



美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1116)

Environmental, Social and Governance Report 2017

* For identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OBJECTIVES

The board of directors (the “**Board**”) of Mayer Holdings Limited (together with its subsidiaries, the “**Group**”) is pleased to present the environmental, social and governance report (the “**ESG Report**”) for the year ended 31 December 2017 (“**Year 2017**”) to internal and external stakeholders with an aim of demonstrating the effectiveness of the Group’s efforts in promoting sustainable development.

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and mainly contains measures and activities on Environmental and Social areas of the Group for Year 2017. For information relating to the corporate governance of the Group, please refer to the 2017 Annual Report.

The Group is committed to maintaining sustainable development of its business and supporting environmental protection in communities where it operates. The Group has prudently managed its business and provided high-quality products and services to customers through reasonable decision-making procedures. The Group and stakeholders (including shareholders, customers, employees, suppliers, creditors, regulatory authorities and the public) have maintained close relationships and the Group strives to accommodate views and interests of related stakeholders through constructive communications to determine the direction of the Group’s long-term development. The Board is responsible for assessing and identifying risks associated with environmental, social and governance matters of the Group and ensuring that the relevant risk management and internal control systems are operated properly and effectively.

In 2017, the Group manufactured stainless steel products through its subsidiary, Guangzhou Mayer Corporation Limited (“**Guangzhou Mayer**”). Upholding the philosophy of “Harmony, Innovation and Sustainable Development” and with the positive development in its production and operation, the Group gained well-learned reputation and strong brand awareness, and has become one of the leading enterprises in the industry. All of the raw materials used for the Group’s stainless steel products are steel coils supplied by the top five steel suppliers in the PRC. The Group enjoys wide recognition and appreciation from the society through intensive development and provision of high quality products and services.

Guangzhou Mayer is one of the Group’s material matters in the ESG Report 2017. In addition to production plants, Guangzhou Mayer owns office buildings, staff quarters and canteen as well as relaxing space. Guangzhou Mayer was also the Group’s sole business in 2017, and hence has been of high relevance to the environmental, social and governance matters. Hence, this report focuses on the disclosure of the policies and performance regarding the three environmental and eight social aspects of the said project in Year 2017.



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STAKEHOLDER ENGAGEMENT

Stakeholder engagement is the core of the Group's sustainable development. The Group focused on the establishment of a regular communication mechanism for the stakeholders, and has set up online and offline communication channels to explain to the stakeholders about the Group's strategic plan for sustainable development and the performance thereof, and to consult their opinions and understand their needs in a timely manner, with a view to meeting their expectations.

The Group's stakeholders include the Board, employees, government/regulatory authorities, customers, suppliers, communities, shareholders/institutional and individual investors, etc. The Group will engage in discussions with the stakeholders about the relevant issues through various channels. Set out below are communications channels between the stakeholders and the Group, as well as the expectations and demands of our stakeholders:

Stakeholder	Engagement channel	Expectation and demand
The Board	Regular board meetings Daily communications and reporting	Compliance operations Financial results Corporate sustainable development
Employees	Training activities Team building activities Regular performance assessment Staff meetings Daily communications and reporting	Career development Health and safety Remuneration and benefits Equal opportunities
Government/Regulatory authorities	Daily communications and reporting Compliance management Information disclosure	Implementation of policies Compliance with rules and laws Business ethics
Customers	Customer activities Satisfaction survey Telephone and face-to-face meetings	Customer information and privacy protection Business integrity and ethics
Suppliers	Meetings On-site inspection Regular assessment Exchanges and mutual visits	Fair competition Business ethics and reputation Product quality Cooperation with mutual benefits

