

# CST GROUP LIMITED 中譽集團有限公司

[formerly known as "NetMind Financial Holdings Limited"]  
[Incorporated in Cayman Islands with limited liability]  
[Stock Code: 985]

Environmental,  
Social and  
Governance Report  
2017



## About this Report

This is the first environmental, social and governance (the “ESG”) report for CST Group Limited (formerly known as “NetMind Financial Holdings Limited”) (the “Company”, together with its subsidiaries, the “Group” or “We”). This report is designed to allow the shareholders, investors (including potential investors) of the Company and the public to have a more comprehensive and profound understanding of the work done on the ESG issues of the Group for its financial year ended 31 March 2017. This report elaborates the philosophy and practice in respect of social responsibility and the achievements it has made in economic, environment and social aspects. The Group primarily adopts the principles and basis of Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its standards, with an aim to establish a sound environmental, social and governance structure. For information on the Group’s corporate governance, please refer to the “Corporate Governance Report” on the Company’s Annual Report 2017.

The management of the Company is responsible for monitoring and managing ESG-related risks and the effectiveness of the ESG management system. During the year ended 31 March 2017, the Company has complied with the “comply and explain” provisions set out in the ESG Guide.

The board of directors of the Company believes that a sound environmental, social and governance structure is vital for continued sustainability and development of the Group’s activities. The Group is willing to take more responsibilities for the society but with a view to balancing the shareholders’ interests and the society’s benefits. We will continue to strengthen its efforts in information collection for better performance in the ESG areas and broader disclosure of related information in sustainable development. We welcome any comments and suggestions on this report as well as the Group’s performance in sustainability development.

The summary of material ESG issues, which are covered in this report, are listed below:–

## Environmental

### Emissions

One of the Group’s principal business activities is mining which comprise exploration, development and mining of copper and other mineral resources materials. CST Minerals Lady Annie Pty Limited (“Lady Annie Operation” or “Lady Annie”), a wholly-owned subsidiary of the Company, comprise a copper mine and processing facility in North West Queensland, Australia. During the financial year ended 31 March 2017, the mining of the Lady Annie Operation still remained being suspended. Small scale leaching from existing heap leach pads continued and Lady Annie Operation produced 2,379 tonnes of copper cathode during the twelve months up to 31 March 2017, as compared with 7,589 tonnes produced during the corresponding period in 2016. As such, the emissions generated from the Lady Annie Operation are minimal for the financial year ended 31 March 2017.





Moreover, the Group is committed to improving the energy efficiency of operations by supporting the “Indoor Temperature Energy Saving Charter” and the “No Incandescent Light Bulbs Energy Saving Charter”. The indoor air temperature of our office is set at a comfortable range, and all incandescent light bulbs have been fully deactivated.

During the financial year ended 31 March 2017, the Group had not received any complaint regarding the non-compliance to laws or regulations related air pollution and waste handling. The Group believes that there is no significant environmental impact generated by its business operations. We are committed to protecting environment and focusing on environmental protection in our operation, hoping that through rigorous supervision and control to reduce our long-term negative impact on environment.

**Use of Resources**

The Group is committed to promoting environmental protection, hoping to improve resources utilization and advocating commercial acts accountability to the environment arising from business development.

With the aim to better manage the use of resources, regular assessments of use of resources are performed by the Group by analyzing the data collected by the management of the Company.

The Group also encourages employees to save energy and improve efficient utilization of resources through the use of energy-saving lightings and recycled papers, minimizing the use of papers, reducing energy consumption by switching off idle lightings, computers and electrical appliances. Moreover, teleconference and internet-meeting practices are also encouraged by the Group to avoid unnecessary travel.

**Environment and natural resources**

The Group constantly assesses and monitors the environmental risks in its daily operation, and formulates corresponding mitigation measures promptly when discovering any potential risk to the environment, so as to ensure such risk can be controlled and reduced to an acceptable level. The Group is committed to making the most efficient use of natural resources and reducing waste.





## Social

### Employment and Labour Practices

Employees are regarded as the greatest and valuable assets and core competitive advantage of the Group. The Group aims to provide employees with respectful and fair working environment through maintaining a sound system of human resources management covering the various aspects such recruitment and remuneration.

The recruitment and promotion of the Group are fair and open for all employees, and are not affected by age, sex, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation and sexual orientation and other factors. In order to provide a good and fair working environment and safeguard the well-being of the employees, the Group seriously considers all those valuable opinions from the employees for enhancing workplace productivity and harmony.

The Group offers competitive remuneration, promotional opportunity, compensation and benefit packages to attract and retain talents. Remuneration packages are reviewed periodically based on the Group's operating results, individual performance and market information. The Group aims to reward and motivate the contribution and performance of employees and assist them in their career development and promotion within the Group.

The Group strictly complies with applicable laws and regulations in the localities of its operation, and the relevant administrative rules and measures are strictly enforced. These rules and regulations specify the requirements relating to employment, labor relations, employees' remuneration, social insurances, housing fund, mandatory provident fund and welfare to protect the rights of employees.

### Health and Safety

The Group is committed to protecting the health and safety of the employees and the community, we require employees to comply with all relevant occupational health and safety regulations, and do our utmost to provide them with safe and healthy working environment.

The Safety Department of the Group continued to deliver Nationally Accredited competencies to employees in accordance with legislative requirements and site-based standards.

The mines rescue training continued to be delivered with the adoption of all employees forming the site mines rescue team. This strategy was adopted due to the limited staff numbers and the legislative requirement to ensure adequate response to any emergency is maintained.

