intron 英恒

INTRON TECHNOLOGY HOLDINGS LIMITED
英恒科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1760

2020
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2020

1. ABOUT THIS REPORT

Intron Technology Holdings Limited (the "**Company**") publishes its Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**"), covering the initiatives, policies and performance in relation to environmental and social aspects of the Company and its subsidiaries ("**Intron Technology**", the "**Group**", "**we**" or "**us**") during the period from 1 January 2020 to 31 December 2020 (the "**Reporting Period**" or the "**Year**").

Basis of Preparation

The ESG Report has been compiled in accordance with the Environmental, Social and Governance Reporting Guide (the "**Guide**") requirements as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The covered scopes and contents are in compliance with the disclosure obligations under the "Comply or Explain" provisions in the Guide. Readers may refer to the "Index to the ESG Reporting Guide of Stock Exchange" set out in Appendix 2 of the ESG Report for quick reference.

Reporting Scope

Useless otherwise stated, this ESG Report covers core businesses of Intron Technology and collects the environmental key performance indicators (the "**KPIs**") of offices in Shanghai, Guangzhou, Beijing, and Hong Kong. The chosen 4 offices are the major operating bases of the Group's businesses.

Application of the Reporting Principles

Materiality	Intron Technology analyzes ESG issues that are material to the Group's operation and stakeholders through stakeholder engagement and materiality assessment. The ESG Report discloses relevant policies, and practices on addressing material issues.
Quantitative	The data is collected and calculated to disclose the KPIs in the ESG Report. The past KPIs are compared to evaluate sustainability performance.
Balance	The ESG Report reflects positive and negative ESG information reasonably and objectively.
Consistency	Intron Technology uses standardized ways and methods to collect and calculate data. We state changes in methods or related factors in the ESG Report to allow meaningful comparisons.

Language Used

This ESG Report is available in two languages, including Traditional Chinese and English versions. Should there be any inconsistency between them, the English version shall prevail.

Contact

We value your views on this ESG Report. For any enquiries or suggestions, please send your email to ir@intron-tech.com.

2. ABOUT THE GROUP

Since its establishment, Intron Technology has always been devoted to providing solutions for automotive body control, safety and powertrain as well as technology development businesses, serving customers under the notion of "Elite Perpetual" (「匯聚精英，共創永恆」).

The outbreak of COVID-19 influenced the overall market of the People's Republic of China (the "**PRC**"), including our industry. The Group believes that there are still ample opportunities in the automotive market, in particular in the New Energy Vehicles (the "**NEV**") market and on Advanced Driver-assistance System (the "**ADAS**") products. The Group has invested considerable resources in these areas and expected its projects to enter the mass production in stages in the coming years. The Group participated in a number of NEV-related joint projects with various renowned automotive brands in the PRC in 2020, laying a sound foundation for its results for the upcoming years.

Moreover, the Group believes that demand for technologies such as cloud services, big data, and artificial intelligence from society will continue to grow as the COVID-19 epidemic has changed the living and working habits of the general public.

Goals and Directions

Looking ahead on the background of market recovery from COVID-19, with the increasing trend of automation, electrification and intelligent development in the NEV segment and ADAS technology, the Group is confident to leverage its extensive industry experience, leading core technologies and solid relationships with its customers, to achieve a long-term sustainable business and provide satisfactory returns to the shareholders of the Company (the "**Shareholders**").

In addition, we make full use of the platform provided in this ESG Report to disclose our non-financial performance so as to increase disclosure transparency.

3. CORPORATE SOCIAL RESPONSIBILITY PRACTICES

Intron Technology attaches great importance to sustainable operations to develop its business. In social aspects, we value our employees, operate with responsibilities, and provide quality services to customers. In environmental aspects, we strive to make steady progress on the road of sustainable development.

3.1 ESG Working Group

Intron Technology established the ESG Working Group, comprising of management. The following responsibilities are carried out to have better ESG management,

The board of directors of the Company (the "Board")	The ESG Working Group	Departments
• Overseeing and managing the ESG issues	• Overseeing ESG-related policies to ensure in compliance with laws and regulations • Reporting to the Board about the progress of the ESG work • Proposing ESG-related suggestions to the Board	• Implementing ESG-related policies • Assisting to collecting data and information in relation to the ESG Report

3.2 Stakeholder Engagement

We maintain close relationship with the below key internal and external stakeholders that have significant impact on our business. We communicate and collect opinions from stakeholders to make improvements towards the ESG issues of the Group.