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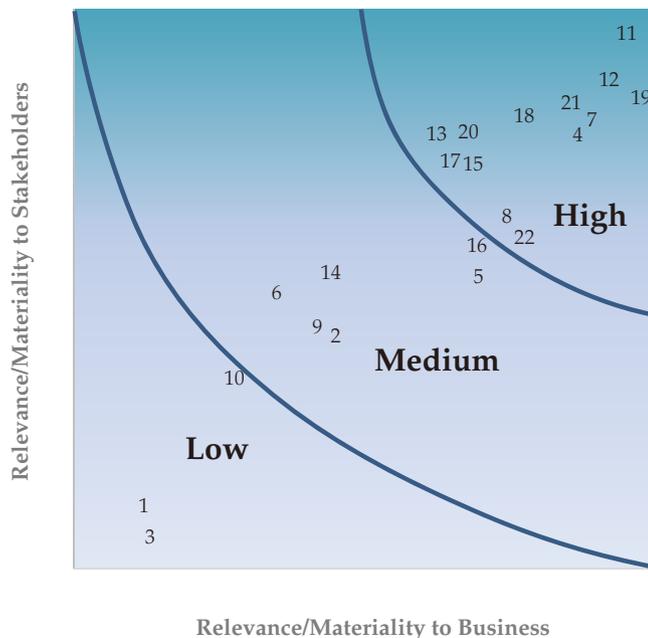
Stakeholder	Engagement channel	Expectation and demand
Community	Promoting employment	Compliance operation
	Community activities	Promoting community development
	Investments and donations	Environmental protection
Shareholders/ institutional and individual investors	Annual general meeting and notices	Compliance operation
	Regular corporate publications (including financial statements)	Financial results
	Circulars and announcements in due course	Corporate sustainable development
	Company website	

MATERIALITY ASSESSMENT

In 2017, the Group conducted the first comprehensive materiality assessment, which involved group discussions, interviews and a survey with internal and external stakeholders to identify “material issues” to reflect the most significant environmental, social and operational impacts of the Group’s business and the issues which the Group’s stakeholders are more concerned about.

With reference to the disclosable scope as required under the ESG Reporting Guide, as well as taking into consideration its business characteristics, the Group identified and determined 22 issues covering greenhouse gas emissions, energy consumption, employee welfare, occupational health and safety, training and development, supply chain management, customer privacy, anti-corruption, and community investments in the course of operation.

Materiality of Environmental, Social and Governance Issues



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#	Issues	Category	Result
1	Greenhouse gas emissions	Environmental	Low
2	Energy consumption	Environmental	Medium
3	Water consumption	Environmental	Low
4	Waste	Environmental	High
5	Environmental impact of operation	Environmental	Medium
6	Use of natural resources and packaging	Environmental	Medium
7	Customer engagement in environmental issues	Environmental	High
8	Use of chemicals	Environmental	High
9	Local community engagement	Social	Medium
10	Community investment	Social	Low
11	Occupational health and safety	Social	High
12	Labour standards in supply chain	Social	High
13	Training and development	Social	High
14	Employee welfare	Social	Medium
15	Inclusion and equal opportunities	Social	High
16	Talent attraction and retention	Social	Medium
17	Economic value generated	Operating	High
18	Corporate governance	Operating	High
19	Anti-corruption	Operating	High
20	Supply chain management	Operating	High
21	Customer satisfaction	Operating	High
22	Customer privacy	Operating	High

Subject to the disclosure requirements of the ESG Reporting Guide, this report sets out in greater details of the issues which the Group's stakeholders are more concerned about. In addition, the result of materiality assessment would be used to guide the strategic goals and plan for environmental, social and governance management in the next year, thereby driving the continuous progress of sustainable development.

A. ENVIRONMENTAL PROTECTION

To fulfill its commitment to sustainable development and comply with the requirements under the relevant laws and regulations related to environmental protection, the Group has been dedicated to reducing the impact of its operating activities on the environment.

A1: EMISSIONS

For Guangzhou Mayer, waste gas mainly included emissions from the machines in the production workshops, forklift trucks, backup generators, vehicles and factory dust, which produce inhalable particles.

In addition, natural gas fuel emissions, automobile exhaust and fumes during production will have adverse impact on the surrounding air quality. Among them, major pollutant is automobile exhaust, which produces NO_x, SO_x and PM.

During the reporting period, air pollutant emissions were as follows:

Type of emission	Unit	Amount
Nitrogen oxides (NO _x)	Kg	2,440.5
Sulphur oxides (SO _x)	Kg	2.5
Particulate matter (PM)	Kg	175.5



In order to effectively prevent and control dust pollution, improve air quality and protect public health, Guangzhou Mayer's production plants are equipped with dust collectors with pulse jet filter bags, which adopt automatic dust cleaning devices to maintain the stable filtering effect of the dust collectors and thus to reduce particles and dust emissions during production.

