



中國稀土控股有限公司
China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號 : 00769

Environmental,
Social and
Governance
Report
2018
環境、社會及
管治報告

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1. 範圍

中國稀土控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」）為中國最大規模的稀土及耐火材料生產商之一。本集團於一九九九年十月十五日在香港聯合交易所有限公司上市，是中國首間在海外上市的私有稀土和耐火材料生產企業。本集團的總辦事處及主要營業地點位於中國江蘇省宜興市丁蜀鎮，而本集團的香港營業地點則位於香港灣仔告士打道39號夏慤大廈2509室。

本集團持續發展業務，維護持份者利益，致力實現長遠共贏。同時本集團亦關注環境、社會及管治的事宜，並於本報告內闡述。本報告的內容乃按照香港聯合交易所有限公司上市規則附錄二十七所載之環境、社會及管治報告指引而編製，報告期為二零一八年一月一日至二零一八年十二月三十一日，內容主要包含了本集團旗下四間附屬公司在報告期內於環境及社會責任方面的方向及實踐：

- 宜興新威利成稀土有限公司，主要從事製造及銷售稀土產品；
- 宜興新威利成耐火材料有限公司，主要從事製造及銷售耐火產品；
- 無錫新威高溫陶瓷有限公司，主要從事製造及銷售高溫陶瓷產品；及
- 海城市蘇海鎂礦有限公司，主要從事製造及銷售鎂砂產品。

1. SCOPE

China Rare Earth Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is one of the largest producers of rare earth and refractory materials in China. The Group was listed on The Stock Exchange of Hong Kong on 15 October 1999 and is the first private rare earth and refractory materials producer in China that is listed overseas. The Group’s main office and its main business location is at Dingshu Town, Yixing City, Jiangsu Province, and the Group’s Hong Kong business location is at Room 2509, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

In addition to sustainable development of business, protection of stakeholders’ interests and commitment to achieving a win-win situation, the Group has focused on environmental, social and governance issues, which were elaborated in this report. The content of this report is prepared in compliance with the Environmental, Social and Governance Reporting Guide set out in the Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The reporting period is from 1 January 2018 to 31 December 2018, and has mainly consisted of directions and practices of the Group’s four subsidiaries in respect of environmental and social responsibilities during the reporting period:

- Yixing Xinwei Leeshing Rare Earth Company Limited, principally engaged in manufacturing and sales of rare earth products;
- Yixing Xinwei Leeshing Refractory Materials Company Limited, principally engaged in manufacturing and sales of refractory products;
- Wuxi Xinwei High Temperature Ceramics Co., Ltd., principally engaged in manufacturing and sales of high temperature ceramics products; and
- Haicheng City Suhai Magnesium Ore Company Limited, principally engaged in manufacturing and sales of magnesium products.

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本集團於二零一七年末出售了主要從事製造及銷售螢光產品的宜興銀茂螢光材料有限公司的權益。取而代之本報告新加入了海城市蘇海鎂礦有限公司。兩公司業務性質不同。由於報告範圍的不同，故本報告中呈列的本年度數據或不能與二零一七年的同期數字直接比較。

The Group disposed of its interests in Yixing Silver Mile Fluorescent Materials Company Limited, which was principally engaged in the manufacturing and sales of fluorescent products, at the end of 2017. To replace it, Haicheng City Suhai Magnesium Ore Company Limited was newly included in this report. The two companies have different business natures. Due to the change in reporting scope, data for current year presented in this report may not be directly comparable with corresponding figures for 2017.

2. 與持份者溝通

為瞭解持份者對本集團履行企業及社會責任的期望，本集團與各持份者，包括客戶、供應商、員工及投資者等緊密溝通，規劃社會責任的發展策略，從而達至持續發展業務的目標。本集團的高級管理人員不時與各持份者進行探訪會議及電話會議，又通過電郵、公司郵箱及顧客服務熱線讓各持份者瞭解本集團之最新發展狀況；客戶服務專員亦持續與各持份者接觸，聆聽他們的意見及需求。

本公司在每年的中期報告及年度報告中向各股東匯報本集團整體業績表現，亦通過舉行股東大會，為股東及董事會提供溝通機會。董事會主席以及審核委員會、薪酬委員會及提名委員會之主席或其委任之代表，在股東週年大會上回答股東的提問。為更進一步促進與各持份者的有效溝通，本公司設有網站 www.creh.com.hk，用於廣泛刊載本集團業務發展及營運最新訊息、財務訊息及其他訊息。

2. COMMUNICATION WITH STAKEHOLDERS

To understand stakeholders' expectations for the Group's fulfillment of corporate and social responsibility, the Group has maintained close communication with stakeholders including customers, suppliers, staff and investors. This will facilitate the formulation of our business strategy, and help us achieve sustainable business development. The Group's senior management conducts interviews and conference calls with the stakeholders from time to time and the Group's updates are communicated to the stakeholders through e-mail, corporate mail and customer service hotline. The customer service specialist is also in constant contact with the stakeholders to listen to their views and needs.