Stakeholders	Communication Channels
Customers	• Corporate website • Site visits • Customer support and service • Visits by customer relationship managers • Communication from daily operations • Phone calls and email
Employees	• Surveys to collect employees' views • Work performance appraisal • Group discussions • Conference meetings • Interviews on work performance • Presentation on business operations • Seminars/workshops • Publications (e.g. staff newsletters) • Staff meeting for communication
Shareholders/Investors	• Annual general meeting and other meetings • Interim reports and annual reports • Corporate communications (e.g. letters to Shareholders, circulars and notice of meetings) • Results announcements • Company visits
Suppliers	• Supplier management procedures • Meetings • Suppliers/contractors appraisal system • Site visits
Business partners/ Industry peers	• Meetings • Visits • Talks/Discussion Forum
Mass Media	• Press conferences • Press releases • Interviews of senior management • Results announcements
Regulatory authorities	• Written responses to public consultation • Compliance reports

3.3   Materiality assessment

To further identify issues of the Group related to ESG, we make references to a broad range of sources, including the Guide and perform peer review to identify common and material topics. We also compare the prevalence of such topics to summarize a series of material topics applicable to the business of the Group.

The Group has reviewed and confirmed the identification results of material issues. The materiality assessment result is shown below:

Issues of high importance	Issues of moderate importance	Issues of general importance
• Economic performance	• Health and safety of products and services	• Promotion and product/ service labeling
• Market competitiveness	• Anti-fraud and anti-corruption	• Prevention of child labour and forced labour
• Compliance with laws and regulations	• Whistle-blowing mechanism	• Water consumption and efficiency
• Responsible procurement	• Complaint handling and responding mechanism	• Community investment and involvement
• Quality control	• Protection of intellectual property right	
• Technology development and application	• Employee diversity, nondiscrimination and equal opportunity	
• Protection of customers' privacy	• Training and development of employees	
• Employment rights	• Qualifications and professional conduct of employees	
• Labour relations	• Use of materials	
• Occupational health and safety	• Environmental awareness of employees	
• Energy consumption and efficiency	• Attention to community	

4. RESPONSIBLE OPERATIONS

The vision of the Group is "To Become the Greatest R&D Service Platform for Automotive Electronics Industry". The Group actively participated industry-related activities and sealed strategic collaboration with peers to develop new technologies and explore business opportunities during the Year. Meanwhile, we strive to protect our assets, operate in compliance, ensure service quality and manage the suppliers.

4.1 Protecting Intellectual Property Rights

The Group has regarded research and development (the "**R&D**") as the cornerstone of its business development. We input resources in developing R&D to raise market competitiveness and recognition. We review, apply and renew our patents, ensuring to comply with the Patent Law of the PRC and the Copyright Law of the PRC.

We conduct systematic record-keeping to summarize the current registered patents, and we extend the validity when necessary. We provide rewards to employees when patents can be formally registered as for motivation. In cooperation projects, we have clarified the ownership of intellectual property rights by signing agreements. Moreover, we conduct detailed market research in order not to infringe the intellectual property rights of others, and we will take all necessary legal steps to handle infringement cases where necessary.

During the Reporting Period, the Group secured 245 patents and has 77 new registered patents.

4.2 Information Security and Disclosure

We ensure our operations comply with the Privacy Law of the PRC, the Implementation Measures of the Privacy Law of the PRC, and the Cyber Security Law of the PRC.

We are committed to protecting consumer data and privacy by strengthening security of computers. We have established the "Rules for Administration of IT Information Security" (《IT信息安全管理規範》) and the "Rules for Administration of IT System Operation and Maintenance" (《IT系統運維管理規範》) in place to manage the use of information. For hardware protection, we install firewalls on computers to prevent from virus attacking. The IT department also centralizes the management of employees' access rights in the system according to their positions and needs to avoid excessive access to information. We encrypt confidential or sensitive data to reduce information leakage risks with regular inspections.

In terms of protecting customer privacy, Intron Technology collects and uses customer information in compliance to relevant laws and regulations. Our employees who need to handle customer data attend regular training related to privacy to raise their awareness and use the information correctly.