Production plants are equipped with dust collectors with pulse jet filter bags

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Solid wastes produced by Guangzhou Mayer during production are passed to qualified recyclers for recycling. Details are as follows:

Solid waste	Qualified recyclers
Sludge produced during stainless steel tubes polishing	Guangzhou Lvyou Industrial Waste Reclamation Treatment Co., Ltd.
Scrap steel	Guangzhou Wanluda Materials Recycling Co., Ltd.
Scrap wood frames	Guangzhou Wanluda Materials Recycling Co., Ltd.
Scrap papers	Guangzhou Wanluda Materials Recycling Co., Ltd.

The Group has formulated and implemented the “Waste Management Procedures”. By separating, collecting and treating production and domestic solid wastes, it is ensured that the wastes produced by the Group will not pollute the environment and will comply with the Group’s environmental policy as well as local laws and regulations. Hazardous wastes and non-recyclable industrial wastes are passed by the management department to state-recognized and qualified waste disposal organizations for treatment.



Household trash area in a factory

Waste separation facilities with “Recyclable”, “Non-recyclable” and “Hazardous” classifications are set by Guangzhou Mayer to encourage residents and employees to develop green living habits. Hazardous wastes are collected and treated by a qualified company engaged by the Group.



Waste separation facilities separating recyclable and non-recyclable wastes in a production workshop



Waste separation facilities with recyclable, non-recyclable and hazardous classifications in factory area

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Greenhouse gas (GHG) is considered as one of the major contributors to climate change and global warming. In the operation of the Group, energy consumption accounts for a major part of our GHG emission. The Group places great emphasis on improving energy efficiency and reducing energy consumption. During the reporting period, GHG emission was as follows:

GHG Emissions	Unit	Amount
GHG emissions (Scope 1)	KgCO ₂ e	424,594
GHG emissions (Scope 2)	KgCO ₂ e	1,260,283
GHG emissions (Scope 3)	KgCO ₂ e	20,998
Total GHG emissions	KgCO ₂ e	1,705,875
Total production	Ton	93,546
GHG Intensity (total emissions/ total production)	KgCO ₂ e/ton	18

During the reporting period, the emission of hazardous and non-hazardous waste was as follows:

Emission of hazardous and non-hazardous waste	Unit	Amount
Total hazardous waste	Kg	71,050
Hazardous waste intensity	Kg/ton	0.8
Total non-hazardous waste	Kg	3,457,413
Non-hazardous waste intensity	Kg/ton	37

Guangzhou Mayer has obtained an “Emission Permit” issued by Guangzhou Development Zone Construction and Environmental Protection Bureau, which is valid from 2 March 2016 to 1 March 2021. Guangzhou Mayer has installed a sewage treatment system to directly treat the sewage produced during production.



Sewage treatment system

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In Year 2017, the Group adopted a series of energy saving and emissions reduction measures, of which the specific measures and relevant effectiveness assessment were as follows:

Energy saving and emissions reduction measures	Content of measures and relevant effectiveness assessment
Light Emitting Diodes (LEDs)	Some of the lighting at the Group's production workshops, office buildings and staff quarters, where compact fluorescent light lamps had previously been in use, were replaced with LEDs, which consume less electricity compared to compact fluorescent light lamps.
Installation of LED sensory lights	LED sensory lights have been installed at the corridors of Guangzhou Mayer's office buildings and staff quarters. When a person enters any area covered by a switch sensor, the change of infrared spectrum of that person will be detected by the specialized sensor, and the switch is automatically connected. If the person stays in the area and body movement continues, the switch will remain connected. After the person has left, the switch will be turned off a while later, which reduces energy consumption.
Water usage	During the cleaning of the production workshops, office buildings and staff quarters, the cleaners were under strict control over water usage and cleaning frequency. Therefore, a large amount of water was saved.
Installation of dust collectors with pulse jet filter bags	In order to effectively prevent and control dust pollution, improve air quality and protect public health, Guangzhou Mayer's production plants are equipped with dust collectors with pulse jet filter bags, which adopt automatic dust cleaning devices to maintain the stable filtering effect of the dust collectors and thus to reduce particles and dust emissions during production.
Non-hazardous wastes	At production workshops, office buildings and staff quarters, non-hazardous wastes produced include sludge from stainless steel tubes polishing, scrap steel, waste wood frames and cardboard, plastic bottles, office papers and kitchen wastes. The Group has contributed its best efforts to minimize the impact on the environment by using recyclable raw materials or supplementary materials in production. The Group promotes separation of wastes such as by placing cartons and plastic bottles in assigned areas for collection by recycling service suppliers.