The overall performance of the Group is reported to the shareholders in the interim report and annual report of the Company every year. The Company also provides opportunities for shareholders and the Board of Directors to communicate through general meetings. The Chairman of the Board of Directors and the Chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or their designated representatives answer shareholders' questions at annual general meetings. To further facilitate effective communication with the stakeholders, the Company has a website at www.creh.com.hk for the extensive publication of the Group's business development and operation news, financial information and other information.

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3. 環境、社會及管治表現

3.1 環境

3.1.1 排放物

本集團深明遏制全球氣溫上升已經刻不容緩，緩減氣候變化已是全球的重要議題。為免本集團在日常運作中所產生的溫室氣體、廢水、固體廢棄物及其他污染物會對環境造成破壞，本集團制定相應的環保政策，並採取一系列不同層級的應對措施。

1. 提升能源效益

本集團積極提升能源效益，專注節能減排升級，例如為空調於夏季時及其他用電設備於閒置時的啟動及關停提供清晰的使用指引、在車間遙控室的空調系統裝設了時間區域設置、於更換照明系統時採用能源效益表現較佳的LED燈具、逐步淘汰更換被國家列為高能耗的設備與電機。

2. 應用清潔能源

本集團同時推進電力和天然氣等低碳優質能源的使用，例如以天然氣鍋爐取代傳統燃煤鍋爐，從而減少燃燒時產出的硫化物、氮氧化物的排放。

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

3.1 Environmental

3.1.1 Emissions

Dealing with climate change and stemming global warming is an important issue for the whole world. To avoid greenhouse gases, sewage, solid wastes and other pollutants generated in its daily operation that cause damage to the environment, the Group has developed a series of environmental policies and taken an array of measures.

1. Improve Energy Efficiency

The Group has made efforts in boosting energy efficiency, and focused on energy conservation and emission reduction, which included providing clear guides for the switching-on and switching-off of air conditioners in summer and other equipment that are not in use, setting up time zone setting for air conditioning system in the workshops' control rooms, replacing the lighting system with LED lights that are more energy efficient, and gradually replacing and retiring equipment and motors that are classified as high energy-consumption equipment under relevant country rules.

2. Use of Clean Energy

The Group has also promoted the use of low carbon energy source such as using electric power and natural gas. Traditional coal-fired boilers have been replaced by natural gas boilers, thereby reducing the emission of sulfides and nitrogen oxides generated during combustion.

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3. 廢棄物管理

本集團亦盡可能循環再用日常生產所需的資源，例如盡量選擇使用可再次充裝的辦公用品等耗材，而對於無法循環再用的物資，如包裝塑膠袋、工業保鮮膜、原料內包裝袋等，本集團會分類收集、存放，再交由具有相關資質的單位合規處理。

4. 中水及雨水回用

本集團不斷探索改善生產用水給水方式，添置環保設備回收處理可再次利用的廢水及收集雨水，並通過在生產過程中實行串聯用水、梯級用水，以減少生產過程中廢水的產生量。

5. 綠色出行

本集團重視商務出行的節約管理，主張應用資訊科技如電話會議、視像會議或採用電子郵件取代不必要的出行活動。在需要出行情況下盡量使用公共交通工具，從而減少因交通運輸所產生的廢氣及溫室氣體排放。

6. 採購管理

原料質量、運輸成本、環境影響等因素為本集團選定供應商時的重要考慮因素，在符合生產條件及進料標準下，本集團優先採用本地及運輸距離較近的供應商，並會選取最合適運輸方式運送貨品，以期減少廢氣及溫室氣體排放。

3. Waste Management

The Group also recycles the resources used in the daily production, for example, office supplies with refills are selected whenever possible. Non-recyclable resources, such as packaging plastic bags, industrial plastic wraps and raw material packaging bags, are collected and stored by category before they are properly disposed by qualified agencies.

4. Reuse of Reclaimed Water and Rain Water

Methods are being explored by the Group to optimise the water use and supply in the production process; environmental friendly equipment has been added to recycle reusable sewage and rainwater; series water use and progressive water use methods are adopted to reduce the generation of sewage from the production process.