In terms of business information disclosure, the Group strictly complies with the Advertising Law of the PRC and carefully deals with issues in relation to advertisements to ensure the completeness, truthfulness and accuracy of information delivered to the public through the advertisements and prevent any false and misleading description of goods and deceptive conduct.

4.3 Anti-corruption

We comply with the Anti-Unfair Competition Law of the PRC, the Law of the PRC on Anti-Money Laundering, the Criminal Law of the PRC, and the Supervision Law of the PRC, with zero tolerance to any acts of bribery, extortion, fraud, and money laundering in our operations. During the Reporting Period, we found no concluded legal cases regarding corrupt practices brought against us or our employees.

We have developed policies, including the "Fraud Policy Statement" (《反舞弊政策》) and the "Employee Handbook" (《員工手冊》) to manage defalcation, misappropriation, and other irregularities. All employees need to avoid conflicts of interest, such as receiving personal benefits for purposes, taking advantage of the Company's resources to gain, or help others get profit. We investigate and handle properly on any suspected case, and employees need to bear consequences in violating the code of conduct.

The "Whistleblower Policy and Procedures" (《舉報程序》) has been set to regulate the handling of accounting and audit related complaints. Employees may report suspected cases through email openly, confidentially or anonymously to the audit committee. The audit committee receives, retains, investigates and acts on the complaints. The audit committee can investigate within their capacity or engage external parties to assist in investigations and result analysis. All violation cases will be reasonably punished.

4.4 Enhancing the Service Quality

We are committed to providing customers with customer-oriented, professional, and satisfactory services through improving the quality of our products and services. Protecting the rights and interests of customers throughout sales activities is essential to operations, and we comply with the Law of the PRC on Protection of Consumer Rights and Interests.

The Group engages experienced sales personnel to maintain close relationships with customers and provide quality services. We ensure that our products and services meet the expectations of our customers. Intron Technology also regularly communicates with customers and gathers their feedback for further improvements.
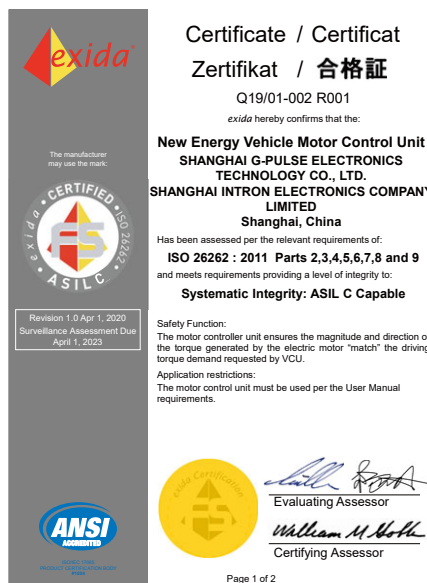
Intron Technology did not receive any complaints in relation to its products and services during the Year. We continue to move towards the target of zero complaints and get customers' recognition of our products and services.

4.5 Quality Assurance

We conduct strict and detailed testing and validation before launching products or services. The quality control department also conducts routine and random checks for quality assurance. Intron Technology sets internal guidelines and requirements to handle recall issues.

Achievement: ISO26262 Vehicle Functional Safety

During the Year, Intron Technology was awarded a certificate for ISO26262 Vehicle Functional Safety by exida, an internationally renowned certification company, for its NEV-related products. This certification fully demonstrates the Group's industry-leading position and the growth potential of its new energy electronic control business.

Certificate / Certificat

Zertifikat / 合格証

Q19/01-002 R001

exida hereby confirms that the:

New Energy Vehicle Motor Control Unit
SHANGHAI G-PULSE ELECTRONICS
TECHNOLOGY CO., LTD.
SHANGHAI INTRON ELECTRONICS COMPANY
LIMITED
Shanghai, China

Has been assessed per the relevant requirements of:

ISO 26262 : 2011 Parts 2,3,4,5,6,7,8 and 9

and meets requirements providing a level of integrity to:

Systematic Integrity: ASIL C Capable

Safety Function:
The motor controller unit ensures the magnitude and direction of the torque generated by the electric motor "match" the driving torque demand requested by VCU.

Application restrictions:
The motor control unit must be used per the User Manual requirements.

