



China Electronics

Huada Technology Company Limited

中國電子華大科技有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(於開曼群島註冊成立及於百慕達繼續經營之有限公司)

(Stock Code 股份代號: 00085)

Corporate Social Responsibility Report

企業社會責任報告

2020

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Corporate Social Responsibility Report

企業社會責任報告

1. ABOUT THIS REPORT

This report is the Corporate Social Responsibility Report issued by China Electronics Huada Technology Company Limited (the “Company”). It addresses the actions taken and the achievements of the Company and its subsidiaries (the “Group”) in respect of sustainable development regarding economic, environment, and social issues. This report has been prepared with reference to the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited.

1.1 Scope of the report

Organisational scope: the companies covered under this report included the Company, and its subsidiaries, CEC Huada Electronic Design Co., Ltd (“Huada Electronics”), Shanghai Huahong Integrated Circuit Co., Ltd and China Electronics Huada Technology (Shenzhen) Company Limited.

Reporting period: from 1 January 2020 to 31 December 2020.

1.2 Data

Data disclosed in this report were extracted from the Group’s original records in day-to-day operation or financial reports.

1.3 Reliability assurance

The board of director of the Company (the “Board”) guarantees the contents of this report do not contain any false information, misleading statement or material omission.

1. 關於本報告

本報告是中國電子華大科技有限公司(「本公司」)發佈的企業社會責任報告，披露本公司及其附屬公司(「本集團」)在經濟、環境及社會的可持續發展方面採取的行動及達到的成效。本報告以香港聯合交易所有限公司刊發的《環境、社會及管治報告指引》為參考依據編製。

1.1 報告範圍

組織範圍：本報告涵蓋的公司包括本公司，以及其附屬公司北京中電華大電子設計有限責任公司(「華大電子」)、上海華虹集成電路有限責任公司和中電華大科技(深圳)有限公司。

報告期間：2020年1月1日至2020年12月31日。

1.2 數據

報告中的數據來自本集團日常營運的原始記錄或財務報告。

1.3 可靠性保證

本公司董事會(「董事會」)對報告的內容進行保證，不存在虛假資料、誤導性陳述或重大遺漏。

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2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT STATEMENT FROM THE BOARD

2.1 Governance structure for environmental, social and governance

The Group has established a top-down governance structure for environmental, social and governance ("ESG") issues with the Board assuming overall responsibility for ESG strategy and reporting of the Group, and establishing an ESG working group as the manager and coordinator of ESG work.

- *The Board*

The duties of the Board include:

- a) assessing and determining the risks and opportunities associated with the ESG-related issues of the Group;
- b) ensuring that appropriate and effective ESG risk management and internal control systems are in place;
- c) developing the Group's ESG management approach, strategies, priorities and targets;
- d) reviewing the Group's performance against ESG-related targets on a regular basis; and
- e) approving the Corporate Social Responsibility Report of the Group.

2. 董事會的環境、社會及管治管理聲明

2.1 環境、社會及管治管治架構

本集團建立了自上而下的環境、社會及管治(「ESG」)議題管治架構，由董事會對本集團的ESG策略及匯報承擔全部責任，並成立ESG工作小組作為ESG工作的管理與協調者。

- *董事會*

董事會的責任包括：

- a) 評估及釐定本集團的ESG相關議題的風險及機遇；
- b) 確保設有適當和有效的ESG風險管理及內部控制系統；
- c) 制訂本集團的ESG管理方針、策略、優次及目標；
- d) 就ESG相關目標定期檢討本集團的表現；及
- e) 審批本集團的企業社會責任報告。

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• ESG working group

The ESG working group is responsible for the implementation of ESG-related tasks to all relevant departments. The ESG working group is headed by the managing director of the Company and deputy headed by the general manager of Huada Electronics. The duties of the ESG working group include:

- a) directing and reviewing the formulation of ESG management approach and strategies;
- b) monitoring the formulation and implementation of ESG-related targets and reviewing the progress of their achievement;
- c) directing and reviewing the identification and priorities of key ESG-related issues;
- d) preparing the annual Corporate Social Responsibility Report for the Board's review and approval;
- e) identifying ESG risks relevant to the Group annually and assessing the impact of such risks on the Group and making recommendations to the Board on the risk-counteracting strategies; and
- f) other duties as delegated by the Board.

2.2 ESG vision and strategy

The Group launched a training on ESG topics at a Board meeting in 2020 to enable the Board to understand the latest ESG trends and re-examine the Group's ESG strategies. The Group takes "Innovation empowers green practices, for a better future" as its ESG vision. After fully considering the Group's business and the demands of various key stakeholders, the Group has proposed an ESG management strategy covering aspects such as products and services, employees, compliance operation, environment and community investment.

• ESG工作小組

ESG工作小組負責將ESG相關任務落實到各相關部門。由本公司董事總經理擔任組長，並由華大電子總經理擔任副組長。ESG工作小組責任包括：

- a) 指導和檢討ESG管理方針及策略的制定；
- b) 監察ESG相關目標的制定和實施，檢討目標實現的進度；
- c) 指導和檢討重要ESG相關議題的識別和排序；
- d) 編製年度企業社會責任報告，並提交董事會審批；
- e) 每年識別與本集團有關的ESG風險，評估此類風險對本集團的影響，並就風險應對策略向董事會提供建議；及
- f) 董事會授予的其他責任。

2.2 ESG願景與策略

本集團於2020年的董事會上開展了ESG主題培訓，以便董事會瞭解最新ESG趨勢及重新審視本集團的ESG策略。本集團以「創新賦能綠色、美好未來」為其ESG願景，在充分考慮本集團業務及各重要利益相關方訴求的基礎上，提出了涵蓋產品及服務、員工、合規營運、環境以及社區投資層面的ESG管理策略。

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• Products and services

Short to medium-term (3~5 years):

- Continuously improve the product quality management system and strengthen the quality control of production suppliers to ensure the quality of the Group's products;
- Continuously improve the information safety management system and ensure the safety of the physical environment for the development of smart card chips to protect autonomous research and development of security smart card chips; and
- Protect the Group's intellectual properties and those of its business partners and prevent infringement of intellectual properties of others.

Long-term (5~10 years):

- Continue to expand the security chip market and provide diversified and high-quality products to meet customer and market demands, so as to promote industrial advancement.

• Employee

Short to medium-term (3~5 years):

- Respect and safeguard the legitimate interests of employees, and build harmonious employee relations through multi-level employee communication mechanisms and caring activities for employees;
- Provide diversified employee training resources and career development paths to promote employees' career development; and
- Provide a safe and healthy working environment for employees.

• 產品及服務

短中期(3~5年)：

- 持續完善產品質量管理體系，加強對生產供應商的質量控制，確保本集團的產品品質；
- 不斷完善信息安全管理體系，確保智能卡芯片開發的物理環境安全，為研發自主可控的智能卡及安全芯片保駕護航；及
- 保護本集團及其業務夥伴的知識產權並防止侵犯他人的知識產權。

長期(5~10年)：

- 持續拓展安全芯片市場，提供滿足顧客和市場需求的多元化及高質量產品，推動產業進步。

• 員工

短中期(3~5年)：

- 尊重與維護員工的各項合法權益，以多層次的員工溝通機制和員工關愛行動，構建和諧員工關係；
- 提供多元化的員工培訓資源與職業發展通道，促進員工職業發展；及
- 為員工提供安全、健康的工作環境。

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Long-term (5~10 years):

- Create a reputation of excellent employer in the industry and reserve high calibre talents for China's information industry.
- *Compliance operation*

Short to medium-term (3~5 years):

- Strengthen compliance and anti-corruption management, extending compliance and anti-corruption training to board members, senior management, and all employees.

Long-term (5~10 years):

- Create a culture of integrity, compliance and responsibility to ensure a healthy development of the Group's operations.
- *Environment*

Short to medium-term (3~5 years):

- Implement green office and resource recycling to enhance resource efficiency while reducing greenhouse gas emission and waste generation during operations;
- Conduct product hazardous substance control to reduce the negative impact on individuals and the environment; and
- Strengthen the management of suppliers in areas such as environmental protection, labour and ethics to reduce the environmental and social impacts of the supply chain.

Long-term (5~10 years):

- Continuously reduce the environmental impact of the Group's operations and encourage its suppliers to promote a low-carbon and environmentally-friendly industrial chain, contributing to the achievement of China's carbon neutrality target by 2060.

長期(5~10年)：

- 營造行業優秀僱主品牌，為中國信息產業儲備優秀人才。
- 合規營運

短中期(3~5年)：

- 加強合規與反貪污管理，將合規及反腐敗培訓覆蓋至董事會成員、高層管理者及所有員工。

長期(5~10年)：

- 營造誠信合規責任文化，確保本集團營運活動的健康發展。
- 環境

短中期(3~5年)：

- 推行綠色辦公及資源循環使用，提升資源使用效率的同時減少營運過程中的溫室氣體排放及廢棄物產生；
- 開展產品有害物質控制，降低對人與環境的不良影響；及
- 加強對供應商在環境保護、勞工、道德等方面的管理，降低在供應鏈端的環境及社會的影響。

長期(5~10年)：

- 持續降低本集團營運對環境的影響並發揮對其供應商的影響，推動產業鏈的低碳環保，力助中國2060年前碳中和目標的實現。

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• Community investment

Short to medium-term (3~5 years):

- Actively conduct voluntary services and social welfare activities to deepen the integration with the community.

Long-term (5~10 years):

- Continuously conduct and expand community involvement and social welfare activities to increase the social influence of the Group.

To ensure the effectiveness of the Group's ESG strategies, the Board will review the identification results of key ESG issues of the Group annually to ensure that the Group's ESG strategy covers key ESG issues. The process of determining materiality will be guided by the following principles:

- Incorporation of opinion from key stakeholders to identify ESG issues of concern to key stakeholders;
- Incorporation of opinion from operating management to identify ESG issues that have material impact on the Group's business; and
- Review of ESG issues that are highly concerned by key stakeholders and have material impact on the Group's business by the Board to identify and determine the Group's key ESG issues.

In 2020, the rapid development of 5G and the Internet of Things continues to raise the market demand for security smart card chips. "Development of security chip" is a key issue of continuous concern for the Group. In addition, the Chinese government has announced that it will strive to achieve carbon neutrality by 2060 and the Ministry of Ecology and Environment of China has announced that it will accelerate the establishment of a national carbon emissions trading market during the "14th Five-Year Plan" period, which may have an impact on the Group's suppliers. Therefore, the Group will also continue to be concerned with the issues of "use of energy and climate change" and "environmental and social management for suppliers".

• 社區投資

短中期(3~5年):

- 積極開展志願服務與社會公益活動，加強與社區的深度融合。

長期(5~10年):

- 持續開展並擴大社區參與及社會公益活動，提高本集團的社會影響力。

為確保本集團的ESG策略的有效性，董事會每年審視本集團重要ESG議題的識別結果，確保本集團的ESG策略涵蓋重要的ESG議題。確定重要性的過程將遵循以下原則：

- 納入重要利益相關方的意見，識別重要利益相關方關注的ESG議題；
- 納入經營管理層的意見，識別對本集團業務有重要影響的ESG議題；及
- 由董事會審視重要利益相關方高度關注且對本集團業務有重要影響的ESG議題以識別及確定本集團的重要ESG議題。

2020年，5G和物聯網的高速發展不斷提升市場對智能卡及安全芯片的需求，「安全芯片開發」是本集團持續關注的重要議題。此外，中國政府宣佈努力爭取2060年前實現碳中和，中國生態環境部宣佈在「十四五」期間將加快成立全國碳排放權交易市場，可能對本集團的供應商產生影響。因此，本集團也將持續關注「能源使用及氣候變化」以及「供應商環境及社會管理」議題。

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2.3 Target outlook

The Group has proposed quantitative performance targets in areas such as greenhouse gas emissions, waste generation and use of energy. The Board reviews the Group's ESG performance and achievement of ESG performance targets for the previous year in the first quarter of each year to ensure that the Group's ESG performance is disclosed in the ESG report, so as to promote the achievement of ESG performance targets.