5. Green Travel

The Group is reducing business trips as much as possible. It encouraged employees to avoid unnecessary trips by using telecommunication technologies such as telephone conferences, video conferences and e-mail communications. If a business trip is necessary, public transportation should be used as much as possible to reduce the waste gas and greenhouse gas emissions generated by transportation.

6. Procurement Management

The Group will take raw material quality, transportation cost, environmental impact and other factors into consideration when selecting suppliers. On the premise of fulfilling production standards and input requirements, the Group prefers local and nearest suppliers and selects the most appropriate transportation tools to ship goods in order to reduce greenhouse gases emission.

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7. 向持份者宣導

保護環境的工作不能局限於集團內部，供應鏈的配合尤為要。本集團向供應商宣導環境保護的重要性，並要求所有供應商必須遵守所有相關環境法例法規，按法定環境標準行事，建立及遵行環境管理體系，令其營運的環境影響減至最小，並持續改善環境保護水平。環境保護的概念同時亦被納入本集團的職工教育培訓綱要內，務求通過本集團的員工將環境保護訊息推廣至各持份者，例如供應商、訪客、銷售客戶等。

8. 室內空氣質素管理

本集團的辦公室室內及生產車間已實施全面禁煙，僅劃分部份室外特定範圍作為吸煙區。廠區內亦禁止存放可能逸散粉塵、惡臭氣體的物質，並禁止燃燒物品。為保持室內空氣質量良好，又盡可能開窗通風或使用壁扇加強車間內的換氣流量，同時亦裝設吸附塔吸收生產車間內的異味氣體。

於報告期內，本集團恪守包括中華人民共和國大氣污染防治法、中華人民共和國固體廢物污染環境防治法等相關環保法例，沒有任何違反環境法律法規的個

7. Advocating to Stakeholders

The work of environmental protection should not fall only on the Group internally; the cooperation of the supply chain is equally important. The Group has advocated to suppliers the importance of environmental protection. The Group has requested suppliers to adhere to all relevant environmental laws and regulations and to act in accordance with prescriptive environmental standards. The Group has also requested suppliers to establish and adopt environmental management framework to minimize the environmental impact during operations and to continuously improve the environmental protection standard. The concept of environmental protection has been included into the Group's employee education and training program, in the hope to promote environmental protection messages to stakeholders such as suppliers, visitors and customers through employees.

8. Indoor Air Quality Management

The Group has implemented a non-smoking policy in office area and production workshops, and some of the outdoor areas are specified as smoking areas. Substances that may emit dust and malodorous gas are not allowed to be stored in the plant. Incineration is prohibited as well. In order to maintain indoor air quality, we ventilate as much as possible by keeping the windows open, or using wall fans to facilitate the airflow in the workshops. At the same time adsorption tower is utilised to absorb the odor in the workshops.

During the reporting period, the Group has adhered to the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on the Prevention and Control of

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案發生。報告期內有關附屬公司所產生的廢氣及廢棄物排放量分列如下：

Environmental Pollution by Solid Wastes and other relevant laws. There were no cases of violation of environmental protection laws and regulations. The amount of exhaust gases and waste generated by the relevant subsidiaries are detailed below:

	單位 Unit	數量 Amount	
		二零一八年 2018	二零一七年 2017
廢氣種類			
Type of Exhaust Gas			
氧化氮 (NOx) (由氣體燃料消耗而產生)	公斤	493.78	412.82
Nitric Oxide (NOx) (Produced by gaseous fuel consumption)	kg		
氧化硫 (SOx) (由氣體燃料消耗而產生)	公斤	2.46	2.05
Sulfur Oxide (SOx) (Produced by gaseous fuel consumption)	kg		
氧化氮 (NOx) (由汽車使用而產生)	公斤	227.29	967.48
Nitric Oxide (NOx) (Produced by vehicular use)	kg		
氧化硫 (SOx) (由汽車使用而產生)	公斤	1.79	1.39
Sulfur Oxide (SOx) (Produced by vehicular use)	kg		
顆粒物 (PM) (由汽車使用而產生)	公斤	19.66	72.08
Particulate Matter (PM) (Produced by vehicular use)	kg		
溫室氣體 (包括範圍1及範圍2)	公噸二氧化碳當量	79,242.27	18,377.20
Greenhouse Gas (Includes Scope 1 and Scope 2)	tonnes of carbon dioxide equivalent		
廢棄物種類			
Type of Waste			
有害廢棄物	公噸	182.11	4.12
Hazardous Waste	mt		
無害廢棄物	公噸	55.60	30.12
Non-hazardous Waste	mt		