The manufacturer may use the mark:

Revision 1.0 Apr 1, 2020
Surveillance Assessment Due
April 1, 2023

Evaluating Assessor

William M. Holk
Certifying Assessor

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4.6 Managing the Suppliers

The Group relies on suppliers to provide parts and components, Electronic Manufacturing Services, structural components and tools. During the Year, the Group cooperated with 225 (Domestic: 216; Foreign: 9) major suppliers.

We regulate the selection of suppliers and procurement activities through following internal policies of the "Control Procedures of Supplier Management" (《供應商管理控制程序》) and the "Control Procedures of Procurement" (《採購控制程序》). The procurement department needs to strictly follow the procurement workflows in different conditions for better management of suppliers. We require our suppliers to operate in compliance with environmental and social aspects. We strive to cooperate with sustainable suppliers and purchase products that minimize environmental impacts to promote green procurement. Regular supplier reviews are conducted to ensure that delivered products and services align with the requirements and expectations of the Group. The review result can be one of the factors influencing cooperation potentials in the future.

5. PEOPLE-ORIENTED

Employees are our asset, and the Group values their contributions. We strive to build up a professional team for continuous business growth and value creation for the Group in areas of recruitment, remuneration and benefits packages, and opportunities for training and development.

The Group strictly complies with the employment-related laws and regulations, including the Labour Law of the PRC, the Labor Contract Law of the PRC, the Law of the PRC on the Protection of Minors, and the Employment Ordinance of Hong Kong for operations in PRC and Hong Kong.

The Group formulates internal policies, including the "Staff Handbook" (《員工手冊》), "Administrative Regulations on Employee Recruitment" (《員工招聘錄用管理規定》), "Administrative Regulations of Turnover Employees" (《員工離職管理規定》) and, "Management Regulations on Employee Appraisals" (《員工考核管理規定》) to regulate employment and labour practices, and protect the rights and interests of employees. The policies cover recruitment to resignation stages, such as the details of recruitment, working hours, equal opportunities, appraisals, promotion, compensation benefits, and welfare.

The details of the total workforce are stated below:

Details of workforce	Unit	2019	2020
Total employees	No. of people	844	921
By gender			
Male employees	No. of people	585	624
Female employees	No. of people	259	297
By employment type			
Contracted employees*	No. of people	42	20
Junior employees	No. of people	687	776
Intermediate management employees	No. of people	91	98
Senior management employees	No. of people	24	27
By age group			
Under 30	No. of people	274	290
30-50	No. of people	535	599
Above 50	No. of people	35	32
By geographical location			
Employees from Mainland China	No. of people	815	892
Employees from other locations (including Hong Kong, Macau and Taiwan)	No. of people	29	29

* Contracted employees: Employees who sign a part-time employment contract or trainee contract with the Group

5.1 Employment Principles

Intron Technology selects new employees equally through interviews. The selection criteria are solely based on the qualifications, experience, talents and suitability of the position, regardless of race, color, sex, sex, pregnancy, religion, ancestry, age and citizenship. Intron Technology is committed to creating a workplace with equal opportunities and diversity, without tolerating harassment.

Intron Technology prohibits the employment of child and forced labour, as well as illegal workers. During the Reporting Period, Intron Technology did not employ any child and forced labour. We ensure that our employees meet the legal working age through conducting identity checks. We require our employees to understand and sign employment contracts under mutual agreement. The contract includes the terms and conditions that can protect the interests of both parties. We attach great importance to maintaining employees' work-life balance through reasonable contractual working hours of a five-day work week and vacation entitlements.

5.2 Employee Rights

The Group provides competitive remuneration packages and development platforms to retain talents. Regular remuneration adjustment is made based on the development of the Group and market as well as the performance of employees.

In terms of promotion, Intron Technology adheres to equal opportunity and promotes employees with well performance and capability to make decision and meet business needs. We prioritize promoting internal employees before considering external recruitment.

Intron Technology establishes procedures to handle voluntary or involuntary employment termination (i.e. employees violated code of conducts that the company defines as serious). Resigned employees need to follow the regulations under "Administrative Regulations of Turnover Employees" (《員工離職管理規定》) and complete the handover work within the notice period. An exit interview is arranged, so as to examine the potential improvements for the Group.

