

Stock code:01202

**Potevio**  
**中国普天**

# 2018

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT





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# Description of Report Preparation

## ◎ Reporting Period

This report covers the period from 1 January 2018 to 31 December 2018, partial content of which may be beyond such time range.

## ◎ Publication Cycle

This report is the third environmental, social and governance report published by Chengdu PUTIAN Telecommunications Cable Company Limited with a view to disclosing to all the stakeholders the actions taken and the achievements made by the Company in the aspects of environment, society and governance during the reporting period.

## ◎ Scope of the Report

The report covers all the relevant information of Chengdu PUTIAN Telecommunications Cable Company Limited and its subsidiaries.

## ◎ Sources of Data

The data and information disclosed in this report was extracted from the original records of actual operation, annual reports and official company documents of Chengdu PUTIAN Telecommunications Cable Company Limited. All the data is true and valid, so as to ensure that the information disclosed is reliable.

The financial figures in this report are denominated in Renminbi ("RMB").

## ◎ Basis for Providing Data

This report is prepared in accordance with the with the Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities issued by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China ("SASAC") with reference to the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") and the Guidance on Social Responsibility (ISO 26000) of the International Organization for Standardization (ISO).

## ◎ Reference Description

"Chengdu PUTIAN", the "Company", "our" and "we" will be adopted instead for the expression of Chengdu PUTIAN Telecommunications Cable Company Limited. Chengdu Zhongling Radio Communications Co., Ltd. will be referred to as "Zhongling", Chengdu SEI Optical Fiber Co., Ltd. will be referred to as "SEI", and Chengdu Putian New Material Co., Ltd. will be referred to as "New Material".

## ◎ Report Availability

This report is available in both Chinese and English versions, the electronic version of which can be downloaded on the following websites:

Website of HKEx at <http://sc.hkex.com.hk>

Website of Chengdu PUTIAN Telecommunications Cable Company Limited at <http://www.cdc.com.cn>



## A Message from the Management

In 2018, under the leadership of China Petevio Co. Ltd ("China Petevio", our stakeholder) and the board (the "Board") of directors (the "Directors") and the supervisory committee ("Supervisory Committee"), Chengdu PUTIAN continued to vigorously pushed forward the structural reform on the supply side by adhering to the spirit of a series of documents issued by the Central Committee of the Communist Party of China ("CPC") and the State Council on further reform of state-owned enterprises ("SOEs"); we also continuously enhanced self-rectification in accordance with the list of issues concerned by the supervisory committee of SASAC in China Potevio, with sound development momentum and results achieved.

The Company strives to build a modern corporate management system and continuously strengthens and optimizes the corporate governance structure mainly comprising the general meeting, the Board, the Supervisory Committee and the management. Centered on the "Three Importance and One Greatness", the Company exerts increasing efforts on system construction, and specifies the content and scope of the "Three Importance and One Greatness" system to govern the matters relating to "Three Importance and One Greatness".

According to the requirements of the supervisory committee of SASAC in China Potevio and the China Potevio, the Company adheres to the guiding principle of "innovation, integration and capital" to strengthen our strategic guidance. Such guidance leads us to enhance market synergy effects and resource sharing, optimize the operation of key projects and actively develop the industrial park economy, so as to transform from manufacturing to industry+service model.

The Company complies strictly with the relevant and applicable laws and regulations on environmental protection, and has established an environmental protection responsibility system to show our great attention paid to safe production, energy conservation and environmental protection work. We have also formulated the general annual objectives and plans for environmental management and given specific assignments to all the units accordingly. The monitoring data is regularly reported to the relevant government authorities responsible for environmental protection, and the Company has met the relevant national standards and the emission requirements set forth in emission permits in respect of the main pollutants, and has achieved clean production as planned.

In order to maintain a harmonious and stable employment relationship with its employees, the Company continuously perfects the remuneration management mechanism for the employees and exerts great efforts to improve the level of remuneration and performance management to stimulate and arouse the enthusiasm and creativity of the employees and gather the competitive efforts to promote the sustained, stable and healthy development of the Company.

In 2019, the Company will continue to resolutely adhere to the spirit of the 19th CPC National Congress and keep abreast of the policy trend in China to deeply analyze the development trend of the industry, deepen reform and innovation, explore how to make transformation for development and promote the market allocation of various resource elements, so as to improve operation quality and efficiency.





# About Chengdu PUTIAN

## Company Profile

Chengdu PUTIAN Telecommunications Cable Company Limited is a professional wire and cable manufacturer controlled by the SASAC. The Company built a plant in Chengdu, Sichuan in 1958, and was listed on the Hong Kong Stock Exchange through overall restructuring in 1994 (held as to 60% by China Petevio), with the stock name of “CHENGDU PUTIAN” and the stock code of “01202” for its H shares.

Persistent in taking technology as the guide and quality as the core, the Company has developed into a conglomerate with business coverage on the optical telecommunication wire and cable industry, the energy transmission cable industry and the smart electrical equipment industry. The Company is mainly engaged in the production and sales of optical cable and energy transmission cable and wire, sales of smart electrical products and development of industrial parks. Relevant products have been widely applied in key national strategic projects, with a proven track record of success in various fields such as high-speed optical network and wireless transmission information network, new railway transportation network, new energy grid transmission network, high-end equipment internal transmission network and intelligent control.

The Company is committed to creating critical and reliable information and energy transmission channels to serve the smart era of “Internet Plus”, providing customers with smart, environment-friendly, quality and reliable optical cables for information transmission and energy transmission as well as smart electrical products and related services, and serving as a smart and reliable servant for information and energy transmission.

As of December 2018, the Company had three business departments, namely the energy transmission cable business department, the optical telecommunication business department and the smart electrical equipment department, one center, i.e. the industrial park development center, a total of 4 subsidiaries and 4 associates.

## Core Concepts

### Corporate vision

To be an expert in information and energy transmission

### Corporate mission

To provide reliable optical telecommunication, energy transmission products and high-quality electronic-information-based industrial park services for the construction of smart cities in China

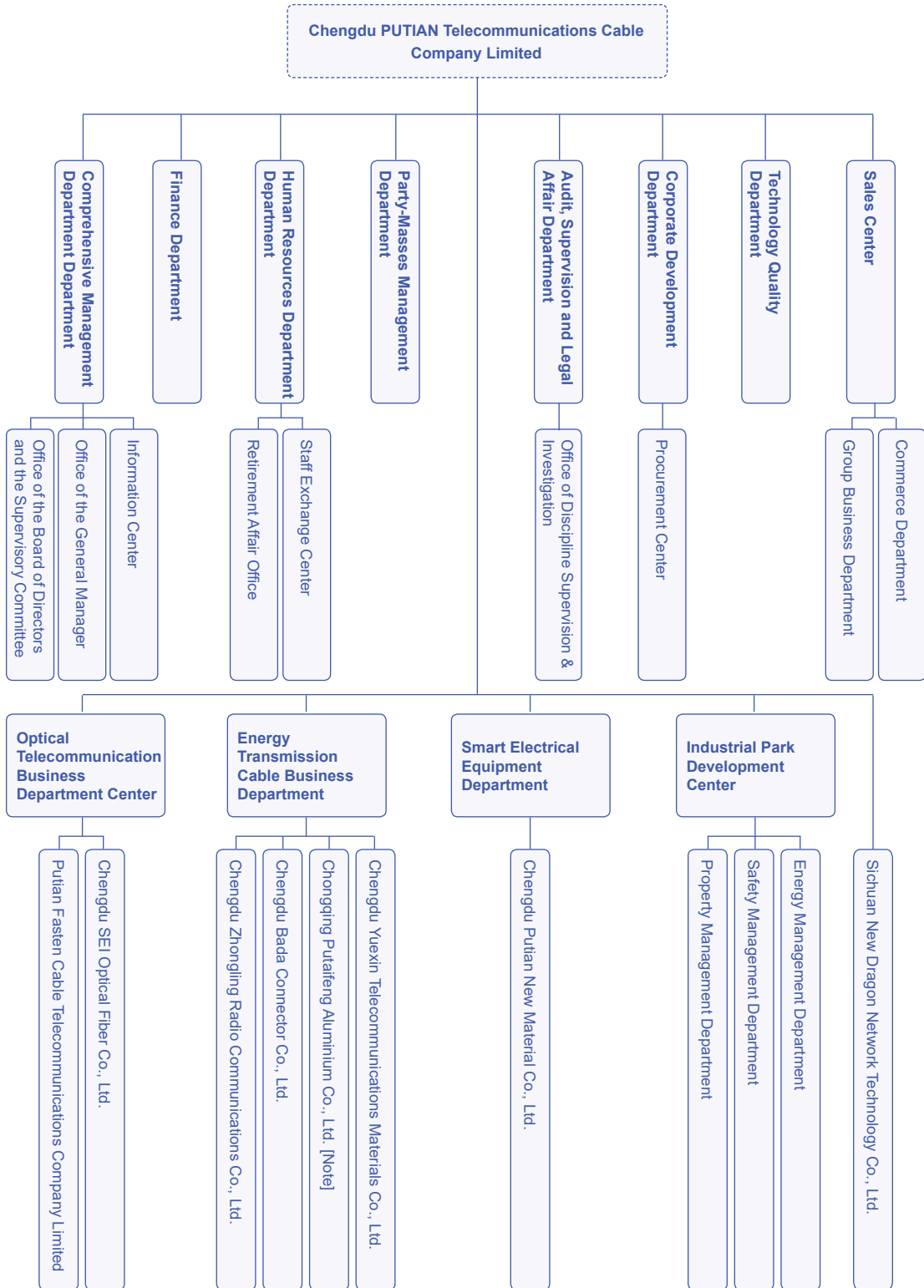
### Core values

Innovation, professionalism, responsibility, learning, sharing

### Corporate spirit

keeping stringent, creating excellence, staying realistic and striving for the best





Note: Chongqing Putaifeng Aluminium Co., Ltd. is under liquidation and cancellation of registration.



# PUTIAN Transformation and Development

In 2018, Chengdu PUTIAN celebrated its 60th birthday since its inception. In response to the five development concepts of “innovation, coordination, environment, openness and sharing”, Chengdu PUTIAN concentrates its advantageous resources to develop advantageous industries and continues to optimize human resources, so as to strive to realize rapid transformation and adapt to the rapid changes in the information age. Under the industry-driven and resource-driven strategy, Chengdu PUTIAN is towards a new development direction.

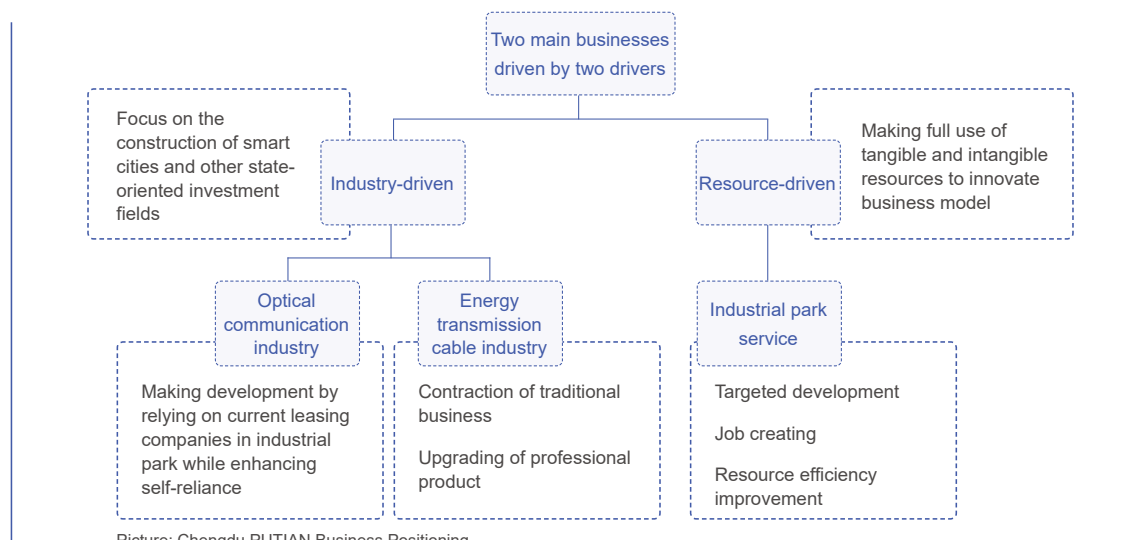
## Corporate Strategy

In the next three years (2019-2021), Chengdu PUTIAN will focus on the construction of smart cities and other state-oriented investment fields by making full use of existing tangible and intangible resources, with its industrial capacity prioritized on the optical communication sector and its resource efficiency on industrial park services. We will also phase out other businesses with insufficient development capacity, low efficiency, loss-making and focus on the non-core business, with a view to form a development pattern of “two main businesses driven by two drivers”.

