



PINE TECHNOLOGY
HOLDINGS LIMITED

ESG
REPORT | 2017

STOCK CODE 1079



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About This Report

PINE Technology Holdings Limited (“PINE”) and its subsidiaries (collectively referred to as the “Group”) issues its first Environmental, Social and Governance (“ESG”) Report for the financial year 2017, unless specified otherwise. This Environmental, Social and Governance Report aims to communicate the Group’s strategies, management approaches and performance in improving its product excellence and innovation, perfecting its operational processes, and serving its people and community. It also introduces our ongoing initiatives for our sustainable development toward the societies and environment in which we operate.

This ESG Report is prepared in accordance with the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) ESG Reporting Guide (“ESG Guide”), under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

Given this is the Group’s first ESG Report, relevant data is limited to certain environmental and social key performance indicators (“KPIs”). The Group will continuously strive to improve and expand our data collection system.

Reporting Scope

The scope of this report includes data and activities from our headquarters in Hong Kong and our manufacturing facility in China, unless specified otherwise.

Reporting Period

FY 2017 (1 July 2016 to 30 June 2017), as per the financial period of our Annual Report 2017. The ESG Report is and will be issued on an annual basis.

Reference Guidelines

Stock Exchange ESG Guide

About PINE

PINE is one of the world's leading companies in the design, manufacturing and distribution of personal computer ("PC") based products. It has two core business divisions, the XFX division and the distribution division. The one core focus of the XFX division is specializing in the design and manufacturing of Video Graphics products for the PC and PC upgrade market under the XFX brand. Leveraging on the strong Gamers' following of the XFX brand, XFX has extended its product family to the design and distribution of the Gaming Power Supply Unit ("PSU") family to further enhance the gaming experience of the XFX enthusiasts. The Distribution division distributes a wide range of name brand PC and non-PC products through its extensive distribution network.

The Group's strategy is to continue to leverage the success of its global XFX branding to expand its market share of the global PC gamers' market, to team up with strategic partners to develop innovative products and deliver them to the market through its national and regional distributors, system builders, resellers, retailers and e-tailers.

The Group is headquartered in the Hong Kong Special Administrative Region (Hong Kong SAR) with its state-of-the-art manufacturing facilities located in mainland China. PINE has its research and development facilities set up in Asia, and its global distribution and service network located throughout North America, Europe and Asia.

Founded in 1989, PINE was listed on the Growth Enterprise Market of the Stock Exchange (HKGEM: 8013) on 26 November 1999 and the listing of PINE's shares has been transferred to the Main Board of the Stock Exchange since 18 November 2010 (HKSE: 1079).



For details of our financial performance, please refer to our Annual Report 2017 at: http://www.pinegroup.com/en/investor_report.php/

Stakeholder Engagements

Engaging with our stakeholders is the first step in our sustainability journey. This year, PINE has reviewed its internal and external stakeholder groups, and has refined as to include the following: its investors and shareholders, employees, customers, suppliers, community groups, the media, and relevant regulatory bodies.

Through multiple well-established engagement channels, our internal and external stakeholders are able to communicate with the Group openly and effectively. These engagements allowed the Group to continuously improve its internal operational practices to meet and exceed industry standards, to better predict and satisfy market demands, and to manage associated environmental and social risks.

