

BRILLIANT CIRCLE HOLDINGS INTERNATIONAL LIMITED
貴聯控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1008



2018

Environmental,
Social Responsibility
and Governance
Report



Environmental, social responsibility and governance report

1. OVERVIEW

This is the third environmental, social responsibility and governance report published by the Company. This report is prepared with reference to the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the “Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities (hereinafter referred to as the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”).

In accordance with the Consultation Conclusions on Review of the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange on 21 December 2015, an issuer should comply with the “comply or explain” provisions for general disclosures in the report for the financial year beginning on or after 1 January 2016, where the key performance indicators under the “environment” area should be generally disclosed for the financial year beginning on or after 1 January 2017.

This report gives an overview of the environment, social responsibility and governance (hereinafter referred to as “ESG”) concepts of Brilliant Circle Holdings, the overall performance and work highlights of the Company’s core business in respect of economy, environment and society, as well as plans and goals to be achieved in the short and long run. Data contained in this report is derived from the Company’s official documents and statistical reports, as well as summary and statistical data provided by companies under the Group in accordance with relevant company rules and regulations.

2. REPORTING PRINCIPLES AND REFERENCE STANDARDS

This report is prepared mainly with reference to the Guide issued by the Stock Exchange, in order to disclose ESG-related information under general industry and international standards.

The reporting principles emphasize the following four areas:

- **Materiality:** the threshold at which ESG issues become sufficiently important to investors and other stakeholders is the core content of this report.
- **Measurability:** the key performance indicators involved in the effectiveness of ESG policies and management systems may be presented in the form of quantitative data accompanied by a narrative, explaining its purposes and impacts.
- **Balance:** this report provides objective presentation of the Company’s performance to avoid the possibility of inappropriately influencing report readers’ decisions or judgments.
- **Integrity:** comprehensive description of the substance contained in this report is given, in order to avoid omission of any details important to stakeholders.

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3. REPORTING SCOPE

The scope of this report covers the ESG performance of Brilliant Circle Holdings and its following major subsidiaries:

- Shenzhen Kecai Printing Co., Limited* (深圳市科彩印務有限公司) (hereinafter referred to as “Shenzhen Kecai”)
- Bengbu Jinhuangshan Rotogravure Printing Company Limited* (蚌埠金黃山凹版印刷有限公司) (hereinafter referred to as “Jinhuangshan”)

The reporting period of this ESG report is from 1 January 2018 to 31 December 2018.

4. ENVIRONMENTAL

The Company proactively advocates the concepts of “reduce”, “reuse” and “recycle”. The Company is committed to protecting the environment and contributing to the society by promoting these ideas. The Company always keeps track of the development of relevant international and local environmental protection legislation and ensures its environmental policy is implemented not only to comply with relevant laws & regulations and international standards, but also to ensure it is at the same pace as its worldwide counterparts.

Emissions

In order to develop and maintain a sustainable business, the Company takes the initiatives to engage in energy conservation and to promote environmental responsibility. It takes an active role to develop green technology so as to ensure sustainable, recyclable and low-carbon production and operating processes. Emission generated from the operation of the Company mainly refers to emission from boiler combustion, emission from printing production and waste gas from eatery. The Company has relevant provisions in place, which clearly set out the requirements of emission management. In addition, to ensure the emission meets the relevant standards, the Company has engaged an external technology testing institution to monitor the level of emission from boiler combustion and printing production and waste gas from eatery.

Wastewater discharged from the operation of the Company mainly refers to domestic wastewater. To ensure the sewage discharged meets the standards, the Company established wastewater treatment facilities in the factory zone of Shenzhen Kecai. Domestic wastewater of Jinhuangshan was discharged from the main outfall of the factory zone into the municipal sewage network of the industrial park before entering Bengbu South Wastewater Treatment Plant.

To ensure the wastewater meets its discharging standards, the Company has engaged Hefei Yuchi Testing Technology Co., Limited* (合肥市宇馳檢測技術有限公司) to monitor certain items such as PH value, Chemical Oxygen Demand (COD), Suspended Solids (SS), ammonia nitrogen, animal and vegetable oil of domestic wastewater, all of which have met the discharging standards. The Company conducted wastewater inspections on a regular basis in accordance with the requirements under the Environmental Protect Bureau.