Looking ahead, competition in the domestic and international integrated circuits industry will become more intense, and the arrival of the 5G era and the continued deepening of artificial intelligence ("AI") will bring new development opportunities to the Group. The Group will strengthen research and development and innovation capabilities building to provide customers with more high-value products by increasing the use of new technologies such as 5G and AI.

The global spread of the COVID-19 pandemic will also bring a degree of uncertainty to the overall macro environment in the future. The Group will remain vigilant to the development and status of COVID-19, continue to assess its impact on the Group's business operations, and take necessary measures to mitigate its business risks, including protecting the health and safety of its employees and the community.

In addition, Global Risks 2020 Report released by the World Economic Forum states that environmental risks will be the world's most significant risk in the next decade. The Group will continue to focus on green operations, reduce operation emissions and enhance resource efficiency, and work together with key stakeholders to build a green and bright future.

2.3 目標展望

本集團已在溫室氣體排放、廢棄物產生及能源使用方面提出了量化的績效目標，並由董事會每年第一季度審視本集團上一年度ESG績效及ESG績效目標達成情況，確保本集團的ESG績效在ESG報告中披露，從而推動ESG績效目標的實現。

展望未來，國內外集成電路行業競爭將更為激烈，5G時代的到來以及人工智能（「AI」）的不斷深化為本集團帶來了新的發展機遇。本集團將加強研發與創新能力建設，通過提高產品在新技術如5G、AI等的運用，為顧客提供更多高價值產品。

新型冠狀病毒疫情在全球的蔓延也將給未來整體宏觀環境帶來一定程度的不明朗。本集團將對新型冠狀病毒的發展及狀況保持警惕，繼續評估其對本集團業務營運的影響，並採取必要措施以減輕其業務風險，包括保障其員工以及社區健康及安全等。

此外，世界經濟論壇發佈的《2020全球風險報告》指出，未來10年環境風險將成為全球影響最大的風險。本集團也將不斷以綠色營運為宗旨，降低營運排放並提升資源使用效率，攜手各重要利益相關方共建綠色及美好未來。

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3. CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

3.1 Corporate social responsibility philosophy

The Group is principally engaged in the business of design and sale of integrated circuits chips. The integrated circuit chips design operation comprises the design of security smart card chips and the development of application system.

The Group has all along been insisting on developing the information industry and safeguarding of information safety as its own responsibility. By adhering to the “be innovative in electronics of China, lead the information in the future” responsibility philosophy, and incorporating it into the Group’s strategic and operational practice, the Group seeks to maximise the comprehensive benefits of economy, environment and society, and strives to realise the ESG vision of “Innovation empowers green practices, for a bright future”.

The Company has complied with the “comply or explain” provisions set out in the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 December 2020. Details of the corporate governance practices of the Company are set out in the Company’s 2020 Annual Report.

3.2 Participation of stakeholders and analysis of key ESG issues

The communication with and the participation of stakeholders are important components of the sustainable development of enterprises. The Group operates principally in the People’s Republic of China (the “PRC”). The key stakeholders of the Group are its shareholders, customers, employees, government and regulatory authorities, business partners, communities and the public as well as the ecological environment. Through communication with its stakeholders, the Group understands their expectations and advices, so as to provide guidelines for the Group’s operational decision-making and make more positive contributions to sustain the industrial and social development.

3. 企業社會責任管理

3.1 企業社會責任理念

本集團的主要業務為從事集成電路芯片的設計及銷售。集成電路芯片設計業務涵蓋智能卡及安全芯片的設計及應用系統開發。

本集團始終堅持以發展信息產業及維護信息安全為己任，秉承「創新中國電子，引領信息未來」的責任理念，並將其融入本集團戰略及營運實踐，追求經濟、環境、社會綜合效益最大化，致力實現「創新賦能綠色、美好未來」的ESG願景。

於截至2020年12月31日止年度本公司已遵守香港聯合交易所有限公司證券上市規則附錄27所載環境、社會及管治報告指引所載的「不遵守就解釋」條文。有關本公司的企業管治常規詳見本公司的2020年年報。

3.2 利益相關方參與及重要ESG議題的分析

與利益相關方的溝通及其參與是企業可持續發展的重要組成部分。本集團主要經營地點在中華人民共和國（「中國」）。本集團的重要利益相關方包括其股東、顧客、員工、政府及監管機構、業務夥伴、社區及公眾及生態環境。通過與利益相關方的溝通，瞭解各方期望及建議，為本集團營運決策提供指引，為產業及社會可持續發展做出更積極的貢獻。

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In 2020, the Board analysed the materiality of various ESG issues with reference to peer practice and expert opinions, in accordance with the Group's actual operations circumstances, issues that are highly concerned by key stakeholders and have material impact on the Group's business, identified and determined the Group's key ESG issues, and gave a salient response to these key issues in this report.

2020年，董事會採取同業對標及專家意見相結合的方式，結合本集團營運實際的情況，重要利益相關方高度關注且對本集團業務有重要影響的議題，分析各項ESG議題的重要性，識別及確定本集團的重要ESG議題，並在本報告中對該等重要議題進行重點回應。

| ESG issues ESG議題 | | Materiality analysis 重要性分析 | Corresponding section 對應章節 |
|-------------------------|--|---|----------------------------------|
| Emissions 排放物 | Exhaust and greenhouse gas emissions 廢氣及溫室氣體排放 | The Group is principally engaged in the business of design of security smart card chips and does not involve in manufacturing. Apart from greenhouse gases, non-hazardous wastes produced in offices (such as waste paper), and a small number of waste toner cartridges, the Group does not produce significant exhaust emissions, cause water and land pollutions and generate hazardous wastes during operation. 本集團的主營業務為智能卡及安全芯片之設計，在業務過程中不涉及生產。除溫室氣體、辦公環節產生的無害廢棄物(如廢紙等)以及少量廢棄碳粉匣外，本集團於營運期間並無產生顯著廢氣排放、向水及土地排污以及產生有害廢棄物。 | 7.1 Green operations 7.1 綠色營運 |
| | Cause water and land pollutions 向水及土地排污 | | 7.1 Green operations 7.1 綠色營運 |
| | Hazardous and non-hazardous waste generation 有害及無害廢棄物產生 | | 7.1 Green operations 7.1 綠色營運 |

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| ESG issues ESG議題 | | Materiality analysis 重要性分析 | Corresponding section 對應章節 |
|--|--|--|---|
| Use of resources 資源使用 | Use of energy and climate change 能源使用與氣候變化 | The Group consumes energy during operation (including electricity, natural gas, and fuel consumed by vehicles for office use). Effective management of use of energy can reduce the Group's operating costs as well as the greenhouse gas emissions from use of energy. 本集團營運過程會消耗能源(包括電力、天然氣、及辦公用車的耗油)。有效的能源使用管理能夠降低本集團的運營成本，同時也能減少因能源使用產生的溫室氣體排放。 | 7.1 Green operations 7.1 綠色營運 |
| | Use of water resources 水資源使用 | The Group consumes both water resources and packaging materials used in finished products during operation. | 7.1 Green operations 7.1 綠色營運 |
| | Packaging materials used in finished products 製成品所用包裝材料 | Managing the use of resources can help to reduce the Group's operating costs as well as the Group's impact on the environment. 本集團營運過程同時消耗水資源以及製成品所用的包裝材料。資源使用管理有助於降低本集團的營運成本，同時也有助於減少本集團對環境的影響。 | 7.1 Green operations 7.1 綠色營運 |
| Environment and natural resources 環境及天然資源 | | In the process of smart card chips manufacturing, suppliers who work with the Group will exert impacts on the environment and natural resources. 在智能卡芯片製造過程中與本集團合作的供應商會對環境及天然資源產生影響。 | 7.2 Green products 7.2 綠色產品 |
| Employment and labour practices 僱傭及勞工常規 | Employment 僱傭 | Employees are an asset to the Group and a driving force for the Group to innovate persistently. Therefore, the rights and benefits, health and safety, training and development of employees are all key areas of work of the Group regarding corporate social responsibility. | 5.1 Employment and employee benefits 5.1 僱傭及員工福利 |
| | Health and safety 健康及安全 | | 5.3 Occupational health and safety 5.3 職業健康及安全 |
| | Training and development 培訓及發展 | 員工被視為本集團的資產，同時為本集團提供不斷創新的原動力。因此，員工的權益及福利、健康及安全，培訓及發展均為本集團於企業社會責任方面的重要工作。 | 5.2 Training and development 5.2 培訓及發展 |
| | Labour standards 勞工準則 | Child labour and forced labour are prohibited by the laws and regulations of the place where the Group operates. 禁止使用童工以及強制勞工為本集團各營運地法律法規的要求。 | 5.1 Employment and employee benefits 5.1 僱傭及員工福利 |

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| ESG issues ESG議題 | | Materiality analysis 重要性分析 | Corresponding section 對應章節 |
|---|--|--|--|
| Supply chain management 供應鏈管理 | Management of environmental and social risks of the supply chain 供應鏈環境及社會風險管理 | The management of supply chain not only can help the Group to avoid environmental and social risks, but is also crucial to the Group's product quality. 供應鏈的管理不僅能幫助本集團規避在環境及社會方面的風險，也對本集團的產品質量至關重要。 | 6.1 Supply chain management 6.1 供應鏈管理 |
| Product responsibility 產品責任 | Development of security chip 安全芯片開發 | The rapid development of 5G and the Internet of Things continues to raise the market demand for security smart card chips, and thus the importance of development of security chips to the Group's business continues to grow. 5G和物聯網的高速發展不斷提升市場對智能卡及安全芯片的需求，因此安全芯片開發對於本集團業務的重要性也在不斷增加。 | 4.1 Information safety 4.1 信息安全 |
| | Quality of products and services 產品及服務的質量 | Effective quality management and customer service are the foundation for achieving sustainable operation of the Group. 有效的質量管理及顧客服務為本集團實現可持續經營的基礎。 | 4.2 Quality management 4.2 質量管理 |
| | Intellectual property management 知識產權管理 | The daily operation of the Group involves the use of intellectual properties owned by customers, suppliers or the Group. Therefore, to protect the intellectual properties of the Group and business partners, and to avoid infringement of others' intellectual properties are all key areas of work of the Group regarding corporate social responsibility. 本集團的日常營運中會涉及到使用顧客、供應商或本集團自身擁有的知識產權。因此，保護自身及業務夥伴的知識產權，同時防止侵犯他人的知識產權為本集團於企業社會責任方面的重要工作。 | 4.1 Information safety 4.1 信息安全 |
| | Information safety and privacy protection of customers 顧客信息安全及隱私保護 | The daily operation of the Group involves confidential information of some of its customers and business partners. 本集團的日常營運中會涉及到部分顧客及業務夥伴的機密信息。 | 4.4 Customer service 4.4 顧客服務 |
| Anti-corruption 反貪污 | Anti-corruption practices 反貪污常規 | Anti-corruption is a key safeguard for the healthy and sustainable development of the Group's business. 反貪污是本集團業務健康、可持續發展的重要保障。 | 6.2 Anti-corruption 6.2 反貪污 |

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| ESG issues ESG議題 | | Materiality analysis 重要性分析 | Corresponding section 對應章節 |
|-------------------------------------|---------------------------|---|------------------------------------|
| Community investment 社區投資 | Community welfare 社區公益 | The Group mainly operates in the Mainland China. Servicing the needs and development of the local communities have considerable impacts on the Group's development. 本集團主要營運地點在中國內地，營運當地社區的需要及發展對本集團的發展有一定影響。 | 8. Community investment 8. 社區投資 |

3.3 ESG working group

The Group has established an ESG working group as the ESG manager and coordinator, which is headed by the managing director of the Company and deputy headed by the general manager of Huada Electronics. The ESG working group is mainly responsible for implementing ESG-related tasks to all relevant departments and reporting the progress of the ESG work to the Board on a regular basis.