Stakeholder Groups	Engagement Channels	Their Concerns and Expectations
Investors and Shareholders	<ul style="list-style-type: none"> • Annual General Meetings • Press releases and announcements • Annual and interim reports • Circulars 	<ul style="list-style-type: none"> • Financial results • Operational risks • Corporate Governance
Employees	<ul style="list-style-type: none"> • Regular performance appraisals • Surveys • Training and development • New hire orientation programs • Bulletin board • Comment boxes • Meetings 	<ul style="list-style-type: none"> • Occupational health and safety • Remuneration and welfare • Career development • Employee engagement
Customers	<ul style="list-style-type: none"> • Customer visits • Assessment surveys • Satisfaction surveys • Trade shows and fairs • Market research • Meetings and correspondences 	<ul style="list-style-type: none"> • Product and service quality • Product safety and responsibility • Technological developments • Market trends
Suppliers	<ul style="list-style-type: none"> • Assessment surveys • Site visits • Meetings and correspondences 	<ul style="list-style-type: none"> • Regulatory compliance • Environmental standards and requirements • Respectful and fair procurement
Community Groups	<ul style="list-style-type: none"> • Charity activities • Volunteering opportunities 	<ul style="list-style-type: none"> • Sustainable development • Community engagement

Media	<ul style="list-style-type: none"> • Press releases • Meetings and correspondences 	<ul style="list-style-type: none"> • Corporate image and reputation • Product quality and safety
Regulatory Bodies	<ul style="list-style-type: none"> • Site visits • Compliance / non-compliance reports • Meetings and correspondences 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Regulatory requirements • Environmental impact • Employment practices

Sustainability Strategy

PINE's collective corporate passion is to make the unimaginable possible; to exceed expectations and to consistently deliver on our promise to create the finest products available in the world. In doing so, we must uphold the highest integrity in fulfilling our responsibilities as an innovative hub, as an electronics manufacturer, and as a responsible corporate citizen.

We shall fulfil these responsibilities and accomplish our goals through:



Our passion and dedications, coupled with stakeholder engagements and continuous improvement, would lead us on a path towards sustainable development. The following chapters describe in details the Group's strategies, approaches, initiatives and performances in the realization of our dedication.

PINE's collective corporate passion is to

**MAKE THE UNIMAGINABLE
POSSIBLE!**

Our Dedication to Product Excellence

At PINE, we are dedicated to product excellence and innovation. Our objective is to provide the highest quality products and services to our customers, through first-class professional manufacturing management system and continuous improvement on our operational processes. Our manufacturing facility has been accredited with ISO 9001 quality management system for 15 years.

Our designs and material shall minimize the risk of health and safety incidents. Product materials are subjected to international certification requirements, and product appearance should pass through the Printed Circuit Boards Assembly (PCBA) appearance inspection standard.

After assembly process, all of our products undergo multiple intensive testing processes to ensure each individual product pass through our quality assurance. Multiple quality checkpoints, including professional and timely inspections, are in place to ensure each manufacturing processes result in an excellent product.

Our quality inspection and testing staff members are highly trained to be fully aware of the technical requirement of all parts and components. They are capable of consistently applying the quality standard to ensure the least number of defective products flow through the assembly.

Subpar or defective products are removed from the batch immediately and our technicians would strive to repair the defective parts or replace with a new component. These products would then be tested again to ensure all products are safe and perfectly functional.

Our “Corrective and Preventive Control Procedures” provides instructions to perform analysis and control on potential and known unqualified factors with a goal to eliminate and prevent abnormality on sourced materials, manufactured products, complaints and internal audit.

We have not recalled any products this year for health and safety reason or that has violated our quality standard. Factors, assessments, process and handling methods of recalls are described in details within our “Unqualified Product Recall Control Procedures”.

**Our goal and key indicator is to produce
100% RoHS-compliant products**

Product Responsibility

It is our duty as electronics manufacturer to ensure the materials we use and the products we produce are not only of high quality, but also safe and responsibly handled.

To ensure the safety of our clients, consumers, end users, as well as the environment and communities in which our products are sold to, we strictly follow the Restriction of Hazardous Substances Directive 2011/65/EU (RoHS 2).

This restriction not only applies to our production, but also to the raw materials from our suppliers. Hence we perform regular supplier site audits and assessments, and contract third-parties to periodically test our material and products to ensure we comply with and exceed RoHS requirements. During Reporting Period, we have received no complaints regarding environmental material violating RoHS through our monthly reviews.

