



Ngai Hing Hong Company Limited
(Incorporated in Bermuda with limited liability)

(Stock Code: 1047)

Environmental, Social and Governance Report

For the Year Ended 30th June 2018

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I. About This Report

The purpose of this Environmental, Social and Governance (“ESG Report”) is not only to communicate the sustainability strategies, management approaches and performances of Ngai Hing Hong Company Limited and its subsidiaries (collectively the “Group” or “we”) with the stakeholders, but also strengthen the Group’s understanding towards their ongoing activities in sustainable development of the society and the environment as a whole. This ESG Report summarises the efforts and achievements made by the Group in corporate social responsibility and sustainable development.

The Group hopes to develop its business objectives and creates shareholder/investor value, while at the same time protects the ecological environment by fully utilising resources and minimising the emission of pollutants during operation. As a responsible and visionary corporate citizen, we have to balance the relationship between operations and environment by continuously optimising operations management, business strategies and policies on environmental protection, training and development, and community investment; and contribute towards the sustainable development of the globe, human being and our business.

Scope and Period of Reporting

The ESG Report covers the Group’s main business in manufacture and sale of plastic materials, pigments, colorants, compounded plastic resins and engineering plastics products and presents the Group’s strategic approach to sustainability and performance in the environmental and social aspects of the above business. The ESG Report does not cover the provision of logistics services business as it only accounts for less than 0.22% of the Group’s revenue. A summary of the environmental indicators and the performance data are listed out at the “Environmental Performance Data Summary”. The reporting period is for the financial year ended 30th June 2018.

Reporting Guidelines

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange.

II. Environmental Protection

1. Management of Emissions

The Group mainly manufactures and trades plastic materials, pigments, colorants, compounded plastic resins and engineering plastics products. We are fully aware of the exhaust air, sewage, noise and various wastes are generated during production process, and hence the Group puts great effort in environmental management of our factories and have been implementing the policy of “prevent and control”, continuously optimising environmental protection measures, promoting cleaner production and monitoring the source as much as possible to reduce the impact of exhaust air, sewage and various wastes on the environment. With increasingly stringent environmental laws and regulations, certain plants have implemented environmental management system. For areas that require special attention, we have formulated a set of policies and procedures to monitor the emission of exhaust air, sewage and wastes, and to ensure that all production are in compliance with the national and local environmental standards. We also identify and update the related environmental laws and regulations from time to time, and provide training to all the related staff to ensure their operation is in full compliance. Besides, we have been educating our employees to understand that their personal actions have a profound impact on the environment and hope to raise their awareness of environmental protection so that they can effectively conserve and make good use of natural resources.

1.1 Management of Exhaust Air and Greenhouse Gas Emissions

The Group obtained emission confirmation from the local environmental protection department, indicating that there was no exhaust air emission during the manufacturing process. In order to comply with relevant laws and regulations, and to meet local government air pollutant emission standards, we have established relevant environmental protection measures and procedures to control and supervise dust and vehicle exhaust gas emissions. During the production process, the dust removal system and the air exhaust device must be turned on; the dust is collected by the central vacuuming system, and designated staff is assigned to remove dust regularly after precipitation and have them stored in specified location pending for collection by the qualified agents. We periodically clean the pipes of the dust removal system, and repair and maintain the central vacuuming facilities so as not to adversely impact its effectiveness. Our vehicles must be inspected annually to ensure that exhaust gas emissions meet the standards; and outside vehicles that accessing the factory were required to slow down and gradually have its engine turned off to reduce emissions.

1.2 Management of Sewage

The Group’s sewage is mainly water used for cleaning in production; floor washing and domestic sewage. Sewage from production and floor washing contains high quantity of suspended particles, which is precipitated through the sedimentation tank. They are discharged into the sewage pipe network together with the domestic sewage after filtering, and further processed by the sewage treatment plant of the industrial zone. We assign designated staff to periodically clean up the sediments in the tank and engage qualified agent for further handling. We set up dedicated pipelines for sewage; discharge of waste oil, chemicals and waste water to public sewer is strictly prohibited. In order to achieve the goals of “increased productivity without increased pollution” and zero sewage discharge; water used for cooling during production is recycled through our water circulation system and saves a lot of water resources.