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Compliance with Relevant Laws and Regulations

In Year 2017, the Group was not aware of any non-compliance with relevant laws and regulations relating to the significant impact of air and greenhouse gas emissions, discharging into water and land, and generation of hazardous and non-hazardous waste. The Group strictly complied with local laws and regulations relevant to emissions, such as the “Environmental Protection Law of the People’s Republic of China” and the “Law on the Prevention and Control of Water Pollution of the People’s Republic of China” and the “Law on the Prevention and Control of Solid Waste Pollution of the People’s Republic of China”. Furthermore, no significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations were imposed on us in Year 2017.

A2: USE OF RESOURCES

The Group does not only strictly abide by the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) and related regulations, but also encourages employees to develop resources saving and recycling habits in daily life. To protect natural resources and increase operation efficiency, the Group closely monitors the use of resources to ensure fully use of resources and avoid wasting. Each department of the Group must report regularly on the use of resources and take corrective actions for issues arisen in a timely manner.

The Group has formulated and implemented the Management Procedure of Energy and Resources to promote energy and resources saving, reasonable use of energy and resources and reduction of wastage. To reduce the use of non-reusable materials, the research and development department takes into consideration the aspects in relation to environmental protection, energy saving and occupational health and safety before introducing new equipment or adopting new production processes. The managing department is responsible for the daily management procedures regarding energy saving and resources control which are applied to the workplace, canteen, staff quarters, etc.

The consumption of electricity, water and construction materials is primarily controlled during production. Production department 1 and production department 2 record the monthly water consumption and compare it with monthly actual production for assessment on a monthly basis. Statistical analysis is conducted in accordance with the progress of energy saving and the level of energy consumption is recorded.

To reduce the use of wood, wooden frames used for product packaging are recycled actively in accordance with the Management Procedure of Energy and Resources upon delivery of products to customers. The recycling of wooden frames is regularly traced and recorded by the sales department of Guangzhou Mayer on a monthly basis.

For office administration, employees are provided with computers of low-energy-consumption capacities, and energy-efficient lights are installed for office illumination. In addition, the Group enhances employees’ awareness of energy saving through channels such as e-mail and bulletins by, for example, encouraging employees to turn off lights and air-conditioners after work. Additional video equipment has been put in place to encourage the use of video conferencing for less frequent business trips, thereby reducing carbon emissions arising from fuel consumption in transportation.

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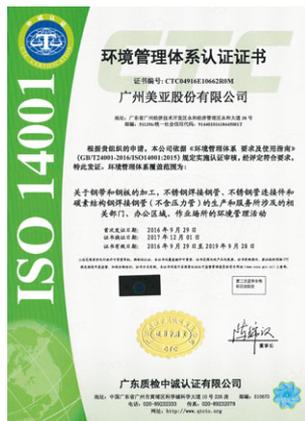
Data of emission from the operation of the Group during the Reporting Period are as follows:

Environmental performance	Unit	Quantity
Electricity consumption	KWh	4,103,820
Electricity consumption density	KWh/ton	44
Water consumption	M ³	16,922
Water consumption density	M ³ /ton	0.2
Total weight of package*	Kg	102,629
Density of package	Kg/ton	1.1

* Package includes PVC films, transparent plastic, wrapping bands, cardboard containers and wrapping bags.

A3: ENVIRONMENT AND NATURAL RESOURCES

In strict compliance with laws and regulations including the Environment Protection Law of the People's Republic of China and related regulations, the Group has formulated its management framework namely the Management Procedure of Energy and Resources and established its environmental management system which conforms to ISO 14001 standards, thereby effectively reducing pollutant discharge and resources consumption resulting from production and operation.



The Group has obtained the ISO14001 environmental management system certification, which is valid from 29 September 2016 to 28 September 2019

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Power generation equipment using solar energy is installed on the rooftop of the Group's staff quarters to provide clean energy, supplying electricity for the hot water system at the staff quarters.

Power generation equipment using solar energy on the rooftop of staff quarters

The Group's premises have been designed as a green production area, where arbors and shrubs are continuously planted, totaling 315 trees of 13 species including lychee trees, longan trees, mango trees, pine trees and so forth.