RoHS restricts the use of the following hazardous materials in the manufacturing of specific electronic and electrical equipment:

- Lead (Pb)
- Mercury (Hg)
- Cadmium (Cd)
- Hexavalent chromium (Cr6+)
- Polybrominated biphenyls (PBB)
- Polybrominated diphenyl ether (PBDE)

As a responsible producer, we also comply with the Waste Electrical and Electronic Equipment Directive (WEEE) to ensure the appropriate handling of collection, recycling and recovery of our electronic products.

PINE has developed a mission not only to satisfy the requirement of RoHS, WEEE and our clients, but also to ensure proper management of environmental substances and to realize our corporate social responsibility. To do so, we plan, establish and carry out comprehensive environmental management system through developing policies and guidelines. RoHS and ISO management meetings are held annually to review on recalled products, to conclude on the performance of all departments in the previous year, as well as to set up targets and goals for improvement next year.

All of our staff members are required to participate in relevant trainings to understand our basic production requirement, especially the standard and requirements under RoHS and WEEE. The six hazardous substances are also described in details, including their respective applicability and danger.

Non-compliance cases are handled with care. They are separated into environmental non-compliance cases such as material content exceeding certain threshold or incomplete information, and quality non-compliance cases including substandard appearance or performance. These cases are managed through our “Control of Nonconforming Product Program”, which involves investigation into nonconforming sources and reasons, separation and labelling, and corrective or disposal handling.

Supply Chain Management

To provide high quality products, PINE must collaborate closely with its suppliers to source high quality material. A “Supplier Management Procedure” guides our procurement team in comprehensively assessing, selecting, and managing our suppliers.

Our suppliers are segregated into three categories:

- A.** Raw material suppliers, including our products’ main material
- B.** Parts and accessories suppliers, including equipment, cleaning agents, industrial alcohol and metal
- C.** Other material suppliers, including material for office use, testing equipment, and utility provider

All prospective suppliers are required to undergo vigorous assessment and selection process to become a qualified supplier. Our selection is based on their ability to satisfy our production and supply requirement, comprehensive quality management standard, competitive pricing model, source of raw material and parts, packaging material and transportation. Suppliers involved with environmental material would have to undergo an even more stringent selection process. Our procurement team would audit and assess their production site(s) and ensure that all material contributing to our product must also satisfy relevant safety and environmental requirements.

Our cooperation contract requires all suppliers to comply with mandatory regulations relating to health, safety and environment, and to carry out all testing, examination and other work necessary to eliminate any risk to health and safety of our products’ end users. Safety risk assessments must be conducted prior to the delivery of material to our production facility and all records must be readily accessible.

In addition, all qualified suppliers must sign a guarantee agreement for the quality and environmental material of their supplies. They must acknowledge our environmental standard and guarantee that all products supplied to us meet our environmental material standard. This standard restricts the six hazardous substances as the RoHS. Qualified suppliers are periodically audited. This year we have visited and audited near 20% of our qualified suppliers.

In order to effectively reduce the cost of purchase and sourcing, the “Procurement Control Procedures” was established to build up a management and control program to ensure the quality of procurement practices of all types, that products sourced are up to standard, and to maintain smooth operations among departments.

The Group engages contractors when there are reasons for constraints during the production process, when machineries and equipment require calibration, and when external training providers are needed. These contractors are selected through assessment surveys. The selection criteria not only stress quality, experience and industry reputation, but also prioritize accreditations for international standards and RoHS system.

On the other hand, integrity is taken seriously at PINE. Prior to commencement of work, all staff members in the procurement department are required to sign a procurement code agreement. The signed agreement guarantees that all members understand and agree that:

1. Internal information including pricing, cost and material, are kept confidential
2. Any monetary or other benefits received from suppliers or customers are strictly forbidden
3. Procurement procedures such as supplier assessments, price negotiations and trading, are closely followed

Customer data privacy is also protected through this code agreement that ensures staff members keep consumer data organized and confidential.