II. Environmental Protection (Continued)

1. Management of Emissions (Continued)

1.3 Management of Disposal of Solid Wastes

In compliance with the laws and regulations of the local government, the Group has formulated relevant internal policy and procedures to manage and monitor the process for collecting, storing and disposing of solid wastes. The solid wastes generated during the manufacturing process mainly includes recyclable wastes, non-recyclable wastes and hazardous wastes. We believe in source reduction for minimising solid wastes. Hence, we improve our production technology, educate our employees on environmental protection, and recycle wastes as much as possible to reduce the environmental impact of the solid wastes we produced.

Hazardous or harmful solid wastes refer to the waste items on the local government hazardous waste list. They are mainly generated from production, office operation and living consumption, and include waste acid, waste mineral oil, waste empty barrels (for storing chemicals, etc.), waste rags/gloves, waste tubes, waste toner cartridges, waste ink cartridges, chemical wastes, etc. In accordance with local government laws and regulations, we label all kinds of hazardous wastes clearly, centralised storage at specified locations by different categories and requirements. We also conduct regular inspections of hazardous waste storage areas and take anti-leakage and containment measures to prevent secondary pollution. The hazardous wastes are handled by qualified environmental agents and delivered to the designated locations for further processing.

Non-hazardous waste can be divided into recyclable and non-recyclable wastes. We have formulated relevant rules and regulations to control the recycling and external disposal of non-hazardous wastes. Waste carton, waste paper, production wastes (such as plastic wastes etc.), packaging materials, card boards, etc. are put inside designated areas or storage boxes of general recyclable wastes. They are then recycled by the designated recycler when a certain quantity is reached. Non-recyclable wastes and domestic garbage are placed in non-recyclable garbage areas or garbage bins, and are transported to the landfill by the sanitation department or the entrusted unit.

We have signed an agreement with the entrusted unit to deal with the solid wastes, specifying the duties, requirements and precautions covering the transportation, utilisation and disposal processes to avoid adverse impacts to the environment. We have strict rules and procedures on tracking and inspection of waste disposal. The responsible department regularly conducts waste statistics, including the type, quantity and disposal channel, and the administrative department regularly inspects the stored wastes and the records of wastes movement.

II. Environmental Protection (Continued)

1. Management of Emissions (Continued)

1.4 Management of Noise

In order to comply with local laws and regulations and to ensure that the noise generated can meet the noise limits set by the state, the Group has established relevant policy and procedures and set up various measures to reduce noise. Production staff must operate the equipment in accordance with the operation manual to prevent the noise caused by equipment malfunctions; we use silencers, sound insulation and sound absorbing devices; we monitor the switches of production equipment, and should not be turned off without proper authorisation and to avoid the loud noise generated upon starting-up; the maintenance department regularly repairs and maintains the equipment.

2. Management of Resources Utilisation

In terms of resource management, the Group believes that operation and environmental protection are closely related and continued and timely identifying issues arisen from business activities can reduce the adverse impact to the environment. In order to comply with the laws, regulations and policies on resource conservation, our production departments and offices have set up a number of measures and assessment indicators for employees. We hope that while protecting the environment, we can also educate every employee to understand the importance of saving resources. It is necessary to make full use of resources; to maximise its effectiveness and to eliminate wastes.

2.1 Conservation of Energy

The Group has established energy management team and hopes to coordinate and manage energy conservation through a sound organisational structure. We set up energy management targets and develop implementation plans accordingly. We set up daily management procedures to control energy use and increase efficiency of the energy consumption. We promote the use of energy-efficient lighting. Lights must be turned off when daylight is adequate for operations. The use of air conditioners is limited according to seasonal and temperature changes. Doors and windows of office and factory must be kept open to maintain indoor air circulation and reduce the use of air conditioners. In order to save electricity, employees are required to check and ensure their electrical appliances and that owned by their department such as computers, printers, photocopiers, water dispensers, electric lights, air conditioners, etc. are switched off before they get off work.

We focus on floor plan design of our plants and the machineries and transportation system must be located at the safest and most convenient location to increase production efficiency, save electricity and create more profits. We have detailed operating manual for proper use of each machine, including equipment handling, maintenance, storage and handover. The operating life of the equipment can be extended if employees operate the equipment properly. The detailed operating manual can effectively prevent equipment idling, abusive use and to reduce energy loss.