•**Positioning of optical communication industry (one of our two main businesses)** Take G657 and other featured optical fibers as core profitable products, deeply cultivate FTTx (Fiber To The x, which generally refers to optical fiber product series) indoor market segments, and expand optical fiber production capacity and sales volume according to market conditions; develop optical cables based on characteristic optical fibers to gradually improve the independent industrial chain; and explore the optical fiber preform technology for follow-up development.

•**Positioning of industrial park services (one of our two main businesses)** Build a service guarantee platform for property, energy and safe production to obtain more non-main business income and provide some jobs via the management of the Company's housing and land assets and strict control of energy consumption. With the support and cooperation of the local government, we will develop and utilize the vacant land in the industrial park through investment invitation and cooperation to establish an electronic information industrial park in accordance with the key industrial park plan for Chengdu's hi-tech west district. Our aim is to develop services for mass entrepreneurship and innovation, and to gradually realize the functions of hi-tech incubator and accelerator.

•**Other businesses** The energy transmission cable industry will focus on railway transportation and other professional group customers as well as local construction market segments, and withdraw from wire feed cables and other businesses facing the risk of substitution by new technologies. ZTE components and other products will be produced by joint-stock enterprises. We will build core competitiveness around high-end electrical equipment cables such as railway cables. The intelligent electrical industry has not yet commenced the building of its production and research and development capabilities. We will withdraw from this industry in 2019.



Picture: Chengdu PUTIAN Business Positioning



## Special Topic

## 60 Years of Struggles and Achievements

Chengdu PUTIAN celebrated its 60th birthday on 26 October 2018.

The Company invited all previous leaders, retired employees, on-the-job cadres and workers, officers from government units and customer representatives to attend the 60th anniversary celebration.

Tao Xiongqiang, general manager of China PUTIAN Corporation Limited, the parent company of our controlling stakeholder sent a congratulatory letter on behalf of the Group. Wang Micheng, general manager of Chengdu PUTIAN, reviewed Chengdu PUTIAN's 60-year struggle and fruitful achievements. The Chengdu branch of SASAC fully affirmed the efforts of our controlling stakeholder, China Potevio, in investment promotion and expressed its support for the development of Chengdu PUTIAN, stressing that Chengdu PUTIAN should seize the new development opportunities under Chengdu industrial planning to make leapfrogging development via innovation.

During the celebration, the Company's 60-year milestones and interviews with representative entrepreneurs in various periods were broadcast on a screen. Behind the singing and dancing performances and live interviews was the Company's 60-year journey of arduous entrepreneurship.

The celebration also showed the development history of Chengdu PUTIAN and the happy life of employees in pictures of four themes, namely "history and prospect", "I dedicate my youth to you", "celebration of 40 years of reform and opening up and 30 years of high-tech zone construction" and "works of retired workers".

◆The Company's 60th Anniversary



◆The Company's 60th Anniversary



◆The Company's 60th Anniversary



◆The Company's 60th Anniversary Logo





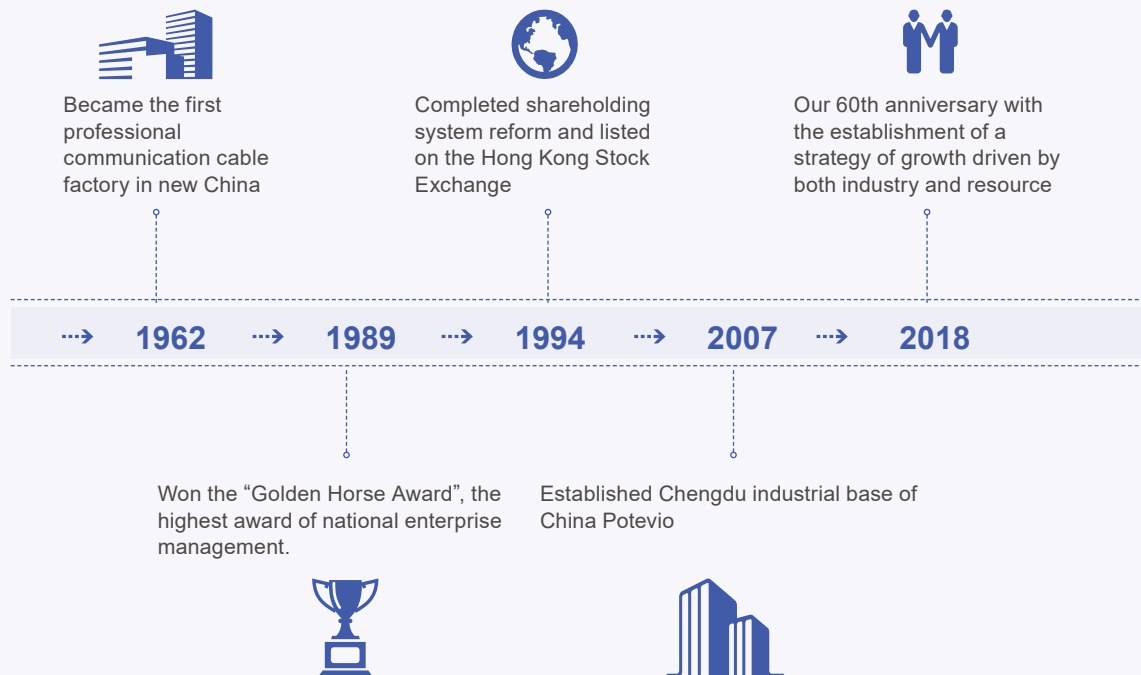
## Special Topic

## 60 Years of Struggles and Achievements

In our history, Chengdu PUTIAN established the first professional communication cable factory upon the founding of the People's Republic of China. After the implementation of reform and opening up policy, the Company introduced the first all-plastic local phone cable production line in China. Our efforts on product restructuring and overall quality management won the Company the Golden Horse Award, the highest honor of the national excellent management award, laying a solid foundation for our sustainable development.

In the 1990s, Chengdu PUTIAN carried out a shareholding system reform and listed on the main board of the Hong Kong Stock Exchange in 1994, starting the building of a modern enterprise system. In 2007, the Company moved to Chengdu hi-tech western district and established Chengdu industrial base of China Potevio, where we gradually built an industrial platform for optical communications, energy transmission and smart cities and an innovative platform for asset management.

In 2018, under the guideline of “two drivers of industry and resources”, Chengdu PUTIAN devoted itself to providing safe and reliable products for professional fields such as railway transportation by strategically developing the optical communication industry, deepening its presence into optical communication market segments, expanding the energy transmission cable industry and building its core competitiveness around high-end electrical equipment cables. We also started to cultivate the intelligent electrical industry and focused on the smart home and smart city construction markets, with a view to provide systematic intelligent products for the construction of smart cities.



Chengdu PUTIAN strategically worked with our controlling stakeholder, China Potevio, to establish Chengdu PUTIAN Electronic Information Industrial Park based on local conditions and by closely following the new industrial layout for Chengdu City, Sichuan Province. Drawing on the experience of China Potevio’s “Demonstration Base for Mass Entrepreneurship and Innovation”, the park has given full play to its technological advantages, location advantages and industry leading advantages, striving to become a demonstration site for the transformation of scientific and technological achievements, a place of gathering the electronic information enterprises and a site for industrial integration and upgrading in the core cities of the central and western China.

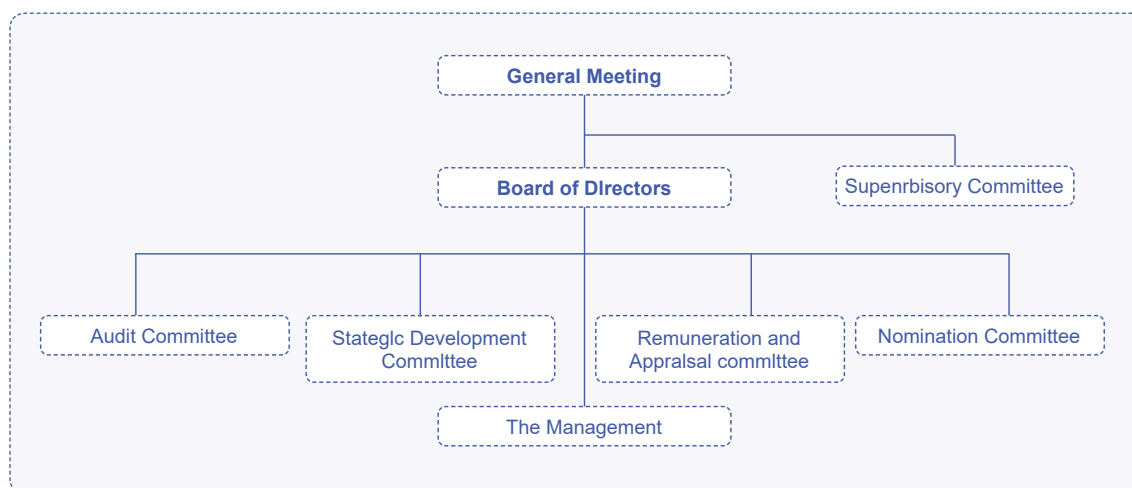
Looking forward, by adhering to the corporate spirit of “keeping stringent, creating excellence, staying realistic and striving for the best”, Chengdu PUTIAN will go further on the path of development driven by both the industrial capacities and resources via ongoing industrial restructuring and better allocation of resources.



## Corporate Governance

Chengdu PUTIAN strictly complies with the Listing Rules of Hong Kong Stock Exchange and the Regulations on Supervision and Management of State-owned Assets of Enterprises promulgated by the SASAC, and it is committed to maintaining an excellent corporate governance structure. The Company carries out organizational management and operation mainly under the leadership of the Board, and ensures the quality and efficient operation of the Company by virtue of the ISO9001/T19001 quality management system.

The Company's operation management structure is as follows:



Meeting	Frequency	Matter
General meeting	1	Approved the Report of the Directors, Report of the Supervisory Committee and the financial report of the Company for 2017, etc.
Extraordinary general meeting	1	Re-election of Directors and Supervisors of the Company
Board meeting	10	Discussed the operating results, overall strategy, investment plan and operating and financial performance of the Company; the nomination of candidates for the new session of the Board; the appointment of the Company's chairman and vice-chairman; the continuing connected transactions, etc.
Remuneration and Appraisal Committee meeting	1	Deliberated on the remunerations of independent non-executive Directors
Nomination Committee meeting	1	Discussed the composition of the senior management of the Company, examined the candidates for independent non-executive Directors and made suggestions thereon to the Board
Audit Committee meeting	2	Reviewed the annual results and related accounts for 2017, the interim results and related accounts for the six months ended 30 June 2018, the connected transactions of the Company, the matters relating to the internal control of the Company and other work as required under the Corporate Governance Code
Strategic Development Committee meeting	1	Deliberated on the ten-year development plan of the Company
Supervisory Committee meeting	3	Reviewed the resolutions of the Board

Above Table: Records of the Management Meetings Held by the Company in 2018



## Board

The Board of Chengdu PUTIAN is mainly responsible for, among others, supervising all major affairs of the Company, including formulating and approving all policy matters and overall strategies, internal control, risk management and supervising managerial staff, senior executives and employees. Its main function is to exercise management decisions with the authority delegated by the general meeting in respect of strategic development and planning, business planning, management structure, investment and financing, human resources and personnel and financial control, etc.

The Board is also responsible for developing and reviewing the Company's policies and practices for compliance with legal and regulatory requirements, as well as developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors.

The Board has to make decisions that are in the best interests of the Company and the shareholders, and all of the Company's substantial transactions or transactions with conflicts of interests are to be decided by the Board.

10 Board meetings were held during the reporting period to discuss the operating results, overall strategy, investment plan and operating and financial performance of the Company; the nomination of candidates for the new session of the Board; the appointment of the Company's chairman and vice-chairman; the continuing connected transactions, etc.