由於本年報告範圍剔除了宜興銀茂螢光材料有限公司，而由海城市蘇海鎂礦有限公司取代，後者的整體汽車行走里數僅及前者四分之一，致使行走里數大幅減少，令相關由行走里數估算而來的污

Yixing Silver Mile Fluorescent Materials Company Limited has been removed from the scope of this year's report, and replaced by Haicheng City Suhai Magnesium Ore Company Limited. The overall kilometres travelled by vehicles of the latter is only a quarter of the former, which resulted in a

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染物排放量大幅減少。此外，期內有關附屬公司共淘汰了三台汽車，並且隨公共交通網絡的發展，相關的路程更多由高鐵和巴士替代，亦有助減少汽車廢氣排放。另一方面，由於新納入報告範圍的海城市蘇海鎂礦有限公司生產電熔鎂砂需要大量電力，導致溫室氣體排放量大幅上升。而有害廢物量大幅上升是由於二零一七年宜興新威利成稀土有限公司有停產情況，導致基數較低，而本報告期的有害廢物量其實與二零一六年相若。

3.1.2 資源使用

本集團深諳地球上的資源有限，透過節約用電、用水、用紙奉行其節約資源使用的重要理念。

1. 綠色生產

本集團從多方面推行節約用電措施，不單制定設備使用指引指導員工適當使用器材，同時亦不斷探索不同措施提升資源使用的效率。本集團為求發揮生產設備的最佳運行效率，強調定期保養、及時維修和正確操作生產設備。質檢單位在生產過程中每個環節均進行質量檢測，以最大力度減少廢品率。另一方面，本集團鼓勵無紙化辦公，審閱文件盡量以電子文檔為主，從而減少紙張、墨水匣、碳粉匣等資源的浪費。同時分類收集、存放廢棄物，以便重用及轉交合資格處理商回收。

significant drop in the pollutant emission calculated from the kilometres travelled by vehicles. The relevant subsidiaries had also phased out a total of three vehicles, and with the well-developed public transportation network and switching to high speed rail and buses for travel, exhaust gas emissions have also been reduced. In addition, Haicheng City Suhai Magnesium Ore Company Limited, the subsidiary newly included in this report, manufactures fused magnesium grains that consumed a lot of electricity, resulting in a significant increase in greenhouse gas emission. As there had been a production suspension of Yixing Xinwei Leeshing Rare Earth Company Limited in 2017 which led to a relatively low generation of hazardous waste reported, there would seem to be a considerable increase in this reporting period. However, the generation of hazardous waste during this reporting period is similar to that in 2016.

3.1.2 Use of Resources

The Group understands that the resources on the planet are limited, and is devoted to major principles including the conservation of power, water and paper during operating activities.

1. Green Production

The Group has implemented many electricity saving measures. In addition to formulating use guides for equipment, the Group also continuously explored the measures of effectively enhancing efficiency in use of resources. The Group has emphasized on proper use of production equipment, and strengthened repairs, maintenance and operations of equipment, thereby making equipment operating at the best efficiency. Quality inspection is conducted at each step in the production process to reduce scraps. Employees are required to save office supplies, and electronic files are preferred when reviewing documents in order to reduce the waste of paper and ink resources. Wastes are collected and stored by category to facilitate reusing and recycling by qualified agencies.

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2. 善用水資源

儘管本集團的生產流程用水量相對較少，惟善用水資源仍不應被忽視。本集團通過在用水現場張貼節水提示，倡導員工及訪客節約用水。本集團又指派專人進行定期檢查管道及水龍頭等設施，務求對設備滴水、漏水等問題能及時維修處理，做到不開無人水，杜絕跑冒滴漏現象。本集團亦尋求改進生產用水給水方式，通過添置環保設備，處理生產廢水至達標後再循環使用。

於報告期內，本集團有關附屬公司在運作及生產期間所消耗各種主要資源概列如下：

2. Water Conservation

Although the Group does not use a lot of water during production, we still attach importance to efficient use of water resource. The Group posts water-saving signs near water sources to encourage employees and visitors to save water. We have designated responsible staffs who check on water facilities, such as pipes and faucets, on a regular basis in order to repair water leaks promptly. Employees are required not to keep the water running when not in use to prevent leaking and dripping. The Group also explored methods to optimize the water use and supply in the production process, and added environmental friendly equipment to treat sewage for reuse once it meets relevant standards.