Innovation

As part of our dedication to innovate, we have in recent years devoted resources in protecting our inventions through patent registrations. Since 2014, we hold ten utility model patents and four design patents. Most of our intellectual properties are product-based, as we strive to design and build more innovative and better performing products. Our rights and responsibilities in relations to the protection of our intellectual properties stem from the State Intellectual Property Office (SIPO) of the PRC, and we have been and shall continue to strictly comply with its Patent Law.

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Utility Model and
Design Patents

Our cooperation contracts with all our suppliers also restrict any wrongful acts against the use of trademarks and other intellectual properties, unless they are licensed for use.

Customer Satisfaction

PINE endeavours to provide the highest quality products and services to our customers, through first-class professional manufacturing management system and continuous improvement on our operational processes.

We strive to excel within our industry by focusing on our customers. Throughout the past years, we have developed a sophisticated infrastructure to support the entire concept-to-product requirement, and we have always treated continuous improvement as our goal. We have spared no effort in meeting and exceeding our customer's' requirements and expectations.

Therefore, we endeavour to listen to our customers and collaborate with them to build a fruitful communication and cooperative relationship. We highly value our customer feedback and suggestions, and endeavour to improve ourselves with great flexibility.

Satisfaction surveys are one of the effective engagement channels we have developed with our customers. They cover our performance in communications, price competitiveness, delivery, product quality, engineering capabilities, and after-sales services.

At the production facility, a formal "Customer Complaint Procedure" is also in place along with an established monitoring system. The procedure defines and separates the complaints received, and outlines steps our staff members shall follow to examine the nature and the causes of the complaints, as well as to identify improvement or corrective actions. Our goal is to receive no more than one case of complaint every two months, as part of our quality management target. Within our Reporting Period, we have handled and resolved four cases of complaints to the customers' satisfaction.



Our Drive to Operational Perfection

At PINE, operational perfection is defined as the elimination of inefficiency and waste within our operations. Effective and efficient operations also equate to producing equivalent high quality products with less resources within a defined time frame.

For example, PINE has made a few significant machinery upgrades in the past ten years. The upgrades stem from production demand for larger batches of consistently high quality products with least number of defects. The change to higher automation has increased our production efficiency to produce better products, and have eliminated the need for repeated work. It also reduces the risk of human errors and the risks in health and safety at our facility. Meanwhile, it yields less energy-intensive products.

The essence of operational perfection is not only beneficial to product quality, but also to our work environment and our people. The following sections highlight some of our operational practices that drive our success towards operational perfection.

Environment

Better management of our work and natural environment would minimize health and safety risks, enhance resource efficiency, and lead to more productive workforce. We prioritize environmental management and protection as we understand that environmental management is linked with our economics and social aspects. It also directly contributes to perfecting our operational processes.

As a responsible manufacturer, PINE's management has always understood the importance of environmental protection towards sustainable development. The Group fully complies with all relevant local requirements and standards, and believes that it is fundamental to protecting the communities in which it operates in.

PINE is committed to the following:

- Strictly comply with environmental laws and regulations
- Comprehensively use environmentally-friendly materials
- Completely eliminate all harmful substances
- Prevent and control pollution in the manufacturing process
- Continuously improve and optimize the operational process
- Manufacture and process green products

Since 2009, an Environmental Material Management Task Force has been set up. They are tasked with the following:

Plan, Assess, Implement	Collect Information	Incorporate	Research
<ul style="list-style-type: none"> ●RoHS System 	<ul style="list-style-type: none"> ●Environmental Material Management 	<ul style="list-style-type: none"> ●Company Standards ●Company Policies 	<ul style="list-style-type: none"> ●Relevant Industry Knowledge and Technology
Communicate	Formulate and Implement	Investigate and Analyze	Supervise and Guide
<ul style="list-style-type: none"> ●Through trainings and Promotions 	<ul style="list-style-type: none"> ●Environmental Goals, KPIs, and Initiatives ●Regular Review on Progress 	<ul style="list-style-type: none"> ●Non-compliance Incidents ●Corrective and/or Preventive Measures 	<ul style="list-style-type: none"> ●Implementation and Operations of Environmental Material Management