## Director Training

In response to problems relating to continuing connected transactions and improper information disclosure in the past, the Company specially arranged training on connected transactions and information disclosure for Directors and relevant senior management at the Company's expense. A summary of the training conducted during the reporting period is as follows:

Name of Directors	Types of continuous professional training Corporate governance, regulatory development and other related training	Read articles, publications, newsletter and updates relating to director's duty
<b>Executive Directors</b>		
Mr. Wu Changlin (Chairman) <sup>1</sup>	-	✓
Mr. Zhang Xiaocheng <sup>2</sup>	3	✓
Mr. Hu Jiangbing (Vice Chairman) <sup>3</sup>	-	✓
Mr. Han Shu	2	✓
Mr. Wang Micheng	3	✓
Ms. Xu Liying	3	✓
Ms. Liu Yun	3	✓
Mr. Fan Xu <sup>4</sup>	3	✓
<b>Independent Non-Executive Directors</b>		
Mr. Choy Sze Chung, Jojo <sup>5</sup>	-	-
Ms. Mao Yaping	3	✓
Mr. Xiao Xiaozhou	3	✓
Mr. Lin Zulun <sup>6</sup>	3	✓
Mr. Feng Gang	-	✓

1 Mr. Wu Changlin was appointed as an executive Director on 22 November 2018.

2 Mr. Zhang Xiaocheng resigned as an executive Director on 22 November 2018.

3 Mr. Hu Jiangbing was appointed as an executive director on 22 November 2018.

4 Mr. Fan Xu resigned as an executive Director on 22 November 2018.

5 Mr. Choy Sze Chung, Jojo resigned as an independent non-executive Director on 31 January 2018.

6 Mr. Lin Zulun resigned as an independent non-executive Director on 13 November 2018.



## Supervisory Committee

According to the Section 4 of Chapter 4 of the Company Law of the People's Republic of China, the supervisory committee is composed of the supervisors elected at the general meeting and the supervisors democratically elected by the employees of the company, and is a legally required and permanent body to supervise and inspect the Company's business activities. The Supervisory Committee legally performs the supervisory duties to protect the legitimate rights and interests of the shareholders, the Company and its employees from infringement, review the financial position and the financial data of the Company pursuant to the Articles of Association, and monitor the decisions made by the Board and senior management for the operation and management of the Company as to whether they are in accordance with relevant requirements of the laws and regulations.

On 13 November 2018, the Company held its first extraordinary general meeting for 2018 to re-elect Mr. Zheng Zhili and Mr. Xiong Ting as Supervisors of the Company.

Two Supervisory Committee meetings were held during the reporting period. All the Supervisors attended all the Board meetings to supervise, on behalf of Shareholders, the duty performance of the Company's financial personnel, Directors and senior management and whether the decision-making procedures of the Board comply with laws and regulations.

## Remuneration and Appraisal Committee

The purpose of the Remuneration and Appraisal Committee is to make recommendations to the Board on the remuneration policy and structure for all Directors and senior management of the Group and the remuneration of all Directors of each member of the Group.

One Remuneration and Appraisal Committee meeting was held during the year to deliberate on the remunerations of independent non-executive Directors.

## Audit Committee

Members of the Audit Committee have a term of three years. Terms of reference of the committee are formulated in accordance with recommendations of "A Guide for Effective Audit Committee" promulgated by the Hong Kong Institute of Certified Public Accountants and the requirements of the Listing Rules. Its major duties include

- To report to the Board, examine quality and procedure of the Group's interim and annual reports;
- Review the connected transactions, monitor the financial reporting procedure, review soundness and effectiveness of risk management and internal control systems of the Company;
- Consider the appointment of independent auditors, co-ordinate and review its efficiency and work quality;
- Study written reports of internal audit staff and review feedback from the management to such reports.

Two Audit Committee meetings were held during the year. At the meeting, the Audit Committee reviewed the annual results and related accounts for 2017, the interim results and related accounts for the six months ended 30 June 2018, the connected transactions of the Company, the matters relating to the internal control of the Company and other work as required under the Corporate Governance Code.



## Nomination Committee

The purpose of the Nomination Committee is to determine the policy for the nomination of Directors. It is to lead the process for Board appointments and for identifying and nominating candidates to join the Board for approval by the Board. The committee is also responsible for reviewing the structure, size, composition and diversity (including but not limited to gender, ages, cultural and education backgrounds, occupations, experience, skills, knowledge and length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identifying individuals suitably qualified to become members of the Board; and selecting or making recommendations to the Board on the selection of individuals nominated for directorships.

The committee supervises the implementation of board diversity policy, reviews such policy at least once a year to ensure its effectiveness, and advise the Board on any proposed revision of the policy. The committee carries out extensive search for qualified candidates for Directors and managers and it is also responsible for assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairman and the vice chairman and the chief executive officer of the Company. The committee consults the chairman of the Board about his proposals relating to the process for Board appointments and for identifying and nominating candidates as members of the Board.

The criteria for the committee to select and recommend a candidate for directorship include the candidate's skills, knowledge, experience and integrity and whether he/she can demonstrate a standard of competence commensurate with his/her position as a director of the Company. The chairman of the Nomination Committee shall report the approved resolution(s) and the voting results to the Board after each meeting in writing.

One Nomination Committee meeting was held during the reporting period to discuss the composition of the senior management of the Company, examined the candidates for independent non-executive Directors and made suggestions thereon to the Board.

## Strategic Development Committee

The role and main duties of the Strategic Development Committee include studying and advising on the Company's mid to long-term strategic development and planning; studying and advising on the material investment, financing proposal, significant use of capital and project of asset operation subject to approval of the Board pursuant to the Articles of Association; studying and advising on any other material events which have influence on the development of the Company; and checking the implementation of the above matters.

The Strategic Development Committee convened meetings and held discussion in accordance with the proposal of management of the Company and submitted discussion results for consideration of the Board and meanwhile, reported the results to the management of the Company.

One Strategic Development Committee meetings were held during the year to deliberate on the ten-year development plan of the Company.







## Resource Optimization

As an established state-owned enterprise and in response to the rapidly changing economic situation, Chengdu PUTIAN concentrated its resources to develop advantageous industries, cut costs and adopted other measures to optimize the resource allocation. We also took production efficiency improvement as supplementary measure, with a view to seeking development and profit.

In 2018, the Company's initiatives in resource optimization include:

•**Asset liquidation and cancellation of registration of Chongqing Putaifeng Aluminium Co., Ltd.** In order to focus on the development of advantageous industries, the Company began to liquidate the assets of Chongqing Putaifeng Aluminium Co., Ltd. in 2017, which was established in 2015 and was in a loss-making state. The liquidation officially began in 2018 and was announced to the public on 30 March 2018, with the intention of canceling the business registration of Chongqing Putaifeng Aluminium Co., Ltd. A liquidation plan was formed and the resolution of the general meeting of Putaifeng was passed at the end of 2018 after many discussions with the shareholders of the other two shareholders and under the leadership of the liquidation working group. Therefore, we completed the liquidation evaluation and filing, and the company's debts were paid off, with the liquidation information provided to the tax authority for review. The cancellation of the registration of Chongqing Putaifeng Aluminium Co., Ltd. reduced the company's loss. It was a timely stop-loss and another measure for the Company to focus on developing advantageous industries.

•**Successful Transformation of Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant.** On 29 December 2017, both shareholders of Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant signed an equity transfer agreement, whereby Chengdu PUTIAN acquired 33.33% of the equity held by Jindu Community in Shuangliu District. On 29 May 2018, the plant completed the change in industry and commerce registration. The enterprise name was changed from Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant to Chengdu Putian New Material Co., Ltd. The enterprise type was changed from joint venture to limited liability company, and the company became a wholly-owned subsidiary of Chengdu PUTIAN. The production equipment, production materials and technical personnel with more than 20 years of professional experience currently owned by New Material will bring new drivers of economic growth to Chengdu PUTIAN.

•**Relocation of Surplus Personnel and Optimization of Human Resources Allocation.** Given that some incumbent posts are still overstaffed, the Company has newly drawn up the 2018 Measures for the Placement of Surplus and Redundant Staff (Trial) to step up efforts to speed up the placement of surplus personnel. By the end of 2018, the total number of employees dropped to 763 as compared to 985 in 2017.

## Risk and Compliance

Since previous years, the Company has been strengthening its leadership in organizational structure by refining its system rules at the level of system construction with risk audit as a measure, which lays a solid guarantee for the Company's sustainable development. In accordance with national and local laws and regulations, the Company attaches much importance to combating corruption and actively takes measures to avoid relevant compliance risks. In 2018, Chengdu PUTIAN did not have any negative events in the field of honest practice.





In terms of system construction, Chengdu PUTIAN should abolish 102 systems, revise 29 systems and create 35 systems according to the requirements of the supervisory committee of SASAC in China Potevio. Chengdu PUTIAN actually abolished 115 systems, revised 37 systems and created 69 systems. The system improvement has laid a solid foundation for the Company to implement effective internal control.

In 2018, the Company's initiatives in risk control include:

- We include the Company's overall risk management into the Company's strategic management, and specifically bring it into the balanced scorecards of each department for assessment.

- We establish and improve the supervision and inspection system for the internal control system; look into the Company's existing systems and business processes; continue to carry out risk assessment, supervision and inspection of the implementation of major decisions, key projects and major issues; establish risk information collection, identification, analysis, prevention and early warning mechanisms; and supplement and improve the existing risk identification, prevention and control system.

- According to the risk assessment results, we will focus on strengthening the risk prevention and control of safety management, investment management, human resources management, capital management and other businesses. Through internal and external auditing, efficiency monitoring, internal control evaluation and other work, we will check the implementation of various rules and regulations and business procedures and urge the completion of various risk control measures.

- In 2018, the Company launched a decision analysis report system, which can check the budget according to different levels of authority, so that the Company's operating income, operating profile, gross profit of products, unit cost, investment income, accounts receivable and cash flow can be clearly seen at a glance. This helps the decision-making department and the Company's leaders to understand the Company's financial budget and related financial reports more intuitively, and assists the leaders to make better business decisions, so as to effectively avoid risks in financial management and sales management. The decision analysis report system has mobile phone App online, which realizes controllable risks, visible performance and real-time availability, thus greatly improving the management level of the Company.

The Company attaches great importance to corporate governance and strives to make corporate governance conform to the Listing Rules and other relevant laws and regulations. In response to the failure to timely announce and seek shareholders' approval for some of the past continuing connected transactions, the Company adopted measures during the reporting period to ensure that all the Company's operations and transactions comply with the Listing Rules of Hong Kong Stock Exchange.





Time	Matter
5 July 2018	The Company has received condemnation from the Listing Committee of Hong Kong Stock Exchange that the reporting and announcement of connected transactions of the Company violate the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
13 July 2018	According to the order of the Listing Committee of Hong Kong Stock Exchange, the Company appointed Gram Capital Limited as its professional consultant for internal review to conduct a comprehensive review of the Company's internal control and give suggestions for improvement; the Company also appointed an independent compliance consultant to advise on compliance with the Listing Rules in the next two years.
15 July 2018	The Company's appointment of Gram Capital as a professional consultant for internal review was approved by Hong Kong Stock Exchange. Gram Capital would conduct a comprehensive review of the Company's internal control and give suggestions for improvement from such date.
5 September 2018	After a comprehensive review of the Company's internal control and provision of recommendations for improvement, Gram Capital submitted a written report on relevant matters to the Hong Kong Stock Exchange.
17 September 2018	Gram Capital believed that the Company had taken remedial measures against major deficiencies in internal control.
17 September 2018	The Directors of the Company confirmed that the findings and suggestions of Gram Capital on the Company's internal control have been approved by the Directors and the management. The Company's Directors and management also confirmed that they would fully implement the suggestions of Gram Capital to improve the Company's internal control system.
18 September 2018	Based on the review results and recommendations of Gram Capital, the Company submitted internal control review recommendations to Hong Kong Stock Exchange.
18 September 2018	<p>The Directors of the Company confirmed that the review results and recommendations of Gram Capital had been approved by the Directors and management and would be fully implemented to improve the Company's internal control system.</p> <p>Gram Capital would conduct a follow-up review and issue another report on the implementation progress of the rectification measures within two months after the issuing of the internal control review report of the Company.</p>
11 October 2018	<p>The Listing Committee of Hong Kong Stock Exchange instructed the Directors of the Company including Zhang Xiaocheng, Fan Xu, Wang Micheng and Xiao Xiaozhou (collectively "Relevant Directors") to</p> <p>(a) complete 24-hour training on compliance with the Listing Rules and directors' duties provided by the Hong Kong Institute of Chartered Secretaries, the Hong Kong Institute of Directors or other curriculum institutions recognized by the listing department of Hong Kong Stock Exchange within 90 days from the date of issuance of press release on Hong Kong Stock Exchange, including 4-hour training on compliance with Listing Rules for notifiable transactions and connected transactions;</p> <p>(b) provide within two weeks after the training is completed the listing department of Hong Kong Stock Exchange with a written certificate issued by the training institution that it fully complies with the training requirements.</p> <p>According to the above instructions, the relevant Directors have completed their training; and relevant written certificates have been submitted to the listing department of Hong Kong Stock Exchange.</p>
13 December 2018	The Company issued an internal control follow-up review. The Board confirmed to fully implement Gram Capital's recommendations to improve the Company's internal control system.



