

Stock Code : 726



China Minsheng DIT Group Limited  
中民築友智造科技集團有限公司  
(Formerly known as China Minsheng Drawin Technology Group Limited)  
(Incorporated in Bermuda with limited liability)

2018

Environmental, Social and  
Governance Report



## CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	2
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT	4
MAKING SUSTAINABLE BUSINESS	
• Satisfying our customers	6
• Safeguarding our business	7
RESPECTING OUR EMPLOYEES	
• Safe and healthy workplace	8
• Staff development	9
• Employment	11
• Investing in community	13
• Protecting the environment	14
ENVIRONMENTAL IMPACTS REDUCTION	15
HKEX ESG REPORTING GUIDE INDEX	21

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Being dedicated to the green manufacturing of prefabricated construction (“PC”) and investment in innovative technology development over years, China Minsheng DIT Group Limited (hereinafter referred as “we”, and the “Company”) has grown into one of the top enterprises providing green and innovative building technology solutions.

We are dedicated to presenting the third environmental, social and governance (“ESG”) report documenting our ongoing commitment to sustainable business practices of the Company as well as its subsidiaries (collectively, the “Group”) for the reporting period from 1 January 2018 to 31 December 2018 (“FY 2018”). The information in this report covers our major operations, including our seven PC factories in Changsha, Hengyang, Huizhou, Shanghai, Nanjing, Hefei and Foshan, and also a commercial property in Shandong. We prepare this report in accordance with Appendix 27 of the Rules Governing the Listing of Securities set out by the Hong Kong Exchanges and Clearing Limited (“HKEx”).

We genuinely believe in the importance of sustainable development and operating a responsible business. Embracing the corporate social responsibility (“CSR”) to sustainable future, we aim to achieve our corporate mission — to develop brilliant living for everyone. We start this journey with our sustainable PC building technology — with its large-scale construction feature that not simply reduces labour costs, and also effectively improves safety as well as alleviating some of the pressure on the environment, unlike most other traditional construction. Addressing the major concerns from our stakeholders as identified during stakeholder engagement process, we strive to make sustainable and ethical business, respect our employees, invest in the community where we operate, as well as protecting our natural environment so that we can enable brilliant living for generations to come.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

With our great efforts, our responsible business practices earned us a prestigious “May 1st Labour Certificate” from the Changsha’s General Union. We will continue to evolve our sustainable business practices to make more positive contribution to the community and the environment.

We believe continuous improvement is essential in CSR towards a better society and environment in future; therefore, we welcome your feedback on this ESG report and please contact us through email at [ir@cmdrawin.com](mailto:ir@cmdrawin.com).





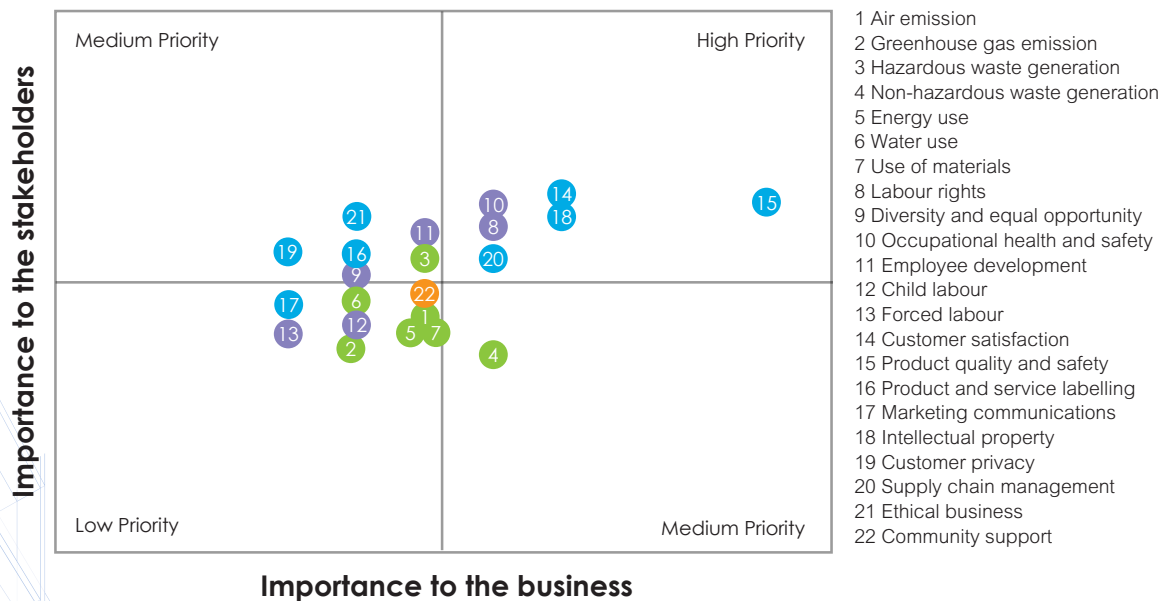
## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

We would like to listen to our stakeholders so that we can always improve. To learn and improve, we need to understand how our stakeholders think towards our sustainability efforts and identify the ESG areas where we have to strengthen to address stakeholders' needs and priorities.