The below table shows the employee turnover rate:

Employee turnover rate*	2019	2020
Total turnover rate	8.4%	12.3%
By gender		
Male employees	8.9%	13.6%
Female employees	7.3%	9.4%
By age group		
Below 30	10.2%	14.5%
30-50	8.0%	11.4%
Above 50	0.0%	9.4%
By geographical location		
Employees from Mainland China	8.2%	12.6%
Employees from other locations (including Hong Kong, Macau, and Taiwan)	13.8%	3.5%

* Calculation method: the number of employees lost divided by the number of employees at the end of the Year x 100% (part-time employees/trainees and employees who left during probation period are not included)

5.3 Benefits and Welfare

Intron Technology provides benefits, such as statutory holidays, annual leaves, paid sick leave, paternity leave, compassionate leave, and marriage leave. Moreover, the social insurance and provident fund borne by the Company was paid for employees in accordance with national and local laws and regulations.

The Group distributes share options, discretionary bonus and long service awards in return for recognizing employees' contribution towards the Group. We continuously improve overall employees' welfare in the form of bonuses, tourism and employee activities after taking operational conditions and market development into consideration.

5.4 Training and Development

The Group attaches great importance to provide training for employees to enhance their competitiveness. Due to the COVID-19 epidemic, the Company organized small-scale internal and external training. New employees are guided by a senior or experienced person as a mentor, who is going to help new employees to adapt quickly to the working environment. Moreover, the Company provides applicable employees with training subsidies for the approved courses.

All our employees were trained during the Reporting Period. The below table shows the average training hours completed:

Average training hours per employee	Unit	2019	2020
By gender			
Male employee	hour	86.0	87.0
Female employee	hour	58.0	59.0
By employee category			
Contracted employee	hour	25.0	26.0
Junior employee	hour	87.0	87.0
Intermediate management employee	hour	38.0	39.0
Senior management employee	hour	25.0	26.0

We maintain regular communication with employees through appraisals and discussions, which help supervisors understand the employees' work performance and expectation towards their career path. The Company provides corresponding supports after acknowledging their needs.

5.5 Health and Safety of Employees and Workplace

Intron Technology complies with the Law of the PRC on the Prevention and Treatment of Occupational Diseases and the Occupational Safety and Health Ordinance of Hong Kong to safeguard health and safety of employees. We have a sound accident reporting system in place and provide special merits to employees who can prevent accidents or disasters in time.

We impose stricter health and safety measures in the R&D centre, including the careful waste disposal and treatment, providing employees with adequate personal protective equipment, conducting regular inspection of the R&D centre to ensure the compliance with safety regulations, and providing employees with trainings to raise their safety awareness.

We face the challenges of the COVID-19 during the Year, and put the health and safety of our employees as first priority. We follow the suggestions from the government and adopt the arrangement of working from home to significantly reduce people flow and social contact in the community. Meanwhile, we conduct frequent disinfection within the office area to maintain a hygienic working environment. Employees can request masks on a daily basis to ensure that they are equipped with enough personal protection equipment. Furthermore, the management office of the building requires people to take temperature before entering the building to minimize the outbreak risks.

There was no case of workplace injuries or fatalities across the Group during the Reporting Period.

We organized employee activities to maintain mental health of our employees with their active involvement and participation as follows:

Creative retrofitting of coke cans

"Intron in my eyes" photo shooting competition

Parent-child challenge of the Rubik's cube

6. GREEN MANAGEMENT

Our operations in the PRC comply with national environmental-related laws and regulations, such as the Environmental Protection Law of the PRC, the Prevention and Control of Water Pollution of the PRC, the Prevention and Control of Environmental Pollution by Solid Waste and the Energy Conservation Law of the PRC. The office-based operations of Intron Technology do not pose significant impacts on the environment and natural resources.

The environmental KPIs cover offices located in Shanghai, Guangzhou, Beijing, and Hong Kong. The area of Shanghai, Guangzhou and Beijing offices are larger, leading to the increase of total consumption and GHG emissions, however a reasonably lower level when measured on average unit basis.

6.1 Conserving Electricity

Electricity is the major environmental consumption for Intron Technology. The electricity consumption details of the boundaries are stated as below:

	Unit	2019	2020
Total electricity consumption	kWh	741,532.0	1,033,868.8
Electricity consumption intensity (per square meter of floor area)	kWh/m^2	69.3	55.8

It experienced a decrease of 19.5% electricity consumption per square meter of floor area as compared with last financial year.

