



Huajin International Holdings Limited

華津國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2738)

**Environmental, Social and Governance Report
2018**

Content

Section 1 – About This Report

- 1.1 Introduction
- 1.2 Basis for Preparation of the Report
- 1.3 Scope of Report

Section 2 – ESG Performance Overview

Section 3 – Environment

- 3.1 Emissions Control Management
- 3.2 Efficient Use of Resources
- 3.3 Environment and Natural Resources

Section 4 – Personnel

- 4.1 Respecting Labour Rights
- 4.2 Health and Safety
- 4.3 Education, Training and Career Development

Section 5 – Operating Practices

- 5.1 Product Responsibility
- 5.2 Supply Chain Management
- 5.3 Ethics and Anti-corruption

Section 6 – Community Involvement

Appendix 1 Index to the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange

Section 1 – About This Report

1.1 Introduction

As a responsible corporate citizen, Huajin International Holdings Limited (the "Company", together with its subsidiaries, the "Group", "we", "our" or "us") takes an active part in sustainable development and attaches great importance to corporate social responsibility. The Board of Directors cares about the economic, environmental and social impact of business, and closely evaluates ESG risks in decision making. The Group has appointed certain business units to implement its ESG risk management mechanism and internal control system and ensure their effective operation, while establishing positive relationships with all stakeholders to jointly create a sustainable future.

As an entity principally engaged in the processing of hot-rolled carbon steel coils into cold-rolled carbon steel products and zinc coated steel products, the Group advocates the principle of caring for environment and social interests, and has formulated various initiatives covering environmental management, labour practices, product quality, corporate integrity and community engagement to fulfil our corporate social responsibility.

This report summarises the Group's work on corporate social responsibility ("CSR") during 2018, and attests to our ongoing commitment to creating a brighter future.

1.2 Basis for Preparation of the Report

This report was prepared by the board of the directors (the "Board") of the Company according to the Environmental, Social and Governmental Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The information disclosed in this report was sourced from the Group's internal data, results and internal management system analyses.

This report has been properly prepared in accordance with the reporting principles set out in the Environmental, Social and Governmental (ESG) Reporting Guide. All important areas are identified through stakeholder engagement and the evaluation and verification of importance by senior management. We approached stakeholders through various channels and engaged an independent professional third-party advisor to opine on ESG issues in our business, so as

to set priorities on the important areas to be reported according to their impact on the environment, economy and society and on stakeholders.

We aim to provide the objective, accurate and fair information in this report.

1.3 Scope of Report

This is our third annual environmental, social and governmental ("ESG") report, which includes the Group's ESG agenda and its progress, covering the reporting period from 1 January 2018 to 31 December 2018.

Scope of Report:

This report focuses on the Group's headquarters and our two main production subsidiaries operating in the People Republic of China (the "PRC"), namely Jiangmen Huajin Metal Product Company Limited ("Jiangmen Huajin") and Jiangmen Huamu Metals Company Limited ("Jiangmen Huamu"). The Group's headquarters in the PRC is located at Xinsha Industrial Park, Muzhou Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC.

Unless otherwise specified, all numbers are absolute figures. Subcontractors' personnel are not included in the employment section for the Group.

To better serve readers and enhance transparency, a detailed index to the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange is included at the end of this report. Other ESG information, including financial data and corporate governance, has already been published in the Company's 2018 Annual Report.

This report has been approved by the Board. We would like to take this opportunity to thank every individual and organisation that participated in the work for this report.