* The English name is not an official name and is provided for identification purpose only.

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In addition, the Company classified solid waste and carried out thorough identification of hazardous waste in accordance with the List of Hazardous Waste (《危險廢棄物清單》) prepared by the Company. Also, relevant management system was established to control and manage non-hazardous waste.

The Company recorded carbon footprint regularly and ensured all hazardous waste which may be discharged into water and soil has complied with the standards under the relevant national laws and regulations.

The Company's control over the emissions abides by the relevant national laws. During operation, there was no non-compliance with any relevant laws and regulations under the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), Law of the People's Republic of China on Prevention and Control of Environmental Pollution Caused by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) and Guangdong Local Standard for Emission Standard of Volatile Organic Compounds (VOC) for printing industry (《廣東省地方標準印刷行業揮發性有機化合物(VOC)排放標準》) in respect of the emission limit.

Use of Resources

During production, the Company not only reused pallets and packaging boxes to reduce the consumption of wrapping papers, but also initiated its Energy Saving and Reducing Consumption Proposal (《節能降耗活動方案》) and Energy Saving and Reducing Consumption Plan (《節能降耗活動計劃》) to reduce water, electricity and other energy consumption.

The Company requires materials used in the production process to comply with environmental protection requirements. Reusable and recyclable packaging materials should be used. As a result of technological innovation, utilization of materials and performance of equipment have been enhanced, thereby reducing energy consumption.

The Environment and Natural Resources

Playing an active role in promoting environmental protection and efficient use of resources, the Company monitored the potential impacts of our business operations on the environment on a real-time basis and promoted green office and production in adherence to four basic principles, namely, "reduce", "reuse", "recycle" and "replace", in order to minimize the impact of our operations on the environment. The Company has adopted green purchasing strategies and the most practicable technology where appropriate to mitigate its impact on and help protect the environment.

Upon the relocation of Jinhuangshan to a new plant in 2015, the Company, after taking noise and atmospheric pollution into consideration, made use of space to absorb and reduce noise transmission, in an attempt to minimize the impact of plant relocation on the environment and natural resources. Furthermore, the Company conducted regular inspections on three wastes to ensure compliance with the requirements under the relevant laws and regulations.

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5. EMPLOYMENT AND LABOUR PRACTICES

Health and Safety

The Company provides its staff with an ideal and safe working environment, and takes appropriate measures to protect the health and safety of its staff. The Company arranged first-aid demonstrations, fire drills, evacuation drills, mock leakage drills, as well as escape drills periodically, in an effort to enhance the safety awareness of our staff. The Company has in place occupational safety policies and procedures in compliance with the industrial standards and the relevant laws and regulations.

Other than physical health, the Company also attaches great importance to the protection of the staff's psychological health. Furthermore, the Company has obtained the certification of the occupational health and safety management system (GB/T 28001-2011). Staff under special posts is scheduled for an occupational health and safety check on an annual basis.

Employment

The remuneration standards of the Company is determined based on the guidelines of the local government on wages, and more importantly, based on the remuneration benchmark in the industry. The Company strives to provide a more favorable welfare system on the basis of the requirements prescribed by the government in terms of pension, medical and housing allowances.

Employee Welfare

To safeguard the rights of our employees with regards to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare and arrangements in case of work-related injuries, the Company has in place guidelines and management policies to ensure that the relevant legal standards on these areas are met and that there is consistency across departments and functions.

Development and Training

The Company encourages the staff to better equip themselves by providing them with an occupational development platform and has a comprehensive training system in place to support on-job education and training for our staff. Tailored on-job training and counseling as well as training courses are also provided for the staff to keep improving their own capabilities. Training methods mainly include induction training, on-job training and external training.

Labour Standards

In compliance with the requirements of the Labour Law, the Company employs individuals aged above 18 with valid identity documents issued by the public security department. Recruitment process of the Company is based on a fair, open and voluntary manner. Legal labour contracts are signed from the date of hiring. There was no forced labour employed by the Company.