During the reporting period, the major types of resources consumed by the relevant subsidiaries of the Group in production process are as follows:

	單位 Unit	數量 Amount	
		二零一八年 2018	二零一七年 2017
資源 Resource			
電力 Electricity	千瓦時 kWh	67,391,010	13,249,061
天然氣 Natural Gas	立方米 m ³	1,245,945	417,665
水 Water	立方米 m ³	175,823	125,683
包裝物料（包括紙料、鐵料、木料、塑料等） Packaging Material (including paper, metal, wood, plastic etc.)	公噸 mt	329.99	499.32

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海城市蘇海鎂礦有限公司生產電熔鎂砂需要大量電力，因而令電力消耗總量大幅上升。而由於二零一七年宜興新威利成稀土有限公司有停產情況，導致天然氣消耗量基數較低，而本報告期的天然氣消耗量其實與二零一六年相若。

Haicheng City Suhai Magnesium Ore Company Limited consumed a lot of electricity in manufacturing fused magnesium grains that resulted in a relatively larger amount in electricity consumption. There had been a production suspension at Yixing Xinwei Leeshing Rare Earth Company Limited in 2017 which led to a relatively lower amount of natural gas consumption. The consumption of natural gas during this reporting period is in fact similar to that of 2016.

3.1.3 環境及自然資源

本集團確保所選用的物資及生產過程符合國家環保政策及法例，每年均在生產區進行環保檢測，以確保營運狀況符合法律法規。同時，本集團藉教育及宣傳加強員工之環保意識，例如每年都會組織一天無紙化辦公日活動，提倡節約用紙，加強無紙化辦公氛圍。本集團亦積極參與政府舉辦的綠色活動，包括配合政府植樹節活動，在廠區附近公共地段植樹。把保育資源的意識引領到每位員工的心中，形成愛護綠樹的習慣。

3.1.3 The Environment and Natural Resources

The Group ensures that the materials used and the production process meet the requirement of the environmental protection regulations and laws in China. Inspection would be conducted every year at the production sites to ensure that the operating conditions comply with the laws and regulations. Employee's awareness towards environmental protection has been strengthened through education and promotion. For example, the Group organizes a Paperless Working Day every year to promote paper saving and strengthen the paperless working culture. The Group also actively participates in green events organised by the government, such as participating in tree-planting activities and planted trees in public area near the factory. These has instilled awareness of resources conservation into the minds of every employee and shaped the habit of love and care for trees.

3.2 社會

3.2.1 僱傭

互相信賴的僱傭關係以及和諧的工作氛圍是企業穩步向前發展的重要基礎，因此本集團不單兼顧勞動法規要求，亦制定了完善的薪酬體系及福利政策以保障所有員工獲得公平及合理的待遇。

3.2 Social

3.2.1 Employment

It is an important foundation for the stable growth of the Company to maintain harmonious employment relationships and working atmosphere. Therefore, in addition to complying with labour laws, the Group has also developed sound wage systems and benefit policies to ensure all employees are treated reasonably and fairly.

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1. 平等機會與多元共融

本集團尊重每個人的性別、年齡及種族等異同，給予每名工作應徵者相同的應徵權利，提供平等的就業機會，禁止歧視。本集團晉升員工時亦只會參考員工的工作表現、經驗及個人能力，其他與工作無關之因素如婚姻狀況等均不會對員工的晉升機會構成影響。

2. 員工保障及福利

本集團與所有員工簽訂僱傭合約，使彼等受到相關勞工法例的保障。本集團並為員工購買社會保險，使他們能以較低成本享用醫療服務。本集團為核心人員及年老員工繳納住房公積金及為女職工組織免費婦檢。當遇到與工作有關的傷亡情況，本集團定必依照勞動法對員工及家屬作出相應的合理賠償。

3. 工作生活平衡

保持工作與生活的平衡對於員工的身心健康而言絕對不容忽視，因此本集團不會強逼員工超時工作。為協助員工減輕工作壓力，本集團每年均會舉辦秋季運動會及員工交流會議等活動，讓員工在工餘時間能聚首一堂，藉此提高彼此之間的溝通，凝聚員工的團隊精神，營造愉快的工作氛圍。

本集團恪守中華人民共和國勞動法等相關的僱傭法例。於報告期內，本集團並沒收到有關於歧視或招聘的投訴個案，而整體員工每月平均流失率約為0.48%。

1. Equal Opportunities, Diversity and Inclusiveness

The Group respects the gender, age and ethnicity of each person. Each job candidate has an equal job opportunity. All of them will be treated equally and there is no discrimination. Any promotion would be based solely on the employee's performance, experience and capability. Any factors not related to work, such as marital status, would have no impact on employee's promotion.