The duties of the ESG working group are set out in the section headed "Environmental, Social and Governance Management Statement from the Board" of this report.

4. PRODUCTS AND SERVICES

The Group regularly reviews the management systems regarding areas such as safety, advertisement, labels and privacy of its products and services by adhering to the "innovate through reform and cherish integrity towards the world" operation philosophy, and with reference to the Standardisation Law of the People's Republic of China, the Intellectual Property Law of the People's Republic of China, the Product Quality Law of the People's Republic of China, and the Advertising Law of the People's Republic of China as well as the industrial policies, and continues to improve the corresponding information safety management system, product quality management system, intellectual property management system and customer service system. In 2020, there was no litigation against the Group in relation to the safety, advertisement, labels and privacy of its products and services.

3.3 ESG工作小組

本集團成立了ESG工作小組作為ESG管理與協調者，由本公司董事總經理擔任組長，並由華大電子總經理擔任副組長。ESG工作小組主要負責將ESG相關任務落實到各相關部門，並定期向董事會匯報ESG工作進展。

ESG工作小組責任載於本報告標題為「董事會的環境、社會及管治管理聲明」一節內。

4. 產品及服務

本集團秉承「知變圖新、誠達天下」的經營理念，參考《中華人民共和國標準化法》、《中華人民共和國知識產權法》、《中華人民共和國產品質量法》、《中華人民共和國廣告法》及行業政策，對本集團產品及服務的安全、廣告、標籤及隱私等方面的管理制度定期進行檢討，並持續完善相應信息安全管理体系、產品質量管理体系、知識產權管理体系及顧客服務體系。本集團於2020年在產品及服務的安全、廣告、標籤及隱私方面未發生訴訟及違法違規事件。

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4.1 Information safety

As the practitioner and promoter of the smart card chips design industry in the PRC, the Group regards maintenance of information safety as its own responsibility, concerns with the laws and regulations regarding information safety management such as the Requirements for the Management of Safety Production of Electronic Information Industry, the Safety Protection of Computer Information System Regulation of the People's Republic of China, the Network Security Law of the People's Republic of China, the Regulations for the Management of Commercial Cryptographic, etc., focuses on autonomous research and development of security smart card chips while building a safe operating environment, and be the cornerstone of China's information technology modernisation and information safety.

The Group established an information safety management system by adhering to the Group's information safety approach of "catering for demand for safety through system protection; seeking for sustainable development through the involvement of all staff", with reference to the requirements of standards such as the Information Technology – Security Technology – Information Safety Management System – Requirements (ISO/IEC 27001), the Information Technology – Security Technology – Practical Rules for Information Safety Management (ISO/IEC 27002), etc. It also set up an information safety management team to coordinate information safety management work and ensure stable operation of the information safety management system.

In order to further consolidate and raise information safety performance, maintain the effective operation of the information safety management system, Huada Electronics established the information safety target and the ancillary management requirements to assist external suppliers to improve information safety management. In 2020, online information safety knowledge learning and quizzes for employees were organised to raise their information safety awareness.

4.1 信息安全

本集團作為中國智能卡芯片設計行業的實踐者及推動者，以維護信息安全為己任，關注《電子信息產業安全生產管理規定》、《中華人民共和國計算機信息系統安全保護條例》、《中華人民共和國網絡安全法》、《商用密碼管理條例》等信息安全管理相關的法律法規，研發自主可控的智能卡及安全芯片，同時打造安全的營運環境，為中國信息技術現代化以及信息安全提供基石。

本集團秉承「系統防範，滿足安全需求；全員參與，追求持續發展」的信息安全方針，參考ISO/IEC 27001《信息技術—安全技術—信息安全管理體系—要求》、ISO/IEC 27002《信息技術—安全技術—信息安全管理實用規則》等標準要求，建立信息安全管理體系，並設立了信息安全管理小組，負責協調信息安全管理的工作，確保信息安全管理體系的穩定運行。

為進一步鞏固、提高信息安全績效，保持信息安全管理體系運行的有效性，華大電子建立信息安全目標及配套管理要求，協助外部供應商完善信息安全管理的工作。於2020年組織員工進行線上信息安全知識學習與答題，提升員工信息安全意識。

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- *Development of security chip*

The Group focuses on the business of design of security smart card chips. As the practitioner and promoter of the smart card chips technology in the PRC, the Group owns the globally advanced and domestic leading security attack and defense technology, covering the protection technology at levels such as the system level, algorithm level, circuit level, layout level, etc., with technologies such as side channel attack, malfunction-injection attack, physical attack technologies, etc., and forming a set of comprehensive safety management system.

A number of high-end security control chips of the Group was accredited with security certification such as the domestic EAL4+ Certificate, international CCEAL6+ Certificate, EMVCo Certificate, etc., which lead the domestic security chip technology, attain international level, and demonstrate China's "Smart Card Chips" capability.

In addition, the Group actively participates in the formulation of industry standards for various types of security cards and smart card chips, and some of these standards such as the Implementation Guidelines for Production and Protection Capacity Building of Commercial Cryptographic Products and the Implementation Guidelines of Production Capacity Assessment Criteria for Commercial Cryptographic Products have already been issued.

- *Safe operating environment*

While focusing on the development of smart card chips with high security and high reliability, the Group also pays attention to the safety of physical environment, that is, protecting computer network equipment and facilities from being destroyed by accidents such as earthquakes, floods, etc., as well as human acts. The Group formulated a series of physical security management system, such as the Physical Security Control Procedures, the Security Facilities Management Measures, the Central Control Room Control Code, the Security Officer Management Measures, etc., for protecting the design and development of security smart card chips.

- *安全芯片開發*

本集團專注於智能卡及安全芯片設計業務。作為中國智能卡芯片技術的實踐者及推動者，本集團擁有世界先進、國內領先的安全攻防技術，覆蓋系統級、算法級、電路級、版圖級等防護技術，具備側信道攻擊、故障注入攻擊、物理攻擊等技術，形成了完整的安全管理體系。

本集團多款高端安全控制芯片獲得中國EAL4+、國際CCEAL6+及EMVCo等安全資質認證，引領國內安全芯片技術、達致國際水平，展現中國「芯」實力。

此外，本集團積極參加各類安全卡及智能卡芯片行業標準的制定，其中《商用密碼產品生產和保障能力建設實施指南》及《商用密碼產品生產能力評估準則實施指南》已發佈。

- *安全營運環境*

在專注於高安全性、高可靠性智能卡芯片開發的同時，本集團注重物理環境安全，即保護計算機網絡設備及設施免遭地震、水災等事故以及人為行為導致的破壞。本集團制定有《物理安全控制程序》、《安防設施管理辦法》、《中控室控制規範》、《保安員管理辦法》等一系列物理安全管理制度，為智能卡及安全芯片設計及開發提供保障。

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In 2020, the Group revised the Physical Security Control Procedures, which involved adjustments to the control methods for external visitors and the layout of security facilities. In addition, based on the international CCEAL6+ certification approval requirements, the Group information safety audits on four suppliers, and requested the suppliers to improve on the issues identified during the audits and complete the improvement on schedule to ensure the Group's smooth acquisition of the international CCEAL6+ Certificate.

- *Development of smart card chips with autonomous intellectual properties*

As the core of electronic information industry, integrated circuit is playing an increasingly important role in areas such as promoting economic development, social progress, protecting information safety, etc. With information safety rising gradually to become a national strategy, the Group will continue to follow the pace of national development, focus on the development of electronic information industry, continue to launch domestic-made smart card chips with autonomous intellectual properties, and keep on accumulating core technologies.

While strengthening its internal management, the Group develops diversified products so as to provide better professional smart cards and embedded security chips and related solutions. At the same time, the Group also strives to promote domestic-made smart card chips which are widely used in sectors such as financial payment, social security, resident health, public transportation, telecommunication, network authentication, identity authentication, Internet of Things, etc.

The Group has actively conducted application for government innovation projects. In 2020, the Group conducted innovative research and development on projects such as "Smart Traffic Series' Security Chips" and received project-funding support from the government.

2020年，本集團對《物理安全控制程序》進行修訂，涉及對外來訪客的控制方法、安防設施佈局圖等內容的調整。此外，基於國際CCEAL6+認證審批要求，本集團對4家供應商開展信息安全審核，對審核發現的問題要求供應商進行改善並按期完成，確保本集團順利取得國際CCEAL6+證書。

- *自主知識產權智能卡芯片開發*

集成電路作為電子信息產業的核心，在推動經濟發展、社會進步、保障信息安全等方面正日益發揮重要作用。隨著信息安全逐步上升為國家戰略，本集團將繼續跟隨國家發展步伐，專注於電子信息產業發展，繼續推出自主知識產權的國產智能卡芯片，不斷積累核心技術。

本集團在加強內部管理的基礎上，開發多樣化產品，以提供更好的專業智能卡及嵌入式安全芯片及相關解決方案。同時，本集團亦致力於推廣國產智能卡芯片，廣泛應用於金融支付、社會保障、居民健康、公共交通、電信、網絡認證、身份識別、物聯網等領域。

本集團積極開展政府創新項目申報工作。2020年，本集團在「智慧交通系列安全芯片」等項目上開展創新研發，並獲得政府項目資金支持。

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4.2 Quality management

- *Quality management system*

The integrated circuits design operation of the Group comprises the design of smart card chips and the development of application system. The Group is not directly involved in aspects such as manufacturing, assembling, transportation, etc., albeit adhering to the tenet of “zero defect” in provision of products and services to customers as well as the quality approach of “catering for customers demand through continuous innovation; seeking for customers’ satisfaction through the involvement of all staff”. The Group advocates comprehensive quality management with the involvement of all staffs, striving to control and improve continuously the entire process of production of products.

The Group established corresponding management measures for aspects such as product design and development, risk control, outsourcing production control, and performance evaluation, in accordance with the requirements of ISO 9001 Quality Management System, so as to meet the customers’ demands for diversification, personalisation and refinement through systematic management.

In 2020, the Group conducted internal quality audits in accordance with the requirements of the ISO 9001 Quality Management System. In view of the problems identified in the audits, the Group followed up with the corresponding responsible departments and personnel, analysed the causes and formulated and implemented corrective measures.