II. Environmental Protection (Continued)

2. Management of Resources Utilisation (Continued)

2.1 Conservation of Energy (Continued)

During the reporting period, the Group's business consumed approximately 17,111.35 Megawatt hours ("MWh") of electricity, 397.50 cubic meters ("M³") of liquefied petroleum gas ("LPG"), 3,810.00 M³ of towngas, 5.28 tonnes of diesel and 44.99 tonnes of gasoline. With reference to the guidelines of the Greenhouse Gas Protocol and the regional emission factors, greenhouse gas emissions are calculated from the above-mentioned data. For total carbon dioxide emission during the reporting period, Scope 1 emissions and Scope 2 emissions were about 162.23 tonnes and 13,872.27 tonnes respectively.

2.2 Conservation of Water

We use a lot of water resources to cool down the machines and products in production and recycle the cooling water. We can re-use up to 90% of the resources to achieve water conservation and economic benefits. Besides, we strengthen the daily maintenance and management of water equipment, to avoid running, overflowing, dripping and long flowing water. In case of water leakage in conduits and taps, the maintenance department is notified immediately for repair and replacement. Regarding management of use of water for living, we post "Save Water" sign at noticeable locations, teach employees and improve their awareness of water conservation. We commend and reward the outstanding employees on water-saving. We promote the use of a variety of water-saving devices, such as foot valve showers and automatic switch faucets, to reduce water wastage effectively. During the reporting period, the Group's business consumed approximately 112,974.77 tonnes of water resources.

2.3 Conservation of Paper

We promote saving papers and avoid wastage. Papers are acquired through unified purchasing. Files are distributed in electronic format to minimise photocopying and printing. Papers are fully utilised in photocopying and printing by single-sided papers re-use. Double-sided papers are collected in recycling bin and handled by qualified recyclers. During the reporting period, the Group consumed about 6.93 tonnes of paper.

3. Environment and Natural Resources

The significant impact on the environment and natural resources is mainly the atmospheric emissions, sewage, solid wastes, noise, and the use of natural resources (such as electricity, water, fuel, papers) generated by the Group's business activities. The Group has strived to care for and to protect the nature, everyone should take part in it and hope to create a beautiful world together. In order to let employees know the importance of our environmental impact, we continue to adopt various policies, measures, and actions in reducing carbon footprint, and to minimise the impact on the environment from daily lives and business activities (Please refer to "Management of Emissions" and "Management of Resources Utilisation" above for details). We also hope that every staff can start from themselves, convey the message of protecting the environment to their families, friends and business partners; build more powerful cohesion in alleviating climate change together.

Compliance

During the reporting period, we do not have non-compliance incidents in relation to environmental protection that have a significant impact on the Group.

III. Employment and Labor Practices

The Group has always adhered to our management philosophy of "talents and people-oriented". A sound talent management mechanism plays a key role in sustainable and long-term development. We are devoted to create an equal, harmonious, safe and non-discrimination workplace; build up a good relationship with our people where there is mutual respect; encourage our employees to be innovative, flexible and committed when dealing with our customers and providing high quality products and services. To accomplish this target, we offer opportunities of advancement to attract, retain and reward our talented staff; provide commensurate remuneration, personal growth and career development training; together with other fringe benefits, such as vacations, retirement benefits and other welfares. Besides, we establish a grievance mechanism to provide opinion to the management anonymously. We concern our staff's work-life balance and focus on their physical and mental health; we organise activities to enrich their leisure time and, at the same time, enhance team cohesion.

1. Talent Selection

As an employer that offering equal opportunities, we insist on following the basic principles of non-discrimination, devote to protect the human rights and personal privacy of employees, and establish fair and transparent talent recruitment procedures. We publish recruitment information on our website and the major recruitment websites to attract different talents from different places. During staff recruitment, knowledge, ability, morality and job requirements are used as the selection standards, and they are not discriminated against because of their disability, age, gender, race, religion or nationality so as to maintain our principles of "fairness, impartiality and openness". We provide equal opportunities to employees in providing benefits, promotion, performance appraisal, training and career development. We only consider their morality, knowledge, ability and technical skills, etc. We work with our employees together to create a win-win situation.