2. Employee's Protection and Benefits

All employee would enter into an employment contract with the Group to ensure protection by relevant labour laws. The Group also purchases social insurance for employees so that they could enjoy medical services at a relatively low cost. The Group pays the Housing Provident Fund for key and senior employees and organises free gynecological examinations for female employees. The Group provides reasonable compensation for employees and their families when there is work-related injuries and death in accordance with the labour laws.

3. Work and Life Balance

Maintaining a good work and life balance is essential for employees' physical and mental health, therefore, the Group never forces employees to work overtime. In order to help employees destress, Autumn Sports Games, Employee Exchange Conference and other activities are held each year, which help encourage employees to get together during leisure time, improve communication among employees, build team spirit and create a pleasant work atmosphere.

The Group has adhered to the Labour Law of the People's Republic of China and other relevant laws. During the reporting period, the Group has not received any complaints regarding discrimination or recruitment. The overall employee turnover rate per month is around 0.48%.

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於二零一八年十二月三十一日，本集團的員工的總數及分佈概述如下：

As at 31 December 2018, the Group's total number and distribution of employees are summarised as follows:

	員工人數	
	二零一八年 2018	二零一七年 2017
性別 Gender		
男性 Male	303	310
女性 Female	128	118
工作類別 Employment Type		
全職 Full-time	430	426
兼職 Part-time	1	2
年齡 Age		
18 - 30	15	31
31 - 45	154	163
46 - 60	237	216
> 60	25	18
地理區域 Geographic Region		
本省 Local Province	358	381
外省 Other Province	73	47

3.2.2 健康與安全

保障員工的職業健康與安全是每一間企業的基本責任，因此本集團積極採取安全機制主動排查隱患，並以工作零事故作為目標。

1. 工作場所管理及保護設備

本集團的辦公室及廠區車間均有張貼設備安全操作規程及作業指示，以協助及提醒員工瞭解各工序的安全操作要點。本集團亦會為一些相對風險較高的工作崗位提供各類適當的保護設備，以減少職業事故發生率及減低事故發生時的嚴重性。

3.2.2 Health and Safety

Ensuring the health and safety of employees is the basic responsibility of every enterprise. With the goal of zero work accident, the Group has actively adopted security measures to proactively investigate hidden dangers.

1. Workplace Management and Protective Equipment

Instruction and procedures for safety operation of equipment have been posted in the Group's office and factory workshop to remind employee of the importance of safety practices. The Group has also provided protective equipment for the high-risk jobs to reduce the rate and severity of work accident.

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2. 安全監控及員工培訓

本集團通過組織員工參與職業健康及安全培訓，例如急救演練、事故應對演習等，並張貼崗位職業病危害告示，使員工了解其崗位的潛在職業性危害並做好防預措施。同時，本集團亦通過內聯網每年向員工發放職業危害告知確認書，從而提升員工的安全意識。

本集團恪守包括中華人民共和國職業病防治法等與職業安全健康相關的法例，於報告期內，並未違反任何有關職業健康及安全相關的法律法規，亦未有任何員工因工作原因而發生死亡情況。報告期內員工因工傷而損失的工作日共計346天。

3.2.3 發展及培訓

企業的生產力依仗員工的績效水平，為提升團隊的職業技能及專業水平，本集團建立培訓管理制度及培訓計劃，定期為員工提供培訓及進修機會。本集團在職業發展政策方面著重關注扶助員工發揮所長，建立人材梯隊，安排有經驗的員工在日常工作期間指導新員工，務求令員工盡快適應本集團的制度與文化，以推動本集團在不同範疇的長期發展。

2. Safety Control and Employee Training

Through participating in occupational health and safety training organized by the Group, such as first-aid drills and incident response drills, employees learned about potential occupational hazards in their positions and have taken precautionary measures. Occupational hazard notices have also been posted. In addition, the Group also sends out occupational hazard notice confirmation to employees through intranet every year to raise employees' safety awareness.

The Group has adhered to the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases and other relevant occupational safety and health laws. During the reporting period, the Group has not violated any occupational safety and health laws and regulations, and there were no employee deaths due to work. During the reporting period, a total of 346 workdays were lost due to employee work injuries.

3.2.3 Development and Training

The productivity of a company relies on the level of performance of its employees. To improve team's skills and professionalism, the Group has established training management systems and training programs and regularly provides training and education opportunities for its employees. The Group's career development policy focuses on helping employees to develop their strengths. For example, the Group provides guidance for new employees, establishes training management system and training plans, and arranges experienced employees to guide new employees during day-to-day work in order to help employees adapt to the Group's culture and promote the Group's long-term development in different areas.