To engage our key stakeholders, we launched an online questionnaire and invited them to share their feedback and suggestions on our sustainability issues throughout the year. The questionnaire contained a set of rating questions, which enabled our key stakeholders to determine the importance and relevance of each ESG indicator to our business operations.

This year, we engaged different key stakeholder groups including board of directors, top management people, employees, suppliers, contractors, investors, shareholders, customers, community groups, as well as media to understand their concerns. Through this exercise, we are able to determine and prioritise the issues that are influential to both our stakeholders and business operation. The results of the materiality assessment are presented below.

**Materiality Assessment Matrix**



## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The top six most material topics are summarised in the following table. For more details of our efforts, please refer to the later sections.

Key concerns from stakeholders	Our current actions to address the concerns	Section
Product quality and safety	<ul style="list-style-type: none"> <li>• Strict compliance with national health and safety standards for products</li> <li>• Implementation of quality management system</li> <li>• Regular quality assessments</li> <li>• Provision of awareness-raising training for employees</li> </ul>	Making Sustainable Business
Customer satisfaction	<ul style="list-style-type: none"> <li>• Regular customer satisfaction review</li> <li>• Standard compliant-handling procedures in case of any complaints from customers</li> <li>• Evaluation of existing procedures and formulation of new action plans to drive better improvement</li> </ul>	Making Sustainable Business
Intellectual property ("IP")	<ul style="list-style-type: none"> <li>• Implementation of IP management system</li> <li>• Policies in place to ensure the protection of IP</li> <li>• Provision of awareness-raising training for employees</li> </ul>	Making Sustainable Business
Occupational health and safety ("OHS")	<ul style="list-style-type: none"> <li>• Implementation of OHS management system</li> <li>• Policies in place to ensure a safe and healthy work environment</li> <li>• Organising campaigns, such as "Construction Safety Month", to drive continuous improvement and reinforce safety culture at work</li> </ul>	Respecting Our Employees
Labour rights	<ul style="list-style-type: none"> <li>• Strict compliance with requirements for labour rights</li> </ul>	Respecting Our Employees
Supply chain management	<ul style="list-style-type: none"> <li>• Comprehensive assessment procedures in place to ensure our suppliers meet with our high-quality standards</li> <li>• Regular assessments in monitoring the performance of our supply chain for products and services</li> </ul>	Making Sustainable Business

## MAKING SUSTAINABLE BUSINESS

As a responsible producer, we are accountable not only to our customers and also to fostering sustainable and ethical business culture with our business partners.

### SATISFYING OUR CUSTOMERS

With a mission to deliver the most satisfying product and service experience to our customers, it is our responsibility to embed sustainability into our business practices — from how we design the products, how we source the raw materials, how we manufacture the products to what we can do for our customers so as to enable a brilliant life for them.



## MAKING SUSTAINABLE BUSINESS

In FY 2018, we were not aware of any material non-compliance with laws and regulations relating to health and safety, advertising and labelling matters of products and services in Hong Kong and Mainland China.

### SAFEGUARDING OUR BUSINESS

Integrity is the foundation of a sustainable business; therefore, we strive to fulfill the responsibility of being a responsible and ethical corporate and to act with integrity when doing business.

#### Intellectual property

While technological innovation is one of our focuses, we strive to safeguard our own IP rights and respect the IP rights of others. Patent infringement in any forms is not accepted, and violations or misuse of the IP rights will be disciplined by appropriate actions such as legal actions. We also provide training to raise awareness among employees and to ensure they understand what need to do and act when dealing with IP rights.

Our Changsha factory attained the national GB/T 29490 certification for their systematic IP management system in FY 2018. This indicated that our people act in the best ways in handling IP rights and safeguard this valuable asset within our operation, fulfilling our responsibilities to our business partners and owners of the IP rights.

#### Privacy and confidentiality

We always maintain confidentiality at all times in order to protect the interest of the Group as well as our business partners. Guidelines are established for our employees to make sure they take confidentiality seriously at workplace. They are restricted to disclose sensitive information such as customers' privacy and internal proprietary information to others.