2. Labor Standards

The Group respects human rights and strictly prohibit any unethical hiring practices, including child labor and forced labor in the workplace. Policies and procedures are established to comply with the relevant labor laws and regulations. During the recruitment process, we review the identity documents of the applicants and never hire any applicant below the legal working age. In addition, we encourage the retirement re-employment scheme, hoping to provide opportunities for our people to learn from the experienced retiring staff. The working hours of staff are in line with the relevant local labor laws and regulations. Staff consent for working overtime is needed so as to prevent forced overtime work; and they are compensated in accordance with the requirement of the relevant laws and regulations.

III. Employment and Labor Practices (Continued)

3. Staff Compensation and Welfare

The Group attracts and retains outstanding talents with competitive remuneration packages and regularly examines their salary levels to ensure they are up to standard. The Group collects up-to-date remuneration data within their industry and strives to establish a fair, reasonable and competitive remuneration scheme. Staff compensation varies among factories and offices in different locations, and their salaries level are decided based on one's knowledge, skills, experiences and education background relevant to their work requirements. Basic remuneration and fringe benefits of employees include basic salary, overtime pay, year-end bonus, performance bonus, etc. In accordance with the local labor laws and social security laws and regulations, we provide social security benefits for all employees, and protect their rights of rest days and holidays. We terminate or compensate staffs in accordance with local laws and regulations.

Office staff spends about one-third of their time in work. In order to provide a comfortable, beautiful and healthy working environment, and promote the concept of green office, we decorate our office with an abundance of plants. In addition, we have set up badminton courts, basketball courts, recreational rooms, etc., for staff's leisure use. We also organise a variety of entertainment activities on regular and irregular basis to enhance staff communication and fulfill their growing cultural and entertainment needs. During the reporting period, we organised trips, Lunar New Year and Mid-autumn Festival parties, birthday parties, basketball competition, hoping to enhance staff's cohesion and sense of belonging, and reduce work pressure.

4. Development and Training

As a talent-oriented corporate enterprise, we established a stringent and comprehensive recruitment system, standards and procedures; introduced competition mechanism, hoping to explore and cultivate professional talents. We provide path for staff climbing up the career ladder, and to build up a professional team by offering those staff positions requiring specific knowledge, skills or qualifications. This is particularly important for keeping our Group's development sustainable. In order to encourage our people to continue learning in a systematic way and improve their professional skills and quality, we build up the atmosphere so that everyone is eager to learn and offer a series of on-the-job training courses; and facilitate self-learning. We also build up a well-established and professional corporate team and a learning organisation to meet the company's development needs; and to raise the overall quality and ability of the team and work efficiency. Human resources department formulated a series of training program that based on the needs from various departments. We also invite qualified employees to be instructors for internal training. During the reporting period, on top of providing our new hires with pre-employment training, we also organised various internal training programs. The training topics include HSF-related laws and regulations, toy industry environmental protection regulations, raw material traits, color matching techniques, contract review, customer service, labor regulations, safety production and so on. (Please refer to "Health and Safety" section below for details).

III. Employment and Labor Practices (Continued)

5. Health and Safety

The Group cares about our employees' health and their working environment safety in order to prevent occupational hazards and protect our valuable talent capital. To comply with the relevant local safety production laws and regulations, we establish policies and procedures to ensure staff clearly understand their own safety responsibilities. New hires must join different practical trainings, understand the workflow, guidelines and equipment operating techniques, and receive safety education. We also organise technical training, safety assessment and activities regularly to ensure our staff are prepared mentally and have adequate knowledge and skills to meet the safety standards and to fulfill their job duties. During the reporting period, we organised various training programs covering the training topics like maintenance and operation safety, machine structure and working principle, safety of electric shock emergency measures, forklift operation and maintenance, dangerous goods management, basic knowledge of fire protection, fire extinguisher use, safety management emergency plan, production process safety control; and safe operation of production equipment.

Staff of special work types (such as electricians, welders, forklift operators, drivers) must possess valid licenses from the government authority to hold their positions. The maintenance department is responsible for the inspection, repair and maintenance of production equipment, machineries, fire-fighting facilities and protective equipment. It arranges regular safety checks to remove any potential safety hazard and to ensure that equipment is in good condition. We also educate employees on the correct use methods to avoid industrial accidents.