Our manufacturing facility in Dongguan is required to undergo stringent environmental audits and continuous monitoring. This allows us to constantly evaluate our progress and performance in protecting our work environment and natural resources in the region. The “Environmental Hazard Identification and Evaluation Control Program” identifies the potential and existing factors that create negative environmental impacts through company activities, products and services, and use this as a reference to improve and maintain the environmental management system to assess potential major environmental threats.

An environmental risk assessment was conducted in departments such as staff training, clients’ liaison, sourcing and procurement, quality assurance and production lines through the “Environmental Material Hazard Identification Table”. Criteria such as environmental awareness of staff, communications on risks and hazards with suppliers and clients, inspections on materials, and the handling of hazardous materials were evaluated. If any environmental hazard was found, the respective department would be required to notify the environmental material management task force for immediate remediation. Results have concluded that all our operations are at low risk with regards to inducing environmental hazards.

Material Usage and Waste

To perfect our operational processes and achieve further efficiency and material usage effectiveness, we must continuously seek for ways to further eliminate the amount and types of waste our manufacturing process produces.

One major initiative we have implemented for years is to attempt to repair all defective products and to recover as much reusable material from the defective product as possible. We have a dedicated team that performs appropriate tests, evaluates the root of the defect, assesses multiple handling methods, and selects the most effective method that recovers the most usable material. Most frequent handling is to replace the specific defective component with a functioning one to harness the most usable material.

Although we have been able to repair most of the defective products, waste is nevertheless inevitable within our manufacturing process. At our production facility, waste is separated into numerous streams, including:

1. Production waste including packaging material, tin scrap, integrated circuit tubes, and others;
2. Scrap waste that requires treatment, such as semi-finished products, stored warehouse inventory etc.;
3. Scrap machinery and equipment; and
4. Other domestic waste

Packaging material types and quantity highly depend on our customer's' requirement and product specifications. Suitable packaging materials and packaging methodologies are chosen for various product needs. Products that are more fragile might require special packaging materials and methods. During the Reporting Period, we have 11 different types of packaging materials, accumulating to a total weight of 288,521 kg and an intensity of 0.228 kg per unit of product sold.

All non-hazardous and hazardous waste material are sold to a third-party waste collector, for their appropriate handling, including recycling, reusing or proper disposal. Currently, we do not have a monitoring system in place for the amount of waste we sell to the third-party collector. Our management will consider implementing suitable monitoring system for our material usage and waste.

Air Emissions

Air emissions posts a serious health hazard for staff members. Although our production facility is an electronics assembly plant with minimal air emissions, we take a precautionary approach to prevent air emissions from becoming a health hazard within our work environment.

Annually, we contract professional third-party inspectors to evaluate our air emissions. This year, two professional inspection firms have evaluated the plant and both have returned with satisfactory results:

1. Analysis indicates that level of tin and its compounds in the exhaust gas is well below the requirement. Whereas 8.5 mg/m^3 is the standard under "Emission limits of air pollutants" (大氣污染物排放限值) in Guangdong province, our emission was tested to be 0.04 mg/m^3 .
2. Noise emissions were tested one meter beyond our factory perimeter. Results indicate that two tests performed both return within the requirement under "Emission standard for industrial enterprises noise at boundary" (工業企業廠界環境噪聲排放標準).
3. Monitoring tests for the concentration of tin dioxide, lead fume, trichloroethylene, and isopropyl alcohol remain at a satisfactory minimal level

Four quiet centrifugal fans are installed at our production facility to ensure sufficient air circulation within the production site. This installation also reduces health and safety risks for our workforce.