In FY 2018, we were not aware of any material non-compliance with laws and regulations relating to privacy matters, products and services in Hong Kong and Mainland China.

#### Anti-corruption

Complying with all relevant laws and regulations, we strictly prohibit any forms of bribery, extortion, fraud and money laundering in our operation. Guidelines are set out to ensure all employees understand and act in the same way we do business. We provide training on professional ethics to our employees. There are also different channels, including email, telephone and social network such as WeChat, for our employees to express their concerns on any suspicious business activities. Any violation will lead to disciplinary actions such as dismissal and legal actions.

In FY 2018, we were not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering in Hong Kong and Mainland China.



## RESPECTING OUR EMPLOYEES

We believe employees are a key part in a corporate, without whom a corporate cannot truly operate. As a responsible employer, we understand the importance of creating values for our people by creating a safe, healthy, thriving and fair work environment for them.

### SAFE AND HEALTHY WORKPLACE

Workplace safety is essential for our operations. In making our commitment to employees' safety and wellness, relevant policies and programmes are in place to ensure a safe and healthy workplace for our employees.

Strictly following the national "three simultaneities" principle, we place strong emphasis on OHS throughout different stages — from design, construction to operation — in our construction projects.

#### Design

- Ensure the OHS facilities to be implemented in the project are in line with national or industry standards

#### Construction

- Supervise the construction to ensure the OHS facilities are constructed appropriately and obtain the acceptance for operation

#### Operation

- Conduct the occupational hazard control acceptance check in accordance with the national laws

Apart from providing protective personal equipment to employees whose work tasks may involve potential occupational hazards, safety training and education are also offered to increase their awareness and improve their work skills.



We work hard to strengthen our OHS culture and performance by sharing the best safety practices and arranging safety training to reduce accidents.

In order to encourage continuous improvement and reinforce safety culture among employees, we launched the "Construction Safety Month" in October 2018. In this campaign, not only did we track progress against the annual safety targets that we have earlier set, we also conducted assessments in construction sites to identify and eliminate recognisable occupational hazards as well as developing mitigation or prevention measures on safety to address the risks present at our workplace.

## RESPECTING OUR EMPLOYEES

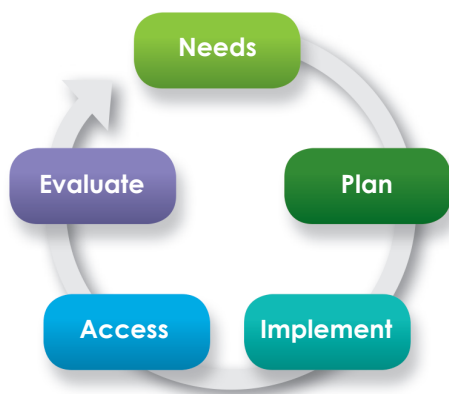


To demonstrate our commitment to safeguarding employees' safety and wellbeing, our Changsha factory was accredited to the international OHSAS 18001 standard in FY 2018. We believe this certification can guide us to further enhance safety management system and to cultivate a stronger safety culture in our construction sites.

In FY 2018, we were not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards in Hong Kong and Mainland China.

### STAFF DEVELOPMENT

Valuing our employees' development, we strive to provide them with training and development opportunities so that they can get their talents nurtured and grow with us.



Every year, a training plan is developed based on both corporate strategic direction as well as employees' needs. A variety of internal and external training programmes are provided, covering different aspects such as job specific knowledge and skills, OHS, management skills as well as personal development. We also provide extensive training opportunities for our employees, such as the support of studying abroad to learn new technical skills and achieving professional qualifications. After every training workshop, we review and evaluate effectiveness of all training programmes through various means such as examination and questionnaires, for our continuous improvement in training plan for the next year.

## RESPECTING OUR EMPLOYEES

We work hard to ensure every employee is given equal opportunity to develop and grow with us. Putting this principle in our performance management system, we assess, track and monitor the performance of individual employee in a fair, regular and consistent manner so that we can support them in personal growth and future career development.



In March 2018, we offered orientation and training programmes for new staff to understand our corporate culture and business overview, covering different topics such as corporate strategic direction and culture, business ethics, as well as product systems.



In FY 2018, we launched the second year of the "Skills Challenge" to gather our technicians and engineers into a series of competitions where they could polish their professional skills in the field of construction, such as moulding and on-site assembly, as well as learning from others to advance in their careers with us.