4.2 質量管理

- 質量管理體系

本集團的集成電路設計業務涵蓋智能卡芯片設計及應用系統開發，不直接涉及生產、封裝及運輸等環節，但秉承著向顧客提供「零缺陷」產品及服務的宗旨，「持續創新，滿足顧客需求，全員參與，追求顧客滿意」的質量方針。本集團倡導全員參與的全面質量管理，致力於對產品的生產實現全過程控制及持續改進。

本集團按照 ISO 9001 質量管理體系要求，在產品設計開發、風險控制、外包生產控制、績效評價各環節建立了相應的管理辦法，通過體系化管理滿足顧客多樣化、個性化、精細化等訴求。

2020年，本集團依照ISO 9001質量管理體系要求開展質量內審，針對審核中發現的問題，本集團跟蹤相應的責任部門和人員，進行原因分析及糾正措施的制定和落實。

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Quality management system 質量管理體系



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For substandard products found during operation, the Group will deal with the substandard products in accordance with the requirements of the Substandard Products Control Procedures, while arrangements will be made for the responsible departments to analyse the reason for the generation of substandard products, formulate rectification and preventive measures, and be responsible to follow up on their implementation and the effectiveness of these measures. In 2020, there was no occurrence of any recall of the Group's products sold or delivered due to safety and health concerns.

For the management of product labels, the Group formulated labelling requirements for information such as product model number, product lot number, product quantity, time of processing, origin, etc. with respect to the packaging specifications for products such as IC card, smart card, etc.

- *Quality inspection procedures*

The Group conducted quality inspection on products such as wafers, modules, cards, circuits, etc., that are researched and developed autonomously with procurement and processing outsourced in accordance with the requirements in respect of the quality inspection operational process imposed by its quality management system. Inspections are performed by professional inspectors in accordance with the inspection specifications and practice guidelines, and by using professional inspection equipment, so as to avoid the delivery of substandard products. In addition, the professional high-precision instruments used for quality inspection are calibrated regularly to ensure the accuracy of the inspection result.

- *Quality culture*

The Group held quarterly quality meetings in 2020 to provide attendees with a comprehensive understanding of the product quality problems and the causes through regularly compiling and reporting on quality problems and treatments, so as to guide and raise employees' quality awareness.

針對在營運過程中發現的不合格品，本集團按照《不合格品控制程序》的要求進行處置，同時安排責任部門分析不合格品產生原因、糾正及預防措施制定，以及負責跟進實施情況及措施有效性。於2020年，本集團並未發生因安全及健康理由而須對已售或已運送產品進行回收的事件。

在產品標籤的管理方面，本集團制定了針對IC卡、智能卡卡片等產品包裝規範，明確規定對產品型號、產品批號、產品數量、加工時間、產地等信息的標籤要求。

- *質量檢測流程*

本集團按照其質量管理體系對質量檢測流程的操作要求，針對其自主研發並委外採購及加工的圓片、模塊、卡片、電路等產品進行質量檢驗。質量檢驗由具備專業技能的檢驗人員，依據檢驗規範及作業指導書，使用專業的檢驗設備進行檢驗，防止不合格品交付。此外，檢驗人員通過定期對用於質量檢測的專業高精度儀器進行校準，以保證檢驗結果的準確性。

- *質量文化*

本集團於2020年召開季度質量會，通過定期編匯並報告質量問題及處理情況，使參會者全面地認識產品質量問題及產生原因，從而引導與提升員工質量意識。

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In addition, the Group required employees to complete online quality knowledge quizzes during the “quality month” in 2020 and invited external professional lecturer to provide IATF 16949 standard training for employees.

4.3 Research and development innovation, and intellectual property protection

The Group attaches importance to original innovation and collective innovative capabilities, scientific discovery and technology invention, and through incentive measures encourage employees to actively apply for intellectual properties and publish academic papers, etc. Huada Electronics has established awards such as the Technology Contribution Award and the Technology Innovation Award, etc. to commend employees for their significant research and development innovation achievements. In 2020, 14 and 8 employees received the Technical Contribution Award and Technical Innovation Award, respectively. In addition, Huada Electronics has launched the “product and technology innovation thinking training and creativity commercialisation” training, aiming to cultivate research and development personnel’s innovation awareness. As at 31 December 2020, the Group owned 436 patents.

The Group conducts patent retrieval and infringement analysis at all stages of research and development, and regularly monitors patent information of other parties to reduce the risk of infringing others’ intellectual properties. Moreover, the Group conducts intellectual property training for employees every year. In 2020, Huada Electronics conducted training activities such as “intellectual property fundamentals, patent drafting training”, etc., to constantly raising employees’ awareness on intellectual property protection.

The Group respects intellectual properties and regulates the usage of intellectual properties from customers and third parties. It also keeps all its business partners’ product’s technical information strictly confidential. Moreover, the Group concerns about the protection of its own intellectual properties, and issued the Intellectual Property Management Measures for the first time in 2003 and continues to improve and amend it.

此外，本集團於2020年「質量月」活動中要求員工完成線上質量知識答題，並聘請外部專業講師向員工進行IATF 16949標準培訓。

4.3 研發創新與知識產權保護

本集團重視原始創新、集成創新能力，重視科學發現及技術發明，亦通過獎勵措施鼓勵員工積極進行知識產權申請、論文發表等。華大電子設立了《技術貢獻獎》及《技術創新獎》等獎勵，表揚有重大研發創新成果的員工，2020年分別有14名及8名員工獲得技術貢獻獎及技術創新獎。此外，華大電子開展「產品與技術創新思維訓練及創意商品化」培訓，旨在培養研發人員創新意識。截至2020年12月31日，本集團擁有專利436項。

本集團於研發各環節開展專利檢索與侵權分析，並對他人的專利信息進行定期監控，減少侵犯他人知識產權的風險。此外，本集團每年向員工開展知識產權培訓。華大電子於2020年開展「知識產權基礎、專利選寫培訓」等培訓活動，持續提升員工知識產權保護意識。

本集團尊重知識產權，規範使用顧客及第三方的知識產權，亦對所有業務夥伴的產品技術信息進行嚴格保密。此外，本集團關注對自身知識產權的保護，於2003年首次發佈《知識產權管理辦法》，並持續完善修訂。

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The Intellectual Property Management Measures explicitly defines the responsibilities and working procedures for all departments and personnel, and states the detailed requirements regarding the assessment, searching, retrieval and analysis of relevant intellectual properties during the technology research and development process, contract filing management, intellectual properties ownership, protection and application of intellectual properties, training and awards. The Intellectual Property Management Measures facilitates the formation of innovation mechanism, and creates a regulated sound environment with rules and precedents to follow for the developing of intellectual properties.

4.4 Customer service

- *Customer service system*

The Group adheres to the “users first and customers foremost” philosophy and builds a sound customer service system to provide more convenient and better quality service to customers. In addition, the Group has site engineer teams with strong technical knowledge to provide immediate professional technical services to customers to solve their technical problems before, during and after a purchase.

Customer Complaint Procedures are formulated by the Group to assist customers to solve any issues encountered after products are sold and during usage, and any feedback from customers will be used for continuous raising of service and product quality. In addition, depending on the issue raised by the customer, the Group will organise respective specialists from the failure analysis team, product research and development and design team, production and processing professional technical team, sales service team, technical support team and project management team to work together to analyse and identify the fundamental causes of the issue, formulate rectifying and precautionary measures, ensure the effectiveness of such measures, and follow up the customer’s subsequent usage.

《知識產權管理辦法》明確了各部門及人員的職責及工作程序，對包括技術研發過程中對相關的知識產權的評估、查新、檢索、分析、合同檔案管理、知識產權歸屬、知識產權的保護、知識產權的申請、培訓及獎勵等都做了詳細的規定，《知識產權管理辦法》促進了創新機制的形成，營造了知識產權工作有法可依、有章可循的良好環境。

4.4 顧客服務

- *顧客服務體系*

本集團秉承「用戶第一、顧客至上」的理念，營造完善的顧客服務體系，為顧客提供更便捷、優質的服務。此外，本集團擁有技術實力雄厚的現場工程師團隊，為顧客即時提供售前、售中、售後的專業技術服務，解決技術難題。

本集團制定《顧客抱怨處理程序》，幫助解決在產品銷售後、顧客使用中遇到的問題，並同時通過顧客反饋的問題持續提升服務質量及產品質量。此外，本集團根據顧客提出的不同問題，組織失效分析團隊、產品研發設計團隊、生產加工專業技術團隊、銷售服務團隊、技術支撐團隊、項目管理團隊中相關的專業人員，共同完成整個問題的分析處理工作，挖掘問題發生的根本原因，制定糾正及預防措施，保證其措施的有效性，並跟進顧客的後續使用情況。

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As for customers' information safety and privacy protection, the Group formulated the Technology Confidentiality Agreement Management Measures and the Confidentiality Management Requirements, and employees are required to keep trade secrets of the Group and customers in strict confidence, so as to ensure information confidentiality for both sides during business interaction between the Group and customers.

- *Customer satisfaction survey*

The Group attaches importance to customer satisfaction survey and through the survey identifies key factors affecting the satisfaction of customers so as to enhance the quality of its services and products. The Group sends out customer satisfaction questionnaires to customers each year to understand aspects such as customer's satisfaction, opinion and suggestions on products' or projects' design quality, service quality, and pace and capability in handling issues arose, and Customer Satisfaction Surveillances and Measurements Evaluation Report will be prepared summarising feedbacks from customers and passed to respective departments for continuous raising of service standards.

在顧客信息安全及隱私保護方面，為確保本集團與顧客業務交往中雙方的信息保密，本集團制定了《技術保密協議管理辦法》以及《保密管理規定》，並要求員工需嚴格保守本集團及顧客的商業秘密。

- *顧客滿意度調查*

本集團重視顧客滿意度調查，通過調查挖掘影響顧客滿意度的關鍵因素，從而改善服務及產品質量。本集團每年向顧客發放顧客滿意度調查表，全面瞭解顧客對產品或項目的設計質量、服務質量、處理問題的速度及能力等方面的滿意情度，收集相關意見及建議，並編製《顧客滿意度監視及測量評價報告》，將結果反饋給相應部門，持續提升服務水平。

Statistics on product and customer service key performance indicators 產品及顧客服務相關關鍵績效指標統計

| Indicators | 指標 | 2020 2020年度 | 2019 2019年度 |
|--|------------|----------------|----------------|
| Number of customer complaints received | 顧客投訴事件 | 101 | 116 |
| Percentage of customer complaints dealt with (%) | 顧客投訴處理率(%) | 100.00 | 100.00 |
| Customer satisfaction (%) | 顧客滿意度(%) | 95.40 | 96.35 |

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5. EMPLOYEES

The Group regularly reviews and improves the management systems regarding aspects such as employees' rights, remuneration and benefits, recruitment and promotion, training and development, working environment and occupational health, child labour, forced labour, etc. by adhering to the "responsibility orientated, attaches importance to competent and rewards linked with performance" talent philosophy, and with reference to the industrial policies as well as operational location's laws and regulations relevant to employment such as the Labour Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, the Women's Rights and Interests Protection Law of the People's Republic of China and the Regulations on Paid Annual Leave for Employees. In 2020, there was no litigation against the Group or violation of laws and regulations by the Group in relation to employment, occupational health and safety, child labour and forced labour.