The Company provides personal leave, sick leave, marital leave, compassionate leave, maternity leave, work injury leave, home leave and paid annual leave for the convenience of the employees to achieve work-life balance.

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During 2018, there was no non-compliance with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), Provisions on the Special Protection of Juvenile Labour (《未成年工特殊保護規定》), Provisions on Prohibition of Child Labour (《禁止使用童工規定》) and other laws and regulations and penalty in relation to the prevention of child labour and forced labour by the Company.

6. OPERATING PRACTICES

The management system established and the management measures implemented by the Company for suppliers and clients (customers) represent effective management and control of Brilliant Circle Holdings over the environmental and social impacts directly related to its business operation. Based on its sound internal compliance management, Brilliant Circle Holdings strives to eliminate all forms of corruption. The Company gradually improved its supply chain management to regulate the tender process and division of power and responsibilities, and also broadened the coverage of supplier assessment. In addition, the Company strengthened the communication with its clients, actively responded to their demands by improving service quality and effectiveness, so as to maximize its role in promoting corporate sustainable development.

Product Responsibility

The Company always adheres to its clients and services first. The Company, being awarded with the certification of ISO9000, ISO14000 and ISO18000, has been able to maintain its effective operation over the years, and is currently applying for national green printing certification. The production activities and material used by the Company are subject to suppliers' inspection and the Company's stock-in inspection. Standards, more stringent than the relevant national regulations were established in relation to the indicators of the emissions of hazardous materials.

During 2018, there was no non-compliance with any laws and regulations and no penalty was imposed on the Company in respect of the product and service quality of the Company.

Supply Chain Management

Supply chain management is a key management area of Brilliant Circle Holdings. The Company remains upright and rigorous attitude towards the selection, assessment, supervision and management of suppliers. The selection and evaluation of suppliers are conducted in accordance with the Suppliers' Management System (《供應商管理制度》), which is reviewed and updated timely to ensure it is in compliance with the relevant national regulations.

Anti-corruption

Brilliant Circle Holdings has implemented relevant internal policies and has been firmly adhering to the principles of openness, responsibility, honesty and integrity. All employees of the Company are required to strictly obey personal and professional ethics. The Company has set up relevant external whistleblowing procedures, and regularly reviewed the effectiveness of internal management system of the Group. Through the setting up of suggestion box, whistleblowing hotline and whistleblowing mailbox, the Company is able to strengthen its internal management and supervision. During the reporting period, no case regarding corruption practices was brought against the Company or its employees.

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7. COMMUNITY

The Company takes the initiatives to fulfill its corporate citizenship and encourage the staff to participate in social welfare activities. The Company always upholds its corporate social responsibility.

Community Investment

Over the years, the Group has been actively involved in disaster relief work, supporting poverty-stricken areas, donating to schools, promoting Chinese culture and engaging in other public services, so as to contribute to our community through various means. The Company improved physical fitness of the people in the community through sponsoring and participating in basketball competitions, football matches and other activities organized by the community. In addition, the Company also raised people's awareness of anti-fraud practices by providing a venue for them to take part in the anti-fraud training courses organized by the local public security bureau.

8. CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE SUMMARY

A. Environmental

Aspect	Policies/ name of indicators	Indicator values/ comply or explain
A1 Emissions	Policies	Emission generated from the operation of the Company mainly refers to emission from boiler combustion, and printing production and waste gas from eatery. (1) As for emission from boiler combustion, the Company set up a 12 meters high exhaust funnel (smokestack) in the boiler room, the height of which satisfied the requirement under provision 4.6.2 as set out in the Emission Standards for Air Pollutants from Boilers (《鍋爐大氣污染物排放標準》), which requires that "the height of the smokestack of gas, light diesel fuel and kerosene boilers shall be no less than 8 meters"; (2) as for emission from printing production, the Company purchased special emission collection equipment. Emission was collected from the centralized collection device of the equipment and absorbed and filtered by active carbon in the roof collection room, and then discharged via the 15 meters high exhaust funnel (smokestack), the height of which satisfied the relevant height requirement under the Integrated Emission Standards for Air Pollutants (《大氣污染物綜合排放標準》) under the Beijing Local Standards. In addition, management was strengthened during the operation process. Raw and auxiliary materials (such as ink, solvent, etc.) were stored in sealed containers. Used ink cartridges and waste solvent barrels were sent to specialized organizations for disposal and recycling; (3) as for waste gas from eatery, fume purification equipment was installed in the eatery. The fume was discharged from the rooftop of the eatery via exhaust pipes after processing. Further, cleaning and maintenance of cooking utensils and fume purification equipment were strengthened during daily operation of the eatery.

