoyang CHYKINGYOUNG Ecological Agriculture Limited Company (遼陽翠京元生態農業有限公司), Dongle Vine (Beijing) Organic Agriculture Limited Company (東周豐源(北京)有機農業有限公司) and Wuchang CHYKINGYOUNG Ecological Agriculture Developing Limited Company (五常市翠京元生態農業發展有限公司).

### THE ENVIRONMENT AND NATURAL RESOURCES

For our healthcare and household business, the manufacturing process involves different kinds of emissions which cause harm to the surrounding environment. These include air pollutants generated from fuel combustion and hazardous wastes production. The Group has implemented “Environmental Monitoring and Measuring Control Procedure” (環境監視和測量控制程序) to manage all these kinds of emissions in order to reduce the significant impact of manufacturing activities on the environment. External qualified institution has been engaged in monitoring and recording the emissions in the factories while the internal department assesses the effectiveness of procedures implemented.

For our trading of agricultural and fertilizers products business, the use of fertilizers in the agricultural activities is our major concern. We have our own research and development team to develop organic fertilizers to replace the use of chemical fertilizers. The use of organic fertilizers not only can maintain the soil fertility for long-term sustainability, but also can minimise significant impact on the environment and natural resources, including ground water pollution.

## SOCIAL ASPECTS

### EMPLOYMENT AND LABOUR PRACTICES

#### **Employment**

Employees are regarded as the most important and valuable assets of the Group. The Group is committed to providing employees with a decent work environment where they can thrive. A set of human resources management policies are in place which set out standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.

The Group is in strict compliance with relevant local employment laws and regulations, including Labour Law of the PRC. During the reporting period, the Group was not aware of any material non-compliance related to employment.

#### *Equal Opportunities*

The Group strives to create a fair and equitable workplace for employees where they are all treated equally. For example, the Group adopts fair employment and promotion systems. Candidates have equal opportunities for recruitment and promotion. They are selected based on their performance, experience and skills to avoid any risk of favouritism or discrimination. The Group does not tolerate any discriminatory act or harassment in workplace based on gender, race, age, nationality, religion, marital status, physical ability and so forth.

#### *Competitive Employment Terms*

The Group is committed to offering competitive remuneration and benefits in attracting, retaining and motivating high performing employees. Employees' remuneration is provided and reviewed based on market norms, individual performance and experience. Awards and bonuses are considered based on the Group's business results and employees' individual merit. Share options may be granted to any employees who have contributed or will contribute to the Group. In addition to competitive remuneration, the Group also provides excellent benefits such as pension schemes.

#### *Work-life Balance*

The Group believes that a proper balance between work and rest can help employees to realise their full potential. The Group is dedicated to help employees to maintain a work-life balance through reasonable contractual working hours, vacation entitlements and different staff activities. Employees are entitled to statutory holidays, paid annual leave, marriage leave and maternity leave, etc. to balance their work and life. Furthermore, the Group organised various activities, such as sports day and annual travel during the reporting period, to help employees to relax and enhance the communications among employees.

## SOCIAL ASPECTS

### Health and Safety

Protecting the health, safety and well-being of our employees is our key priority. We strive for the highest standards of safety and health performance by taking into consideration of all possible precautionary measures. The Group has established various health and safety policies, including “Environment, Health and Safety Control Program” (環境健康安全控制程序) and “Occupational Hazards Control System” (職業病危害防治責任制度), to promote work safety.

The Group strictly complies with the laws and regulations related to health and safety, such as Law of the PRC on the Prevention and Treatment of Occupational Diseases. During the reporting period, the Group had no material violation of relevant laws and regulations in health and safety.

### *Safety Training and Education*

The Group believes that increasing employees’ awareness and knowledge in occupational health and safety are the basis for preventing work-related injuries. For this reason, the Group has set up an environmental, health and safety (“EHS”) committee to conduct EHS trainings for employees at all levels. Through safety trainings, employees can be more aware of the safety operating procedures, safety regulations and other information related to their job duties. In addition to trainings, other effective communication channels, such as regular safety meetings and posters on notice boards, are available to deliver the safety messages to employees.