5.1 Employment and employee benefits

- *Employment and employees' rights*

The Group attaches importance to attracting and fostering of talents, protecting employees' equal rights in areas such as terms of employment, training, promotion, remuneration, etc. and ensures no discrimination against any person on grounds such as gender, marital status, disability, age, race, family conditions, nationality, religion, etc. In addition, the Group resolutely prohibits child labour and all forced labour, so as to comply with the relevant laws and regulations.

The Group formulated the Administrative Management System, which clearly sets out the management of the recruitment and dismissal of employees. The Group also formulated the Code for Employees, which covers area such as the standards of daily behaviour, attendance management, management of sick leave and other leave, performance management, remuneration, benefits, employee training, etc.

5. 員工

秉承「盡責是才、重能酬績」的人才理念，參考《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國婦女權益保障法》及《職工帶薪年休假條例》等與僱傭相關的營運地法律法規及行業政策，本集團對員工權益、薪酬及福利、招聘及晉陞、培訓及發展、工作環境及職業健康、童工、強制勞工等方面的管理制度定期進行檢討及完善。本集團於2020年在僱傭、職業健康及安全、童工及強制勞工方面未發生訴訟及違法違規事件。

5.1 僱傭及員工福利

- *僱傭及員工權益*

本集團注重人才的引進及培養，保障員工在僱傭條件、培訓、晉陞、薪酬等方面的平等權利，確保沒有因性別、婚姻狀況、殘疾、年齡、種族、家庭狀況、國籍、宗教等因素而遭受歧視。另外，本集團堅決杜絕僱用童工及一切強制勞工的行為，以確保符合相關法律法規。

本集團制定了《行政管理制度》，其中明確規定了在員工招聘及解僱方面的管理工作。本集團亦制定了《員工守則》，包含員工日常行為準則，考勤管理，病、事假管理，績效管理、薪酬福利、員工培訓等的內容。

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The Group encourages employees to introduce talents with competitiveness. Employees introduce talents according to the demands announced by the Group periodically, so as to assist the Group in identifying talents who will benefit its development, enhance the strength of the Group and enlarge its talent pool.

本集團鼓勵員工推薦有競爭力的人才，通過定期發佈人才需求，員工根據需求推薦人才，從而為本集團尋找契合發展的人才，增強本集團實力、擴大人才隊伍。

In addition, the Group established an e-HR human resources information system covering all employees, featuring online management of employee's promotion, training and remuneration, etc.

此外，本集團建立了覆蓋全體員工的e-HR人力資源信息系統，涵蓋員工晉升、培訓、薪酬等的在線管理。

Overview of the employment and employee's rights system 僱傭及員工權益制度概覽

| Recruitment and dismissal 招聘及解聘 | Work hours and leave system 工時及休假 | Remuneration and benefits 薪酬及福利 |
|---|---|---|
| <p>✓ Recruitment: New employees are recruited in accordance with the principle of "openness, equality, competition and on the basis of merit".</p> <p>✓ 招聘：按照「公開、平等、競爭、擇優」的原則招聘錄用新員工。</p> | <p>✓ Work hours: Work hours meets the requirements of operational location's laws and regulations.</p> <p>✓ 工時：工作時間符合營運地法律法規的要求。</p> | <p>✓ Remuneration: The remuneration of each position is determined with reference to market level and adjusted accordingly after considering the value and contribution of such position.</p> <p>✓ 薪酬：參考市場水平定義崗位薪酬，同時考慮崗位價值及貢獻對薪酬進行合理的調整。</p> |
| <p>✓ Dismissal: Employees are dismissed in accordance with the related requirements in the Code for Employees and in compliance with operational location's laws and regulations.</p> <p>✓ 解聘：按照《員工守則》相關規定解聘，並符合營運地法律法規的要求。</p> | <p>✓ Overtime work: Employees are entitled to pay or time-off in lieu for overtime work. Overtime work compensation meets the requirements of operational location's laws and regulations.</p> <p>✓ 加班：員工享有加班費或加班調休權利，加班補償符合營運地法律法規的要求。</p> | <p>✓ Social insurance: Various social insurances are purchased for all employees in accordance with operational location's laws and regulations.</p> <p>✓ 社會保險：按照營運地法律法規為全體員工繳納各項社會保險。</p> |
| | <p>✓ Leave system: Paid annual leave, marriage leave, bereavement leave, maternity leave, sick leave, etc., are provided pursuant to operational location's laws and regulations.</p> <p>✓ 休假：帶薪年休假、婚假、喪假、生育假、病假等按營運地法律法規提供。</p> | <p>✓ Benefits: Employees are provided with various benefits such as annual body checks, supplementary medical insurance, etc. in accordance with the actual circumstances of the Group.</p> <p>✓ 福利：結合本集團實際情況為員工提供多項福利，如年度體檢及補充醫療保險等。</p> |

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Statistics on employment key performance indicators 僱傭相關關鍵績效指標統計

| Indicators | 指標 | 2020 2020年度 | 2019 2019年度 |
|----------------------------|---------------------------------------|----------------|----------------|
| Number of employees | 員工人數 | 378 | 361 |
| By gender: | 按性別： | | |
| | Male 男性 | 239 | 221 |
| | Female 女性 | 139 | 140 |
| By type of employment: | 按僱傭類型： | | |
| | Permanent 勞動合同制 | 364 | 351 |
| | Secondment 勞務派遣制 | 14 | 10 |
| | Part-time 兼職 | 0 | 0 |
| By age group: | 按年齡組別： | | |
| | > 50 50歲以上 | 17 | 19 |
| | 30 to 50 30至50歲 | 315 | 292 |
| | < 30 30歲以下 | 46 | 50 |
| By geographical region: | 按地區： | | |
| | Mainland China 中國內地 | 376 | 359 |
| | Overseas ¹ 海外 ¹ | 2 | 2 |
| Employee turnover rate (%) | 員工流失率 (%) | 10 | 12 |
| By gender: | 按性別： | | |
| | Male 男性 | 10 | 12 |
| | Female 女性 | 10 | 13 |
| By age group: | 按年齡組別： | | |
| | > 50 50歲以上 | 0 | 10 |
| | 30 to 50 30至50歲 | 10 | 12 |
| | < 30 30歲以下 | 15 | 15 |
| By geographical region: | 按地區： | | |
| | Mainland China 中國內地 | 10 | 12 |
| | Overseas ¹ 海外 ¹ | 0 | 33 |

Note:

附註：

1. Including Hong Kong, Macau and Taiwan.

1. 含香港、澳門及台灣。

• Employee communication and caring

• 員工溝通及關懷

An effective employee communication is crucial to the formulation of decision-making and enterprise development. The Group strives to build an open working culture, and strengthen the communication between employees and management. It also sets up various communication channels to understand employees' opinions, so as to create a frank and an open communication atmosphere.

有效的員工溝通對決策制定、企業發展至關重要。本集團致力建設開放的工作文化，並加強員工與管理層的溝通，亦設立了多樣溝通渠道以瞭解員工的意見，營造坦誠開放的溝通氛圍。

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The Group cares and supports every employee who is in need. Through proactively conducting multi-level and multi-channel employee caring activities, the Group ensures paying visit for those employees suffered from injuries and sickness, attending employees' wedding ceremony and funeral ceremony and helping employees who are in difficulties, as well as the Group conducts consolatory activities on public holiday strictly in accordance with the relevant requirement of the China Federation of Trade Unions. Huada Electronics formulated the Trade Union Expenditure Management Measures, stating the detailed requirements on expenditure such as consolation money and support for employees who are in difficulties. As for the caring for female employees, Huada Electronics has set up nursing rooms, and subsidised the vaccination for female employees.

Overview of caring activities for employees in 2020

- ✧ "Sending coolness" consolatory activity in summer, providing employees with cooling consolatory products to prevent summer heat.
- ✧ "Sending warmth" consolatory activity in winter, providing employees with consolatory gifts for keeping warm.

Overview of employee activities in 2020

- ✧ Photographic and painting competition titled "The most stunning Huada".
- ✧ "Extraordinary goddess day" activity, providing female employees with holiday consolatory gifts.
- ✧ Table tennis and badminton competition.
- ✧ Visiting the Forbidden City in Beijing.

本集團關心及支持每一位需要幫助的員工。本集團通過積極開展多層次、多渠道的員工關愛活動，做到傷病必訪、婚喪必訪、幫助困難員工，同時嚴格按照中國總工會的有關規定，開展法定節假日慰問活動。華大電子制定了《工會經費管理辦法》，對員工慰問、困難員工幫扶等的經費支出做了詳細規定。在女員工關愛方面，華大電子設置了母嬰室，並為女員工接種疫苗提供補助。

2020年度員工關愛工作概覽

- ✧ 夏日「送清涼」慰問活動，向員工發放防暑降溫慰問品。
- ✧ 冬日「送溫暖」慰問活動，向員工發放御寒慰問品。

2020年度員工活動概覽

- ✧ 「最美華大」攝影繪畫大賽。
- ✧ 「不平凡的女神節」活動，向女員工發放節日慰問品。
- ✧ 乒乓球、羽毛球比賽。
- ✧ 參觀北京故宮。

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5.2 Training and development

- Employee training

Facilitating employees' growth provides impetus for corporate development. The Group's employee training is divided into three levels, corporate level, departmental level and individual level. The corporate level trainings focus mainly on cross-departmental and internal all-purpose training, such as new employee training, quality and safety requirements training, etc. Departmental level trainings focus mainly on enhancing knowledge and skills in departmental professional areas. Trainings for individuals act as a useful supplement to the above two.

Every employee of Huada Electronics is entitled to an individual training allowance of up to RMB3,000 per person per year starting from the 13th month onwards. Such allowance can be used for trainings as designated by the Group, or can be used in relation to employee's job-related trainings at his/her own choice subject to prior approval by the Group.

Huada Electronics formulated the Training System, which covers area such as types of training and effectiveness assessment, training implementation, internal training instructors, etc., as well as formulated the four major categories, namely system, and rules and regulations, experience exchanges, knowledge and skills, and cultural awareness, to be covered in the annual training programme.