Green environment in production area

B. SOCIAL RESPONSIBILITY

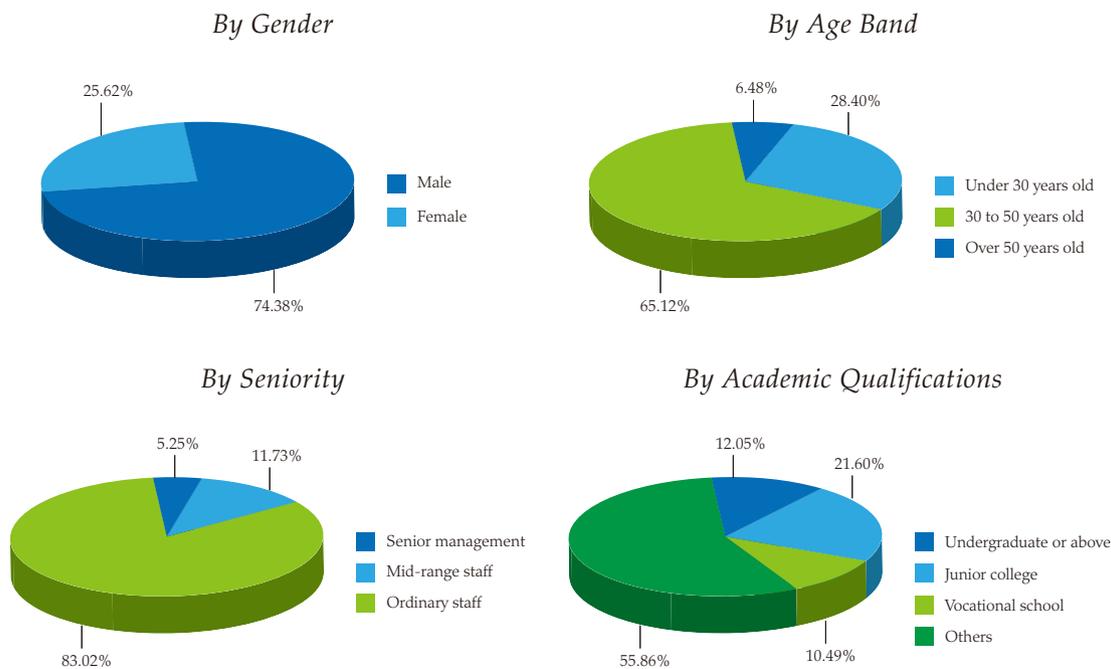
The Group believes that maintaining good relationship with its employees is one of the keys to success. To enhance employees' satisfaction, the Group provides employees with competitive compensation benefits and comprehensive training programs to encourage them to show their strengths and potential in full. The Group organizes annual dinner for employees each year to enhance their sense of belonging and create a friendly and harmonious working environment.

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B1: EMPLOYMENT

The Group has implemented a rigorous recruitment procedure to select and attract outstanding talents for the Group through a combination of external recruitment and internal training. As at the end of the year of 2017, the proportion of employees (calculated at numbers of employees (excluding independent non-executive directors)) by gender, age band, seniority and academic qualifications are as follows:



The Group has formulated and implemented the Staff Handbook, the Management Measures for Staff Recruitment, the Remuneration Management Measures and the Human Resources Management Procedure to comprehensively regulate the behavior of all employees of the Group in daily activities to meet the needs of a modern enterprise. In the premise of compliance with the Labor Law of People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of People's Republic of China (《中華人民共和國勞動合同法》) and the Industrial Injury Insurance Regulations (《工傷保險條例》) of the PRC, the Group has formulated its management regulations in respect of recruitment, promotion, dismissal, working hours, holidays, remuneration, benefits and retirement. The Group provides employees with competitive salaries and benefits and makes adjustments to salaries and benefits in a timely manner according to the prevailing market condition, to attract and retain talents and enhance their subjective initiative.

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The Group provides equal employment opportunities for employees free from any form of discrimination: age, ethnicity, race, gender and religious beliefs. We are committed to creating a corporate culture and a working atmosphere of equality, respect, diversity and mutual support. The Group protects the rights of its staff and strives to establish harmonious labor relationship, with the provision of rest periods and holidays in accordance with relevant laws and regulations.

On 18 and 25 May 2017, the Group's job fairs were held at Guangzhou Practical Training Base (廣州實訓基地) and Guangzhou Tianhe Jinling Technical School (廣州市天河金領技工學校) respectively. In order to help local groups integrate into the society, in Year 2017, Guangzhou Mayer recruited 4 staff members who are physically or mentally disabled.