## Anti-Corruption and Anti-Fraud

In 2018, under the leadership of the disciplinary commission of China Potevio and the party committee of Chengdu PUTIAN, the Disciplinary Commission of the Company impressively created a party-style honest and anti-corruption working environment by resolutely implementing the spirit of the 2018 China Potevio Party-style Integrity and Anti-Corruption Work Conference and by adhering to the guidelines of the 19th session of national congress of the Communist Party of China and the Second Plenary Session of the Central Commission for Discipline Inspection, providing a clean and honest environment for the Company's operation and production.

The Company formulated the procedures for accountability for illegal operation and investment in accordance with the Opinions of the General Office of the State Council on the Establishment of the Accountability System for the Illegal Operation and Investment of State-owned Enterprises (Guo Ban Fa [2016] No. 63). Once the problem is found, it will be transferred to the auditing and supervision units, who will verify the facts of the problem and then hold relevant personnel responsible with corresponding measures, so as to form a long-term effective mechanism to prevent the occurrence of similar problems.

In 2018, the following measures were taken to build an honest and anti-corruption environment:

- We implemented the responsibility system for the construction of a party-style honest environment. The Company's party committee signed 25 copies of Chengdu PUTIAN Responsibility Letter for the Construction of a Party-style Honest Environment with party leaders of all units. The letter brought the division of responsibilities into practice to clarify the "one post, two responsibilities" requirements for party leaders acting as the first responsible person for construction of a party-style honest environment and the leading cadres of party members. In this way, the requirements for the construction of a party-style honest environment were incorporated into the work of party members.
- Leading cadres reported on their work and honest performance every year. We also strengthened public supervision of their performance. In early 2018, 56 middle-level and above leading cadres of the Company reported on their work and honest performance at the 5th session of the 13th labor congress, subject to democratic appraisal by employee representatives. The appraisal results were also used as one of the bases for the annual performance appraisal of leading cadres.
- We strengthened supervision over the implementation of the pre-process of studying and discussing major issues at the Company's party committee meeting, so as to ensure that major decisions of the Company should be discussed and decided at the party committee meeting in advance before being submitted to the Company's office meeting and Board meeting. We also supervised the implementation of party unit's decisions by party members and cadres at the Board meeting and office meeting.
- According to the requirements of SASAC and China Potevio for comprehensive risk management, supervision was focused on the use of powers in key links such as investment, guarantee, procurement, sales, tenders and bids and transfer of property rights. We checked whether there were any management loopholes and malfeasance or any violation of laws and regulations in key business phases in the form of special supervision and auditing.

No corruption or fraudulent case occurred during the reporting period.





## Supply Chain Management

According to the Administrative Measures for Centralized Procurement, the Company's centralized procurement system was officially implemented on 1 January 2018, which was managed by Chengdu PUTIAN Procurement Center. Office supplies, low-value consumables, computers and consumables, labor protection supplies, property insurance and centrally purchasable productive materials of the Company's headquarters and its subsidiaries were incorporated into the centralized procurement system centrally managed by the Procurement Center. Other productive materials of the subsidiaries were flexibly purchased according to production plans and filed with the Procurement Center for management. In 2018, the Procurement Center reviewed 564 contracts of the Company's production units, involving an amount of RMB 417,507,434.

In 2018, the Procurement Center organized 15 times of procurement comparison and selection, including the comparison and selection for the Company's office supplies procurement, upgrading of the power monitoring system, labor protection supplies procurement, computer procurement, factory roof maintenance projects, safety production standardization review and network security equipment and servers. According to the Company's Customer/Supplier Information Management Measures, the supplier code approval process was adopted to approve the supplier code. The Company's Procurement Center issued supplier code to qualified suppliers after strictly checking all the information of its suppliers. During the reporting period, the Company audited and issued more than 200 supplier codes.



Based on its proportion, the Company is paying more attention to cooperation with domestic suppliers. In recent years, the number of mainland suppliers has increased by approximately 100.







## Environmental Protection·Green PUTIAN



Use of Resource



Green Officing



Emergency Plan



Lawful Emission



Use of Packaging  
Materials



Waste Management





In 2018, in order to effectively manage hazardous wastes, production wastes, waste liquid and wastewater in the industrial park, the Company issued the Production Waste Management System, which clearly defined the management responsibilities for the disposal of production wastes, effectively controlling the indiscriminate waste emissions and reducing the disposal costs of various types of production wastes.

During the reporting period, in accordance with the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention Law of the People's Republic of China and other laws and regulations, the Company standardized emergency management to improve the speed and coordination level of the Company's emergency response to unexpected events, enhance its ability to comprehensively deal with unexpected environmental events, prevent and control the occurrence of secondary disasters, promptly control the situation upon the occurrence of sudden environmental pollution events, and effectively organize rescue and provide helps, so as to minimize the hazards of the events.

The Company has compiled the Chengdu PUTIAN Telecommunications Cable Company Limited - China Potevio Chengdu Industrial Base Emergency Plan for Environmental Emergencies. Such plan filled the gap in environmental emergency management of the Company. Once an environmental pollution incident occurs, rescue can be carried out in an orderly manner according to the procedures and operating methods proposed in the plan, thus minimizing pollution, maintaining social stability and protecting the ecological environment.

At the same time, the Company has prepared Environmental Risk Assessment Report and Environmental Emergency Resources Investigation Report, which have been approved, reviewed and filed by the Environmental Protection Bureau of High-tech District, Chengdu, Sichuan Province.



## Use of Resource

Due to technological transformation, the energy consumption density of the Company as a whole decreased, and consumed 0.027 tonnes of standard coal per RMB10,000 of operating revenue during the reporting period. The energy consumption density represents only 3.88% of the efficiency target of 0.695 tonnes of standard coal per RMB10,000 among the main indicators for energy development set forth in the Energy Development Planning of Sichuan Province for the Thirteenth Five-Year Plan Period.

Year	Total energy consumption (Unit: tonnes of standard coal)	Operating revenue (Unit: RMB10,000)	Energy consumption density (Unit: tonnes of standard coal/RMB10,000 of operating revenue)
2015	2125.16	77941.56	0.026
2016	2327.39	78227.24	0.030
2017	1905.67	52339.09	0.036
2018	1675.28	61479.97	0.027

Table above: Calculation of total energy consumption and density of Chengdu PUTIAN in recent four years

### ► Comparisons on the utilization of productive resources

Year	Water				Electricity			
	Zhongling		SEI		Zhongling		SEI	
	Water consumption (Unit: tonnes)	Water consumption rate (Tonnes/kilometer of cable)	Water consumption (Unit: tonnes)	Water consumption rate (Tonnes/10,000 kilometers of optical fiber)	Electricity consumption (Unit: kWh)	Electricity consumption rate (kWh/one kilometer of cable)	Electricity consumption (Unit: kWh)	Electricity consumption rate (kWh/10,000 kilometers of optical fiber)
2015	214	0.03	8,592	20.70	896,600	138.11	6,209,401	14,948
2016	261	0.03	8,645	17.20	1,169,800	150	6,688,613	13,343
2017	200	0.03	9,221	17.00	811,020	135.76	8,610,713	15,841
2018	44.08	0.03	8,343	14.88	225,160	150.72	8,161,287	14,557



#### ► Comparisons on the utilization of productive resources

Year	Tap water (Unit: 10,000 tonnes)	Electricity (Unit: 10,000 kWh)	Natural gas (Unit: 10,000 cubic meters)
2015	4.41	1603.56	7.96
2016	5.09	1748.48	9.72
2017	3.91	1475.25	3.87
2018	5.79	1326.74	1.13

In 2018, the Company continued to carry out energy-saving and other environmentally-friendly reforms to 265 units of electrical devices, saving approximately 100,000 kWh of electricity directly and approximately RMB70,000 of electricity costs. On the other hand, the reform to use of steam generator boilers to supply steam in production was completed in the second quarter of 2018, thus directly saving approximately RMB120,000 of energy costs in the third and fourth quarters.

## Green Officing

With the increasingly perfecting paperless office technology and the continuous upgrading of our online management system, the Company has taken the following measures to integrate the concept of green officing into the Company's development by adhering to the principles of energy conservation, emission reduction and cost reduction.



Online use of paperless decision-making system to reduce paper-based approval process;

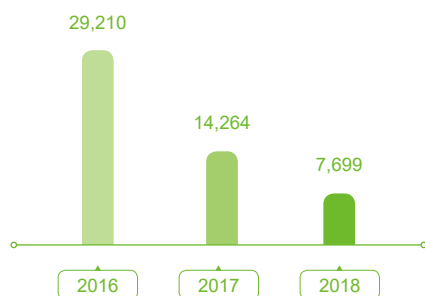


Double-sided printing, using recycled paper for reprinting, or printing as little as possible;

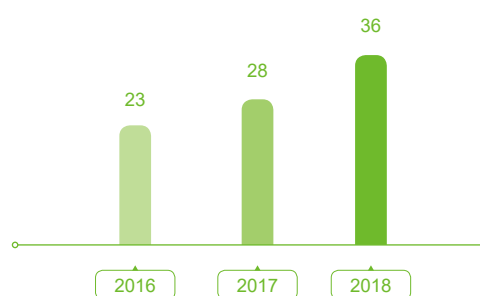


Using proven videoconferencing technology to reduce travel cost and time cost.

Paper Use Cost of the Company (Unit: RMB)



Number of Video Conferences by the Company



Our statistics showed that the Company's green officing practice achieved remarkable results. From 2016 to 2018, the number of video conferences used by the Company increased year by year and the use of paper decreased year by year. The cost of paper used in 2018 accounted for 54% of the cost in 2017 and 26% of the cost in 2016.



## Emergency Plan

According to the relevant provisions and requirements of the Notice on Issuing the Administrative Measures for Filing Emergency Plans for Environmental Emergencies in Enterprises and Institutions (Trial) (Huan Fa [2015] No. 4) issued by the Ministry of Ecology and Environment of the People's Republic of China (formerly the Ministry of Environmental Protection), the Company has compiled the Chengdu PUTIAN Telecommunications Cable Company Limited - Emergency Plan for Environmental Emergencies in China Potevio Chengdu Industrial Base, and conducted the "emergency drill for simulating environmental emergencies arising from sudden industrial pollution discharge". The drill enabled us to review the feasibility, conformity and operability of the emergency plan, with further problems found in our emergency treatment.

After rectification and internal review of the problems, the above emergency plan was submitted to the Environmental Protection Bureau of High-tech District, Chengdu, Sichuan Province for filing, and was approved at the expert review meeting organized by such bureau on 19 September 2018.

The expert review meeting opined: "The emergency plan for environmental emergencies of Chengdu PUTIAN Telecommunications Cable Company Limited is prepared in accordance with the Administrative Measures for Filing Emergency Plans for Environmental Emergencies in Enterprises and Institutions (Trial) (Huan Fa [2015] No. 4) and the Technical Guidelines for the Preparation of Emergency Plans for Environmental Pollution Accidents (Draft for Comments), and the emergency security measures are generally feasible. After further modification and improvement, it can be used as the basis for prevention of enterprise environmental pollution accident, emergency response and disposal."

Such emergency plan included the followings:

- A comprehensive investigation of the Company's hazardous chemicals and substances that may cause environmental pollution, with comprehensive analysis of the hazardous links in the production process;
- On the basis of risk identification, various risk sources were analyzed, the main accident types of the Company were determined, and relevant safety guarantee measures were formulated;
- On the basis of the Company's organizational structure, an emergency rescue team was formed after a comprehensive analysis of the Company's staff hierarchy and the establishment and adjustment of the emergency command system;
- On the basis of risk assessment, an emergency response procedure was established and a procedure for graded disposal of emergency response was established;
- On-site disposal measures were established, and emergency disposal measures for various emergency situations were detailed, depending on the risk objectives.