5.2 培訓及發展

- 員工培訓

促進員工的成長是企業發展的動力源泉。本集團員工培訓分為公司級、部門級及個人三級。公司級培訓側重於跨部門、內部通用性培訓，如新員工培訓、質量及安全要求培訓等，部門級培訓側重於知識技能提升培訓，在部門專業方向上實施，個人培訓作為前兩者的有益補充。

華大電子員工自入職第13個月起享有個人培訓津貼，每年每人最高限額人民幣3,000元，可以由本集團指定的培訓時使用，或由員工自主選擇與本職位相關的培訓，在經過申請同意後參加使用。

華大電子制定了《培訓制度》，包含培訓類型以及效果評估、培訓實施、內部培訓講師等內容，並制定了涵蓋體系及規章制度、經驗交流、知識技能、文化意識四大類的年度培訓計劃。

| Overview of employee training activities in 2020 2020年度員工培訓活動概覽 | |
|---|---|
| Training project 培訓項目 | Objectives 目的 |
| <ul style="list-style-type: none"> "Partnering with wisdom and integrity and work together for our future" new employee training 「智誠夥伴、共創未來」新員工培訓 | <ul style="list-style-type: none"> Help new employees to understand the company's profile, rules and regulations, etc., so that they can adapt to the working environment and integrate into the team more quickly. 幫助新員工瞭解公司概況、規章制度等，使其更快適應工作環境以及融入團隊。 |
| <ul style="list-style-type: none"> "Empowering management - eight key moments in management" 「管理賦能—管理中的八個關鍵時刻」 | <ul style="list-style-type: none"> Help employees to enhance their leadership and managerial capabilities. 幫助員工提升領導能力及管理能力。 |

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Statistics on employees' training key performance indicators 員工培訓相關關鍵績效指標統計

| Indicators | 指標 | 2020 2020年度 | 2019 2019年度 |
|--|--------------------------|----------------|----------------|
| Employees' training coverage rate ¹ (%) | 員工培訓覆蓋率 ¹ (%) | 92 | 93 |
| By gender: Male | 按性別： 男性 | 63 | 62 |
| Female | 女性 | 37 | 38 |
| By grade: Senior management | 按級別： 高級管理層 | 2 | 2 |
| Middle-management | 中級管理層 | 11 | 11 |
| Grass-roots employees | 基層員工 | 87 | 87 |
| Employees' average number of hours of training per person per year | 員工每年人均接受培訓的小時數 | 32 | 35 |
| By gender: Male | 按性別： 男性 | 31 | 35 |
| Female | 女性 | 34 | 34 |
| By grade: Senior management | 按級別： 高級管理層 | 63 | 85 |
| Middle-management | 中級管理層 | 58 | 70 |
| Grass-roots employees | 基層員工 | 29 | 29 |

Note:

附註：

1. The calculation of employees' training coverage rate by gender and grade has been adjusted in 2020 to (number of employees in a particular category trained/total number of employees trained) X 100%. Data in 2019 has also been adjusted retrospectively in accordance with the current calculation method.

1. 按性別及級別的員工培訓覆蓋率計算方式於2020年調整為：(某類別員工培訓人數/接受培訓的員工總數)X 100%。2019年的數據已按照現行的計算方式進行追溯調整。

• Occupational development

• 職業發展

The Group implements a qualification management system and establishes an occupational development channel to provide an important basis for employee's promotion and salary increment. The Group implements dual channel development path for the technicians that accounts over 60% of the Group's total headcount. The technicians are divided into six grades, those who have reached grade four can select either the management line or the technical line. In the technical line, they can become technical expert, system engineer, etc., and in the management line, they can enter into the administrative management or project management area.

本集團實施任職資格管理制度，建立職業發展通道，為員工晉陞、提薪提供重要依據。對於佔本集團60%以上的技術族員工實行雙通道發展路徑，技術族分為六級，到四級後可選擇管理線或技術線，技術線發展到技術專家、系統工程師等，管理線則可進入行政管理或項目管理範疇。

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5.3 Occupational health and safety

- Production safety management

The Group has all along been insisting on the "safety first, focus on prevention and manage comprehensively" safety philosophy, managed production safety with reference to the principle of the Production Safety Law of the People's Republic of China, and by focusing on tackling the potential safety risks, and targeting at preventing and avoiding the occurrence of material safety incidents.

In order to ensure safe operation throughout the year, Huada Electronics launched safety topic trainings, fire evacuation drills, elevator escape drills, etc. for employees in 2020.

5.3 職業健康及安全

- 安全生產管理

本集團始終堅持「安全第一、預防為主、綜合治理」的安全理念，以《中華人民共和國安全生產法》為原則，以治理安全隱患為重點，以防範及遏制重大安全事故發生為目標落實安全生產管理工作。

為確保全年安全營運，華大電子於2020年組織員工開展安全主題培訓、消防疏散演練、以及電梯逃生應急演練等活動。

Overview of safety theme training activities in 2020
2020年度安全主題培訓活動概覽

| Training project 培訓項目 | Objectives 目的 |
|---|---|
| <ul style="list-style-type: none"> • Cardiopulmonary resuscitation ("CPR") • 心肺復甦 | <ul style="list-style-type: none"> • Learn CPR, first aid dressing, and how to use the nearby items for handling of emergency. • 學習心肺復甦、急救包紮，以及如何使用附近的物品進行應急處理。 |
| <ul style="list-style-type: none"> • Natural disasters • 自然災害 | <ul style="list-style-type: none"> • Understand the characteristics of natural disasters such as tsunamis, earthquakes, severe weather, etc. and learn how to save oneself and others in case of natural disasters. • 瞭解海嘯、地震、惡劣天氣等自然災害的特點，學習在自然災害發生時如何進行自救及互救。 |
| <ul style="list-style-type: none"> • Traffic safety • 交通安全 | <ul style="list-style-type: none"> • Learn how to save oneself and escape in case of emergency when riding on airplanes, undergrounds, public transportation, etc. • 學習在乘坐飛機、地鐵、公共交通工具等時遇到緊急情況如何進行自救與逃生。 |

Statistics on employees' occupational health and safety key performance indicators
員工職業健康及安全相關關鍵績效指標統計

| Indicators | 指標 | 2020 2020年度 | 2019 2019年度 |
|-----------------------------------|-------------|----------------|----------------|
| Number of work-related fatalities | 因工作關係而死亡的人數 | 0 | 0 |
| Number of work-related injuries | 工傷事故發生次數 | 0 | 0 |

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- *Quality working environment*

Quality working environment has a direct impact on the physical and mental health and work efficiency of employees. Based on the “people-oriented” philosophy, the Group is committed to provide and maintain a warm, comfortable, healthy and safe working environment for employees. Huada Electronics has set up a library and a recreation area in its office, so as to create a quality office arena. The Group has equipped with safety packs in the offices, clearly set out the requirements for safe use of electrical appliances, installed new ventilation system, etc. for new office in response to the air quality conditions in Beijing. In addition, the Group purchased traffic safety insurance for employees (such as insurance for employee travelling on planes, cars, etc.) to provide coverage for safe travel.

- *Anti-pandemic actions*

The COVID-19 pandemic in 2020 was severe and complex. The Group at the first instance established the emergency response management team for the pandemic of infectious diseases and formulated systems such as the COVID-19 Pandemic Preventions and Control Measures, Infectious Diseases Prevention and Control Emergency Plan, etc. which involved the management of prevention and control measures, supply of prevention and control materials, etc. These measures have enhanced the safety awareness and protective capability of employees, reduced the impact of COVID-19 pandemic on the safety of employees and the Group’s operations.

- *優質工作環境*

優質的工作環境對員工的身心健康及工作效率具有直接影響。本集團基於「以人為本」的理念，致力為員工提供及維持溫馨、舒適、健康而安全的工作環境。華大電子在其辦公區域內設置了圖書室及休閒區，營造優質辦公空間。本集團在辦公室內配備安全包，明確規定安全使用電器的要求；並針對北京地區的空氣質量狀況，在新辦公室安裝新風系統等。此外，本集團為員工購買差旅交通安全保險（例如員工乘坐飛機、汽車等的保險），為安全差旅提供保障。

- *抗疫行動*

2020年新型冠狀病毒疫情嚴峻複雜。本集團第一時間成立了傳染病疫情應急處理領導小組，並制定了《新型冠狀病毒疫情防控辦法》、《傳染病防控應急預案》等制度，涉及對防控措施、防控物資供給等的管理。這些措施增強員工的安全意識和防護能力，減少新型冠狀病毒疫情對員工的安全和本集團的營運造成的影響。

| COVID-19 prevention and control measures 新型冠狀病毒防控措施 | |
|--|---|
| <ul style="list-style-type: none"> • Employee health protection • 員工健康保障 | <ul style="list-style-type: none"> • Arrange for employees to work from home. • 安排員工進行居家辦公。 • Provide employees with masks, safety goggles, etc. anti-pandemic materials regularly. • 為員工定期提供口罩、護目鏡等抗疫物資。 |

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| | |
|--|---|
| <ul style="list-style-type: none"> • Workplace prevention and control • 工作場所防控 | <ul style="list-style-type: none"> • Clean and disinfect workplaces, strengthen employees' personal protection awareness. • 工作場所清潔消毒、強化員工個人防護意識。 • Report the health status of employees to the emergency response management team for the pandemic of infectious disease daily. • 每日向傳染病疫情應急處理領導小組報告員工健康狀況。 • Compile office prevention and control procedures and communicate pandemic prevention measures in a timely manner. • 編制辦公室防控流程、及時傳達防疫的措施。 |
| <ul style="list-style-type: none"> • Abnormalities handling • 異常情況處置 | <ul style="list-style-type: none"> • Set up observation areas in the workplace, isolate employees with suspicious symptoms, and arrange for medical treatment, etc. • 在工作場所設立觀察區域、對出現可疑症狀的員工進行隔離及安排就醫等。 |

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6. COMPLIANCE OPERATION

The Group considers the compliance with laws and regulations as the cornerstone of an enterprise. The Group regularly reviews and improves the management systems regarding aspects such as supply chain management, risk management and anti-commercial bribery with reference to the operational location's laws and regulations relevant to the compliance operation such as the Company Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, etc. as well as the industrial policies. In 2020, there were no occurrence of any confirmed corruption incident related to the Group or its employees, nor were there any legal proceedings against the Group or its employees. The Group has complied with all laws and regulations in relation to bribery, extortion, fraud and money laundering that was material to the Group.

6.1 Supply chain management

- *Management and control procedures on suppliers*

The Group is principally engaged in the business of design of integrated circuit chips, the Group's major suppliers are integrated circuit chips manufacturers. The effective management on suppliers during the course of the Group's development can help the Group to reduce costs and cooperation risk, raise the quality of products and services, and build up a quality brand. To this end, the Group has formulated a sound supplier management system, involving aspects such as supplier introduction and risk assessment, annual audits, and win-win cooperation.

6. 合規營運

本集團認為遵守法律及法規乃企業之基石，參考《中華人民共和國公司法》、《中華人民共和國合同法》、《中華人民共和國反不正當競爭法》等與合規營運相關的營運地法律法規及行業政策，對本集團供應鏈管理、風險管理、反商業賄賂等方面的管理制度定期進行檢討及完善。本集團於2020年並未發生與其或其員工有關的已確認的貪污事件及訴訟。本集團已遵守所有與賄賂、勒索、欺詐及洗黑錢相關並對本集團有重大影響的法律法規。

6.1 供應鏈管理

- *供應商管理控制程序*

本集團以集成電路芯片設計為主營業務，主要供應商為集成電路芯片製造商。對供應商的有效管理可以幫助本集團在發展過程中降低成本、降低合作風險，提高產品及服務質量，建立良好品牌。為此，本集團制定了完善的供應商管理體系，涉及供應商引入與風險評估、年度審核、合作共贏等方面。

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Supplier management system 供應商管理體系



The Group formulated the Supplier Management Control Procedures setting out the requirement for the selection, evaluation and management for production suppliers. In particular, it sets out in detail the guiding principles for aspects such as selection, approval, daily management, and subsequent evaluation of suppliers, so as to ensure a long-term and stable provision of reliable and quality products and services by the suppliers.

In addition, the Group formulated the Procurement and Outsourcing Control Procedures, setting out the requirements for the procedures and rules for managing the production procurement and the outsourcing. The procedures provide the definitions and corresponding operational requirements for aspects such as requirement planning, order formation and approval, procurement implementation, quality control, acceptance settlement, etc., so as to ensure the materials and products procured and outsourced comply with the requirements.

- *Periodic review on suppliers*

The Group chooses to cooperate with suppliers which comply with the requirements of the PRC laws and regulations in aspects such as environmental and social assessment. These suppliers also comply with the requirement of the Group's Key Factors of Inspection for Supplier Assessment Form regarding information safety management system and quality management system.