We shall continue monitoring air emissions from our production to limit the level of toxins in the air that could cause serious health risks to our workforce.

Energy Consumption

As part of our drive is to become more efficient and effective within our operational practices, we must consider the amount of resources we use to produce our products. One of the major resources we utilize is energy. It is principal to our operations, especially electricity consumption. To become more energy-efficient, we have to continuously seek methods to reduce our electricity consumption.

Machinery upgrades is one of the significant energy-efficiency programs. Throughout the years, we have investigated different sources and technological development to produce products with higher quality and larger quantity using the least amount of energy input. This is one of the priorities we employ when searching for more appropriate machineries and equipment.

Another initiative we have taken at the production plant is that we have sold all of our corporate vehicles in the past few years. This has reduced our fuel consumption and its corresponding carbon emissions drastically.

This year, we have replaced close to 1,500 used 40-watt fluorescent lamps with 650 high energy-efficient LED lighting system based on actual need. This replacement alone is estimated to save about 90,000 kWh annually. Another smaller equipment change is our water heater. We have replaced nine 3-kilowatt water heater with four energy-efficient water fountains. The annual electricity saving is calculated to be about 46,000 kWh. These two changes are estimated to reduce approximately 90 tonnes of carbon emissions from our operations every year.

At PINE, we believe that small changes can accumulate to become larger impact. We shall continue to evaluate our production capabilities and electricity usage to produce more energy-efficient and less carbon-intensive products.

Our Enthusiasm for People and the Community

To facilitate PINE's sustainable development, it is necessary for the Group to strengthen its corporate management system, protect the legal rights of its employees, and ensure smooth production operations.

Our enthusiasm for our staff members and the community is apparent, especially caring for the wellbeing of our staff members as they are valuable assets to the Group. We have a well-rounded system to care for our employees, in relations to their health and safety, career development and labour standard. PINE's unwavering attention to create a comfortable and safe work environment for its employees has enabled us to maintain a solid and excellent relationship with our staff members.

Health and Safety

PINE is meticulous in protecting and enhancing the safety of our workforce. Prioritizing employees' safety and health is crucial in minimizing the inherent risk within our production operations.

To prevent, control and minimize potential occupational hazards in our operations, and to strengthen and standardize the monitoring management of occupational hazards protective applications, we initiated and implemented a "three simultaneities" management system. The system requires our Group to design, construct and put to use occupational hazard protective applications simultaneously with the main body of our production projects. This system allows us to systematically rank and monitor the level of risks of all potential occupational health and safety hazards, and to provide appropriate preventive measures.

We currently have a health and safety task force that oversees the Group's occupational hazards preventive measures. It is tasked with the following:

- Implement relevant national laws and regulations on occupational health management and occupational hazard prevention and control;
- Provide all necessary occupational health protective equipment and personal protective equipment (PPE);
- Organize occupational health and awareness training programs;
- Organize regular inspections on the implementation of factory-wide or departmental occupational hazard preventive measures, and handle all identified issues in a timely manner;
- Monitor and manage occupational hazard factors;
- Organize annual occupational body checks and emergency health checks

We have formulated a dust-proof, anti-poison and anti-noise plan, based on the principles of prevention, comprehensive planning, local conditions and integrated management. The plan was then incorporated into our annual safety measures and long-term planning to eliminate dust, poison and noise hazards.

Our production area is also hazard-proof. Air ventilation systems are monitored and checked by third-party annually. Equipment and pipes that might be contaminated are protected and are repaired regularly, to ensure the effective protection of the health of our workforce. Cleaning agents that might contain hazardous chemicals are labelled clearly to prevent any health hazards. All hazardous areas are labelled with name of the hazardous factor, monitoring records, and preventive measures.