The Group welcomes its employees to bring up any suggestions to improve the Group’s EHS system. EHS committee is responsible for collecting and reviewing employees’ feedbacks on monthly basis.

### *Workplace and Equipment Management*

The Group places a great emphasis on the safety of instruments by conducting regular functional and safety checks and arranging maintenance. Equipment is installed with safety protection devices. For chemical and hazardous materials, they are properly labelled for identification and stored in designated area. To enhance indoor air quality and prevent flammable chemicals from explosion, ventilation system is installed.

### *Occupational Disease Prevention*

The Group cares about employees’ health and safety. We offer annual medical check to employees to ensure that their health is in good condition. Employees are provided with necessary personal protective equipment such as helmets, masks, gloves, safety shoes and goggles, etc to minimise the risks of work-related injuries during operation. First aid equipment, such as showers and eyewash facilities, is installed for clean-up of emergency chemical spill incidents. All the personal protective and first aid equipment is well-maintained and regularly checked for proper performance.

## SOCIAL ASPECTS

### Development and Training

The Group recognises that continuous improvement of its employees is the key to its success. Training and development at all levels are available for employees to proactively equip themselves with knowledge and skills. Based on the Group's "Training System" (培訓制度) under "Human Resources Control Procedure" (人力資源管制程序), various trainings are provided to employees according to their job positions and operational needs. For example, orientation training is provided to new employees to ensure that they acquire proper skills before performing the assigned tasks.

During the reporting period, the Group organised different training activities which include:

- ISO 9001 quality management system and chemical handling trainings for production department.
- Workshops on the latest industrial development trend for marketing department.
- Resources management training on energy for administrative department.
- Information security training for IT department.

Administrative Department of the Group is responsible for formulating annual training plan to improve employees' knowledge and skills and to enhance the Group's development. Every employee has equal access to training and development opportunities. Furthermore, the Group adopts a systematic performance-based appraisal system to assess employees' performances after training. Salary adjustment and promotion as incentives may be offered to employees with outstanding performance to encourage them to achieve better job performance.

Continuous development of employees is important to the Group's sustainable growth. The Group will enhance the training system in order to promote ongoing development of its employees together with the Group.



## SOCIAL ASPECTS

### Labour Standards

The Group upholds human rights and has zero tolerance to child and forced labour. Under the Group's "Recruitment System" (招聘制度), recruitment of employees aged under 16 is strictly prohibited. Candidates are required to provide identity proofs to verify the age. All works should be performed voluntarily and shall not involve forced labour. Any cases of child or forced labour should be reported timely to the human resources department. Our business partners are expected to follow the same standard of labour practices when working with us. If there is any case of child or forced labour discovered, we will stop the labour from working immediately and carry out investigation promptly to prevent similar case from happening again.

The Group is in strict compliance with the relevant laws and regulations on preventing child and forced labour, including Provisions on the Prohibition of Using Child Labour. The Group did not find any cases related to child and forced labour during the reporting period.

### OPERATING PRACTICES

#### Supply Chain Management

The Group recognises suppliers as valuable stakeholders within the supply chain as their responsible business behaviours are crucial in contributing to quality excellence, operational efficiency and good reputation of the Group. We strive to cooperate with experienced suppliers who are committed to business ethics and have environmental and quality certifications whenever possible. This can strengthen our control of environmental and social risks related to supply chain management. In addition, the Group prefers choosing local suppliers whenever possible with environmental consideration to reduce the carbon footprint attributed to transportation. Most of the goods and services are sourced locally.

We have implemented strict selection process on our suppliers as stipulated in the Group's "Procurement and Supplier Selection Control Procedure" (採購及供應商評審控制程序) to manage our supply chain. All suppliers are selected with fairness and based on a list of criteria, including product quality, capability of providing stable service, price and good after-sales services. Regular assessment and inspection on product quality are carried out to evaluate the suppliers' performance. Long-term and stable relationships with our supply chain partners are maintained based on the assessment and inspection results.

## SOCIAL ASPECTS

### Product Responsibility

We place importance on quality standard of our products to achieve sustainable growth of the Group. We always seek opportunities to improve product quality and enhance customers' satisfaction. Our commitments to product responsibility include: "Safe and legal production, continuous improvement of quality, provision of excellent service, exceed customers' expectations."