The ongoing focus for all employees and contractors is to ensure a high degree of safety focus and that hazard identification is maintained for all tasks. The importance of incident reporting procedures and hazard identification will continue to be highlighted to all employees and visitors. The site employees and contractors continue to expand in job roles and responsibilities and ensuring site policies and established procedures are followed, will be of critical importance.

The Group do acknowledge the potential health issues that exist in office settings. Hence we do take measures to preserve our talents from exposure to occupational diseases or injuries, no matter severe or minor. The Group motivates our staff to achieve work-life balance.

For the financial year ended 31 March 2017, there was no breach of relevant laws and regulations relating to employee's health and safety.

### Development and Training

Talent development is an important part of our human resource strategy. The Group understand that the employees' knowledge and skills are essential to the Group's operation and business growth, good development plan lays a good foundation for the employees to face business challenge in the future, it also helps them to grasp promotion opportunities, fulfill their career aspiration.

The Group provide the employees with effective training and develop a clear promotion ladder, ensuring that the employees have the required skills. The Group conducts performance evaluation annually, and based on the assessment result to provide the staff with appropriate training, and offer job development and promotion opportunities for outstanding employees.

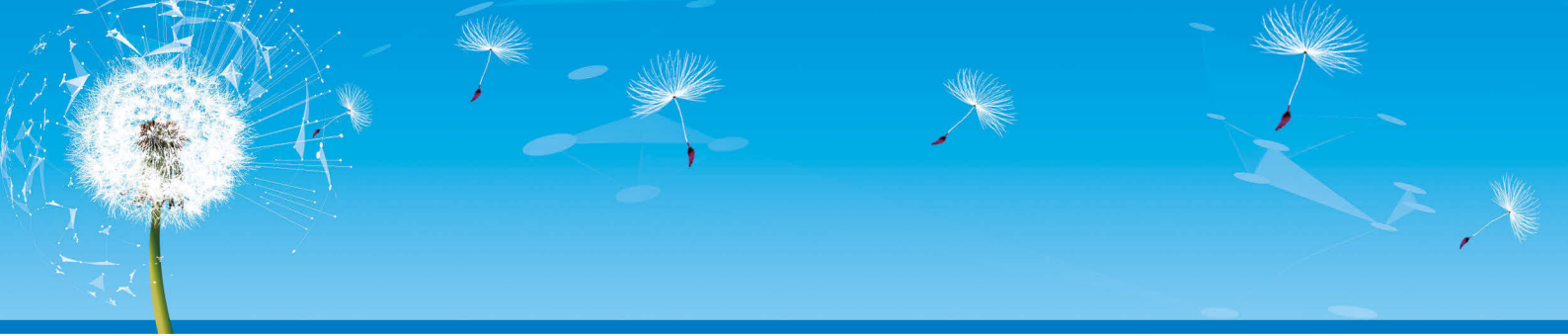
### Labor Standards

The Group's employment policies in regard to prohibiting child and forced labour are implemented to respond to the local employment laws and regulations.

Prior to confirmation of employment, the Group's human resources department will require job applicants to provide a valid identity documents to verify that the applicants are lawfully employable, and ensure full compliance of relevant laws and regulations that prohibit child and forced labour.

The Group has no tolerance for the use of forced labour or child labour in our business operations. The Group enters into employment contract with each of its employees in accordance with the relevant laws and regulations in the localities of its operation.





### Supply Chain Management

The Group attaches importance to developing and maintaining long-term relationships with our suppliers, looking forward to forming long-term partnerships with them. We take a fair and open principle on procurement of materials and services. We support and encourage the suppliers to promote efficient use of resources and environmental protection and fulfill corporate social responsibility. The Group also conducts follow-up assessment on the suppliers, and, if necessary, reviews them through a third-party organization.

### Product Responsibility

The Group is committed to providing customers with high-quality products and services and settling customer complaints effectively, continuously improving service level and ensuring customer satisfaction.

The Group strives to make sure that the products and services comply with related laws and provide customers with high-quality products. The Group has developed recovery policy and after-sale service and has established communication channel by which customers can send feedback, including complaints or grievances.

The Group is responsible for protecting the privacy of customers and devotes all our efforts to prevent the leakage of customer information. Except for the public documents as specified in laws and regulations, the Group strictly follows the relevant privacy ordinance and never allows information disclosure without approval of data owners. Employees are obligated to retain in confidence all information obtained in connection with their employment, including but not limited to, trade secrets, customers information, supplier information and other proprietary information.







The Group did not note any cases of material non-compliance in relation to data privacy during the financial year ended 31 March 2017.

### **Anti-Corruption**

The Group advocates a high standard of business integrity throughout its operations and has no tolerance of corruption or bribery in any form. The Group strictly adheres to the laws and regulations in regard to anti-corruption and bribery in all locations where the Group is conducting business.

During the reporting year, the Group was not involved in any litigation regarding corruption, bribery, fraud or money-laundering.

## **Community**

### **Community Investment**

The Group is committed to being a responsible member of the community and aims to make a positive impact on the local community. Maintaining harmonic relationship with the community is beneficial to the business development of the Group.

Lady Annie Operation relationship with communities of Mount Isa, Camooweal and Cloncurry and the North West Queensland and North Queensland regions has consolidated through its involvement with community events and activities by sponsorship, donations and in-kind support, employment and business opportunities.

The Exploration Department maintains close relations with landholders over the broad area of Lady Annie exploration tenements as well as contributing to ongoing community and stakeholder engagement with other stakeholders such as; Calton Hills Station and Yelvertoft Station, Kalkadoon, Indjalandji-Dhidhanu and Mitakoodi people, business partners and regulators on a regular and needs basis. Lady Annie Operation continues to provide support to the Yelvertoft Camp draft.

The Group encourages employees to participate in various voluntary events, creating a strong social network and providing assistance and supports for the people in need.