On the other hand, PINE also has an emergency rescue management system that details emergency rescue measures to prevent sudden and major occupational hazards from occurring, and effective control and handling in the unlikely event of such occurrence. We believe in the principle of “prompt response and proper handling”. Hence, we have established an emergency rescue plan and a rescue team that will promptly respond to any emergency situations. We monitor the preparation work for preventive measures and implementation of emergency rescue works, including material, equipment and protective gears. All departments and staff members are required to be trained to respond in emergency situations.

PINE’s goal for health and safety of our staff members are as follow:

- 100% health check for all new recruits and employees
- 100% inspection rate for hazardous factors within our production facility
- 100% supply rate of occupational PPE
- 95% knowledge and know-how rate for the importance of occupational hazards and preventive measures, based on trainings and other awareness programs
- 0.2% incidence rate of minor injuries
- 0 case of occupational health and safety incident
- 0 case of acute poisoning incident

We will continue to plan, implement and monitor our preventive works for occupational health hazards, with a clear goal of minimizing injury rate.

Trainings and Development

Trainings are regarded highly at PINE as they refine the skills and capabilities of our work force. It is also a part of their career development. As our staff members develop and take up more responsibilities, trainings become essential to ensure their smooth and effective operations and transitions. Annual training plans are drafted to guarantee sufficient trainings are given to our staff members.

Within this reporting period, technical repairing staff are trained on specific product and technical knowhow, while production and quality assurance staff members are trained on the different production processes, occupational hazard awareness, among others. Other quality training programs are also provided, including RoHS and ISO 9001 standards, PCBA appearance test standard, etc.

All new hires are required to participate in our orientation training program. The orientation program includes our company profile, rules and regulations in our production facility, safety, basic knowledge of RoHS and ISO standards, and other related information. According to our monthly reviews, RoHS training rate for new hires is 100% during the Reporting Period.

Specialized work types and posts may require external trainings organized by other external professional parties. With company approval, our staff members are free to attend external trainings and provide internal training to other related personnel, in order to improve our company's operational efficiency and skills.

Occupational health and safety management trainings are required for all staff members at the production facility. The trainings include basic management description of occupational health and safety, applicable laws and standards, occupational hazards and preventive measures, "three simultaneities" system, PPE management and usage, emergency situations, and our occupational health and safety management system.

The average training hours per worker at our production facility is more than 8 hours.

Employment and Labour Standard

Attracting talents and retaining experienced staff are crucial to achieving a sustainable business. The Group cares about the development of its staff members and protects their rights to enhance their job satisfaction at work. Through offering competitive remuneration package, strictly complying with employment standards, and establishing working regulations and guidelines, the Group in return improves the quality of work deliverables and its reputation.

PINE treats each employee equally at all times, including during recruitment and promotion process. All selections are based on work experience and capability, and are free from any type of bias. We will continue to exercise equality and fairness as our main principle within employment.

Our staff members enjoy statutory holidays, annual leave, sick leave, maternity leave, compassionate leave and other leaves. We also offer medical services on site at our medical office. Other entertainments are provided, along with sport activities, such as basketball and table tennis.

Our Staff Handbook outlines our policies in employment and recruitment, remunerations, discipline, trainings and development, fire and other safety hazards, and more. One of our rules and regulations described in our Staff Handbook is anti-corruption clause, which restricts any employee from requesting or receiving any benefit from our customers, suppliers or anyone in business dealings with our Group. All our sourcing staff members are required to sign an anti-bribery agreement that also includes proper sourcing procedures and consequences.

PINE is strictly against child labour and forced labour, as they violate basic human rights. During recruitment, we verify the identity of each new hire and retain a copy of their verification documents for record. In the unlikely event of such incident, the Group shall immediately relieve the individual of his or her duties as it severely violates the Group's employment policies.

Also, we guarantee an 8-hour work-day system, and minimize the need to request extra overtime work hours from our employees, in order to encourage a more healthy and structured lifestyle. We appreciate those who agree to work overtime due to production requirements, and they are rightfully compensated. During the reporting period, no case of child labour or forced labour has been reported.