In accordance with the requirements of the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, we have established and improved the relevant systems for occupational health and safety management to protect the workers and their related rights and interests. We arrange regular health check before staff report to duty so as to prevent occupational diseases. We also provide production staff with necessary protective supplies (earplugs, masks, work clothes, safety shoes, etc.) in accordance with the local government requirements, supervise and educate them the use method to ensure that they can work safely and to reduce the risk of accidents.

Compliance

During the reporting period, we did not have violations relating to labor practices with a significant impact on the Group.

III. Operating Practices

1. Supply Chain Management

The Group is dedicated to maintaining long-term, stable and strategic cooperative relationships with leading suppliers, and is committed to a strategic procurement-led approach, achieving co-development with our suppliers on the basis of equality and win-win situation. We have established stringent procedures in supply chain management and provided various reporting channels for employees, suppliers, customers and other business partners to report any violations of laws or regulations when people are performing their duties for the Group. During the reporting period, the Group did not have significant issues relating to violations in this respect.

To adhere to our commitment of the product quality for each customer, we have established an internal management system to closely monitor the processes of supplier review, selection, procurement, receipt, and quality inspection. This is to ensure that high-quality and environmental-friendly raw materials are used in the production process. For hazardous substances, we require suppliers to provide quality certifications to ensure that the use of the substances do not lead to pollution to the environment or impose danger on the employees. In addition, we assess suppliers regularly using various evaluation criteria like accreditation, internal management system effectiveness, quality stability, on-time delivery, legal compliance and professional skills/quality; and set up “approved suppliers’ list”. This is to ensure that we select high quality suppliers to fulfill our customers with high quality products that guarantee their health.

2. Product Responsibility

We obtained ISO 9001 and IATF 16949 Certification in Quality Management and standardised the production and product quality assurance process. We have formulated comprehensive quality inspection procedures covering raw materials used in pre-production and in the manufacturing process; and the finished goods. The inspections are performed by experienced and well-trained inspectors with the aid of meticulous devices. If the customers have issues about our products and services; or the deliverables are unable to meet their needs; they can give feedbacks or lodge complaints through various channels like by phone, e-mail, etc. via our after-sales service. Our customer service personnel take appropriate action promptly and assigns a designated staff to each of the cases and follow up with the customer until the issue is satisfactorily settled. We also hope to grasp the information on customers’ needs and provide comprehensive services to them; repeatedly test the products being complained, find out the reasons and improve the formula in order to provide customers with better quality products and raise our corporate reputation.

IV. Operating Practices (Continued)

2. Product Responsibility (Continued)

In addition, we introduce environmental management system starting from raw material use, pay close attention to the instructions update on hazardous substances, and follow the international environmental requirements in selecting environmentally-friendly raw materials and technology. This is to ensure that our products are in compliance with the global environmental requirements. Our products are verified by qualified inspection organisation, fulfilling the requirements of RoHS (Restriction of Hazardous Substance). RoHS is directive on the use of certain hazardous substances in electrical and electronic equipment adopted by the European Union; and restricts the concentrations of four hazardous substances including lead, cadmium, mercury and hexavalent chromium, and two flame retardants including polybrominated biphenyls and polybrominated diphenyl ethers in the electrical and electronic products.

Our Shanghai research and development centre has been conducting internship program worldwide. We hope to offer the interns with valuable experience; and, at the same time, to gather innovative ideas from them for enhancing our product quality. We develop the “continuous transformation” culture and bring more choices to our customers.

In terms of quality management, we regularly provide training courses on quality control, such as the basic knowledge of quality management system (including ISO 9001, IATF 16949, IECQ-QC 080000, HSF), HSF-related laws and regulations (RoHS, REACH, etc.), toy industry environmental protection regulations, food-related regulations, and quality management system-controlled documents to ensure that quality inspectors possess the latest technology and knowledge. We hope that employees have a sense of satisfaction and accomplishment at work, seize every opportunity to improve the product quality with the Group together and move towards a higher quality goal.