Emergency Drill Scenario



## Lawful Emission

For the emission of wastewater, waste gas and noise at the plants, the Company implemented management and regulation in strict accordance with the ISO14001 environmental management system. We formulated a series of process management documents, such as the List of Important Environmental Factors of Chengdu PUTIAN Telecommunications Cable Company Limited and the Table of Identification and Evaluation of Environmental Factors.

In May 2018, Sichuan Province Academy of Industrial Environmental Monitoring, a third-party detection agency, ran a detection on the wastewater, waste gas and noise and found that the actual emissions of wastewater, waste gas and noise were far lower than the national statutory standards.

Type of emission	Standards met	Statutory standard value	Detection result	Emission in 2018	Description
Chemical oxygen demand (COD)	Standards of the third level in Table 4 of the Integrated Wastewater Discharge Standard (GB8978-1996)	500mg/L	411mg/L	6.84 tonnes	Wastewater emission index
Ammoniacal nitrogen	Grade B standards in Table 1 of the Standards for the Quality of Wastewater Discharged into Urban Sewers (GB/T31962-2015)	45mg/L	39mg/L	0.65 tonnes	
Sulfur dioxide (SO <sub>2</sub> )	Emission standards in Table 3 of the Standards for the Emission of Air Pollutants by Boilers (GB13271-2014)	50mg/m <sup>3</sup>	Equivalent density of 0.53mg/Nm <sup>3</sup>	0.00562 tonnes	Waste gas emission index
Nitrogen oxide	Emission standards in Table 3 of the Standards for the Emission of Air Pollutants by Boilers (GB13271-2014)	150mg/m <sup>3</sup>	Equivalent density of 84mg/Nm <sup>3</sup>	0.05873 tonnes	
Noise	Standards of the third class in Table 1 of the Standards for Noise Emission at the Boundaries of the Plants of Industrial Enterprises (GB12348-2008)	Noise in the daytime: 65dB (A); and noise at night: 55dB (A)	Noise in the daytime: 56.25dB (A); and noise at night: 45.25dB (A)	N/A	Noise emission index

Above Table: Table of Detection Results for Waste Gas, Wastewater and Noise





In 2018, due to the increase in the area of factory premises rented by the leasing companies in the Company's industrial park and the increase in their production activities, the Company monitored and found that the emission of chemical oxygen demand (COD) and ammoniacal nitrogen (both the related indicators of wastewater emission) had increased significantly compared with 2017. The Company conducted emission monitoring and management in strict accordance with the standards in the above table.

After the improvement of the production process, the relevant index of waste gas emission in 2018 decreased significantly as compared with 2017. The emission of sulfur dioxide (SO<sub>2</sub>) was only 12% of the emission in 2017 (0.045 tonnes), and the emission of nitrogen oxide was 19% of the emission in 2017 (0.3015 tonnes).

In 2018, the Company urged companies that had rented factories to complete the environmental impact assessment report. In the future, holding an environmental impact assessment report or not will be applied as one of the barriers for companies interested in leasing factory buildings in our industrial park.

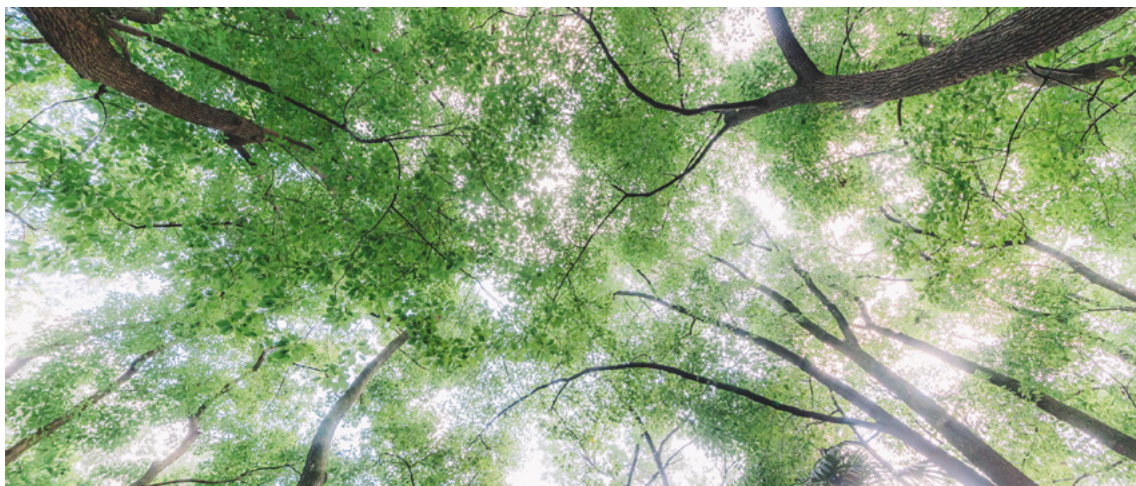
For greenhouse gas emissions, CO<sub>2</sub>, Methane and Nitrous oxide equivalent emissions have shown an overall downward trend.

## Use of Packaging Materials

In the product packaging process, the Company strives to use degradable and recyclable materials instead of non-degradable plastic packages, and recycle the wood materials used for packaging.

Statistics on packaging materials used for finished products in 2018 are as follows:

Packaging statistics	Chengdu Zhongling Radio Communications Co., Ltd.	Chengdu SEI Optical Fiber Co., Ltd.
Total amount of packaging materials used for finished products (Unit: tonnes)	72	54
Amount of packaging materials used per production unit (Unit: tonnes/km)	0.0481	0.01
Amount of packaging materials recycled from finished products (Unit: tonnes)	4.96	12





## Waste Management

The statistics on the wastes in 2018 are as follows:

	Chengdu Zhongling Radio Communications Co., Ltd.	Chengdu SEI Optical Fiber Co., Ltd.	Industrial Park Development Center
Total volume of hazardous wastes	7.165 tonnes	0.85 tonnes	5.679 tonnes <sup>[Note]</sup>
Volume of hazardous wastes generated per unit of production	0.00284 (tonnes/km)	0.00000015 (tonnes/km)	Not applicable to non-production entity
Total volume of harmless wastes	0	0	0
Volume of harmless wastes generated per unit of production	N/A	N/A	N/A

[Note]: The Industrial Park Development Center of Chengdu PUTIAN does not generate any hazardous waste in the course of operation, and the generation of waste is due to the gradual cleaning of the waste engine oil and waste printing ink left over historically in the factory.

The Company's Production Waste Management System requires classified treatment of waste, garbage and other wastes.

- **For the dangerous wastes management:** The Company required the production units in the industrial park to set up temporary storage of hazardous wastes in accordance with relevant laws and regulations including the Environmental Protection Law, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Administrative Measures for the Transfer of Dangerous Waste and the Regulations of Sichuan Province for the Prevention of Environmental Pollution by Solid Waste; in addition, the Company entered into the Entrustment Agreement for the Safe Disposal of Dangerous Waste with Sichuan ZM Environment Improvement Co., Ltd. (四川省中明环境治理有限公司) to engage the company to dispose of such wastes in a regular and professional manner.
- **For the domestic garbage management:** According to the Company's property management system, the production units in the industrial park should clean up their generated domestic waste and pour it into the designated collection barrel. The garbage was forbidden to be piled up to occupy the periphery of the plant, lawn or road.
- **For production wastewater (waste liquid) management:** According to the emission standard and management requirements stipulated in the Environmental Protection Law and the Environmental Impact Assessment Law, the waste water (liquid) should be effectively treated, and should be discharged into the sewage discharge pipe network of Chengdu PUTIAN industrial park after a third-party professional institution issues a qualified emission and monitoring report that such waste water (liquid) meets the corresponding national emission standard requirements. The monitoring should be conducted at the sewage outfall of each manufacturer's factory building.







## Quality PUTIAN with Lean Production



Quality Assurance



Intellectual Property



Quality is the life of a product, and high-quality products are the foundation for an enterprise's survival. For many years, Chengdu PUTIAN has been adhering to the corporate spirit of “keeping stringent, creating excellence, staying realistic and striving for the best”. Under such spirit, our production is in line with strict requirements; our products have gone through multiple quality checks before delivery; and our post-delivery service has showed its excellence. In the continuously advancing quality management work, the Company keeps pace with the trends to timely meets the latest requirements for certification of environmental management system and occupational health and safety management system, so as to ensure the continuous output of high-quality products.

## Quality Assurance

By adhering to the corporate spirit of “keeping stringent, creating excellence, staying realistic and striving for the best” and striving for high-quality product quality, the Company's management system has passed the ISO 9001:2015 certification standard, and we have established the corresponding QEOHS Management Manual (QEOHS: Quality, Environment, Occupational Health & Safety).

In 2018, the Company passed the new standard certification of the environmental management systems (GB/T 24001-2016 ISO 14001-2015) and the occupational health and safety management system (OHSAS 18001:2007 GB /T 28001-2011). In combination with the adjustment of the organizational structure, the Company has revised, approved and distributed the relevant contents of the management manual of quality, environment, occupational health & safety management system according to the requirements of the new certification standard. The Company's quality department has also organized the corresponding middle-level managers, internal auditors and relevant quality-responsible employees of various departments to learn the new certification standards of the quality management system, so that they can adapt the new quality management standards to the management and production activities.



In 2018, the Company completed the revision of the QEOHS Management Manual and 34 procedure documents and added 2 new procedure documents after adapting and discussing the new certification standards GB/T 19001 -2016/ ISO 9001: 2015 “Quality Management System Requirements” and GB/T 24001 -2016/ISO 14001: 2015 “Environmental Management System Requirements and Usage Guidelines”.

# 34

Procedure documents were revised

# 2

new procedure documents added





## Quality Management Training

In 2018, the Company carried out a series of quality training work around its operating policies and objectives and in combination with the changes of internal and external environment involved in the department's functions, so as to ensure the excellent quality of the products and higher management level.

**Generally Applicable Training:** In May 2018, the Company organized a training class on quality management system standards (ISO9001 2015 idt GB/T 19001-2016). A third-party organization with rich experience in auditing and teaching was hired to carry out the work. The participants included Company leaders, heads of various departments, quality management personnel, internal auditors of the Company and relevant personnel of subsidiaries. The training primarily included basic terms related to quality management, seven basic principles of quality management, changes of ISO 9001 standard 2015 edition as compared to 2008 edition, etc. Through the training, the participants systematically mastered the relevant contents of ISO 9001 standard 2015 edition, and had a more detailed understanding of the changes of the new and old standard terms, thus preparing the Company's quality management system for the implementation of the new standard.

**Professional Training:** From May to November 2018, the Company organized professional operation training for inspection management personnel and measurement and verification personnel. The training involved the "operation of electrothermal constant-temperature air-blowing drying oven", the "oxygen index test method and operation of oxygen index tester", the "operation training of ultra-high resistance meter" and the "compilation of measurement account, calibration certificate and record" in measurement management. These professional trainings were helpful to the actual inspection and measurement work.



The Quality Training Held by the Company in 2018





## Product Quality

The Company treats every link of production management with strict attitude, achieving fine management and careful monitoring. The qualified rate of products rose from 94% in 2017 to more than 95%, and the annual qualified rate of finished products even reached more than 95%.

### ► Statistics of Product Qualification Rate in 2018

Product	First-time passing rate of the product (by month)	Qualified rate of finished products (by year)	Producer
Bare (tinned) copper wire	100%	100%	Chengdu PUTIAN
Electric cable for electrical equipment	98.74%	98.74%	Chengdu PUTIAN
Physical foaming cable	95.24%	98.83%	Zhongling
Single-mode optical fiber	Statistics by year	95.08%	SEI

## Quality Monitoring

Following the practice in 2017, the quality monitoring of the Company's products generally adopted the methods of irregular sampling, external sampling and delivery testing to ensure the product quality. According to the Implementing Measures for the Examination of Inspection Disciplines, the Company organized random inspection of products from time to time. If many problems were found, the number of inspection batches would be increased so as to find and eliminate the root causes of the problems. At the same time, the Company held an open and welcoming attitude towards external sampling inspection. During the delivery inspection, the appearance of the product such as integrity, label, take-up reel, color and other attributes was inspected on one-by-one basis. After that, the Company carried out individual inspection and test on the products, such as single-reel test, batch grading and sample grading. Each testing process must meet the requirements of the Standard Procedures for the Inspection of Finished Products before delivery of products to customers.