Moreover, the following energy conservation initiatives were adopted within the office area:

Lighting systems	– Turning off lights when not in use
	– Maintaining the cleanliness of lamps to enhance the energy efficiency
	– Installing appropriate amount of fluorescent tubes to ensure with sufficient luminance for work
	– Replacing energy-efficient fluorescent tubes when necessary
	– Dividing the lighting system with zones and installing separate switches to reduce lighting consumption
Air conditioning systems	– Installing energy-efficient air conditioners when necessary
	– Cleaning filters of air conditioners for the operational efficiency
	– Setting minimum temperature of air conditioning system to 25.5°C
	– Closing the doors and windows to avoid cool air leakage
Electronic equipment and appliances	– Setting the electronic appliances in standby or sleep mode when not in use
	– Unplugging the appliances before long holidays to reduce energy use
	– Purchasing electronic equipment with energy efficiency label

6.2 Reducing Waste

The management office of the building is responsible for disposing non-hazardous waste generated on a daily basis. Our employees also acknowledge the importance of disposing hazardous and non-hazardous waste separately for further treatment.

Stationeries, including but not limited to envelopes, pens and folders are reused, while employees minimize the use of disposable and non-recyclable products to further reduce waste generation. Employees are encouraged to collect waste paper, plastic and cans and put them into the recycling bins set by the office building. On the other hand, we conduct careful handling of the hazardous waste. We place the wasted batteries into designated bins, reuse the toner and ink cartridges for the printers and facilitate the third party recycling companies to recycle.

We generated 11.4 tonnes of non-hazardous waste, with the intensity of 0.02 tonnes per employee during this Reporting Period.

We generated six batteries and one wasted cartridge and that wasted cartridge was recycled by recycling company for further treatment.

We cannot avoid using paper during operations, but are committed to reducing consumption and increasing recycling rates with the below initiatives,

Reducing the paper consumption	– Reducing the unnecessary printing – Using electronic communication technology to reduce paper consumption – Printing documents with double-sided – Monitoring the printing regularly
Recycling	– Setting up recycling facilities near printers to collect waste paper – Using waste paper to jot notes – Setting internal recycling target to build up the green habits of employees

During the Reporting Period, we consumed 1,186.0 reams of paper in total, with the intensity of 1.8 reams of paper per employee, resulting in an increase of paper consumption per capita because of business growth.

6.3 Conserving Water

Our offices do not have any issue in sourcing water and we rely on the water supply from the municipal system. The management office installs automatic faucets, and sanitary ware supplies with water-saving labels in washrooms to prevent water wastage. The management office conducts regular inspections and repair timely when problems are found. Conserving water reminders are posted inside washrooms to raise the awareness of employees.

The water consumption details of the boundaries are as below:

	Unit	2019	2020
Total water consumption	tonnes	2,828.0	3,547.3
Water consumption intensity (per square meter of floor area)	tonnes/m^2	0.3	0.2

During the Reporting Period, we consumed 3,547.3 tonnes of water, with the intensity of 0.2 tonnes per floor area.

6.4 Greenhouse Gas Emission

The greenhouse gas ("**GHG**") inventory audit was conducted with reference to the ISO 14064-1 of the International Organization for Standardization and the Greenhouse Gas protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. The summary of GHG emissions are as follows:

	Unit	2019	2020
GHG emissions			
Direct GHG emissions (Scope 1)	tonnes of CO_2 equivalent (CO_2e)	25.9	31.8
Indirect GHG emissions (Scope 2)	tonnes of CO_2e	585.8	631.4
Total GHG emissions (Scope 1 and 2)	tonnes of CO_2e	611.7	663.2
GHG emission intensity			
GHG emissions intensity (per floor area)	tonnes of CO_2e/m^2	0.1	0.03

Scope 1: Direct GHG emissions from sources that are owned and controlled by the Group

Scope 2: GHG emissions indirect result from the electricity, heating and cooling or steam acquired by the Group.

GHG is classified as direct (Scope 1) and indirect (Scope 2) emissions. We calculate scope 1 emissions by considering the fuel combustion from stationary and mobile sources; scope 2 emissions by considering the emissions from purchased electricity.