By the end of the Report Period, we have 159 employees in total, among which 20 and 42 staff members reside in our Hong Kong headquarter office and our production facility in China respectively, excluding production labour workers. We have strictly complied with all relevant employment ordinances in the respective local area.

Community Engagement

PINE has been operating its production facility in the same location since 1999, and we are considered a respectful neighbour and community facilitator to the community we operate in and to our employees.



As a responsible corporate citizen, we strive to minimize our operating impact onto our neighbouring community. Environmental impact in our production processes has been reduced to minimal level, including air and noise emissions. We have put in multiple layers of precautionary measures to guarantee our emissions will not pose a serious threat to the community. For details, please refer to the "Our Drive to Operational Perfection" section.

Since we provide accommodation for our staff members on our premises, we stress the importance of work-life balance for our workers. Hence, we have organized different community events, such as karaoke competition and year-end lucky draw.



ESG Reporting Guide of SEHK Content Index

This Report was in compliance with the “comply or explain” provisions and reported on the “recommended disclosures” of ESG Guide as detailed in Appendix 27 of the Listing Rules.

Aspects, General Disclosures and KPIs	Description	Relevant chapter, reference page(s), or other references / explanation
A. Environment		
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.	Our Drive to Operational Perfection, P. 11-14
KPI A1.1	The types of air emissions and respective emissions data.	Our Drive to Operational Perfection, P. 14
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and where appropriate, intensity.	Not Applicable
KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity.	Not Applicable
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity.	Not Applicable
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Our Drive to Operational Perfection, P. 14-15
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Our Drive to Operational Perfection, P. 13-14
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Drive to Operational Perfection, P. 15
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kwh in '000s) and intensity.	Not Applicable
KPI A2.2	Water consumption in total and intensity.	Not Applicable
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Our Drive to Operational Perfection, P. 15
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
KPI A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	Our Drive to Operational Perfection, P. 13
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Drive to Operational Perfection, P. 12-15
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Drive to Operational Perfection, P. 12-15
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		

Aspects, General Disclosures and KPIs	Description	Relevant chapter, reference page(s), or other references / explanation
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.	Our Enthusiasm for People and the Community, P. 18-19
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Our Enthusiasm for People and the Community, P. 19
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Not Applicable
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.	Our Enthusiasm for People and the Community, P. 16-17
KPI B2.1	Number and rate of work-related fatalities.	Not Applicable
KPI B2.2	Lost days due to work injury.	Not Applicable
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our Enthusiasm for People and the Community, P. 16-17
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Enthusiasm for People and the Community, P. 17-18
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not Applicable
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our Enthusiasm for People and the Community, P. 18
Aspect B4: Labour 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 labour.	Our Enthusiasm for People and the Community, P. 19
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our Enthusiasm for People and the Community, P. 19
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our Enthusiasm for People and the Community, P. 19
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Dedication to Product Excellence, P. 7-9
KPI B5.1	Number of suppliers by geographical region.	Not Applicable
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Our Dedication to Product Excellence, P. 7-9

Aspects, General Disclosures and KPIs	Description	Relevant chapter, reference page(s), or other references / explanation
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.	Our Dedication to Product Excellence, P. 6-10
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our Dedication to Product Excellence, P. 6
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Our Dedication to Product Excellence, P. 10
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Dedication to Product Excellence, P. 9
KPI B6.4	Description of quality assurance process and recall procedures.	Our Dedication to Product Excellence, P. 6-7
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Dedication to Product Excellence, P. 9
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.	Our Dedication to Product Excellence, P. 9 Our Enthusiasm for People and the Community, P. 18
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Not Applicable
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our Enthusiasm for People and the Community, P. 18
Community		
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.	Our Enthusiasm for People and the Community, P. 19
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Not Applicable
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Not Applicable



PINE TECHNOLOGY HOLDINGS LIMITED

松景科技控股有限公司

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(於百慕達註冊成立之有限公司)

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