Section 2 – ESG Performance Overview

The following is an overview of the Group's CSR initiatives for 2018:

Scope	Aspect	Policy/compliance regulation	with Summary of Initiatives
Environment	Emissions	✓	Stop using biological particles and solely use clean energy (natural gas) as fuel to reduce the impact on neighbouring areas
	Use of Resources	✓	Recycle wooden frames and packaging tapes, and use packaging buckles made of scrap materials
	Environment and Natural Resources	✓	We regularly check whether the pollutants emitted by factories would affect the animals and plants around
Social – Employment and Labour Practices	Employment	✓	Fair, equal and open system for internal employee promotions
	Health and Safety	✓	Maintain effectively the occupational disease prevention and control records and related emergency management mechanism
	Development and Training	✓	New employee training and on-the-job training
	Labour Standards	✓	Prohibit the use of illegal or inhumane punitive measures or forced labour
Social – Operating Practices	Supply Chain Management	✓	Supplier evaluation mechanism
	Product Responsibility	✓	Implement quality management systems
	Anti-corruption	✓	Anti-fraud management system
Social – Community	Community Investment	✓	Help the poor and the disabled, regularly donate and visit poor, senior or disabled groups with volunteers and the labour union

Section 3 – Environment

3.1 Emissions Control Management

We believe that environmental protection is extremely important to the sustainable development of the Group's business. Consequently, our operational decision-making processes take into account a wide range of environmental factors, and every aspect, from planning and procurement to production, involves input from all departments, organisations and business partners. We take a range of measures to reduce our environmental impact, waste gas, greenhouse gas emissions, water and soil pollution and minimise generation of both hazardous and non-hazardous wastes, in order to fulfil our ongoing commitment to environmental protection.

Our production processes produce liquid waste, industrial waste water and urban waste water. We maintain a production wastewater treatment station in the factory area, including two treatment units respectively for acidic and alkaline wastewater. A part of the treated wastewater flows into the recycling unit for advanced treatment and, upon meeting the criteria, is used as degreased cleaning water.

We keep the exhaust emissions within the thresholds under relevant laws and regulations. To reduce emissions more effectively, we stopped using biological particles and solely used clean energy (natural gas) as fuel to reduce emissions of waste and greenhouse gases, with 334,728 trees planted in the factory area. These measures are monitored by our energy audit team with an aim to reduce the impact on neighbouring areas.

Annual emissions from consumption of gaseous fuel and motor vehicle

Pollutant	Nitrogen oxides (NO _x)	Sulphur oxides (SO _x)	Particles (PM)
Kilogram	1,428.1	7.3	103.5

Total greenhouse gas emissions

Emissions	Year	Scope 1	Scope 2	Scope 3	Total	Density (tonnes / tonnes of production volume)
Carbon dioxide equivalent (tonne)	2017	29,551.51	102,358.61	N/A	131,910.12	0.169
	2018	9,328.49	96,097.13	21.26	105,446.88	0.164

Notes:

Scope 1 includes direct fixed and mobile combustion emissions;

Scope 2 includes indirect energy emissions;

Scope 3 includes business air travels of employees,

Regarding solid wastes, we identify hazardous wastes from factories in accordance with the National Catalogue of Hazardous Wastes (2017 edition), and engage third-party qualified processors for rational recycling and disposal of hazardous wastes from our factories in accordance with regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and the Administrative Measures on Hazardous Waste Transfer Records. Meanwhile, the Group requires its factories to observe the regulations on central collection and temporary storage management of hazardous waste, to ensure compliance of the Group's hazardous waste treatment practices with national laws and regulations. We take the following management measures and effectively reduce generation of both hazardous and non-hazardous wastes:

- Wooden frames are recycled, and packaging tapes and packaging buckles are made of scrap materials;
- Packaging waste material is recycled by the relevant waste recycling organisations;
- Specialist hazardous waste recycling companies handle the replacement of emulsified oils and acid washing effluent, and the replacement of machine oils for mechanical equipment; and
- Office and domestic garbage is collected and disposed of by the relevant sanitation agencies.