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Aspect	Policies/ name of indicators	Indicator values/ comply or explain												
		<p>The Company established wastewater treatment facilities in the plant of Shenzhen Kecai. Wastewater discharged from the operation of the Company mainly refers to domestic wastewater. Domestic wastewater of Jinhuangshan was discharged from the main outfall of the factory zone into the municipal sewage network of the industrial park before entering Bengbu South Wastewater Treatment Plant. Daily management was exercised to ensure no tobacco leaves and oily wastewater was directly poured down into the sewer.</p>												
	Information on compliance with the relevant laws and regulations that have a significant impact on the issuer	During the reporting period, there was no non-compliance with relevant national laws and regulations in respect of emissions by the Company.												
A1.1	Types of emissions and respective data	<table> <tr> <th>Emission Type</th><th>2018 (in kg)</th><th>2017 (in kg)</th></tr> <tr> <td>NOx</td><td>27.6824</td><td>31.3681</td></tr> <tr> <td>SOx</td><td>1.1109</td><td>1.2365</td></tr> <tr> <td>Particles</td><td>2.0382</td><td>2.3096</td></tr> </table>	Emission Type	2018 (in kg)	2017 (in kg)	NOx	27.6824	31.3681	SOx	1.1109	1.2365	Particles	2.0382	2.3096
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Aspect	Policies/ name of indicators	Indicator values/ comply or explain																								
A1.2	Total greenhouse gas emissions	<table> <tr> <th>Sources</th><th>2018 (in tonnes)</th><th>2017 (in tonnes)</th></tr> <tr> <td>CO₂ from natural gas</td><td>1,098.91</td><td>1,317.76</td></tr> <tr> <td>CO₂ from electricity consumption</td><td>11,604.62</td><td>13,424.35</td></tr> <tr> <td>CO₂ from vehicles combustion</td><td>178.35</td><td>198.51</td></tr> <tr> <td>CH₄ from vehicles combustion (CO₂-equivalent emissions)</td><td>0.40</td><td>0.45</td></tr> <tr> <td>N₂O from vehicles combustion (CO₂-equivalent emissions)</td><td>25.89</td><td>28.81</td></tr> <tr> <td>CO₂ removals (trees planting)</td><td>(64.98)</td><td>(62.45)</td></tr> <tr> <td>CO₂ total emissions</td><td>12,843.19</td><td>14,907.43</td></tr> </table>	Sources	2018 (in tonnes)	2017 (in tonnes)	CO ₂ from natural gas	1,098.91	1,317.76	CO ₂ from electricity consumption	11,604.62	13,424.35	CO ₂ from vehicles combustion	178.35	198.51	CH ₄ from vehicles combustion (CO ₂ -equivalent emissions)	0.40	0.45	N ₂ O from vehicles combustion (CO ₂ -equivalent emissions)	25.89	28.81	CO ₂ removals (trees planting)	(64.98)	(62.45)	CO ₂ total emissions	12,843.19	14,907.43
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		Note 1: the total emissions was recalculated to include the CO ₂ from electricity consumption in 2016.																								
A1.3	Total amount of hazardous waste	20.582 tonnes (2017: 23.366 tonnes)																								
A1.4	Total amount of non-hazardous waste	2,102.07 tonnes (2017: 2,423.65 tonnes)																								
A1.5	Measures to mitigate emissions and results achieved	For the Company's policies of emission reduction, please refer to A2																								