### ► Random Inspection Results for the Products of Chengdu PUTIAN in 2018

No.	Random inspection time	Random inspection executor	Producer of the inspected product	Random inspection result
1	26 October 2018	Tell Certification Center	SEI	Qualified
2	3 January 2018	China Quality Certification Center		
3	5 January 2018	China Railway Test & Certification Center		
4	9 January 2018	UL Certification Center <sup>1</sup>	Zhongling	Qualified
5	26 March 2018	VDE Certification Center <sup>2</sup>		
6	20 July 2018	China Quality Certification Center		

[Note 1]. UL Certification Center belongs to Underwriter Laboratories Inc.

[Note 2]. VDE Certification Center belongs to Verband Deutscher Elektrotechniker (German), abbreviated to VDE



## Customer Satisfaction

While emphasizing production quality control, Chengdu PUTIAN also pays attention to after-sales service quality control. According to the requirements of ISO 9001:2008, the Company has formulated Procedures for Handling Customer Complaint and Feedback and the Procedures for Controlling Customer Satisfaction to manage and standardize how to deal with customer complaints and feedback. The Company conducts customer satisfaction surveys in the form of telephone calls and questionnaires. Such customers surveyed account for more than 90% of the total sales. The survey covers product quality, after-sales service, price, delivery and other aspects. The survey is conducted quarterly and annually respectively.

Producer	First quarter	Second quarter	Third quarter	Fourth quarter
SEI	96.72%	96.14%	95.48%	96.16%
Zhongling	95.60%	96.16%	95.75%	94.17%

Above Table: Customer Satisfaction of SEI and Zhongling

## Intellectual Property

The Company has formulated the Reward System for Technology Improvement according to the National Science and Technology Improvement Award Regulations, the Patent Law, the Management Measures for Provincial and Ministerial Level Science and Technology Improvement Award, the Rules for Implementing Rationalization Proposals and Technical Improvement Award Regulations and other laws and regulations. According to above system, the Company will award up to RMB30,000 to new products, projects, patents, technological breakthroughs, process management, rationalization proposals and other innovations and creative practices that are conducive to promoting the Company's economic benefits and improving production efficiency.

The Company's patents in 2018 are as follows:

No.	Patent name	Patent type
1	Flexible high-power coaxial cable	Utility model
2	Cable for program-controlled exchanger	Utility model
3	Shielded twisted pair	Utility model
4	Low-loss high-strength coaxial cable	Utility model
5	Continuous cooling device for one link of cable production process	Utility model
6	Cable winding and unwinding device	Utility model
7	Coaxial cable for transmitting base station	Utility model
8	Anti-aging coating device for nuclear power cable	Utility model
9	Extrusion device for base station feeder cable sheath	Utility model
10	Cable extrusion layer rapid shaping system for reducing water wave pattern on outer surface of cable	Utility model
11	High-temperature-resistant, compression-resistant, pulling-resistant and flame-retardant cable	Utility model
12	Communication radio frequency coaxial cable	Utility model
13	Wire drawing system for inner conductor of communication control cable	Utility model

In 2018, as a high-tech enterprise certified by Chengdu High-tech Zone Science and Technology Bureau, Chengdu PUTIAN received government subsidies of approximately RMB1.15 million in terms of patent application grants, patent-granting grants, research and development subsidies for key new products in Chengdu (i.e. our Chengdu key new product research and development project "Environmentally Friendly Low-Smoke Halogen-Free Flame-Retardant Cable for Rail Transit Vehicles), the fifth batch of special industrial development fund in Chengdu (i.e. small and medium-sized enterprise growth project subsidy project), and technological innovation projects (SEI).



## Sharing and Gathering in PUTIAN



Communication with  
Stakeholders



Responsibility to the  
Industry



Responsibility to the  
Employees






Party Building



The development of a company cannot be separated from the participation and support of stakeholders. Chengdu PUTIAN responds to the expectations of investors, customers, employees and regulators by fulfilling its social responsibility and creating shared value. In the field of information and communication, the Company actively participates in industry communication and makes its due contribution to industry development. Chengdu PUTIAN has strict requirements in providing a safe working environment for its employees to ensure their safety. We provide an effective personal development platform to incumbent employees. On such platform, Chengdu PUTIAN provides all kinds of training, supplemented by all kinds of benefits, so that employees can work at ease and realize their own value, and at the same time create value for the Company and customers. For party relationship building, we insist on giving full play to the leading and political core functions of party organizations, providing organizational and political guarantees for the healthy development, harmony and stability of the Company.



## Communication with Stakeholders

Key stakeholder	Subject of concern	Major ways of communication	Main actions and responses
 Investors	Shareholders' rights and interests Corporate governance and risk management	General meeting Financial reports Results reports	Ensuring the quality and efficiency of information disclosure Keeping close communication Treating shareholders equally
 Customers	Product quality Service quality Protection of customer information	Customer survey Aftersales service and complaint Visiting customers Customer satisfaction survey	Providing and ensuring product quality Conducting survey on and improving customer satisfaction
 Employees	Employees' rights and interests Remuneration system Training and development Work environment Physical and mental health	Daily activities of the union Employee training Employee activities Safety	Supporting employees to join the union Supporting employee training and skill training Providing occupational health inspection for the employees Monitoring work environment
 Governmental and regulatory authorities	Lawful operation Governance transparency Tax payment in full Resource conservation	On-site inspection Official documents Policy implementation Information disclosure	Consciously assuming tax obligations Contributing to the development of the industry by sharing experience Ensuring the quality and timeliness of information disclosure Improving corporate governance to ensure the legality and compliance of operation and management
 Partners	Fair competition Lawful operation Mutual benefit	Public tender and bid Negotiation on cooperation	Ensuring the public and transparent disclosure of tender and bid-related information Sharing technologies
 Communities and the public	Environmental protection Social public benefits Excellent brand image	Information disclosure Public enquiry	Improving security level Publishing environmental, social and governance report





## Responsibility to the Industry

In 2018, the Company participated in the 2018 China Wire and Cable Industry Conference & the 9th Member Congress of the Wire and Cable Branch of the China Electrical Equipment Industry Association, the 4th World Optical Fiber and Cable conference and the 2018 China Information and Communication Conference.

At the meeting, Chengdu PUTIAN, as a member of the industry, participated in the discussions on issues such as “the impact of 5G and smart cities on optical fiber demand”, “global strategy of optical fiber manufacturers”, “design of next generation optical fiber and communication optical cable”. We closely followed the latest progress and future development trend of technology and industry by discussion on industry issues, industry applications and other aspects with officers and leaders of relevant fields at home and abroad, industry leaders and well-known institutions, organizations and enterprises at home and abroad.



◆2018 China Wire and Cable Industry Conference

In September 2018, Chengdu PUTIAN was ranked among the “Top 100 Players in China’s Cable Industry in 2018” in the “2018 Most Competitive Enterprises in China’s Cable Industry” event organized by the Wire and Cable Branch of the China Electrical Equipment Industry Association. We also participated in the 9th Council Meeting of the Wire and Cable Branch of the China Electrical Equipment Industry Association as one of its members.



◆ World Optical Fiber and Cable conference in November 2018



◆China Information and Communication Conference in December 2018



## Responsibility to the Employees

Our employees are the most important wealth of the Company. The Company respects employees’ expectations. On the basis of full protection of the legitimate rights and interests of employees, we meet their demands to build a platform for performance and development and create a good professional atmosphere, so as to activate employees’ creativity and talent to the maximum extent.





## Employees' Rights and Interests

The Company lawfully enters into labor relations with employees to strictly perform the duties of employers in accordance with the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China as well as relevant laws and regulations of the provinces and cities where it has presence.

During the recruitment and employment process, the Company has never discriminated in employment on the basis of gender, nationality, religion, age, family status or other factors, nor has it formulated any

employment discrimination policy. The contract signed between the Company and the employee clearly stipulates the working hours, rest and vacation, labor protection and working conditions, thus effectively protecting the legitimate rights and interests of the employee.

Chengdu PUTIAN and any of its subsidiaries, production units and holding companies are prohibited from employing child laborer and forced laborer. Once found, they will be reported to the law enforcement authority and subject to internal punishment of the Company. During the reporting period, there was no child laborer or forced laborer in any subsidiary, department or holding company of the Company.

In 2018, 763 employees in Chengdu PUTIAN were full-time, and the contract signing rate and social insurance payment rate were both 100%. There was no labor dispute in the process of labor relation management. The harmonious labor relation provided guarantee for the normal production and operation activities of the Company.



### Basic rights and interests

Contribution to social insurances according to laws  
Staff physical examination  
Legal holidays  
Paid annual leave



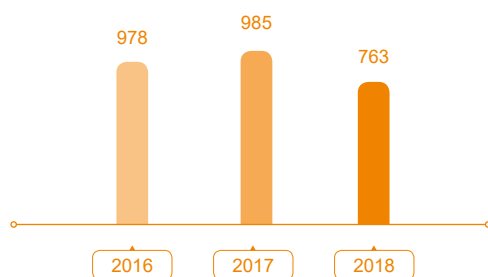
### Special rights and interests

Staff assistance  
Supplementary insurance  
Working meal  
Transportation allowance  
Subsidy for working in high temperature environment  
Shift subsidy  
Other leaves

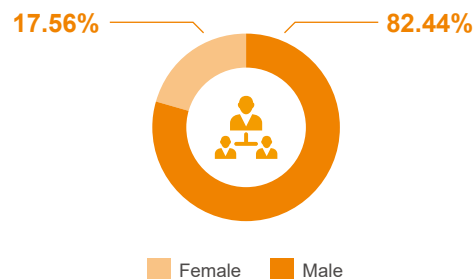
100%

Percentage of Employment Contract Coverage

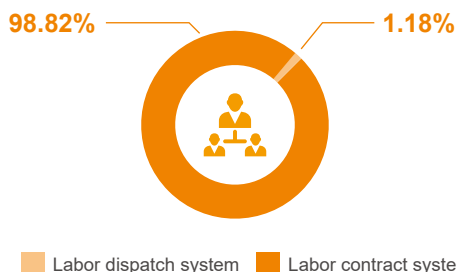
Total number of employees



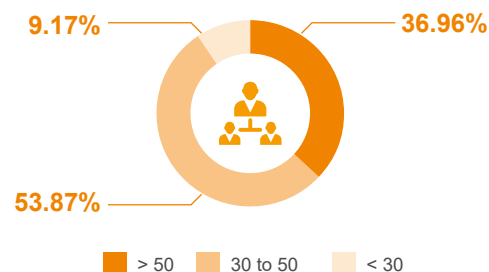
Gender ratio of employees



By employment type

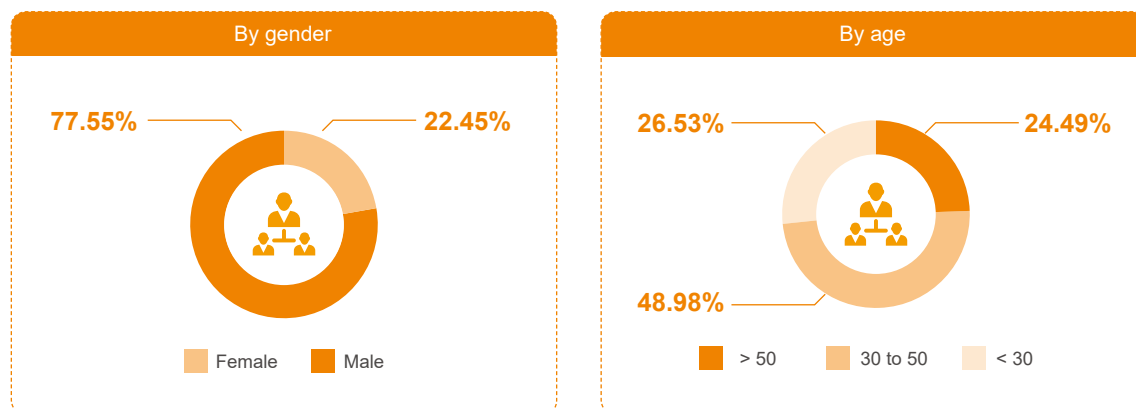


By age





In 2018, there were 49 employees who left the Company, divided by gender and age group as follows:

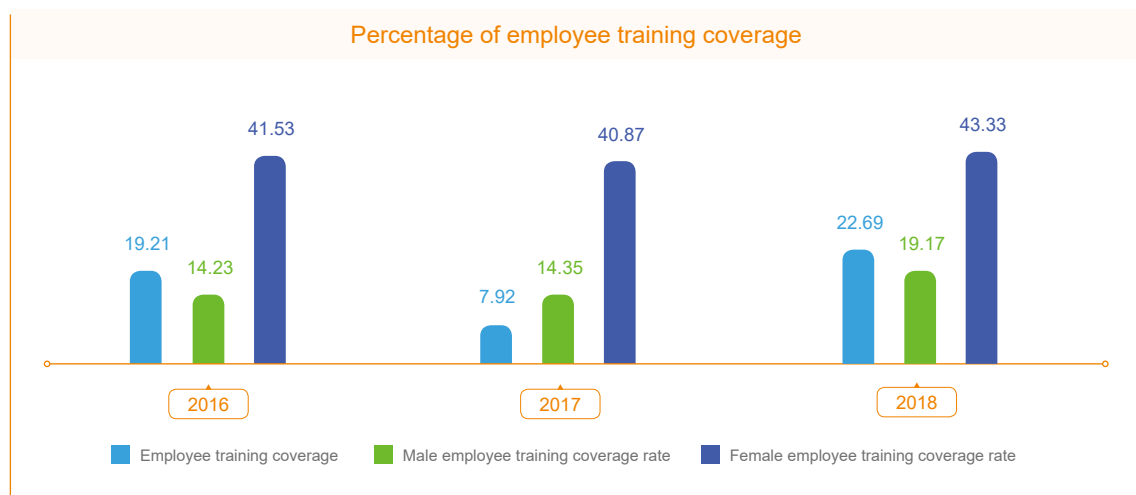


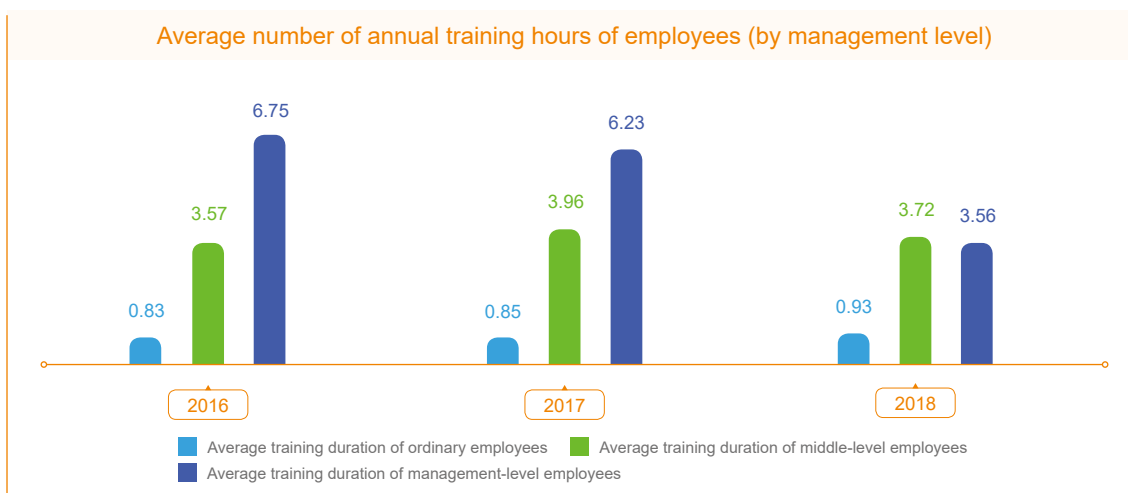
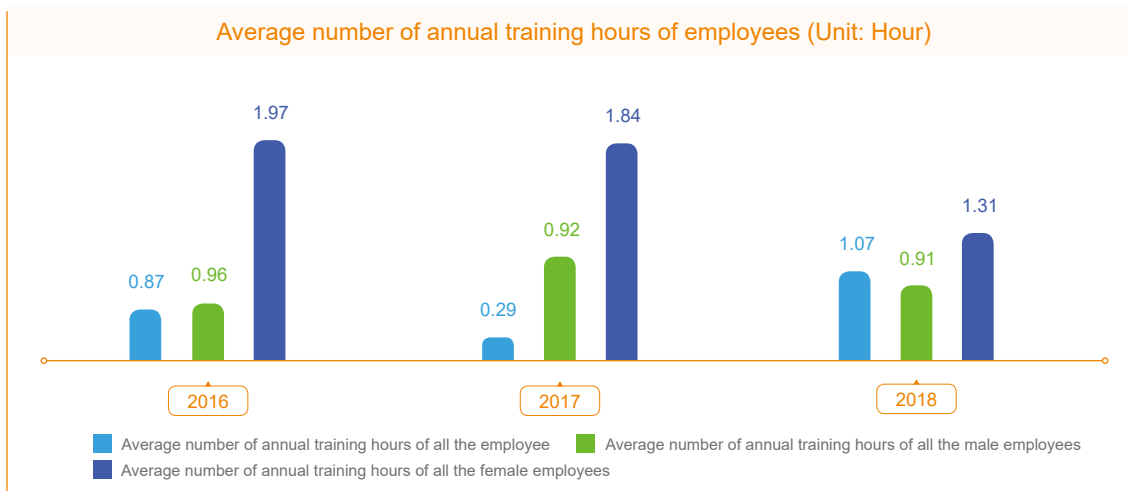
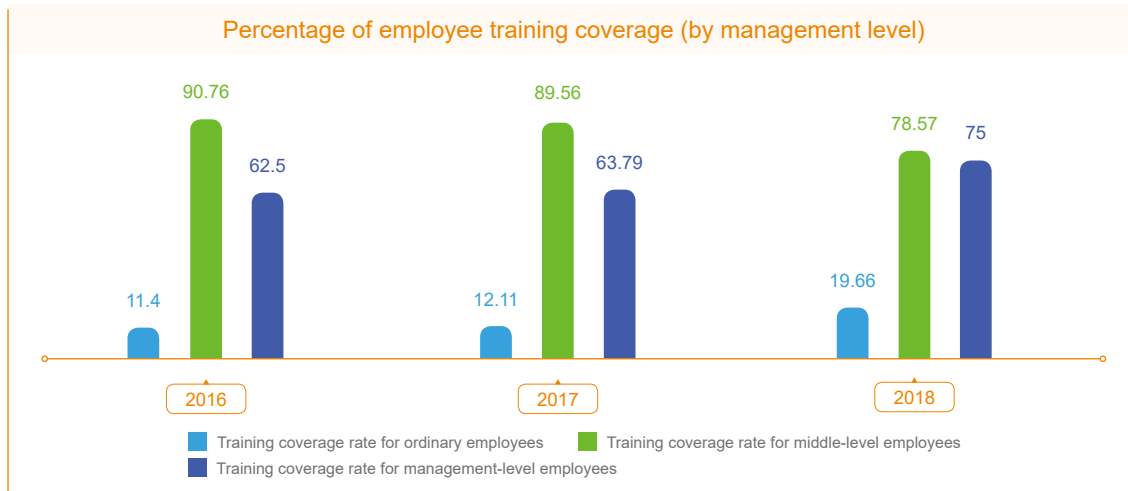
## Employee Training

In 2018, the Company organized 663 hours of first-class training, with a total of 140 participants.

The training primarily included:

- **Regular safety qualification training:** with the aim to enhancing safety awareness, improving safety production skills, and promoting safe and orderly production of the Company;
- **Quality management system and standard training:** with the aim to enabling employees to further master the relevant contents of the quality management system so as to accumulate relevant knowledge;
- **Procurement and supplier training:** with a large number of case analysis and interpretation of the Tenders and Bids Law, the Implementation Regulations of the Tenders and Bids Law and other legal systems governing bid and procurement to facilitate more compliant procurement against legal risks.
- **Connected transactions and Listing Rules training:** to make up for the deficiencies of the Company's internal education in respect of the Listing Rules and connected transactions, improve the reporting mechanism of company information disclosure and make approval process of company information disclosure more standardized.





According to statistics, female employees have generally received more training than male employees in the past three years. The training for ordinary employees mainly focused on professional skills, and it was specially arranged by various production departments. Therefore, the training coverage rate and training hours at the company level were lower than those of middle-level and management-level employees. The training coverage rate of middle-level employees was the highest in successive years, and the number of training hours they spent in 2018 was the same as that of management.



## Occupational Health and Safety

Chengdu PUTIAN pays full attention to the occupational health and safety of its employees. The Company's occupational health and safety management system has passed the OHSAS 18001:2007 GB/T 28001-2011 certification, and has obtained the "Safety Production Standardization Level III Enterprise" certificate issued by the State Administration of Work Safety, which covers all production units. During the reporting period, the Company did not have any production safety accident or occupational disease.

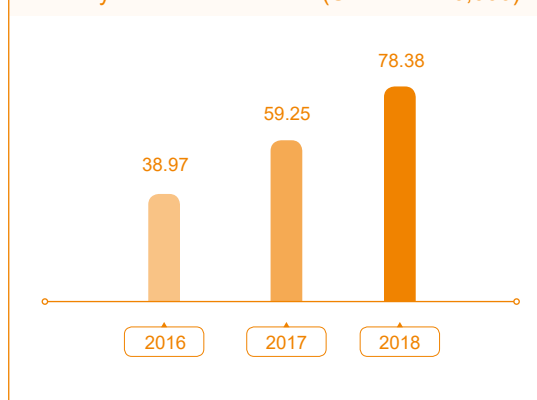
The Company provides its employees with all the necessary and rigid safety knowledge training and fire drills every year in strict compliance with the relevant requirements of various regulations such as the Measures for the Supervision and Administration of Employers' Occupational Health Surveillance, the Provisions on the Supervision and Administration of Occupational Health at Workplaces and the Provisions on the Supervision and Administration of Labor Protective Articles. When it comes to professional operation, the production unit has drawn up a detailed training plan for professional operation skills. Only after passing the examination can the workers take up their posts.

General Goal of Safety Management	Formulate the General Objectives, Indicators and Management Plan for Safety Production Management, covering the general objectives, control plan, safety training plan and emergency plan drill plan for safety production.
Fulfillment of Safety Responsibility	<ul style="list-style-type: none"> <li>•The subordinate units of the Company and the leasing enterprises in the industrial park all implement the responsibility contract system for production safety</li> </ul>
Safety Inspection	<ul style="list-style-type: none"> <li>•Identify major hazard sources and environmental factors</li> <li>•Carry out the investigation of security risks every month or at every holiday with necessary supervision and timely rectification</li> <li>•Monitoring and protection of the affiliated enterprises that are involved in the positions exposed to toxic and harmful substances</li> <li>•Emission monitoring of leasing enterprises in the industrial park</li> </ul>
Safety Education and Training	<ul style="list-style-type: none"> <li>•Hold secondary safety management training</li> <li>•Provide safety knowledge training for production teams</li> <li>•Provide safety training for construction personnel of leasing enterprises in the industrial park</li> </ul>

### Safety Data:

In 2018, the Company invested RMB783,800 in safety-purpose technical renovation and safe operation; carried out 21 safety inspections, and 25 inspections in the form of monthly inspections, pre-holiday inspections and monthly safety production activities; provided 25 times of supervision and rectification; held 4 emergency drills, with 230 people participated; held 10 safety trainings, with 200 people participated; and revised or formulated 5 safety management systems in total. There was no accident in safe production within recent three years.

Safety-related investment (Unit: RMB10,000)



From 2016 to 2018, the Company's total investment in safety-purpose technological transformation and safe operation has continuously increased



In August 2018, Chengdu PUTIAN commissioned a third party Sichuan Zhong Huan Kang Yuan Sanitation Technology Service Co., Ltd. to inspect the Company's occupational health environment. The inspection items included noise emission in the workplace, dust content in the air, chemical gas content and radiation protection. According to the inspection report, in the above-mentioned items of occupational hazard factors in the Company's workplace except for the noise exposure value, all indicators were in line with the Occupational Exposure Limits for Hazardous Agents in the Workplace - Part 1: Chemical Hazardous Agents, the Occupational Exposure Limits for Hazardous Agents in the Workplace - Part 2: Physical Agents and the Code for Hearing Protection of Workers in Industrial Enterprises (Document of the Ministry of Health of the People's Republic of China - Wei Fa Jian Fa [1999] No.620).