Compliance With Relevant Laws and Regulations

The Group was not aware of any material violation of the relevant laws and regulations relating to the Group's compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare in Year 2017. The Group strictly complies with relevant local laws and regulations relating to employment, including the Labor Law of People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of People's Republic of China (《中華人民共和國勞動合同法》) and Regulations on Wage Payment of Guangdong Province (《廣東省工資支付條例》). In addition, no significant fines or sanctions were imposed on us due to non-compliance with the relevant laws and regulations in Year 2017.

B2: HEALTH AND SAFETY



The Group has obtained OHSMS18001 occupational health and safety management system certification, which is valid from 29 September 2016 to 28 September 2019

Production safety and occupational health and safety are the Group's core values for corporate operation. In strict compliance with its policy of occupational health and safety, the Group provides resources and training, emphasizes occupational health and safety throughout its production process and continues to mitigate the risks of employees, equipment and environment.

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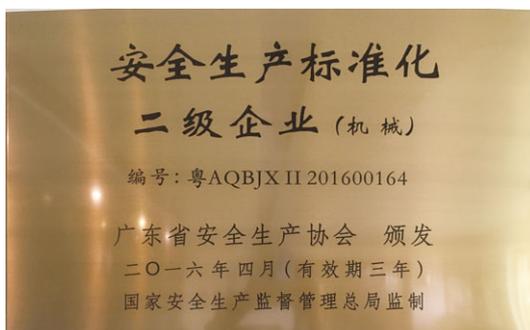
To comply with the laws, regulations, policies and standards of the PRC related to the prevention and control of occupational diseases, such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and the Measures for the Supervision and Administration of Employers' Occupational Health Surveillance (《用人單位職業健康監護監督管理辦法》), strengthen the management for prevention and control of occupational diseases, enhance the quality of prevention and control of occupational diseases, practically secure laborers' occupational health and safety during their work, reach the target of occupational health and safety set by the Group, and facilitate corporate development in economic sense, the Group has adopted and enforced relevant systems as set out below:

- (i) "System of Liability for Prevention and Control of Occupational Hazards" (《職業病危害防治責任制度》)
- (ii) "System of Warning and Alert for Occupational Hazards" (《職業病危害警示告知制度》)
- (iii) "System of Promotion, Education and Training for Prevention and Control of Occupational Hazards" (《職業病危害防治宣傳教育培訓制度》)
- (iv) "System of Management for Equipment and Facilities for Prevention and Control of Occupational Hazardous Factors" (《職業病危害因素防治設備設施管理制度》)
- (v) "System of Management for Occupational Disease Prevention Equipment" (《職業病防護用品管理制度》)
- (vi) "System of Management for Monitoring and Assessing Occupational Hazards" (《職業病危害監測及評價管理制度》)
- (vii) "System of Management for Occupational Health Monitoring and File Management for Laborers" (《勞動者職業健康監護及其檔案管理制度》)

Every year, Guangzhou Mayer designs programs for the annual fire-fighting emergency drill, in order to further improve the staff's understanding of fire extinguishers inside the factory and small-scale fire, so that the staff members are able to use the fire extinguishers correctly to extinguish small-scale fire and security guards are able to use the emergency rescue equipment located in the micro-firefighting stations inside the factory correctly.



Participation of Guangzhou Mayer's staff members in the annual fire drill on 4 December 2017



"Class-II Enterprise for Production Safety Standardization (Machinery)", which is valid for three years, awarded by Guangdong Provincial Association of Work Safety in Year 2016



Slogan for Safety Management

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Compliance With Relevant Laws and Regulations

In Year 2017, the Group was not aware of any material violation of relevant laws and regulations having a significant impact regarding the provision of a safe working environment and the protection of employees from the Group's occupational hazards. The Group strictly complies with relevant local laws and regulations relating to health and safety, including 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 Industrial Injury Insurance Regulations of People's Republic of China (《中華人民共和國工傷保險條例》). In addition, there was no material penalty or sanction imposed due to non-compliance with the relevant laws and regulations in Year 2017.

B3: DEVELOPMENT AND TRAINING

The Group has adopted and enforced the "Education and Training Management Procedure", in order to effectively implement and achieve the Group's strategies and targets of management in terms of quality, environment and occupational health and safety, and ensure that employees have a sound grasp of and practically meet their positions' basic requirements for occupational safety, quality, efficiency, cost and environmental protection.