## RESPECTING OUR EMPLOYEES

### EMPLOYMENT

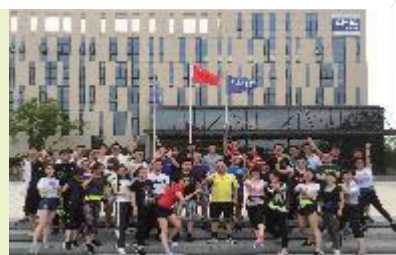
We believe our responsibility as an employer is to create a respectful, fair, and inclusive environment for our people to work in. Strictly following relevant laws and regulations, we set out guidelines on labour standards and human rights to make sure everyone is fairly treated and respected. These include compensation, dismissal, recruitment, promotion, working hour, rest periods, as well as benefits and welfare.

We value equal opportunities for employment and look for a suitable person for the job position on the basis of openness and fairness. The decisions that we make in recruitment genuinely follow merit principles. In addition, a competitive remuneration package is offered, in which their salary and welfare are decided depending on the market, employees' job position as well as their personal competence. To motivate and retain our people, various allowances and benefits, such as special leaves for marriage and compassionate, compensation for overtime work, retirement insurance, medical check-up, as well as housing and transportation subsidies, are offered to eligible employees.

In addition to remuneration package and welfares, we also work hard to build a workplace culture that supports work-life balance.



In October 2018, we held "Family Day" where staff brought their families to work and enjoyed great time with each other.



Continuing our efforts of getting our people physically active and healthy, we organised corporate team sport competitions and activities all year around throughout FY 2018 – from badminton, basketball, football, running to tug-of-war.



We also took part in a basketball competition with other corporates from Hunan Province last year and were awarded first prize in this sporting event.

## RESPECTING OUR EMPLOYEES

In FY 2018, we were not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, child and forced labour in Hong Kong and Mainland China.



## RESPECTING OUR EMPLOYEES

### INVESTING IN COMMUNITY

We are not simply a company, but also part of the community. Guided by our corporate mission to “create brilliant living for people”, we want to extend this from our daily operations — not simply to our employees and business partners internally, to contribute to long-term positive changes to everyone in the community.

We believe that through investing in education and R&D we can help empower the communities and also our future leaders. In FY 2018, we partnered with Hunan University to conduct researches and collaborative projects, which focus on environmentally-friendly and innovation solutions for industrialised construction technology, to not simply help accelerate the reform in construction industry, and most importantly, to nurture young talents in future.

Everyone should have a decent place to stay in. Driven by our corporate mission, we are dedicated to applying our expertise and innovative approaches in sustainable construction to help create a better everyday life for vulnerable groups living in the communities. To name, we are developing new building solutions, which incorporate energy-saving building design as well as harmonious blend of traditional and modern design in neighbourhoods, for people to live a more sustainable life in villages in China. In addition, partnering with the Hunan Province’s government in “Malanshan Cultural and Creative Zone” project, we combined high-quality and technological innovation in this construction project, while supporting local economic growth and development.



## RESPECTING OUR EMPLOYEES

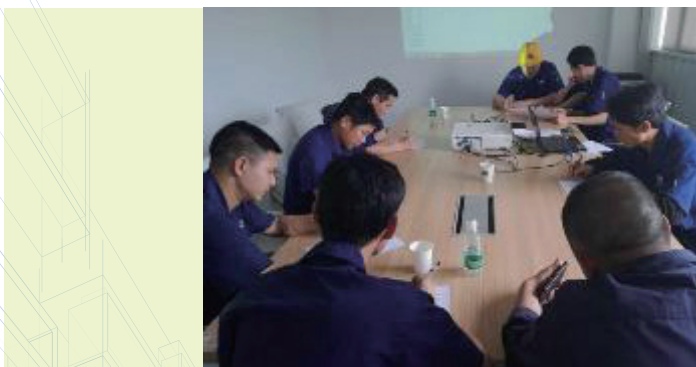
### PROTECTING THE ENVIRONMENT

We understood and embraced our responsibility to the planet. Our strategy starts with our prefabrication building technology, which provides a sustainable and environmentally-friendly alternative in the conventional construction industry, which cannot simply improve productivity and quality control, and also conserve remarkable amount of energy.

With a strong commitment to reduce the direct environmental impacts and resource wastage arisen from our daily operations, we adhere to the principle of “giving priority to protection, focusing on prevention, conducting comprehensive treatment” and develop environmental management procedures for the Group.



Every year, we identify significant environmental impacts within our operations, set reduction targets, as well as formulating control measures to address those issues that we are in strict compliance. Training is provided to employees to raise their awareness and competence on environmental protection.