During the reporting period, the Group’s products did not involve significant issues relating to violations nor did the Group receive any complaints concerning breaches of customer privacy and loss of data.

3. Anti-corruption

We firmly believe fairness, honesty and integrity are the important assets of the Group. In order to strengthen the control in this area, we formulate policies and procedures to provide rules for employees’ conduct, to bring the discipline inspection and supervision work in the production and operation process, to ensure all cases reporting directly to Audit Committee in strict confidentiality like obtaining personal interests in carrying out one's job duties, bribes, extortion, frauds, money laundering in breach of policies, regulations and laws. We are determinant in combating corruption and contribute to building a clean society. We require our employees and business partners to sign commitment letter/declaration statement to confirm their compliance so as to maintain a “simple, transparent, clean and fair” co-operation relationship.

During the reporting period, there was no legal action against the Group and our employees for corruptions.

V. **Community Investment**

While we develop the Group's business continuously and steadily, we also actively pursue and contribute to the society. We are committed to build a sustainable and harmonious society by adhering to the belief of "take from society; and give back to society". We hope to conduct community education through carrying out community investment activities. As such, we have been supporting the activities organised by the Hong Kong Community Chest for years. Since 2005, our Shanghai research & development centre has offered internship program to educational institutions from all over the world in various academic disciplines. Besides, in order to promote technology development, our 3D printing business unit sponsored the first E-Formula team formed by the university students in Hong Kong to represent Hong Kong participating in the Hebei Xiangyang Competition "Formula Student China". Ever since our establishment, we are responsible taxpayer and offer job opportunities to local people to release the pressure from unemployment. We have our staff in different territories participating in retirement plan, helping them to prepare and plan for their retirement. We have maintained good manufacturing operation, actively promoting environmental protection and to achieve good development order; and to some certain extent, we have contributed to social stability and building up a harmonious community.

VI. **Honor and Certification**

In 2017/18, we have obtained the following major awards and certifications:

- Ngai Hing Engineering Plastic (Dongguan) Co., Ltd. was awarded "*High-tech Enterprises*" certificate
- Dongguan Ngai Hing Plastic Materials Ltd. was awarded "*IATF 16949:2016 Certification in Quality Management System*"
- Dongguan Ngai Hing Plastic Materials Ltd., Xiamen Ngai Hing Hong Plastic Materials Co., Ltd., Tsing Tao Ngai Hing Plastic Materials Co., Ltd. and Shanghai Ngai Hing Plastic Materials Co., Ltd. were awarded "*ISO 9001:2015/GB/T 19001-2016 Certification in Quality Management System*"
- Ngai Hing Engineering Plastic Materials (Shanghai) Co., Ltd. was awarded "*ISO 9001: 2015 Certification in Quality Management System*"
- Ngai Hing Engineering Plastic Materials (Shanghai) Co., Ltd. was awarded "*IATF 16949:2016 Certification in Quality Management System*"

VII. Vision Outlook

As a good corporate citizen, the Group hopes to balance between achieving the corporate economic goals and business objectives, and fulfilling their social responsibility. We will continue to pay attention to environmental protection, employee care, product quality and community contribution so as to create niche for sustainable development.

As for environmental protection, the Group will endeavor to comply with the stringent environmental protection laws and regulations, allocate resources and undertake various environmental improvement projects, including improving exhaust air, sewage and waste treatment facilities. In terms of employee care, we will put employee satisfaction and production safety as our top priority. Through ensuring occupational safety and a competitive system, we aim to attract more talents in the technical and management arenas. As far as product and service quality are concerned, the Group will continue to put resources to provide customers with high quality products to conform with the environmental protection requirements. For community contribution, the Group is committed to fulfilling its social responsibility by participating in charitable activities and promoting the community's sustainable development.

Becoming a respectable enterprise is one of the aims of the Group. Through implementing sustainable business strategies and improving our business performance, we hope to create more meaningful long-term value for the company and our stakeholders.