Generation of both hazardous and non-hazardous wastes

	Hazardous wastes		Non-hazardous wastes	
Year	2017	2018	2017	2018
Tonnes	4,115	7,664	534	321
Density (tonnes / tonnes of production volume)	0.005	0.012	0.0007	0.0005

During the reporting period, the Group complied with all aspects of environmental protection policies and requirements, including relevant environmental laws and regulations in the PRC governing waste gas and greenhouse gas emissions, water and soil pollutant discharge, and hazardous and non-hazardous waste. The Group has not received any penalties for breaching the applicable laws or regulations.

3.2 Efficient Use of Resources

The Group has created rigorous resource usage policies to manage energy savings, water consumption and raw material usage, with the goal of increasing resource efficiency, reducing wastes and recycling reusable resources.

Resource and energy consumption, including water, electricity, natural gas, oil, raw materials and office facilities and appliances across departments, is overseen under the Management Regulations on Resource and Energy Control. A dedicated energy conservation report is developed for each of our projects, to ensure efficient use of resources and reduce adverse impact on the environment. The specific energy efficiency and emission reduction targets, as set out in the dedicated energy conservation reports, allow the Group to define a clear blueprint for its environmental management efforts. We will achieve the targets according to the timetable proposed in the energy conservation reports.

The relevant measures and performance are summarised as below:

- Continuing to employ energy-efficient technology and gradually replacing lighting in workshops, offices and warehouses with light emitting diode (“LED”) lamps.

- Reducing the number of bulbs and installing automatic control systems at workshops and offices, turning off machinery (including toilet lights and exhaust fans) after work; and
- Ensuring no idling of production equipment.

Total energy consumption

Year	Electricity power (MWh)	Solar power (MWh)	Natural gas (MWh)	Total (MWh)	Density (MWh / tonnes of production volume)
2018	150,646	1,636	51,322	203,604	0.252
2017	160,461	N/A	63,897	224,358	0.284

In terms of water usage, we found no problems or potential problems in identification of suitable water sources. We advocate water economy in our daily operations to better recycle water resources and reduce water consumption.

Total water consumption

Year	Total (m ³)	Density (m ³ / tonnes of production volume)
2018	596,762	0.925
2017	758,266	0.968

Consumption of packaging materials in finished products

Materials	Total consumption (tonne)		Density (tonnes / tonnes of production volume)	
Year	2017	2018	2017	2018
Paper	83.55	89.39	0.00011	0.00014
Adhesive tapes	143.45	217.24	0.00018	0.00034
Metal	N/A	57.24	N/A	0.000088
Wood	N/A	295.37	N/A	0.00046

Furthermore, we try our best to use environment-friendly packaging materials such as wooden frames, and keep records of their volume so as to ensure recycling and reuse. In our offices, we promote to use less paper by double-sided printing, recycling one-side printing paper and using electronic filing system. Ink cartridges are often refilled and reused, while a "new for old" replacement policy is adopted for office supplies, so that old goods can be recycled and reused.

3.3 Environment and Natural Resources

To reduce the impact of our day-to-day operations on the environment and natural resources, the Group identifies sources of emissions and waste products in our operational processes, as well as the severity of environmental impact caused by the use of resources, and performs targeted environmental impact assessments. During the year, we regularly check whether the pollutants emitted by factories would affect the animals and plants around, so as to keep ourselves updated and implement measures accordingly. In addition, our electronic system has largely achieved online operation ranging from raw material procurement, warehouse entry, sale, cold rolling and slitting, to inventory management, pick-up and delivery process. The standard and digital ERP system helps significantly reduce manual record, manual review and paper-based approval workflows, leading to better efficiency across the Group. We also employ computers to systematically track packaging materials of different products, coupled with the upgraded packaging design for harmful products to be more environment-friendly.

Section 4 – Personnel

4.1 Respecting Labour Rights

Employees are precious assets for the Group, as well as a vital element upon which the Group's success depends. In terms of employee salaries, recruitment, promotion, dismissal, working hours, rest periods, equal opportunities, diversity, anti-discrimination, benefits and welfare, we have formulated management policies in accordance with the relevant local laws and regulations for the operational locations, in order to properly protect and respect employees' rights and build an ideal workplace for employees.