Apart from awareness-raising posters and reminders, we offer a range of training for our employees to learn more about the importance of environmental protection so that they can make a sustainable and green business with us.

In FY 2018, we were not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, generation of waste and use of resources in Hong Kong and Mainland China.

## ENVIRONMENTAL IMPACTS REDUCTION

To ensure our operational activities do not cause undesirable impacts on the environment, we pay particular attention to our manufacturing process and strive to minimise adverse environmental impacts.

### WASTE MANAGEMENT

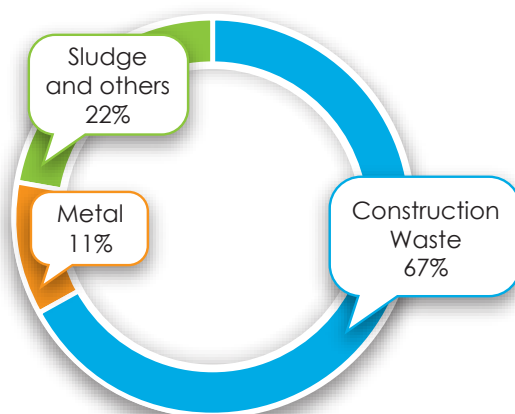
Waste often ends up being disposed in landfills. But continually sending waste to landfills is apparently not a sustainable solution to waste issue. This is why we always strive to minimise the waste from our operations as well as turning seemingly unwanted waste into valuable resources.

We are fully aware of the potential impacts that waste, particularly for hazardous waste, could bring on the environment as well as safety of our people without proper handling. Complying with local laws and regulations, we make sure the hazardous wastes produced are clearly labelled and appropriately stored, and also collected and treated by statutory treatment companies. In FY 2018, we produced 1.6 tonnes of hazardous chemical waste that amounted to 0.07% of the total waste generation from our operations. The disposal of that was recycled and carefully handled by a qualified third party that meets the national requirements.

Various industrial wastes are produced in different stages of our manufacturing process, such as wood pieces from moulding process and scrap steel left over from assembly process. While most would treat them as waste since they are no longer wanted and may be directly disposed of in landfills, we see the potential values in them and always work hard to extend their usable lifespan by recycling and reusing some useful parts of them back in our production process.

In FY 2018, we diverted a total of 2,137 tonnes of waste from landfills and turned more waste into valuable resources through recycling compared to FY 2017. Of the total amount of waste we recycled, 67% was construction waste such as concrete left over from manufacture and worn-out equipment from moulding process, 22% was from metal steel, and the remaining were wastewater sludge and wooden mould.

#### Our recycled waste by type



## ENVIRONMENTAL IMPACTS REDUCTION

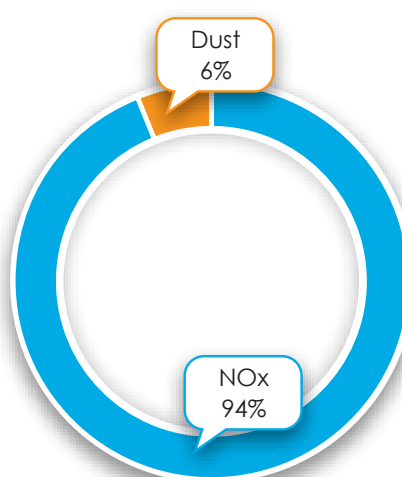
In our operation we measure efficiency by comparing the waste amount to cubic metres of production capacity of our PC component. In FY 2018, there was a significant increase in waste recycling efficiency, when compared to FY 2017. We will continue to explore ways to create less waste from our operations and increase the amount that we can recycle.

Waste management <sup>1,2</sup>	Unit	FY 2018	FY 2017
<b>Waste recycled</b>			
Construction waste	Tonnes	<b>1,423.70</b>	15.56
Metal	Tonnes	<b>231.65</b>	85.84
Sludge	Tonnes	<b>480.00</b>	—
Wood	Tonnes	<b>0.01</b>	12.89
Chemical	Tonnes	<b>1.60</b>	0.50
<b>Waste incinerated</b>			
Wood	Tonnes	<b>2.00</b>	—
<b>Waste disposed</b>			
Construction waste	Tonnes	<b>38.00</b>	—
Total	Tonnes	<b>2,176.96</b>	114.79
Intensity <sup>3</sup>	Tonnes/m3	<b>0.02</b>	0.002

## AIR EMISSIONS

Compared to traditional construction industry, we generate relatively small quantities of air emissions — 2,549 kg in FY 2018. The majority accounting for more than 90% of the air emissions that we produced was nitrogen oxides (“NOx”), and the remainder was dust coming from construction and fumes from welding process. While air pollutants are inevitably produced in our operations, we always work hard to minimise the direct environmental impacts from the our air emissions, by controlling the pollutants emitted to the environment as well as ensuring the emission level are in strict compliance with regulatory requirements.