VIII. Environmental Performance Data Summary

	Unit	Trading	Engineering Plastics	Colorants	2017/18
Greenhouse gas (“GHG”):					
Scope 1:					
Total ¹	Tonnes	71.98	27.12	63.13	162.23
Intensity	Tonnes ^{##}	- [#]	- [#]	- [#]	N/A
Scope 2:					
Total ^{2,3}	Tonnes	94.16	2,063.73	11,714.38	13,872.27
Intensity ³	Tonnes ^{##}	- [#]	0.24	0.54	N/A
Air emissions:					
Nitrogen oxides	Tonnes	6.10	2.30	4.11	12.51
Sulfur oxides	Tonnes	0.48	0.18	0.39	1.05
Particles	Tonnes	0.65	0.24	0.68	1.57
Hazardous wastes:					
Solid wastes generated:					
Total	Tonnes	N/A	- [#]	7.10	7.10
Intensity	Tonnes ^{##}	N/A	- [#]	- [#]	N/A
Sewage discharged:					
Total	Tonnes	N/A	N/A	0.55	0.55
Intensity	Tonnes ^{##}	N/A	N/A	- [#]	N/A
Non-hazardous wastes:					
Solid wastes generated:					
Total	Tonnes	N/A	36.45	110.81	147.26
Intensity	Tonnes ^{##}	N/A	- [#]	0.01	N/A
Sewage discharged:					
Total	Tonnes	N/A	N/A	0.5	0.5
Intensity	Tonnes ^{##}	N/A	N/A	- [#]	N/A
Packaging materials used:					
Total	Tonnes	N/A	50.12	229.15	279.27
Intensity	Tonnes ^{##}	N/A	- [#]	0.01	N/A

VIII. Environmental Performance Data Summary (Continued)

	Unit	Trading	Engineering Plastics	Colorants	2017/18
Energy and water consumption:					
Electricity:					
Total ³	MWh	144.92	2,812.33	14,154.10	17,111.35
Intensity ³	MWh ^{##}	- #	0.32	0.65	N/A
LPG:					
Total	M ³	N/A	N/A	397.50	397.50
Intensity	M ³ ^{##}	N/A	N/A	0.02	N/A
Towngas:					
Total	M ³	N/A	N/A	3,810.00	3,810.00
Intensity	M ³ ^{##}	N/A	N/A	0.18	N/A
Diesel:					
Total	Tonnes	N/A	N/A	5.28	5.28
Intensity	Tonnes ^{##}	N/A	N/A	- #	N/A
Gasoline:					
Total	Tonnes	23.19	8.74	13.06	44.99
Intensity	Tonnes ^{##}	- #	- #	- #	N/A
Water:					
Total ³	Tonnes	179.00	14,151.77	98,644.00	112,974.77
Intensity ³	Tonnes ^{##}	- #	1.61	4.55	N/A

Notes:

- 1 Scope 1 refers to the Group's business direct GHG emissions, including combustion of LPG, towngas, diesel and gasoline.
- 2 Scope 2 refers to the Group's business indirect GHG emissions, including consumption of purchased electricity.
- 3 Some companies in the trading, engineering plastics and colorants business are sharing offices or plants. We do not have an effective basis to allocate their electricity and water consumption to each company, these data are included in the colorant business. Scope 2 GHG emissions of the trading and engineering plastics companies (resulted from electricity consumption) is therefore included in the colorant business.

Data less than 0.01

The unit of production for intensity calculation is tonne

IX. "Environmental, Social and Governance Reporting Guide" by The Stock Exchange of Hong Kong Limited

Key Performance Indicators (KPIs")	Reporting Guideline	Page
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2 – 4
KPI A1.1	The types of emissions and respective emissions data.	5, 13
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5, 13
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
KPI A1.5	Description of measures to mitigate emissions and results achieved.	2 – 4
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3
Aspect A2		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4 – 5
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility)	5, 14
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5, 14
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	4 – 5
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	5
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	13
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	5
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5

IX. "Environmental, Social and Governance Reporting Guide" by The Stock Exchange of Hong Kong Limited (Continued)

Key Performance Indicators	Reporting Guideline	Page
B. Social¹		
Aspect B1	Employment and Labor Practices	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6 – 7
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7 – 8, 10
Aspect B4	Labor Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	6
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	9
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	9 – 10
Aspect B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	10
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	11

Note:

- 1 Pursuant to Appendix 27 of the "Main Board Listing Rules", the KPIs under Area B "Social" are recommended disclosures only. Therefore, the Group chooses not to disclose those KPIs in this report.