With a focus on staff growth aspirations and career planning, the Group has established an assessment system and promotion mechanism integrating training, use and evaluation of talents, building up a sound career platform for employees. The virtuous cycle of talent cultivation, use and identification lays a sound foundation for and serves as a strong driver to the Group's sustainable development and self improvement of employees. We recruit and promote suitable employees in accordance with the principles of fairness, equality and openness, and we do not discriminate on the basis of race, skin colour, social status, birthplace, nationality, religion, disability, gender, sexual orientation, union membership, political views or age. We prohibit the use of child labour in accordance with standards and laws, and our PRC subsidiaries, Jiangmen Huajin and Jiangmen Huamu, only recruit individuals aged 18 or above.

We provide employees with competitive salaries, benefits and welfare. Our employees' salary packages include wages, bonuses and allowances. In general, we determine salaries on the basis of employees' individual qualifications, experience, job position and performance. In accordance with the provisions of the applicable PRC laws and regulations, we participate in society welfare programmes based on employees' actual salaries. These programmes provide our employees with a pension, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance. In accordance with the provisions of the applicable PRC laws and regulations, we also provide our employees in PRC with social welfare programmes based on the employee's actual salary that cover a housing fund and housing benefits. All employees can resign by giving a reasonable notice period.

We understand the importance of work-life balance and implement a clear system of factory rules and penalties that prohibits and does not support the imposition of illegal or inhumane penalty measures and forced labour. We hold regular recreational activities for employees to reduce work stress, including funny sports games, basketball games, badminton games, ping-pong games and singing events, while employees are also entitled to rest periods as specified in their employment contracts.

Our culture is about casting a wide net to recruit outstanding talents including people from different backgrounds. We ensure that every employee is treated fairly and they do not suffer any unfair discrimination in terms of recruitment, salary, benefits, training opportunities and work arrangements.

During the reporting period, the Group's operations complied with all relevant local laws and regulations pertaining to employee salaries, recruitment, promotion, dismissal, working hours, rest periods, equal opportunities, diversity, anti-discrimination, benefits, welfare, child labour and forced labour. The Group was not penalised for any non-compliance incidents under the applicable laws or regulations, and there were no major employee or labour disputes that disrupted our normal day-to-day operations.

Total number of employees of Jiangmen Huajin and Jiangmen Huamu as at 31 December 2018

	Total
Gender	
Male	845
Female	201
Total	1,046
Employment type	
Full time	1,046
Age group	
15 – 24	185
25 – 34	490
35 – 44	215
45 – 54	143
55 – 64	11
>= 65	2
Total	1,046
Geography	
Mainland, China	1,042
Hong Kong	3
Others	1
Total	1,046

Employees turnover rate of Jiangmen Huajin and Jiangmen Huamu

	Percentage (%)
Gender	
Male	33.6
Female	40.8
Total	35.0
Age group	
15 – 24	51.9
25 – 34	37.6
35 – 44	26.0
45 – 54	17.5
55 – 64	36.4
>65	50.0

4.2 Health and Safety

The Group strives to uphold health and safety standards and comply with PRC laws and regulations regarding labour, safety and work accidents. We maintain effectively the Occupational Disease Prevention and Control Records and Related Emergency Management Mechanism, the Safe Production Responsibility Management System, and the Protective Labour Equipment Management System. A dedicated safety management unit (Safety Office) is responsible for company-wide occupational safety, prevention and control and production safety matters. Workshop directors, safety officers and process heads are tasked to monitor employees' daily operation and wearing of protective equipment, educate on and correct improper operation in time, with an aim to prevent safety accidents. With enhanced management skills, managers improved communication with employees, resulting in a shared vision and cohesion for safe production. Each year, we engage a third-party testing company to inspect our production workshops on noise, dust, radiation, air quality and other factors, and arrange physical examination for the employees exposed to hazard sources. Relevant improvement plans are prepared, and protective gears are provided to workers of production workshops. We have also established the Safety Education and Training Management System that provides employees with safety-related training to ensure that all employees are familiar with our safety procedures and policies, including safety management, unforeseen circumstances, guidelines for correct operation and

use of equipment and machinery, and accident reporting rules, in an effort to achieve zero industrial accidents.