For exposure to noise, Lex,8h (8-hour equivalent noise, i.e. the actual value of an individual's exposure to noise in one working day) experienced in three posts exceeded the occupational limit. The Company attached great importance to this and made rectification according to the inspection report:

- 1.The Lex,8h result did not meet the requirements of occupational exposure limits. To this regard, the Company has allocated anti-noise earplugs that meet the requirements of Code for Hearing Protection of Workers in Industrial Enterprises and required the workers to wear them correctly during work.
- 2.Some posts were equipped with anti-virus masks and workers were required to wear them correctly during work.
- 3.Strengthen the management of use of personal protective equipment, strengthen relevant knowledge training for workers, and strictly require workers to correctly wear personal protective equipment according to rules.
- 4.Provide occupational health training for workers to popularize occupational health knowledge, so as to improve employees' awareness of self-protection.
- 5.In case of changes in the Company's production process, production equipment, raw and auxiliary materials or production load, the occupational disease hazard factors will be re-tested.
- 6.Provide supervision over the occupational health of workers by managing the occupational health physical examination and supervision file management of employees before, during and after work according to the relevant requirements of the Technical Specification for Occupational Health Surveillance (GBZ188-2014).



The 2018 Safety Compliance Certificate Issued by Chengdu High-tech Zone Safety Production Committee Office for the Company



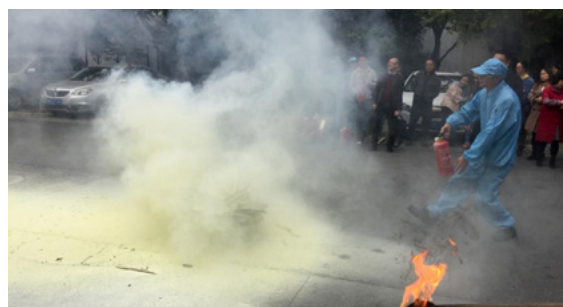
Certificate of Occupational Health and Safety Management System Updated by the Company in 2018



Safety Production Standardization Level III Enterprise Certificate



◆Emergency Evacuation during Emergency Drill of SEI



◆Fire Fighting Scene during Emergency Drill of SEI





### Detailed Environmental Safety Inspection to Ensure Safe Production

Every month, the leaders in charge of production of SEI conducted a comprehensive and detailed inspection of 63 items in 12 aspects including water and electricity management, paper management, waste management, chemicals and oil management, gas station management, fire safety management, consumption management of raw and auxiliary materials, water pollution management and management of relevant parties. The inspection results were internally announced, and the problems found were rectified in time.

The inspection showed that there were 10 potential safety hazards in 2018, such as damage to the waterproof cover of the power socket panel, fall-off of the fire alarm, damage to safety signs, no cover plate for the power plug, disordered material placement, and damage to the access door.

Through such meticulous and strict safety environment management, SEI has achieved zero accident in safe production for many years.



## Responsibility to the Community

According to the Trade Union Law of the People's Republic of China, Chengdu PUTIAN has set up a trade union, legally established a worker congress system, and held regular workers congress.

The trade union actively provides assistance for the Company's employees in difficulty, and visits the employees in difficulty and their families when holidays come. According to our usual practice, every fall for the new school year (i.e. September), the Company's trade union will reward and assist the families of the current employees whose children are studying in public high schools, junior colleges and secondary schools, or employees with difficult family life, or employees whose family member obtain admission notices from colleges and universities in the same year according to the rules of "golden autumn student aid" and "golden autumn scholarship" under Chengdu PUTIAN Trade Union Staff Assistance System. During the reporting period, the trade union provided a total of RMB105,000 for its members in terms of application for mutual insurance reimbursement, assistance application, visit to sick members, warm greeting at New Year's Day and Spring Festival and other necessary assistance. A total of 20 people received RMB26,400 for "Golden Autumn Scholarship". We provided book purchase cards worthy of RMB3,300 to children of needy workers under the age of 14.

In terms of social charitable donations, SEI has donated RMB30,000 per year to the Charity Association of Chengdu High-tech Industrial Development Zone for 14 consecutive years since 2005. The funds were targeted at the aid of schools in poor areas and the purchase of teaching equipment. Previous schools receiving donations include Lichun Town Fuhe Hope Primary School in Pengzhou City, Sichuan Province; Jiangkou Town Central Primary School in Pengshan District, Sichuan Province; Wangcang County Yanhe Central Primary School in Sichuan Province; Yulong West Village Primary School in Gongga Mountain Township, Kangding City, Sichuan Province; Shenggu Center Primary School in Shade Township, Kangding City, Sichuan Province; and Shuangshi Town Central Primary School in Lushan Town, Sichuan Province.

RMB **105,000**

was provided by the trade union for its members in terms of application for mutual insurance reimbursement, assistance application, visit to sick members, warm greeting at New Year's Day and Spring Festival and other necessary assistance

RMB **26,400**

was received by a total of 20 people for "golden autumn scholarship"





## Party Building

In 2018, Chengdu PUTIAN's party committee earnestly fulfilled the main responsibility of party building, insisting that the party's leadership over state-owned enterprises will not be wavered, that service production and operation will not deviate from party guidance, that strict party management and party management of cadres will not change, and that the efforts in party member team building will not be dented. It provided the Company with strong organizational and political guarantees for higher production and operation quality and industrial planning and development, enabling the Company's annual production and operation to maintain a good profit-making momentum.

According to the Company's articles of association revised at the general meeting in 2017, the Company has formulated the Rules of Procedure for Party Committee Meetings. The general requirements for party building have been incorporated into the Company's articles of association, clarifying the legal status of the party organization, and bringing into practice the pre-procedure for putting the party organization's study and discuss into decision-making of key issues by the Board or management. In 2018, the Company's party committee conducted pre-deliberation, research and discussion on major issues (including the Company's strategy and the expansion of the subsidiary's production line) and the selection and employment of 2 senior executives and 5 middle-level cadres in accordance with the Rules of Procedure for Party Committee Meetings, thus fulfilling the main responsibilities of the party committee to a certain extent.

## Responsibility Fulfillment and Foundation Consolidation

In 2018, the Company's party building was carried out under the leadership of the party committee. Its main tasks include the followings:

- A comprehensive summary of the party building work was made to form a Report on Rectification of Party Building Problems in Chengdu PUTIAN, which was submitted to the party committee of our controlling shareholder China Potevio.
- According to the requirements of the party committee of Chengdu branch of SASAC and the early-year party member development plan, we had one new party member and one party member who had passed the probation; we cooperated to provide 4 copies of Outline of Investigation on Political Examination for Members Joining the Party to external units, and transferred relationship between the party organization for more than 10 people; and we provided training on one party member candidate and an activist who intended to join the party through the municipal SASAC branch.
- We standardized the proportion of party fee payment in strict accordance with the requirements of transparent party affairs; we had reasonable use of party membership fees that were mainly used for training and education of party members, subscription of party newspapers and periodicals, and assistance to needy party members; we paid party membership fees in full; and we showed to the public the party membership fees at all levels.
- We paid visits to 11 serving party members in difficulty and 4 retired party members, conveying our care and love.
- According to the requirements of the municipal SASAC branch, we organized and completed the "three classifications and three upgrades" appraisal of our party branches, and all the 10 branches (including the party general branch) of the Company were qualified.
- The Company's party committee has formulated rectification measures in response to the new phenomenon derived from "four unhealthy customs (formalism, bureaucratism, hedonism, and extravagance)" according to the deployment requirements of the Group's party committee and the important instructions given by president Xi to correct the "four unhealthy customs".



## Adherence to the Spirit of the 19<sup>th</sup> CPC National Congress

In 2018, the Company carried out in-depth study and implementation of the spirit of the 19th CPC National Congress report according to the arrangements made by the party committee of our controlling stakeholder China Potevio, Chengdu branch of SASAC and the Company's party Committee, so as to have deeper understanding of the Xi Jinping's socialist ideology with Chinese characteristics in the new era.



◆ Training of Party Workers in 2018



◆ Special Party Course Training in 2018

We had a monthly "fixed party day". On such day, each party unit focused on the activity of "learning new ideas, striving for new achievements, and displaying new images", which highlighted our political nature and strengthened party spirit training. The party committee also organized party members to participate in various activities upon consideration of the actual production and operation situation of the Company.

1. In January 2018, 156 party members took part in the quiz of the 19th CPC National Congress report and the new party constitution.
2. Since May 2018, we had carried out a series of activities of "abiding by the party constitution, learning the party constitution, and talking the party constitution"; completed the "excellent and advanced party branch and worker" selection, in which three grassroots branches were awarded "advanced party branch" and more than 20 party members were awarded "excellent party worker" or "excellent communist party member";
3. On the eve of 1 July (Seventy-one Party Festival) in 2018, the Company held the 97th anniversary of the Founding of the Party & Advanced Party Member Commendation Meeting. According to the requirements of Chengdu branch of SASAC, all party branches of the Company carried out activities of "abiding by the party constitution, learning the party constitution, and talking the party constitution", and more than 150 serving party members participated in party knowledge quiz.
4. From July to September 2018, the party committee of China Potevio arranged the study and publicity of the "Liang Jia He Village" party spirit.
5. From October to November 2018, Sichuan University experts were invited to the Company for special party training. Nearly 30 secretaries and committee members from 10 party branches (including the party general branch) attended the training on a regular or irregular manner. Such training covered Xi Jinping's socialism spirit of 19th CPC National Congress with Chinese characteristics in the new era, the party constitution, party regulations and basic knowledge on the party, and the three parts of the reform of state-owned enterprises to be steadily progressed under new situation.
6. Through the WeChat learning platforms such as "Rong Cheng pioneer & Party member e home (蓉城先锋·党员e家)", party branch members interacted with each other to learn party theoretical knowledge such as the spirit of the 19th CPC National Congress report and the Xi Jinping's socialism spirit of 19th CPC National Congress with Chinese characteristics in the new era.



◆Chengdu PUTIAN celebrated the 97th anniversary of the Founding of the Party and the Advanced Party Member Commendation Meeting in 2018

In 2018, the party branch of SEI was rated as an advanced party branch of “Two Studies, One Action” learning and studying initiative by the controlling stakeholder China Potevio, and one of its party members was rated as an advanced individual of “Two Studies, One Action” learning and studying initiative.



## Appendix: ESG reporting Guide Index

Indicator			Brief	In this report
A. Environmental				
Aspect A1: Emission				
General Disclosures				Environmental Protection·Green PUTIAN
KPIs	A1.1	The types of emissions and respective emissions data		Lawful Emission
	A1.2	Greenhouse gas emissions in total and intensity		
	A1.3	Total hazardous waste produced and intensity		Waste Management
	A1.4	Total non-hazardous waste produced and intensity		
	A1.5	Description of measures to mitigate emissions and results achieved		Green Officing, Lawful Emission
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved		Waste Management
Aspect A2: Use of Resources				
General Disclosures				Environmental Protection·Green PUTIAN
KPIs	A2.1	Direct and/or indirect energy consumption by type and intensity		Use of Resource
	A2.2	Water consumption in total and intensity		
	A2.3	Description of energy use efficiency initiatives and results achieved		
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved		
	A2.5	Total packaging material used and per unit produced		Use of Packaging Materials
Aspect A3: The Environment and Natural Resources				
General Disclosures				Environmental Protection·Green PUTIAN
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them		Use of Resource, Lawful Emission
B. Society				
Aspect B1: Employment				
General Disclosures				Responsibility to the Employees
KPIs	B1.1	Total workforce by gender, employment type, age group and geographical region		Responsibility to the Employees
	B1.2	Employee turnover rate by gender, age group and geographical		
Aspect B2: Health and Safety				
General Disclosures				Responsibility to the Employees
KPIs	B2.1	Number and rate of work-related fatalities		
	B2.2	Lost days due to work injury		
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored		





Indicator		Brief	In this report
Aspect B3: Development and Training			
General Disclosures			
KPIs	B3.1	The percentage of employees trained by gender and employee category	Responsibility to the Employees
	B3.2	The average training hours completed per employee by gender and employee category	
Aspect B4: Labour Standards			
General Disclosures			
KPIs	B4.1	Description of measures to review employment practices to avoid child and forced labour	Responsibility to the Employees
	B4.2	Description of steps taken to eliminate such practices when discovered	
Aspect B5: Supply Chain Management			
General Disclosures			
KPIs	B5.1	Number of suppliers by geographical region	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	
Aspect B6: Product Responsibility			
General Disclosures			Quality PUTIAN with Lean Production
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not Applicable for our products
	B6.2	Number of products and service related complaints received and how they are dealt with	Quality Assurance
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual Property
	B6.4	Description of quality assurance process and recall procedures	Quality Assurance
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not Applicable for our products
Aspect B7: Anti-corruption			
General Disclosures			
KPIs	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-Corruption and Anti-Fraud
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	
Aspect B8: Community Investment			
General Disclosures			
KPIs	B8.1	Focus areas of contribution	Responsibility to the Community
	B8.2	Resources contributed to the focus area	



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