Air emission by type



<sup>1</sup> We have collected the data from our core operations that were considered material to our business operations in FY 2018. Comparative figures have been restated due to changes in calculation methodology and presentation.

<sup>2</sup> Figures refer to the waste recycled from the core operations in FY 2018.

<sup>3</sup> Figures are the sum of the recorded data, divided by production capacity of the PC components (in cubic metres) in the core operations in FY 2018.

## ENVIRONMENTAL IMPACTS REDUCTION

To reduce the pollutants emitted to the environment, we not just use less toxic welding rods to reduce soot concentration and toxicity, but also install different dust-reducing facilities in our construction sites:

- |                          |  |
|--------------------------|--|
| Water spray nozzle       | To keep the surface of sand pile moisture and thus reduce dust generation from the sand yards.                           |
| Baghouse dust collectors | To remove dust in mixing stations before they emit to the atmosphere.  |
| Mist system              | To maintain the air humidity of the finished product yards and thus reduce the amount of dust produced in open air area. |



Real-time dust monitoring system is installed in construction sites to control air pollutant levels as well as safeguarding the safety of our site workers.



## ENVIRONMENTAL IMPACTS REDUCTION

### WASTEWATER GENERATION

Water use in our operations is not significant, but we always focus on improving quality of the wastewater generated from our operations so that they can be reused or safely released to the natural environment.

Wastewater — mostly involves suspended solids and oil — is mainly generated from ground washing in facilities, cleaning of equipment and machinery, vehicle washing, as well as runoff in our operations. We make sure the wastewater leaving our operations is clean enough as the pollutants are properly filtered before releasing to the environment by installing facilities such as grease traps and sedimentation tanks. We also strive to achieve “zero industrial water discharge” in Changsha factory, for instance, to recycle wastewater from manufacturing process and also use the rainwater that we harvest to improve water efficiency in our operations.



We always look for opportunities to reduce water use, for example for using the rainwater from the harvest system in our Changsha factory.

### RESPONSIBLE USE OF RESOURCES

We rely a lot on different precious resources such as energy, water, paper and other materials in our daily operations, but they are not unlimited and will be used up in one day. This is why we always make sure the use the resources is as efficient as possible to help sustain the natural environment.

## ENVIRONMENTAL IMPACTS REDUCTION

In our prefabrication building construction business, we focus on making sustainable buildings that are good for the environment. Energy-saving properties are always incorporated throughout the product development — from product design to manufacturing — to lower the carbon footprint. For example, a number of energy-saving designs are incorporated in our buildings as follows:

Building material	Better insulation design to significantly reduce the amount of energy required for heating and colling
Lighting	Design incorporated with natural light in the interior environment to conserve energy used
Renewable energy	Installation of biomass boilers and solar panels on the buildings

While we continue to track our resource consumption, we are increasing our focus on improving the data tracking and measurement system to give us a clearer picture of what we need to improve. During FY 2018, we began to keep track of materials such as paper and packaging used in our operations. Our annual resource consumption is presented in the following table.