During the Reporting Period, we produced 663.2 tonnes of CO_2e in total, and the intensity was 0.03 tonnes of CO_2e per floor area. We mitigate emissions through vehicles' management and conserving electricity. We hope to keep the intensity as 0.1 tonnes of CO_2e per floor area first as a start of the target setting and establish medium – to long-term plans in reducing emissions gradually.

6.5 Air Emission

Shanghai, Guangzhou and Beijing offices provide company vehicles to facilitate employees' travel. The following measures were adopted to manage the fleet during the Year:

– Recording the fuel consumption and travel distance as for monitoring and disclosure;

– Prohibiting the abuse of company's vehicles;

– Regularly inspecting vehicles to prevent consuming more fuel and emitting more pollutants due to low efficiency;

– Ensuring no idling vehicles run their engines; and

– Planning routes in advance to avoid detours that increase fuel consumption

Our vehicles consumed 8.7 tons of gasoline during the Year. With increased business scale and employees, there is a corresponding demand for vehicles' usage during the Year.

The types of emissions and data generated by our vehicles are as below:

	Unit	2019	2020
Nitrogen oxides (NO_X)	kg	52.8	64.7
Sulfur oxide (SO_X)	kg	0.1	0.2
Particulate matter (PM)	kg	5.1	6.2

7. CONTRIBUTING TO THE SOCIETY

Intron Technology realizes the importance of being responsible to the society. Our focus areas in the Year were to assist in poverty alleviation and public health. Our Shanghai office made RMB5,000 donation to support the regional charity development during the Reporting Period. We also had 14 employees who voluntarily donated their blood to help the needy.

We strive to construct a closer connection to society by participating and involving more charitable and social services in the future. We also encourage our employees to participate in voluntary services to help people in need and show care to the community.

Appendix 1: Sustainability Data Statement

Indicators	Unit	2019	2020
Environmental Performance[1]			
Air emissions[3]			
Nitrogen oxides (NO_x)	kg	52.8	64.7
Sulfur oxides (SO_x)	kg	0.1	0.2
Particulate matter (PM)	kg	5.1	6.2
GHG emissions			
Direct GHG emissions (Scope 1)	tonnes of CO_2e	25.9	31.8
Indirect GHG emissions (Scope 2)	tonnes of CO_2e	585.8	631.4
Total GHG emissions (Scope 1 and 2)	tonnes of CO_2e	611.7	663.2
GHG emissions intensity			
GHG emissions intensity (per floor area)	tonnes of CO_2e/m_2	0.1	0.03
Fuel consumption			
Fuel consumption of vehicles (gasoline)	tonnes	7.1	8.5
Energy consumption			
Total electricity consumption	kWh	741,532.0	1,033,868.8
Total electricity consumption intensity (per floor area)	kWh/m²	69.3	55.8
Water consumption			
Total water consumption	tonnes	2,828.0	3,547.3
Total water consumption intensity (per floor area)	tonnes/m²	0.3	0.2
Non-hazardous waste			
Disposed non-hazardous waste	tonnes	9.6	11.4
Total disposed non-hazardous waste intensity (per employee)	tonnes/employee	0.02	0.02
Paper consumption	reams	847.0	1,186.0
Paper consumption intensity (per employee)	reams/ employee	1.4	1.8

[1]   The boundary of environmental KPIs covers the offices located in Shanghai, Guangzhou, Beijing and Hong Kong.

[2]   The type of emissions and respective emissions data are calculated from vehicles.

Indicators	Unit	2019	2020
Social Performance[3]			
Total workforce			
Total employees	No. of people	844	921
By gender			
Male employees	No. of people	585	624
Female employees	No. of people	259	297
By employment type			
Contracted employees[4]	No. of people	42	20
Junior employees	No. of people	687	776
Intermediate management employees	No. of people	91	98
Senior management employees	No. of people	24	27
By age group			
Under 30	No. of people	274	290
30-50	No. of people	535	599
Above 50	No. of people	35	32
By geographical location			
Employees from Mainland China	No. of people	815	892
Employees from other locations (including Hong Kong, Macau and Taiwan)	No. of people	29	29
Employee turnover rate[5]			
Total turnover rate	%	8.4	12.3
By gender			
Male employees	%	8.9	13.6
Female employees	%	7.3	9.4

[3]   The boundary of collecting social KPIs covers the Group.