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於報告期間，本集團員工的平均培訓時數如下：

During the reporting period, the average number of training hours of the Group's employee is as follows:

	每名員工的平均培訓時數	
	二零一八年 2018	二零一七年 2017
性別 Gender		
男性 Male	7.74	10.16
女性 Female	9.75	12.48
員工職系 Employee Rank		
高級管理層 Senior Management Level	42.15	27.79
中級管理層 Middle Management Level	30.18	29.26
初級員工 Junior Employee	4.90	7.05

3.2.4 勞工準則

本集團嚴格禁止聘用童工及強制性勞動，僅會聘請符合法定年齡的員工，且尊重既定的工作時間，不會強迫員工超時工作，從而維持一個尊重人權的工作環境。

人力資源部在招聘新員工時，會剔除不滿十八歲應聘者簡歷，並核實其證明文件。自制定規定以來未有發生聘用未成年員工的事件，另一方面人力資源部亦會每月定時查看工作考勤記錄，調查超時工作，確保沒有員工在非自願的情況下超時工作。

3.2.5 供應鏈管理

履行企業責任必須由不同持份者共同承擔及推進，本集團因而制訂了《中國稀土供應商行為準則》，從法律、禁止貪污賄賂、員工的基本人權、健康與安全、環境保護等各方面向供應商提出了

3.2.4 Labour Standards

The Group strictly prohibits the use of child labour and forced labour. It only employs employees of legal age and never forces employees to work overtime to maintain a work environment that respects human rights.

During the recruitment process, the Human Resources Department eliminates candidates who are under the age of 18 years and verify supporting documents. Since the policy was implemented, no minors has ever been employed. The Human Resources Department also reviews the attendance records on a regular basis. If overtime work is discovered, investigation will be conducted immediately to ensure that employees are not forced to work overtime.

3.2.5 Supply Chain Management

Fulfilling corporate responsibility must be carried out and promoted by different stakeholders. As such, the Group has established "The Code of Conduct for China Rare Earth Suppliers". Through aspects such as the laws, prohibition of corruption and bribery, employee's basic

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具體的規範要求。為配合本集團的整體營運方針，本集團會要求供應商必須具有執照、環保認證、安全生產認證、職業健康認證等相關資格；又每年定期評估活躍及重要供應商，通過問卷、電郵或會面等形式評定供應商的服務表現是否達到本集團的要求。

於報告期內，本集團活躍供應商有60個來自中國，1個來自香港。

3.2.6 產品責任

產品的質量及安全對企業的聲譽及發展有關鍵影響，故此本集團的所有產品均嚴格按照合同約定以及危險品相關法律與規定來訂立交貨標準，絕不提供劣質產品，以維護客戶權益。本集團只向合格供應商採購原材料，確保生產材料優良，生產過程依照ISO9001品質管理體系方針，持續改進品質管理。若出現技術方面的問題，技術部將會牽頭處理，如有需要改進產品質素的相關事項，則由技術部聯同生產部共同處理，並將產品質素改進的信息交由銷售部向顧客及時傳遞。售出的產品若出現品質問題，本集團會負責產品的回收及與客戶協商後續跟進安排。於報告期間，本集團已售或已運送的产品並未因安全與健康理由而須作回收。

rights, health and safety, and environmental protection, the Group has put forward specific requirements for suppliers. To align with the Group's overall operational policy, the Group has required suppliers to have qualifications such as licensing, environmental certifications, production safety certifications, and occupational health certifications. Each year, the Group conducts periodic assessments of active and key suppliers to assess whether the suppliers' performance meets the Group's requirements through questionnaires, e-mails or interviews.

During the reporting period, the Group has 60 active suppliers from China and 1 from Hong Kong.

3.2.6 Product Responsibility

Product quality and safety have a direct impact on an enterprise's reputation and development. To set the delivery standards, all products have strictly abided by contracts and relevant laws and regulations for dangerous goods. Poor quality products would not be delivered in order to protect customers' interests. To ensure excellent quality of materials, the Group has only procure raw materials from qualified suppliers. Production process has adhered to the ISO9001 Quality Management System policy to improve quality management continuously. If there is a technical issue, the Technical Department would lead to solve the issue. If there is needs to improve the quality of the products, the Technical Department would work with the Production Department together and the information regarding the improved quality would be delivered by the Sales Department to customers in a timely manner. If there is quality issue for products sold, the Group would be responsible for recalling the products and negotiating with customers for follow-up arrangements. During the reporting period, there is no products sold or shipped by the Group needed to be recalled for safety and health reasons.