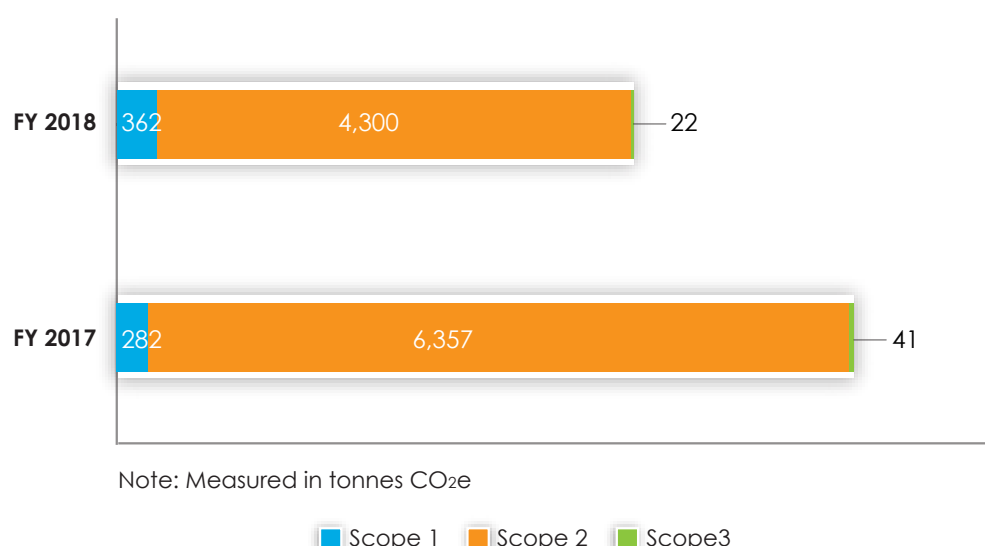
Resource use <sup>1</sup>	Unit	FY 2018	FY 2017
Electricity	kWh	<b>4,884,563.96</b>	7,501,860.17
Intensity <sup>3</sup>	kWh/m <sup>3</sup>	<b>36.08</b>	93.54
Natural gas	Litres	<b>343,858.00</b>	15,959,726.57
Intensity <sup>3</sup>	Litres/m <sup>3</sup>	<b>8.03</b>	343686.13
Diesel	Litres	<b>107,582.28</b>	37,806.17
Intensity <sup>3</sup>	Litres/m <sup>3</sup>	<b>0.79</b>	0.76
Gasoline	Litres	<b>21,592.00</b>	66,901.53
Intensity <sup>3</sup>	Litres/m <sup>3</sup>	<b>1.37</b>	0.76
<b>Energy by fuel type</b>			
Electricity	GJ	<b>17,584.43</b>	27,006.70
Diesel by vehicles	GJ	<b>3,983.77</b>	1,365.56
Gasoline by vehicles	GJ	<b>707.83</b>	2,193.03
Natural gas	GJ	<b>13.16</b>	766,066.88
Biomass	GJ	<b>3,088.80</b>	—
Total energy	GJ	<b>25,377.99</b>	796,632.17
Intensity <sup>3</sup>	GJ/m <sup>3</sup>	<b>0.36</b>	16.89
Water	m <sup>3</sup>	<b>245,260.03</b>	143,984.21
Intensity <sup>3</sup>	m <sup>3</sup> /m <sup>3</sup>	<b>2.0</b>	1.80
Paper	Tonnes	<b>2.64</b>	—
Intensity <sup>3</sup>	Tonnes/m <sup>3</sup>	<b>0.00002</b>	—
<b>Packaging by type</b>			
Wood	Tonnes	<b>11.20</b>	—
Plastic	Tonnes	<b>2.96</b>	—
Total packaging	Tonnes	<b>14.16</b>	—
Intensity <sup>3</sup>	Tonnes/m <sup>3</sup>	<b>0.0004</b>	—

<sup>4</sup> For the conversion factors from volumetric units of the fuel consumption to energy units, we made reference to the Technical Note: Conversion of Fuel Data to MWh published by the Carbon Disclosure Project in 2016.

## ENVIRONMENTAL IMPACTS REDUCTION

Heavily linking with climate change and other environmental issues such as global warming, greenhouse gas (“GHG”) is usually generated during energy generation. We continue to conduct carbon accounting to understand our performance and manage our carbon footprint from our operations this year. In FY 2018, we measured a total of 4,684 tonnes of CO<sub>2</sub>e, including 92 % from the electricity purchased from power companies, 8% from direct energy generation from boilers and company vehicles, and a small amount coming from business air travel by employees. Our relative GHG emissions decreased by 63%, compared to FY 2017, showing our efforts throughout the year. We will continue to focus on how to lower the carbon footprint from our operations and do something good for the planet.

### GHG emission by scope



GHG emissions <sup>1,5</sup>	Unit	FY 2018	FY 2017
<b>Direct emissions ( "Scope 1" )</b>			
Boilers	Tonnes CO <sub>2</sub> e	<b>14.55</b>	27.91
Company vehicles	Tonnes CO <sub>2</sub> e	<b>346.95</b>	254.41
<b>Energy indirect emissions ( "Scope 2" )</b>			
Purchased electricity	Tonnes CO <sub>2</sub> e	<b>4,299.95</b>	6,357.00
<b>Other indirect emissions ( "Scope 3" )</b>			
Business air travel	Tonnes CO <sub>2</sub> e	<b>22.04</b>	40.60
Total	Tonnes CO <sub>2</sub> e	<b>4,683.49</b>	6,679.92
Intensity <sup>6</sup>	Tonnes CO <sub>2</sub> e/m <sup>3</sup>	<b>0.03</b>	0.08

<sup>5</sup> For the calculation of the Scope 1, Scope 2 and Scope 3 emissions, we made reference to the Guidelines for National GHG Inventories published by the Intergovernmental Panel on Climate Change in 2006, Electricity Grid Emission Factors in China published by the National Development and Reform Commission of the People's Republic of China in 2016, as well as the GHG Reporting: Conversion Factors published by the Department for Business, Energy and Industrial Strategy of the United Kingdom in 2018.