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Aspect	Policies/ name of indicators	Indicator values/ comply or explain
A1.6	Methods and effectiveness of waste disposal	<p>The Company strictly classified waste by types in accordance with the waste management system and provided relevant promotion, education and training to the staff. Hazardous waste was collected by the Company and stored in the hazardous waste warehouse, and sent to a qualified processing company for unified recycling after reaching a certain amount. Some of the reusable papers were reused as office papers. All waste papers and scrap metal were handled and recycled by a qualified processing company. Furthermore, the Company recorded its carbon footprint regularly and ensured all hazardous waste which may be discharged into water and soil has complied with the standards under the relevant national laws and regulations.</p>
A2 Use of Resources	Policies	<p>During production, the Company not only reused pallets and packaging boxes to reduce the consumption of wrapping papers, but also initiated its Energy Saving and Reducing Consumption Proposal (《節能降耗活動方案》) and Energy Saving and Reducing Consumption Plan (《節能降耗活動計劃》) to reduce water, electricity and other energy consumption. The residual paper produced and leftover materials were used in the course of our daily operation. The waste heat produced was recovered by using the air compressors installed at its workshops to supply hot water for its staff quarters and canteen.</p> <p>Materials used in the production process must comply with environmental protection requirements. Reusable and recyclable packaging materials should be used. With technological innovation, utilization of materials and performance of equipment have been enhanced, thereby reduce energy consumption. The Company also implemented management procedures to control the use of energy and resources and conducted regular inspections to monitor and rectify any deficiencies identified at all offices and production facilities, so as to ensure that all energy resources were deployed in the most effective manner.</p>

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Aspect	Policies/ name of indicators	Indicator values/ comply or explain																					
A2.1	Total energy consumption	<table> <tr> <th>Energy Type</th><th>2018</th><th>2017</th></tr> <tr> <td>Electricity consumption (kwh)</td><td>19,935,492</td><td>21,656,925</td></tr> <tr> <td>Intensity of electricity (kwh per production in kg)</td><td>0.826</td><td>0.826</td></tr> <tr> <td>Petrol consumption (litre)</td><td>75,574</td><td>84,116</td></tr> <tr> <td>Intensity of petrol (litre per production in kg)</td><td>0.003</td><td>0.003</td></tr> <tr> <td>Natural gas consumption (m³)</td><td>524,117</td><td>628,494</td></tr> <tr> <td>Intensity of natural gas (m³ per production in kg)</td><td>0.024</td><td>0.024</td></tr> </table>	Energy Type	2018	2017	Electricity consumption (kwh)	19,935,492	21,656,925	Intensity of electricity (kwh per production in kg)	0.826	0.826	Petrol consumption (litre)	75,574	84,116	Intensity of petrol (litre per production in kg)	0.003	0.003	Natural gas consumption (m ³)	524,117	628,494	Intensity of natural gas (m ³ per production in kg)	0.024	0.024
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A2.2	Total water consumption	153,983.11 cubic meters, with intensity of 0.006 cubic meter per production in kg (2017: 151,718.95 cubic meters; 2017 intensity: 0.006)																					
A2.3	Energy use plan and results achieved	The residual paper produced and leftover materials were used in the course of our daily operation. The waste heat produced was recovered by using the air compressors installed at workshops to supply hot water for staff quarters and eatery.																					
A2.4	Water use efficiency plan and its results	Water conservation education programs have been provided to all staff to enhance their awareness.																					
A2.5	Total packaging materials used for the finished goods	<table> <tr> <th></th><th>2018</th><th>2017</th></tr> <tr> <td>Number of cartons</td><td>867,970</td><td>1,166,534</td></tr> <tr> <td>Cartons (in tonnes)</td><td>296.06</td><td>348.55</td></tr> </table>		2018	2017	Number of cartons	867,970	1,166,534	Cartons (in tonnes)	296.06	348.55												
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A3 The Environment and Natural Resources	Policies	Playing an active role in promoting environmental protection and efficient use of resources, the Company monitored the potential impacts of our business operations on the environment on a real-time basis and promoted green office and production in adherence to four basic principles, namely, “reduce”, “reuse”, “recycle” and “replace”, in order to minimize the impact of our operations on the environment. The Company has adopted green purchasing strategies and the most practicable technology where appropriate to mitigate its impact on the environment.																					