本集團制定了《供方管理控制程序》，規定了對生產類供應商的選擇、評價及管理的要求，其中詳細規定了供應商的選擇、審批、日常管理以及再評價等方面工作的指導原則，以確保供應商能夠長期、穩定的提供質量可靠的產品及服務。

此外，本集團制定有《採購與外包控制程序》，規定了生產類採購及外包管理流程及規則。該程序對需求計劃，訂單形成及審批，採購實施，質量控制，以及入庫結算等方面做了定義及相應操作規定，以確保採購及外包的材料及產品符合規定的要求。

- *供應商定期評審*

本集團選擇合作的供應商在環境及社會考核方面均符合中國法律法規的要求，並且符合本集團《供方評估檢查要素表》中的信息安全管理体系及質量管理體系的規定。

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The Group carries out regular review on its approved suppliers each year. The review on the approved suppliers is based on criteria such as the availability of the supply of goods in previous year, the requirement planning for the coming year, etc. Based on the results of the review, the Group will adjust the eligibility and grading of suppliers accordingly and compile a revised list of approved suppliers for the next year, while ad hoc two-party audits will also be conducted on suppliers during daily management. In the event that an approved supplier has no business dealing with the Group for the past 3 consecutive years, the qualification of such supplier will be canceled. In 2020, the Group conducted assessment on 40 suppliers, with a passing rate of 100%.

本集團每年定期對合格供應商進行評審。本集團根據上一年度供貨情況、以及未來一年度需求計劃等，對合格供應商進行評審。根據評審結果，對供應商資格、等級進行調整，形成新一年的合格供應商名單，日常管理中還會對供應商進行不定期的二方審核。如果合格供應商連續3年與本集團沒有業務往來，其合格供應商資格將會被取消。本集團於2020年對40家供應商進行考核，供應商考核通過率為100%。

Statistics on supply chain management key performance indicators 供應鏈管理相關關鍵績效指標統計

| Indicators | 指標 | 2020 2020年度 | 2019 2019年度 |
|---------------------------|-------------------|----------------|----------------|
| Total number of suppliers | 供應商總數(間) | 61 | 52 |
| By geographical region | 按地區 | | |
| • Mainland China | • 中國內地 | 53 | 47 |
| • Overseas ¹ | • 海外 ¹ | 8 | 5 |

Note:

1. Including Hong Kong, Macau and Taiwan.

附註：

1. 含香港、澳門及台灣。

6.2 Anti-corruption

- *Anti-corruption management system*

The Group implements the building of clean code of conduct and governance by adhering to the “law abiding and establishing credibility, advocating honesty and nurturing people” integrity philosophy, insisting on the approach of “treating both symptoms and root causes, applying punishment and prevention for impeachments and putting focuses on precautions”.

6.2 反貪污

- *反貪污管理制度*

本集團秉承「奉法立信、興廉樹人」的廉潔理念，堅持「標本兼治、懲防並舉、預防為主」的方針，落實廉政建設。

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In order to regulate the gift accepting arrangement during business interactions on behalf of the Group, eradicate the possibility of violating laws and disciplines, and strengthen self-restraint and awareness of preventing corruption, the Group formulated the Handing Over of Gifts Collected Requirements (Provisional), the “Significant Issue, Key Official Appointment and Removal, Significant Project Investment and Large Value Fund Utilisation” Decision-making System Implementation Measures and stepped up the launching of anti-corruption education for employees.

In 2020, the Group continued to promote the building of business ethics culture by organising employees to watch business ethics education publicity videos and launching typical case studies for employees.

- *Complaint and whistleblowing management*

In order to regulate the management of complaints and whistleblowing reporting, the Group formulated the Complaints and Whistleblowing Management Measures. Employees of the Group and outsider can report, in anonymity, on corporate or individual suspected misconducts relating to corruption, including bribery, extortion, fraud and money laundering, during the course of operation to either the internal audit department or the audit committee of the Company through letter, telephone, internet, facsimile, etc.

In addition, the Group keeps personal information of informers and whistleblowing cases strictly confidential in accordance with the confidentiality principle under the Complaints and Whistleblowing Management Measures.

為了規範本集團業務交往中的饋贈行為，杜絕可能發生的違法違紀事件，增強員工的自我約束，防止腐敗的意識，本集團制定了《禮品上繳規定(試行)》、《「三重一大」決策制度實施辦法》，並加強對員工開展反貪污教育。

2020年，本集團通過組織員工觀看商業道德教育宣傳片及開展典型案例學習工作，不斷推動商業道德文化建設。

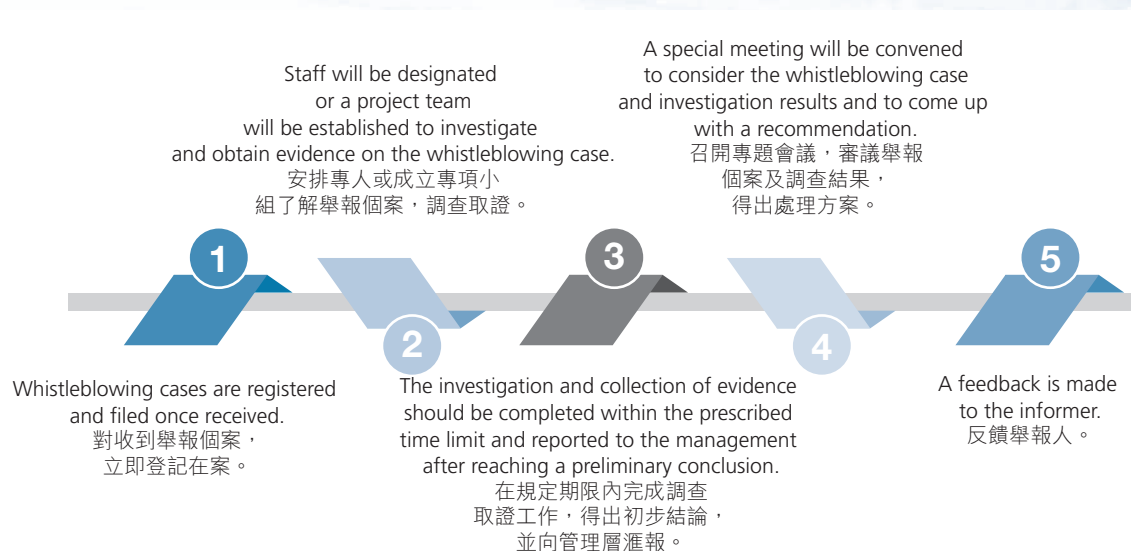
- *投訴及舉報管理*

為了規範投訴及舉報管理工作，本集團制定《投訴及舉報管理辦法》。本集團內部員工、外部人員均可匿名通過信件、電話、互聯網、傳真等渠道向內部審核部門或本公司的審核委員會反映企業或個人經營過程中有關懷疑貪污，包括賄賂、勒索、欺詐及洗黑錢的不當事宜。

此外，本集團按照《投訴及舉報管理辦法》的保密原則，對舉報人個人信息及舉報個案進行嚴格保密。

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7. ENVIRONMENT

The Group is committed to reducing the possible adverse impact of its operations on the environment. The Group regularly reviews the environmental protection management measures with reference to operational location's laws and regulations relevant to environment such as the Environmental Protection Law of the People's Republic of China and the industrial policies, encourages employees to take responsible actions on the environment and regularly provides employees with relevant training. In 2020, there was no occurrence of any environmental pollution incident, nor was there any litigation against the Group or violation of laws and regulations by the Group in relation to environmental protection that was material to the Group.

7. 環境

本集團致力減低營運可能對環境造成的不利影響，參考《中華人民共和國環境保護法》等與環境相關的營運地法律法規及行業政策，對環保管理措施進行定期檢討，鼓勵員工對環境採取負責任的行為，定期向員工提供相關培訓。本集團於2020年並未發生任何環境污染事件，亦沒有與環境保護相關並對本集團有重大影響的訴訟及違法違規事件。

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7.1 Green operations

The potential environmental impacts of the Group's operations mainly include the use of energy and water resources, and packaging materials used in finished products, as well as greenhouse gas emissions. In response to the identified environmental impacts, the Group has formulated corresponding management measures.

7.1 綠色營運

本集團營運過程中可能造成的環境影響主要包括能源及水資源的使用和製成品所用包裝材料，以及溫室氣體排放方面。針對已識別的環境影響，本集團制定了相應的管理措施。

| Aspects 層面 | Green operation measures 綠色營運措施 |
|---|---|
| 1. Resource utilisation 1. 資源利用 | <ul style="list-style-type: none">Water saving and energy saving measures, and recycling of packaging materials used in finished products in daily operations.日常營運過程中的節水與節能措施、對製成品所用包裝材料進行循環使用。 |
| 2. Emission management 2. 排放物管理 | <ul style="list-style-type: none">Measures to reduce greenhouse gas emissions and office waste generated during operations.對營運過程中產生的溫室氣體排放與辦公廢棄物的減量化措施。 |
| 3. Incorporating environmental protection awareness 3. 環保意識融入 | <ul style="list-style-type: none">Launching environmental protection educational activities to help employees establishing awareness on environmental protection and conservation of natural resources.開展環保教育活動，幫助員工樹立環境保護與節約自然資源意識。 |

The Group has formulated various targets for environmental management in 2020, covering greenhouse gas emissions, waste generation and use of energy three areas. The Group's water consumption is shared among owners or tenants of the property and as it is not possible to control the consumption of other owners or tenants, it is unfeasible to set water consumption management targets. In addition, the Group's ESG working group reviews and assesses the achievement of each targets on a regular basis to ensure that ESG related tasks are implemented to all relevant departments.

本集團於2020年制定了多項環境管理目標，涉及以下三個方面：溫室氣體排放、廢棄物產生及能源使用。本集團用水量為物業公攤，由於無法控制別的業主或租客的用量，因此無法設定用水量管理目標。此外，本集團ESG工作小組定期檢查與評估各項目標的實現情況，確保ESG相關任務落實到各相關部門。

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| Targets for environmental management 環境管理目標 | |
|--|--|
| Aspects 層面 | Targets 目標 |
| <ul style="list-style-type: none"> Greenhouse gas emissions 溫室氣體排放 | <ul style="list-style-type: none"> 0.5% reduction in greenhouse gas emissions per square meter of floor area in 2024, as compared with 2019's. 2024年每平方米樓面面積的溫室氣體排放量較2019年減少0.5%。 |
| <ul style="list-style-type: none"> Waste generation 廢棄物產生 | <ul style="list-style-type: none"> 2.7% reduction in waste toner cartridge generation in 2024, as compared with 2019's. 2024年廢棄碳粉匣產生量較2019年減少2.7%。 |
| <ul style="list-style-type: none"> Use of energy 能源使用 | <ul style="list-style-type: none"> 0.5% reduction in electricity consumption per square meter of floor area in 2024, as compared with 2019's. 2024年每平方米樓面面積的耗電量較2019年減少0.5%。 1.0% reduction in fuel consumption per capita in 2024, as compared with 2019's. 2024年人均耗油量較2019年減少1.0%。 |

• Resource utilisation and emission management

For daily operation, the Group incorporated the resources-conservation behaviors such as saving water and saving energy by employees into the Code on the Daily Conduct of Employees, requiring them to turn off the lights when leaving work, turn off the water tap readily, have the computer under standby mode temporarily when not in use, turn off the monitor readily, turn off the electric power supply when leaving the office, etc. At the same time, the Group took the initiative to convey the basic philosophy of saving water to its employees by posting gentle reminders. The water taps will be repaired in a timely manner if it is found damaged, so as to reduce water resource wastage. As the Group's consumption of water resource mainly arises from the operation of its offices, and currently the Group's water source is municipal water supply, it is not facing any problem and risk in accessing sufficient water source. Huada Electronics arranged for the cleaning and insulation pipe inspection of the VRV (variable refrigerant volume) air conditioners in its office building, so as to strengthen their work efficiencies and reduce energy consumption.