<sup>6</sup> Figures are the sum of the recorded data, divided by the production capacity of PC components in m<sup>3</sup>.

## HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures		Policies & Procedures	Explanation/ Reference Section
<b>Aspect A Environmental</b>			
A1 Emissions	Information on: <ul style="list-style-type: none"> <li>— the policies; and</li> <li>— 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 wastes.</li> </ul>	Air Emission Guidelines  Waste Management Guidelines  Wastewater Management Guidelines	PROTECTING THE ENVIRONMENT— Environmental impacts reduction
KPI A1.1	The types of emissions and respective emissions data.	Air Emission Guidelines  Waste Management Guidelines  Wastewater Management Guidelines	PROTECTING THE ENVIRONMENT— Environmental impacts reduction
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not Applicable	PROTECTING THE ENVIRONMENT— Responsible use of resources
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not Applicable	PROTECTING THE ENVIRONMENT— Environmental impacts reduction
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Not Applicable	PROTECTING THE ENVIRONMENT— Environmental impacts reduction

## HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures		Policies & Procedures	Explanation/ Reference Section
<b>Aspect A Environmental</b>			
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Air Emission Guidelines Wastewater  Management Guidelines	PROTECTING TNE ENVIRONMENT– Environmental impacts reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management Guidelines	PROTECTING TNE ENVIRONMENT– Environmental impacts reduction
A2 Use of Resources	Policies on efficient use of resources, including energy, water and other raw materials.	Use of Energy Guidelines  Use of Water Guidelines	PROTECTING TNE ENVIRONMENT– Responsible use of resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Not Applicable	PROTECTING TNE ENVIRONMENT– Responsible use of resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Not Applicable	PROTECTING TNE ENVIRONMENT– Responsible use of resources
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Use of Energy Guidelines	PROTECTING TNE ENVIRONMENT– Responsible use of resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not Applicable	PROTECTING TNE ENVIRONMENT– Responsible use of resources  In FY 2018, we were not aware of any issue in sourcing water that is fit for purpose.



## HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures		Policies & Procedures	Explanation/ Reference Section
<b>Aspect A Environmental</b>			
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Not Applicable	PROTECTING THE ENVIRONMENT—Responsible use of resources
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Not Applicable	The Group's operations do not have significant impacts on the environment and natural resources.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not Applicable	The Group's operations do not have significant impacts on the environment and natural resources.
<b>Aspect B Social</b>			
B1 Employment	Information on: <ul style="list-style-type: none"> <li>the policies; and</li> <li>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.</li> </ul>	Compensation and Benefits Management  Recruitment Management  Employee Performance Management	RESPECTING OUR EMPLOYEES—Employment
B2 Health and Safety	Information on: <ul style="list-style-type: none"> <li>the policies; and</li> <li>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.</li> </ul>	OHS Management Procedures	RESPECTING OUR EMPLOYEES — Safe and healthy workplace

## HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures		Policies & Procedures	Explanation/ Reference Section
<b>Aspect B Social</b>			
B3 Development and Training	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	Training Management	RESPECTING OUR EMPLOYEES — Staff development
B4 Labour Standards	<p>Information on:</p> <ul style="list-style-type: none"> <li>— the policies; and</li> <li>— compliance with relevant laws and regulations that have significant impact on the issuer relating to preventing child and forced labour.</li> </ul>	No Policy	We strictly comply with all the applicable laws and regulations related to labour standards.
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	Supplier Assessment Rules	MAKING SUSTAINABLE BUSINESS—Satisfying our customers
B6 Product Responsibility	<p>Information on:</p> <ul style="list-style-type: none"> <li>— the policies; and</li> <li>— compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</li> </ul>	Failed Product Handling Process	MAKING SUSTAINABLE BUSINESS—Satisfying our customers
		Customer Complaint Handling Process	
		Patent Management	

## HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures		Policies & Procedures	Explanation/ Reference Section
<b>Aspect B Social</b>			
B7 Anti-corruption	Information on: <ul style="list-style-type: none"> <li>— the policies; and</li> <li>— compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</li> </ul>	Anti-corruption Policy	MAKING SUSTAINABLE BUSINESS—Safeguarding our business
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment Policy	INVESTING IN COMMUNITY



<http://cmdrawin.todayir.com>