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本集團設立了熱線電話及提供現場跟蹤服務，從各方面協助客戶解決產品品質上的問題，提升客戶對本集團產品的信心。本集團亦設立客戶投訴熱線、傳真和電郵的溝通管道，並承諾在接到客戶投訴時，必定在十二小時內向客戶提供滿意答覆。

本集團亦十分重視維護及保障知識產權，並承諾不會購買或使用盜版產品，拒絕採用未經授權的圖像或設計。所有涉及圖紙的版權問題的產品生產過程，均須得到版權持有人授權同意後方可使用；同時，本集團亦設立自有圖片庫供員工使用。

本集團重視保障客戶私隱，制定了消費者資料保障及私隱政策，未經客戶允許絕不會將客戶資料用於宣傳用途。所有客戶資料皆按照檔案管理要求進行嚴格保管，保密級別分為普通、機密、絕密，且根據保密級別不同，保密要求亦不同。電腦系統內的資料將根據保密要求而設置相應等級的授權級別及查詢密碼，而紙質材料則有專人保管，獲得授權查閱資料的人員必須進行備案登記。

3.2.7 反貪污

本公司的董事局成員來自各個背景，共同監管本公司的管治政策。本集團要求所有員工均不得行賄，亦杜絕一切受賄行為，與政府官員及業務單位經辦人交流時須注意言行以免引起誤會。本集團亦設立了員工舉報機制，通過信箱、微信、電話等管道反映及舉報不當行為。

The Group has set up a telephone hotline and provided real-time tracking services to help customers with product quality issues, thus building customers' confidence with the Group's products. The Group has also set up communication channels for customers such as complaint hotlines, facsimiles and e-mail and has undertaken to provide a satisfactory response within 12 hours of receiving the complaint.

The Group places great importance on the protection of intellectual property, undertakes to refuse purchasing and using pirated products, as well as using unauthorised images or designs. Production processes involving copyright issues of blueprints must be approved by the copyright holder before use. At the same time, the Group has set up an image gallery for employees to use.

The Group places great significance on protecting customers' privacy and has developed a consumer data protection and privacy policy whereby customers' information would not be used for promotion purposes without customers' approval. Customers' data are strictly stored in accordance with the file management requirements. Level of confidentiality are classified as normal, classified and confidential, and confidentiality requirement differ according to level of confidentiality. Information in computer system is protected with query password and authorisation functions based on its confidentiality levels. Hard copies are kept by designated person and registration is needed for all authorized access.

3.2.7 Anti-corruption

Board members of the Company are from various background and jointly supervise the Company's governance policy. The Group has required that all employees not to be subject to bribery and to pay attention to words and actions when corresponding with government officials and business unit managers to avoid misunderstandings. The Group also set up a reporting

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本集團在接到舉報後兩天內著手調查，並將調查結果匯報給本集團人事部副總裁以及向舉報人通報，而所有的舉報個案均會存檔並做保密處理。

本集團所有物料採購均依據《採購招標管理制度》，所有以合約方式有償取得物資、工程及勞務的行為、購買、租賃、委託等，必須採用公開招標形式。評價及考核以投標方的資質情況、最終採購物資的質、量、價、運送時間等各方面因素作為標準。

本集團委託獨立審核機構對帳目進行半年度審閱及全年度審核，確保本集團的賬目正確，保障股東的利益，同時亦會根據獨立審核機構提出的建議改善內部監控制度。

3.2.8 社區投資

本集團會積極參與及支持本地社區及政府部門組織的活動，肩負改善環境、社會及管治表現之責任，致力成為一家備受認可的可持續發展企業。

mechanism for employees. The Group provides employee with reporting channels include mailboxes, WeChat and telephone to report any misconduct. The Group would investigate any report within two days upon receipt. The results of the investigation will be submitted to the Group's Vice President of the Human Resources Department and the reporter would be notified. All reported cases will be archived and handled confidentially.

The Group has developed the "Procurement Tendering Management System" for the procurement of materials. All actions, purchases, leases, entrustments for acquiring supplies, engineering and services by contractual means should be subject to open tenders. Evaluation and assessment are based on factors such as qualification of the bidder, the quality, quantity, price and delivery time of the final purchasing materials.

The Group has entrusted independent audit organisation to conduct semi-annual reviews and annual audits on the Group's accounts to ensure that the Group's accounts are correct in order to protect the interests of the shareholders. The Group would also improve the internal control system by adopting the suggestion raised by the independent audit organisation.

3.2.8 Community Investment

The Group would actively participate and support events organised by the local community and government authorities. The Group would also take on the responsibility of improving on the environmental, social and governance performance, and strive to become a recognised sustainable enterprise.



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