The Group strictly complies with laws and regulations related to product responsibility, including Product Quality Law of the PRC and Trademark Law of the PRC. During the reporting period, the Group was not aware of any material non-compliance related to product responsibility.

### Quality Control

The Group has established "Quality and Environmental Manual" (質量環境手冊) in accordance with different international standards to maintain product quality. Our quality control system for the manufacture of healthcare electrical products meets regulatory requirements and has the below quality certifications:

- ISO 9001:2015 Quality Management System – Dongguan Weihang Electrical Product Company Limited
- ISO 13485:2003 Medical Devices – Quality Management System – Dongguan Weihang Electrical Product Company Limited
- BRC Global Standard for Consumer Products (Higher Level) – Dongguan Weihang Electrical Product Company Limited

The Group has "Management Review Control Procedure" (管理評審控制程序) in place to assess the performance and effectiveness of the quality management system.

In order to strengthen quality control and stabilise product quality, the Group has implemented "Inspection and Testing Control Procedure" (檢驗與測試控制程序) to monitor the production process. Inspections are carried out at different stages of the production line to ensure product quality, including in-coming quality control on raw materials, in-process quality control during production, line quality control on assembly and packaging, and quality audit on finished products. "Nonconforming Product Control Procedure" (不合格品控制程序) shall be applied to protect our customers against safety risks for any products which are inspected to be unqualified. Analysis will be carried out for quality improvement.

## SOCIAL ASPECTS

For our trading of agricultural and fertilizers products business, our organic vegetable products successfully entered into a chain supermarket in Northeast China for sale in June 2017. We have standardised management system for organic vegetable production operation, which strictly follows the National Green Food Standard. The success of entering into a new market recognised the high-quality standard of our products.

### *Recall Procedures*

In case of any suspected products that can endanger customers' safety and health, the Group has "Working Instruction on Accident Communication & Product Recall Control Procedure" (事故聯繫及召回作業辦法) in place for timely and efficient recall of products.

A mock product recall is conducted on an annual basis to help employees to be familiar with the recall procedures. The Group believes that mock recall practice can continuously improve and ensure the efficiency of the recall procedure. During the reporting period, the Group had no significant product recall for safety and health reasons.

### *Complaint and Opinion Handling*

The Group believes that customers are the foundation of the Group's sustainable development and improvement. The Group values customers' opinions and has implemented "Customer Service Control Procedure" (客戶服務控制程序) to ensure that the customers' complaints are handled and responded in a timely manner. All complaints are carefully followed up by responsible departments within a reasonable timeframe. Relevant investigation is taken and improvement measure is implemented to improve the product and service quality and customers' experiences. The Group regards complaints are valuable opportunities to obtain feedbacks from customers so as to identify the need for quality and policy improvements.

In order to understand more about the customers' opinions of our products, Liaoning CHYKING YOUNG Ecological Environment Developing Limited Company (遼寧翠京元生態環境發展有限公司), one of our subsidiaries engaged in trading of agricultural and fertilizers products business, organised a series of programme, including talks and market in September 2017. We had a face-to-face interaction with customers by introducing our products and responding to their feedbacks.

### *Intellectual Property Protection*

Intellectual property is an important asset to the Group. The Group is committed to protecting the technology developed through research and development. Seminars and workshops will be organised on an irregular basis to enhance the intellectual property management system of the Group.

## SOCIAL ASPECTS

### *Customer Data Protection*

The Group acknowledges the importance of data privacy protection. Personal data of our customers is collected in our operations. The Group has established “Information Security and Computer Use Management” (信息安全與電腦使用管理) to provide guidance to employees on managing and using the data. For example, the data is accessible only by authorised personnel and handled with care. Employees are prohibited from disclosing any company data, such as customers’ data to third parties. All company data is properly managed by the IT Department under stringent security.