The managing department is responsible for the planning, implementation and enforcement of the Group's education and training activities, the establishment of annual training programs, the organization and implementation of new employee orientation education and training, and the adoption of the system and framework of the Group's education and training. Each of the other departments is responsible for putting forward the needs of each department on the education and training programs, organizing internal education and training for each department, assisting the managing department to enforce the annual education and training programs, and providing safety education and pre-job training to new employees. Safety and environmental protection management department or personnels are responsible for safety, environmental protection and implementation of education and training on relevant laws and regulations, and organization of "three-level" safety education training activities for all members of the Group.

The Group has adopted and enforced the "Regulations on the Management of External Education and Training" (《外派教育訓練管理規定》). To improve the overall quality of staff as soon as possible and step up efforts on human resources development, external trainings are arranged to cultivate the Group's staff members in advanced technology in the industry and their skills and expertise.

In Year 2017, the human resources division under the Group's managing department devised the "2017 Training Schedule" and the "Schedule of Needs by Departments" in 2017. Major training work included optimization of systems, training for new employees, training for managers, promotion for constitutional documents, safety education, quality education and so forth.

B4: LABOR STANDARDS

The Group is deeply aware that the employment of child labor and forced labor is a serious breach of universal values and is therefore responsible for striving to prevent all employment of child labor and forced labor and is in strict compliance with all laws and regulations relating to the prohibition of employment of child labor and forced labor. The Group has adopted and enforced the Management Measures for Staff Recruitment and the Staff Handbook and strictly complied with the labor contract system. All employees will sign a labor contract or employment agreement with the Group when they accept job offer, and the Group will check the relevant certificates of the employees when they officially commence work.

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Compliance With Relevant Laws and Regulations

In Year 2017, the Group was not aware of any material violation of the relevant laws and regulations prohibiting the employment of child labor or forced labor in the Group. The Group strictly complies with relevant local laws and regulations relating to labor standards, such as Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Law on Protection of Minors of the People's Republic of China (《中華人民共和國未成年人保護法》) and Provisions on Prohibition of Child Labor (《禁止使用童工規定》). In addition, there was no material penalty or sanction due to non-compliance with the relevant laws and regulations in Year 2017.

B5: SUPPLY CHAIN MANAGEMENT

The Group cooperates with suppliers which strive for excellence, emphasize environmental friendliness and possess commercial ethics. It also expects suppliers to be mindful of environmental and social responsibilities. Complying with national laws and regulations including the Law on Tenders and Bids (《招標投標法》) and the Implementation Rules for the Law on Tenders and Bids (《招標投標法實施條例》), the Group has adopted management systems including the Procedure for Assessment and Management of Vendors (《協辦廠商評估與管理程序》), the Measures for Assessing Trade Safety of Business Partners (《商業伙伴貿易安全評估辦法》) and the Supplier Quality Management System Development Schedules (《供方質量管理體系開發計劃表》), to strictly control internal purchasing process.

The sustainability of the Group is inseparable from its good cooperation and choices made with the suppliers. The Group has adopted its supplier evaluation system and evaluated the environmental and social performance of the suppliers regularly, to ensure the quality of the raw materials and equipment used in the Group's production on one hand, and to strengthen the connection with the suppliers on the other hand, so as to mutually create a good atmosphere for cooperation. The Group also arranged regular on-site inspections to evaluate suppliers' social responsibility performance. In case of any non-compliance with any laws or regulations on the part of a supplier, the Group will immediately cease its business relationship with such supplier.

The Group is deeply concerned about the materials safety of suppliers and regards it as one of important conditions for the selection of suppliers. In addition to the technical capabilities, delivery time and price competitiveness of the business partners, the Group is also concerned about the environmental and social performance within the supply chain and from time to time prompts its business partners to pay more attention to sustainable development issues. The Group requires suppliers to use materials with no or low potential toxicity, to protect public health.

B6: PRODUCT LIABILITY

The Group strictly abides by the laws and regulations such as Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) in its advertisements and promotions and is committed to providing customers with true and valid information and quick and pleasant experiences. By utilizing different platforms and social media such as the official site and WeChat, the Group is able to provide corporate development, promotional products and marketing activities and collect opinions.



The Group has obtained the ISO 9001 quality management system certification, and acquired various production technology patents, which are valid from 29 September 2016 to 28 September 2019.

During the reporting year, all complaints related to products, services and other matters were instantly resolved. The Group also received widespread praise from customers for its professional skills and quickly-responded localized services.