• 資源利用及排放物管理

在日常營運方面，本集團將員工節水節能等資源節約行為列入《員工日常行為規範》，要求員工做到人走燈滅，隨手關水龍頭，電腦暫時不用即進入待機狀態、隨手關閉顯示器、下班離開辦公室關閉電源等。同時，本集團通過張貼溫馨提示向全體員工倡導節約用水的基本理念，如發現水龍頭損害及時修理，減少水資源浪費。本集團對水資源的消耗主要來自於辦公營運，目前本集團取水來源為市政供水，不面臨求取適用水源方面的問題及風險。華大電子對辦公大樓內的VRV(變製冷劑流量多聯式)空調進行清洗，保溫管排查等，加強其工作效率，降低能耗。

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The Group also established an office automation ("OA") system to implement paperless office. Through the OA system, aspects such as the receiving and sending of official documents, circulation of documents, sharing of departmental documents, etc. are all carried out internally, so as to achieve paperless operation of office process. On the premise of protecting printing privacy, the Group implements double-sided printing, so as to reuse waste paper. In addition, the Group advocates bring-your-own-cup at internal meetings, so as to reduce the use of disposable paper cups.

Packaging materials used in finished products of the Group consists of cartons, black boxes, iron rings, stainless steel racks, etc. The Group recycles these black boxes, iron rings and stainless steel racks to the extent that the hygiene of such item is ensured, so as to reduce resources wastage.

Apart from greenhouse gases, non-hazardous wastes produced in the office (such as waste paper), and a small number of waste toner cartridges, the Group did not generate significant exhaust emissions, cause water and land pollutions, generate hazardous wastes and other environmental impacts in the course of operations. The Group reduces greenhouse gas emissions through saving electricity. Non-hazardous wastes are processed by property management companies. The Group is unable to quantify its production. The Group also reduced the use of paper and waste paper produced through launching a paperless office. For the old computers generated from office use, the Group shall pass them to a third party organisation for disposal in accordance with the Equipment Management and Control Procedures. As for waste toner cartridges, the Group passes them to qualified organisations for recycling.

Overall, the Group's emission of Scope 1 greenhouse gases remained stable, while the emission of Scope 2 greenhouse gases slightly increased from 1,648 ton of CO₂ equivalent to 1,700 ton of CO₂ equivalent.

本集團亦建立辦公自動化(「OA」)系統推行無紙化辦公，在內部建立對於公文收發、文件流轉、部門文件共享等方面均通過OA系統實現辦公流程無紙化操作；推行雙面打印紙張，在保障打印隱私的前提下重複利用廢棄紙張。此外，本集團內部會議提倡自帶水杯，減少一次性紙杯的使用。

本集團的製成品所用包裝材料主要包括紙箱、黑盒、鐵環及不銹鋼繃架等。其中，對於黑盒、鐵環及不銹鋼繃架，本集團在確保其清潔的情況下，進行循環使用，減少資源浪費。

除溫室氣體、辦公環節產生的無害廢棄物(如廢紙等)以及少量廢棄碳粉匣外，本集團於營運期間並無產生顯著廢氣排放、向水及土地排污、產生有害廢棄物以及其他環境影響。本集團通過節電減少溫室氣體排放。無害廢棄物均交由物業管理公司處理，本集團無法統計其產生量。本集團亦通過開展無紙化辦公減少用紙以及廢紙產生。針對辦公環節產生的廢棄電腦，本集團按照《設備管理控制程序》，交由第三方機構進行報廢處置。針對廢棄碳粉匣，本集團交由有資質的機構進行回收處理。

整體而言，本集團的範圍1溫室氣體排放量維持穩定，而範圍2溫室氣體排放量則由1,648噸CO₂當量輕微增加至1,700噸CO₂當量。

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Statistics on environment key performance indicators
環境相關關鍵績效指標統計

| Indicators | 指標 | Units 單位 | 2020 2020年度 | 2019 2019年度 |
|---|-----------------------|--|----------------|----------------|
| Total greenhouse gas emissions ¹ | 總溫室氣體排放量 ¹ | ton of CO ₂ equivalent 噸 CO ₂ 當量 | 1,726 | 1,674 |
| • Scope 1 greenhouse gas emission | • 範圍1溫室氣體排放量 | ton of CO ₂ equivalent 噸 CO ₂ 當量 | 26 | 26 |
| • Scope 2 greenhouse gas emission | • 範圍2溫室氣體排放量 | ton of CO ₂ equivalent 噸 CO ₂ 當量 | 1,700 | 1,648 |
| Greenhouse gas emissions per square meter of floor area | 每平方米樓面面積的溫室氣體排放量 | ton of CO ₂ equivalent/m ² 噸 CO ₂ 當量/平方米 | 0.10 | 0.09 |
| Waste toner cartridges produced | 廢棄碳粉匣產生量 | number 個 | 94 | 112 |
| Total electricity consumption | 總耗電量 | Mwh 兆瓦時 | 1,870 | 1,827 |
| Electricity consumption per square meter of floor area | 每平方米樓面面積的耗電量 | Kwh/m ² 千瓦時/平方米 | 107.27 | 95.99 |
| Total water consumption | 總耗水量 | m ³ 立方米 | 10,563 | 10,817 |
| Water consumption per square meter of floor area | 每平方米樓面面積的耗水量 | m ³ /m ² 立方米/平方米 | 0.61 | 0.57 |
| Total fuel consumption ² | 總耗油量 ² | litre 升 | 9,375 | 9,497 |
| Volume of paper used in offices | 辦公用紙量 | ton 噸 | 2 | 2 |
| Volume of packaging materials used in finished products | 製成品所用包裝材料量 | ton 噸 | 6 | 6 |

Notes:

- The total greenhouse gas emissions was the sum of Scope 1 and Scope 2 greenhouse gas emission. The Scope 1 and Scope 2 greenhouse gas emissions were calculated according to the automobile fuel consumption data and electricity consumption data respectively, together with the relevant emission factors. The 2019 greenhouse gas emission data has been adjusted retrospectively based on the latest emission factors from The Stock Exchange of Hong Kong Limited.
- Total fuel consumption represents the fuel consumption of the Group's vehicles for office use.

附註：

- 總溫室氣體排放量為範圍1、2溫室氣體排放量之和。範圍1、2溫室氣體排放量分別根據汽車耗油數據，耗電量數據及相關排放系數進行計算。2019年的溫室氣體排放數據已根據香港聯合交易所有限公司最新排放系數進行追溯調整。
- 總耗油量為本集團辦公用車的耗油量。

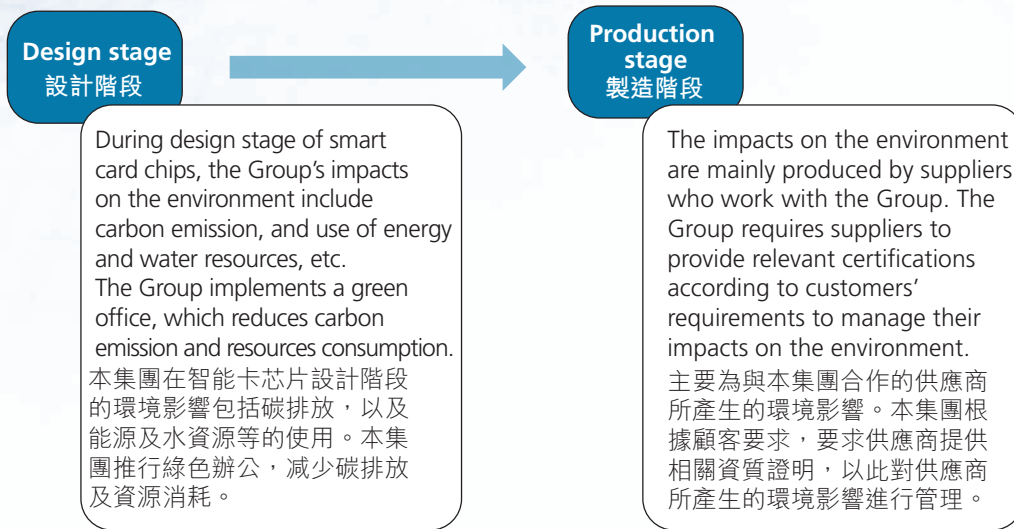
7.2 Green products

The Group is principally engaged in the business of design of security smart card chips. Overall speaking, despite the smart card chip only accounts for a relatively small portion of the technological product, smart card chip is the core to drive the operation of the products, and good design can effectively reduce the impacts on the environment during the whole product life cycle.

7.2 綠色產品

本集團的主營業務為智能卡及安全芯片之設計。智能卡芯片在科技產品整體來說佔比較小，但智能卡芯片是驅動產品運作的核心，良好的設計有利於減少產品整個生命週期對環境的影響。

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The Group's products include smart card chips, modules, circuits and cards. All products meet the requirements of RoHS. In particular, the smart card chips, modules and circuits also meet the requirements of REACH standards.

本集團產品形態包括智能卡芯片、模塊、電路、卡片。所有產品均滿足RoHS要求，其中智能卡芯片、模塊、電路同時滿足REACH標準要求。

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8. COMMUNITY INVESTMENT

The Group strives to being an outstanding corporate citizen by focusing on community building, actively practicing corporate social responsibility, and continuously influencing employees and key stakeholders in this way.

The Group contributed RMB100,000 in 2020 for poverty alleviation work and contributed RMB98,000 to purchase rice from Songtao County, Guizhou Province, which was in slow sale due to the COVID-19 pandemic, as staff holiday gifts to promote the economic development of poverty region. In addition, the Group donated RMB200,000 to the Hubei Charity Federation during the COVID-19 pandemic in 2020 and called on employees to make donations to combat the pandemic, raising a total of RMB24,000.

8. 社區投資

本集團關注社區建設，積極踐行企業社會責任，並以此不斷影響員工和重要利益相關方，致力於成為卓越的企業公民。

本集團於2020年投入人民幣10.0萬元用於扶貧工作，並投入人民幣9.8萬元向貴州省松桃縣採購因新型冠狀病毒疫情而滯銷的大米作為員工節日慰問品，推動貧困地區的經濟發展。此外，本集團於2020年新型冠狀病毒疫情期間向湖北慈善總會捐款人民幣20.0萬元，並號召員工支持抗擊疫情善舉，總共籌集人民幣2.4萬元捐款。

Statistics on community investment key performance indicator 社區投資相關關鍵績效指標統計

| Indicator | 指標 | Units 單位 | 2020 2020年度 | 2019 2019年度 |
|--|---------------------|------------------|----------------|----------------|
| Investment in community welfare ¹ | 社區公益投資 ¹ | RMB'000 人民幣千元 | 300 | — |

Note:

1. Excluding the amount related to staff fundraising and the Group's purchase from Songtao County, Guizhou Province.

附註：

1. 不含員工募捐及本集團向貴州省松桃縣採購投入。



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