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Aspect	Policies/ name of indicators	Indicator values/ comply or explain
A3.1	Measures adopted	The Company has taken the following actions to further monitor and manage the possible impacts on the environment and natural resources: (1) strengthening environmental monitoring by focusing on monitoring of and keeping records for various pollution sources, and reporting to relevant authorities and adopting emergency measures in a timely manner for any abnormal situations detected; (2) providing pre-job training on environmental protection laws and regulations and operational practices for its technical staff; (3) reporting to the head of environmental protection department regularly on its environmental protection works, the operation of its pollution control facilities and monitoring results; (4) filing its environmental protection works, including the discharge of pollutants, operation and management of its pollution control facilities; monitoring records; pollution incidents and related records; and other pollution prevention and control issues and information.

B. Social — Employment and Labour Practices

Aspect	Policies/ name of indicators	Indicator values/ comply or explain
B1 Employment	Policies	The remuneration standards of the Company is determined based on the guidelines of the local government on wages, and more importantly, based on the remuneration benchmark in the industry. The Company strives to provide a more favorable welfare system on the basis of the requirements prescribed by the government in terms of pension, medical and housing allowances.
	Information on compliance with the relevant laws and regulations that have a significant impact on the issuer	The Company has complied with the relevant national and local laws and regulations in respect of labour and human resources matters, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. During the reporting period, there was no non-compliance with relevant national laws and regulations in respect of labour and human resources by the Company matters, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

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Aspect	Policies/ name of indicators	Indicator values/ comply or explain
B2 Health and Safety	Policies	The Company arranged first-aid demonstrations, fire drills, evacuation drills, mock leakage drills, as well as escape drills periodically, in an effort to enhance the safety awareness of our staff. Staff manual formulated by the Company includes occupational safety policies and procedures for our staff reference. In addition, the Company has also established an appropriate incident reporting and investigation system to encourage our staff to report incidents and risk factors.
	Information on compliance with the relevant laws and regulations that have a significant impact on the issuer	During the reporting period, there was no non-compliance with relevant national laws and regulations in respect of safe working environment by the Company.
B2.1	Number and rate of work-related fatalities	0 (2017: 0)
B2.3	Measures and monitoring methods for occupational health and safety	The Company has obtained the certification of the occupational health and safety management system. Staff under special posts is subject to occupational health and safety check on an annual basis to ensure that no staff is suffering from occupational hazards. Meanwhile, the Company provides suitable protective equipment such as gloves, masks and gas masks for our staff according to their positions to reduce work-related risks.
B3 Development and Training	Policies	The Company has a comprehensive training system in place to support on-job education and training for our staff to develop their knowledge and skills. Induction training covers personnel rules and regulations, staff manual, professional quality, corporate management system, industrial safety and working environment and quality basics; on-job training covers job qualification (job theory and practice) and annual training plan; and external training covers pre-job training for special posts and pursuing higher academic qualification. All training is provided at the expense of the Company.

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Aspect	Policies/ name of indicators	Indicator values/ comply or explain
B4 Labour Standards	Policies	<p>Recruitment process of the Company is based on a fair, open and voluntary manner. Legal labour contracts are signed from the date of hiring. There was no forced labour employed by the Company.</p> <p>The Company provides personal leave, sick leave, marital leave, compassionate leave, maternity leave, work injury leave, home leave and paid annual leave for the convenience of the employees to achieve work-life balance.</p>
	Information on compliance with the relevant laws and regulations that have a significant impact on the issuer	In compliance with the requirements of the Labour Law, the Company employs individuals aged above 18 with valid identification documents issued by the public security department. During the reporting period, the Company was not aware of any non-compliance with relevant laws and regulations.
	Measures for avoiding child and forced labour	The age of all staff is within the age range stipulated under the Labour Law. According to the human resources management system in place, the Company has established clear provisions for working hours and overtime compensation.
B4.2	Procedures for handling non-compliance	With a suggestion box set up in the staff lounge area, feedback collected from our staff will be directly passed to our general manager, who will be responsible for assigning personnel to conduct investigations and verifications and follow up with such non-compliance.