Set out below is the accolade granted to the Group during the reporting year:



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The “certificate of new and hi-tech enterprise” (《高新技術企業證書》) is based on the requirements of the “Measures for the Administration of the Recognition of New and Hi-tech Enterprises” (《高新技術企業認定管理辦法》) and the “New and Hi-tech Sectors under Intensive State Support” (《國家重點支持的高新技術領域》) jointly promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation of the PRC, and is issued by joint approval of the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, the Guangdong Provincial Tax Service, State Administration of Taxation and the Guangdong Local Taxation Bureau after multiple audit processes.

The Group has formulated and implemented the “Integrated Management System Manual” (《綜合管理體系手冊》). Based on customer requests and technical indicators such as inspection or test of product during its production, safety, environmental friendliness, reduction of energy consumption and measurement of incoming or outgoing materials, the quality assurance department quantifies them into measurable technical parameters and transforms them into specific measurement requirements, such as maximum permissible error, permissible uncertainty, measurement range, stability, distinguishability and environmental conditions, etc., and implements measurement recognition of measuring instruments, which formulates measuring instrument record to guarantee that the measuring instruments satisfy the requirements of the measurements.

The Group ensures that it is able to satisfy the requirements of products and services provided to customers. Before promising to provide products and services for customers, Guangzhou Mayer assesses the following requirements:

- i) Customers’ specific requirements, including requirements of delivery and post-delivery activities;
- ii) Necessary requirements of required uses or known intended uses, despite the absence of express indication from customers;
- iii) Requirements from Guangzhou Mayer;
- iv) Requirements under relevant laws and regulations applicable to the products and services;
- v) Requirements under contracts or purchase orders that are different from the previous statements.

In case of differences in the requirements under previous contracts or purchase orders, Guangzhou Mayer should ensure that the relevant issue has been resolved.

If the requirements are not put forward by the customer in written form, the Group should confirm such customer requirements before accepting them.

Based on the “Administrative Measures for Contract Review” (《合約審查管理辦法》) and “Procedures for Survey on Customer Satisfaction” (《客戶滿意度調查作業程序》), the Group’s sales department conducts survey to measure customer satisfaction in late June and late December every year, and record and control customer complaint rate on a monthly basis. In Year 2017, no complaint has been received concerning non-compliance product quality.

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Compliance With Relevant Laws and Regulations

In Year 2017, the Group was not aware of any material violation of the relevant laws and regulations having a significant impact in relation to the health and safety, advertising, labeling and privacy of the products provided by the Group and the remedial methods. The Group strictly complies with relevant local laws and regulations relating to product liability, such as the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) and the Patent Law of the People's Republic of China (《中華人民共和國專利法》). Further, no material fines against non-compliance were imposed on the Group in Year 2017.

B7: ANTI-CORRUPTION

The Group places great importance to anti-corruption work. The Staff Handbook (《員工手冊》) and the "Administrative Measures for Incentive and Punitive Actions" (《獎懲管理辦法》) set out in detail the standards of conduct that all employees are required to follow. The Group has set up a complaints unit and has a dedicated suggestion box in place to enable whistleblowers to report any unlawful or fraudulent conduct to the complaints unit in a confidential manner, and the whistleblowers will be protected.

The integrity reporting e-mail address is published on the Group's website at http://www.mayer.cn/index_71.aspx.

Regarding corruption, fraud or practices harming the interests of the Group, if it is reported or prevented beforehand, and thus prevent the Group from suffering material loss, a top-level merit will be recorded for the employee.



Suggestion box located in the office building

Compliance With Relevant Laws and Regulations

In Year 2017, none of the Group or its employees was involved in any legal proceedings relating to bribery, extortion, fraud or money laundering. The Group has strictly complied with the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and other local laws and regulations relating to anti-corruption.

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B8: COMMUNITY INVESTMENT

As a corporate citizen, the Group spares no efforts in performing its social responsibilities and is dedicated to supporting local community development. During the reporting year, the Group has promoted social development in different aspects, such as enhancing the environmental awareness of employees, supporting child development, caring for needy people, promoting industry-wide exchanges and collaborations and so forth.

The Group employs disabled people as workers and cleaners to help them to integrate into the community. During the reporting year, 4 disabled people were under employment.

The Group greatly supports environmental protection activities. By organizing volunteering activities, we seek to enhance employees' environmental awareness and draw more attention of the general public to the importance of environmental protection.