### **Anti-corruption**

The Group operates with a high standard of integrity and ethics. Our commitment to preventing any forms of corruption is stipulated in “Anti-Bribery and Anti-Corruption Management Regulation” (反腐敗反商業賄賂之管理規定). Our principle on anti-corruption is well-conveyed to our employees through daily communication. Payment or acceptance of any kickbacks from external parties is strictly prohibited. Every employee is required and has the responsibility to adhere to this regulation. The Group takes disciplinary action or refers any suspected case to the respective law enforcement authorities to combat against any violation of the Group’s regulation. During the reporting period, the Group conducted training to raise employees’ awareness on anti-corruption.

The Group strictly complies with the applicable laws and regulations related to anti-corruption, including Anti-Unfair Competition Law of the PRC and Anti-Money Laundering Law of the PRC. During the reporting period, no concluded legal case was brought against the Group or the employees in relation to corruption.

## **COMMUNITY**

### **Community Investment**

We are committed to supporting to the community by incorporating social participation in our business development strategy. Dongguan Weihang Electrical Product Company Limited, one of our subsidiaries engaged in the healthcare and household business, has obtained international certifications in social responsibility, such as ICTI. We encourage our employees to contribute to the community by participating in different voluntary activities. We believe that this can nurture great corporate culture and practices in the Group. Our community investment mainly focuses on the contribution of the health of people.

### *Spreading Love to Patients*

In August 2017, Dongle Vine (Beijing) Organic Agriculture Limited Company (東周豐源(北京)有機農業有限公司), one of our subsidiaries in the trading of agricultural and fertilizers products business, invited cancer patients to visit its organic farm for 10 days. During this 10-day organic camping, patients had the opportunity to get in touch with our green and organic environment, making them feel comfortable and refreshed. We provided patients with fresh organic vegetables and rice free of charge. We hope that through organising these activities, patients can become physically and mentally healthy to fight for the disease.

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KPI A2.3	Description of energy use efficiency initiatives and results achieved	“Use of Resources – Energy”	8

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	“Use of Resources – Water”	9
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	“Use of Resources – Packaging Materials”	10
A3: The Environment and Natural Resources			
General Disclosure		“The Environment and Natural Resources”	10
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	“The Environment and Natural Resources”	10
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
B1: Employment			
General Disclosure		“Employment”	11
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	The Group currently does not report on this indicator.	N/A
KPI B1.2	Employee turnover rate by gender, age group and geographical region	The Group currently does not report on this indicator.	N/A



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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
B2: Health and safety			
General Disclosure		“Health and Safety”	12
KPI B2.1	Number and rate of work-related fatalities	The Group currently does not report on this indicator.	N/A
KPI B2.2	Lost days due to work injury	The Group currently does not report on this indicator.	N/A
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	“Health and Safety”	12
B3: Development and Training			
General Disclosure		“Development and Training”	13
KPI B3.1	The percentage of employee trained and employee category	The Group currently does not report on this indicator.	N/A
KPI B3.2	The average training hours completed per employee by gender and employee category	The Group currently does not report on this indicator.	N/A
B4: Labour Standards			
General Disclosure		“Labour Standards”	14
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	“Labour Standards”	14
KPI B4.2	Description of steps taken to eliminate such practices when discovered	“Labour Standards”	14

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
<b>Operating Practices</b>			
<b>B5: Supply Chain Management</b>			
General Disclosure		“Supply Chain Management”	14
KPI B5.1	Number of suppliers by geographical region	The Group currently does not report on this indicator.	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	The Group currently does not report on this indicator.	N/A
<b>B6: Product Responsibility</b>			
General Disclosure		“Product Responsibility”	15
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Group currently does not report on this indicator.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with	“Product Responsibility – Complaint and Opinion Handling”	16
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights	“Product Responsibility – Intellectual Property Protection”	16
KPI B6.4	Description of quality assurance process and recall procedures	“Product Responsibility – Quality Control” “Product Responsibility – Recall Procedures”	15,16
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	“Product Responsibility – Customer Data Protection”	17

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
B7: Anti-corruption			
General Disclosure		“Anti-corruption”	17
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 case	No concluded legal case regarding corrupt practices was noted during the reporting period.	N/A
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	The Group currently does not report on this indicator.	N/A
<b>Community</b>			
B8: Community Investment			
General Disclosure		“Community Investment”	17
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	“Community Investment”	17
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	“Community Investment”	17