[4]   Contracted employees: Employees who sign a part-time employment contract or trainee contract with the Group.

[5]   Calculation method: the number of employees lost divided by the number of employees at the end of the Year x 100% (part-time employees/trainees and employees who left during probation period are not included).

Indicators	Unit	2019	2020
By age group			
Under 30	%	10.2	14.5
30-50	%	8.0	11.4
Above 50	%	0.0	9.4
By geographical location			
Employees from Mainland China	%	8.2	12.6
Employees from other locations			
(including Hong Kong, Macau and Taiwan)	%	13.8	3.5
Development and training			
Percentage of employees trained			
By gender			
Female employees	%	100.0	100.0
Male employees	%	100.0	100.0
By employee category			
Contracted employees	%	100.0	100.0
Junior employees	%	100.0	100.0
Intermediate management employees	%	100.0	100.0
Senior management employees	%	100.0	100.0
The average training hours completed per employee			
By gender			
Male employee	hour	86.0	87.0
Female employee	hour	58.0	59.0
By employee category			
Contracted employee	hour	25.0	26.0
Junior employee	hour	87.0	87.0
Intermediate management employee	hour	38.0	39.0
Senior management employee	hour	25.0	26.0

Appendix 2: Index to the ESG Reporting Guide of Stock Exchange

Indicator			Related Chapter
A. Environmental			
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.	6. Green Management
	A1.1	The types of emissions and respective emissions data.	6.5 Air Emission; Appendix 1: Sustainability Data Statement
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	6.4 Greenhouse Gas Emission; Appendix 1: Sustainability Data Statement
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	6.2 Reducing Waste; Appendix 1: Sustainability Data Statement
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	6.2 Reducing Waste; Appendix 1: Sustainability Data Statement
	A1.5	Description of measures to mitigate emissions and results achieved.	6.4 Greenhouse Gas Emission
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	6.2 Reducing Waste

Indicator			Related Chapter
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.1 Conserving Electricity
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	6.1 Conserving Electricity; Appendix 1: Sustainability Data Statement
	A2.2	Water consumption in total and intensity.	6.3 Conserving Water; Appendix 1: Sustainability Data Statement
	A2.3	Description of energy use efficiency initiatives and results achieved.	6.1 Conserving Electricity
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6.3 Conserving Water
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to Intron Technology as we do not involve packaging materials
A3 The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6. Green Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Green Management
B. Social			
B1 Employment	General Disclosure	Information on the policies and 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.	5. People-oriented 5.1 Employment Principles 5.2 Employee Rights 5.3 Benefits and Welfare
	B1.1	Total workforce by gender, employment type, age group and geographical region.	5. People-oriented; Appendix 1: Sustainability Data Statement
	B1.2	Employee turnover rate by gender, age group and geographical region.	5.2 Employee Rights; Appendix 1: Sustainability Data Statement

Indicator			Related Chapter
B2 Health and Safety	General Disclosure	Information on the policies and 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:	5.5 Health and Safety of Employees and Workplace
	B2.1	Number and rate of work-related fatalities.	5.5 Health and Safety of Employees and Workplace
	B2.2	Lost days due to work injury.	5.5 Health and Safety of Employees and Workplace
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.4 Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	5.4 Training and Development; Appendix 1: Sustainability Data Statement
	B3.2	The average training hours completed per employee by gender and employee category.	5.4 Training and Development; Appendix 1: Sustainability Data Statement
B4 Labour Standards	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Employment Principles
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Employment Principles
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employment Principles
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.6 Managing the Suppliers
	B5.1	Number of suppliers by geographical region.	4.6 Managing the Suppliers
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.6 Managing the Suppliers

Indicator			Related Chapter
B6 Product Responsibility	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	4.Responsible Operations
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable as the Group is not engaged in sales of products
	B6.2	Number of products and service related complaints received and how they are dealt with.	4.4 Enhancing the Service Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.1 Protecting Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	4.5 Quality Assurance
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Information Security and Disclosure
B7 Anti-corruption	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.3 Anti-corruption
	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.	4.3 Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	4.3 Anti-corruption
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7. Contributing to the Society
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7. Contributing to the Society
	B8.2	Resources contributed (e.g. money or time) to the focus area.	7. Contributing to the Society