Work-related injury statistics

	Result
Work-related death tolls	
Person	0
Percentage (%)	0
Work-related injuries	
Lost working days	2,718.15

During the reporting period, the Group complied with relevant PRC workplace safety supervision regulations, while Jiangmen Huajin and Jiangmen Huamu have completed the relevant registration procedures for the furnaces currently in use and have obtained specialised equipment usage registration certificates issued by the local quality and technology supervision agencies. We have not experienced any accidents or complaints that have had material adverse impact on our operations, and we have not been penalised for any non-compliance incident under the applicable laws or regulations.

4.3 Education, Training and Career Development

In order to ensure the quality of our employees and management talents, the Group uses comprehensive employee development and training programmes to increase employee knowledge of operational and safety practices, and provide promotion opportunities within the Group and foster employee loyalty, thereby further promoting foundations for the sustainable development of the Group. Specifically, we appoint experienced technicians to guide new employees, arrange training courses for operators at posts requiring certificates, and provide financial support in full to suitable employees for external training programmes.

All employees receive orientation training from the human resources department when they start working for the Group. This training chiefly focuses on providing an understanding of the Company's development history, corporate culture, business philosophy, rules and regulations, basic business operations knowledge, safety rules, welfare/benefits systems, and other basic content. During the term of their

employment, employees receive on-the-job training organised by the human resources department or the department in which they served.

We strive to provide ample career development opportunities and evaluate the work capabilities and performance of our employees with the potential for promotion and the desire to change job duty, and make reasonable adjustments based on the Group's business development needs and the employee's individual wishes to help employees developing their careers.

The training of full-time employees

	per cent. (%)
Gender	
Male	100
Female	100
Employee category	
Senior management	100
Middle management	100
Supervisor	100
General staff	100

Average training hours completed per each full-time employee

	Hour
Gender	
Male	60
Female	60
Employee category	
Senior management	60
Middle management	60
Supervisor	60
General staff	60

Section 5 – Operating Practices

5.1 Product Responsibility

Our ability to consistently deliver high-quality and intensively-processed steel products to our customers is critical to our business. Accordingly, we always place great emphasis on quality control and have implemented stringent monitoring and quality control systems to eliminate the possibility of any consumers' injury or property damage caused by any defect from our metal products. We are committed to ensuring our products comply with the product quality standards set out in PRC laws and regulations, including the PRC Quality Law and the PRC Consumer Rights Protection Law. Jiangmen Huajin and Jiangmen Huamu have held ISO 9001:2015 certification in relation to their quality management systems respectively. In order to maintain reliable product quality, our quality control team meticulously monitors every stage of our operations. For example, each month the Supply Analysis Form for Suppliers is prepared by the procurement department, together with customer complaint follow-up rate calculated by the sales department as well as the product pass rate and the achieving rate of production plan by the production department.

Our meticulous quality management systems strictly enforce quality control policies, while our product quality warranties generally require us to produce products that are free from any defects in materials or processes to comply with customers' requirements. If our products fail to meet the required standard as a result of fault on our part, the products will be inspected and we will take compensation and recycle measures.

To better track the feedback from our customers on product quality issues, improvement for the efficiency of our after-sale service and product quality, our managers from business, quality and production departments closely communicate with each other to decide whether it is necessary to arrange our staff to come to the customer's site for processing, followed by a report on the customer's on-site situation and processing result submitted to the general manager's office. Without prior consent from our customer, no customer information collected will be used by us for other purposes, which is overseen regularly by our business department.