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B. Social — Operating Practices

Aspect	Policies/ name of indicators	Indicator values/ comply or explain
B5 Supply Chain Management	Policies	<p>The Company maintains a rigorous attitude towards the selection, assessment, supervision and management of suppliers. The selection and evaluation of suppliers are conducted in accordance with the Suppliers' Management System (《供應商管理制度》), which is reviewed and updated timely in order to comply with the relevant national regulations. Operation and management department of the Group will be responsible for coordination while relevant procurement, technology, quality control and finance departments will select suitable suppliers based on their legal qualifications, product warranty assessments and on-site inspections. During selection, our quality management department, production management department and general manager will carry out comprehensive assessment of the suppliers based on various factors such as their qualifications, influence in the industry and research and development strengths. Materials supplied will be jointly examined by our quality management, production management, planning and management departments based on physical indicators, chemical indicators and trial compatibility, and will undergo initial test, pilot test and trial batch test according to the selection procedures. Each test will be reviewed by the abovementioned departments before reporting to the management of the Company for approval. After passing the above tests, the suppliers will be subject to approval by the group companies. Following the completion of all selection procedures, the suppliers will be admitted into the approved suppliers list by the group companies. By then, the Group may procure relevant material from the approved supplier. Furthermore, the supplier shall fully comply with the relevant national laws and regulations in this field.</p>

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Aspect	Policies/ name of indicators	Indicator values/ comply or explain
B6 Product Responsibility	Policies	The Company, being awarded with the certification of ISO9000, ISO14000 and ISO18000, has been able to maintain its effective operation over the years, and is currently applying for national green printing certification. All production activities and material used by the Company are subject to suppliers' strict inspection and the Company's warehouse-in inspection. Standards for the indicators of the emissions of hazardous materials no less exacting than the relevant national regulations were formulated. The Company has been enjoying great advantages in respect of resources conservation.
	Information on compliance with the relevant laws and regulations that have a significant impact on the issuer	During the reporting period, there was no non-compliance with relevant national laws and regulations in respect of health and safety, advertising, labelling and privacy matters relating to products and services provided by the Company and methods of redress.
B6.1	Number of product recall cases	0 (2017: 0)
B7 Anti-corruption	Policies	Brilliant Circle Holdings has implemented relevant internal policies and has been firmly adhering to the principles of openness, responsibility, honesty and integrity. All employees are required to strictly obey personal and professional ethics. In addition to the anti-bribery and anti-corruption policies as set out in the staff manual of the Company, the Company has set up relevant external whistleblowing procedures, and regularly reviewed the effectiveness of internal management system of the Group's daily operation. Through the setting up of suggestion box, whistleblowing hotline and whistleblowing mailbox, the Company is able to strengthen its management and supervision, and advocates the concept of anti-corruption within the Company to create an incorrupt working environment.

Environmental, social responsibility and governance report

Aspect	Policies/ name of indicators	Indicator values/ comply or explain
	Information on compliance with the relevant laws and regulations that have a significant impact on the issuer	During the reporting period, no case regarding corruption practices was brought against the Company or its employees. The Company has also strictly complied with relevant national laws and regulations in respect of anti-bribery, extortion, fraud and money laundering.
B7.1	Number of corrupt cases and its results	0 (2017: 0)
B7.2	Anti-corruption measures	Through the setting up of suggestion box, whistleblowing hotline and whistleblowing mailbox, the Company is able to strengthen its management and supervision, and advocates the concept of anti-corruption within the Company to create an incorrupt working environment.

B. Social – Community

Aspect	Policies/ name of indicators	Indicator values/ comply or explain
B8 Community Investment	Policies	The Company takes the initiatives to fulfill corporate citizenship and encourage the staff to participate in social welfare activities.
B8.1	Focus areas of contribution	Over the years, the Group was actively involved in disaster relief work, supporting poverty-stricken areas, donating to schools, promoting Chinese culture and engaging in other public services, so as to contribute to our community through various means. The Company improved physical fitness of the people in the community through sponsoring and participating in basketball competitions, football matches and other activities organized by the community. In addition, the Company also raised people's awareness of anti-fraud practices by providing a venue for them to take part in the anti-fraud training courses organized by the local public security bureau.