During the reporting period, there were no material product quality issues that resulted in the occurrence of health and safety incidents or the imposition of fines,

product recall orders or other penalties by the PRC government or its regulatory authorities.

	Result
Percentage of products subject to recalls for safety and health reasons	0.01%
Number of products and service-related complaints received by the Company	0

Jiangmen Huajin and Jiangmen Huamu have filed registration applications for pending patents for our business operations with the State Intellectual Property Office of the PRC, while the patents applied for were created by our employees. We possess registered trademarks and have submitted trademark applications for pending trademarks for our business operations to the Trademark Bureau of the State Administration for Industry and Commerce. The registered trademarks are intangible assets belonging to Jiangmen Huajin and Jiangmen Huamu and which are importance to our business operations. The protection of our intellectual property ("IP") depends upon a number of laws and regulations, including but not limited to the Patent Law and the Trademark Law, as well as agreements concluded between the Group and its employees. In accordance with the relevant agreements, all IP rights to inventions, technologies and products created by our research personnel during the term of their employment belong to the Group for the duration of their employment and for a period of five years from the termination of their employment; in addition, all materials pertaining to such products, technologies and IP rights are strictly confidential. Such obligations of our employees are mandatory and legally binding. We also lay emphasis on product promotion, and ensure that all advertising and promotional descriptions for product sale are reviewed and free from misstatement, and that our customers can make informed decisions for purchase.

During the reporting period, the Group complied with all applicable local laws and regulations in the operational locations concerning advertising, labelling and privacy issues for products and services.

5.2 Supply Chain Management

We have established stable, long-term business relationships with our major steel raw material suppliers, which allow us to obtain steel raw materials of all grades. To make full use of the industry insights and precisely grasp market trends from our suppliers, we hold regular supplier conferences each year to better manage and publicize to suppliers, seeking to upgrade the quality of suppliers and their service awareness. We also educated suppliers on the Group's future management priorities, to build mutual trust and ensure the alignment of interest.

We have established processes for evaluating and selecting suppliers. Before our procurement team adding potential suppliers to our list of approved suppliers, relevant competent departments will jointly conduct a series of selection procedures including identifying qualification, inspecting and visiting factories on the new suppliers to ensure that quality suppliers join supplying team. To ensure the quality of raw materials, our procurement policy is to purchase raw materials only from approved suppliers. We also conduct assessments of our existing suppliers from time to time. Any supplier that fails to meet our requirements will be removed from our list of approved suppliers. We did not encounter any major difficulties in selecting potential suppliers during the reporting period and we do not expect such difficulty would be incurred in the foreseeable future. Over the same period, we did not encounter any major disputes with suppliers. We did not experience any interruptions, shortfalls or late deliveries for the supply of raw material from our suppliers that would have caused material adverse impact on our operations.

Number of suppliers as at 31 December 2018

Region	Number
China	434

We provide delivery services to the majority of our customers. The risk and ownership of our products is transferred to the customer once the customer collects or takes delivery of the products. Our products are delivered: (i) to domestic customers, principally by road freight; (ii) to overseas customers, mainly by shipment on a free on-board basis. During the reporting period, we did not experience any major disruptions or damage involving our products during the delivery process.

Insurance policies purchased by the Group include property all-risk, environmental pollution liability, goods in transit, cash and cash equivalents, and employee's liability. We believe that the insurance coverage we have purchased is ample for our operations and consistent with best practice in the industry. We were not involved in any major insurance claims during the reporting period.

5.3 Ethics and Anti-corruption

The Group implemented the construction of integrity effectively, established and perfected internal audit rules and regulations and internal control systems, reinforced internal supervision, risk control and anti-corruption management to ensure that business procedures complied with the relevant local and international laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering. We conducted regular review of our operational procedures and guidance to enhance internal controls and compliance audit.

Our employees are maintaining business integrity in good faith in the following areas:

- Signing integrity responsibility agreement with each supplier;
- Anti-fraud management system;
- Reporting procedures and channels have been established;
- An independent audit agency is engaged to audit the accounts; and
- Conflict of interest policy.

Internally, we have established an internal audit mechanism, seeking to crack down on corruption, fraud and other irregularities through open whistle-blowing channels such as mailbox and telephone as well as serious investigation and follow-up of internal corruption whistle-blows. The results of investigation will be submitted by the audit department to the management of the Company if it involves a fraud by non-senior management, or to the Board of Directors and the Audit Committee if it involves a fraud by senior management.

During the reporting period, the Group complied with all relevant local laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering in all operational locations. Neither the Group nor its staff was involved in prosecution or conviction in relation to corruption.

Section 6 – Community Involvement

As a corporate citizen, the Group has consistently supported community engagement. We help the poor and the disabled, regularly donate and visit poor, senior or disabled groups with volunteers and the labour union.

During the reporting period, we committed sufficient resources in education, health, environmental protection and labour rights to better fulfil corporate social responsibility. Our efforts include participating in voluntary activities organized by health authorities, and inviting health agencies to demonstrate onsite self-help procedures for emergencies. We regularly donate through voluntary worker and labour union organizations to funds dedicated for teachers and students of educational institutes, participate in fund-raising activities such as “Running for the Public” organized by the local government, and hold regular money-raising activities encouraging employees to donate. The community activities we participated in during the year include:

1. Donation of gifts to poverty-stricken households for the Spring Festival
2. Donation of gifts for children to Xinsha Primary School for the Children’s Day on 1st June
3. Donation of gifts to poverty-stricken households for the Mid-Autumn Festival
4. Participation in the activities organized by the local government including the Most Beautiful Society and Building a Town for Tourists
5. Participation in voluntary teaching activities organized by the environmental authorities

During the reporting period, the Group contributed 89 hours and RMB60,000 in total to volunteer services for community engagement.

Appendix 1 Index to the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.1 Emissions Control Management
key performance indicator (“KPI”) A1.1	Index to the Environmental, Social and Governance.	3.1 Emissions Control Management
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emissions Control Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emissions Control Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emissions Control Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	3.1 Emissions Control Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.1 Emissions Control Management
Aspect A2: Use of Resources		

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	3.2 Efficient Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.2 Efficient Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.2 Efficient Use of Resources
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	3.2 Efficient Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	3.2 Efficient Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.2 Efficient Use of Resources
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	3.3 Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.3 Environment and Natural Resources
B. Society		
Employment and Labour Practices		

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1 Respecting Labour Rights
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Respecting Labour Rights
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.1 Respecting Labour Rights
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.2 Health and safety
KPI B2.1	Number and rate of work-related fatalities.	4.2 Health and safety
KPI B2.2	Lost days due to work injury.	4.2 Health and safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.2 Health and safety
Aspect B3: Development and Training		

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
General Disclosure	Policies on improving employees' knowledge and skills for discharging	4.3 Education, Training and Career Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.3 Education, Training and Career Development
KPI B3.2	The average training hours completed per employee by gender and employee category. Note: Data are not available at present.	4.3 Education, Training and Career Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Respecting Labour Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Respecting Labour Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Respecting Labour Rights
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.2 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	5.2 Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being	5.2 Supply Chain Management

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
	implemented, how they are implemented	
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.1 Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 Product Responsibility
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	5.1 Product responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	5.1 Product responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.1 Product Responsibility
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.3 Ethics and Anti-corruption

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5.3 Ethics and Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5.3 Ethics and Anti-corruption
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities taking into consideration the communities' interests.	6 Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6 Community Engagement

Share Your Thoughts!

We recognise the importance of your comments on this ESG Report 2018. Your thoughts can help us achieve our vision to sustainable development. We invite you to share your views through the following ways:

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