

Corporate Governance Report 企業管治報告

The Group always believes that high-level corporate governance standards and a sound and efficient board of directors are the crucial foundation for the assurance of the Company's effective operation and sustainable development. In addition to mitigating operational risks, pursuing performance excellence and enhancement of the shareholders' interests by making significant efforts through continuous improvement of the corporate governance and internal monitoring system, we also fulfill the environmental and social responsibility of the Group in the ordinary course of business, which has become a power for the advancement of society.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are disclosed based on the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Group commits to maintaining and ensuring a high level of corporate governance standards and continuously reviews and improves our corporate governance and internal controls practices, and the Board endeavors to take the necessary actions to ensure the compliance with the provisions of the CG Code introduced by the Hong Kong Stock Exchange.

DISTINCTIVE ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

The positions of Chairman of the Board and CEO are held by Mr. YANG, Tou-Hsiung and Mr. YANG, Kun-Hsiang respectively. The Chairman of the Board is responsible for leading the Board in establishing and monitoring the implementation of strategies and plans to create values for shareholders.

The CEO is responsible for managing the operation of the Group's businesses, proposing strategies to the Board and the effective implementation of the strategies and policies adopted by the Board.

THE BOARD

As of 31 December 2017, there were 11 members on the Board, which are the Chairman, the CEO, 3 other Executive Directors, 2 Non-executive Directors ("NED") and 4 Independent Non-executive Directors ("INEDs").

本集團一直相信高水平的企業管治標準及健全有效率的董事會，是確保公司有效營運、邁向持續發展的重要基礎。我們透過持續改善企業管治及內部監控系統，努力降低營運風險、追求集團最佳經營績效並提升股東權益之外，也承擔企業對環境與社會的責任，並落實於日常營運中，成為社會向上提升的助力。

企業管治常規

本公司企業管治常規乃依據香港聯合交易所有限公司（「香港聯交所」）證券上市規則（「上市規則」）附錄十四所載《企業管治守則》之原則進行披露。本集團一直致力確保企業管治標準維持於高水平，並持續檢討及改善企業管治及內部監控常規，而董事會將竭力採取所需措施，以確保遵守香港聯交所頒佈之《企業管治守則》條文。

主席及行政總裁的分工

董事會主席及行政總裁分別由楊頭雄先生及楊坤祥先生擔任。董事會主席負責領導董事會制訂及監控業務策略與計劃的推行，務求為股東締造更高的企業價值。

行政總裁負責管理集團業務運作、向董事會提呈策略方針，以及落實推行獲董事會採納的策略及政策。

董事會

於二零一七年十二月三十一日，董事會由十一位成員組成，分別為主席、行政總裁、其他三位執行董事、兩位非執行董事及四位獨立非執行董事。

The INEDs are considered by the Board to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments. The Board considered that each of the INEDs brings his own relevant expertise to the Board and its deliberations. During the year ended 31 December 2017, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three INEDs representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. None of the INEDs has any business or financial interests with the Group nor has any relationship with other directors and confirmed their independence to the Group.

The relationships between some members of the Board are disclosed under “Profile of Directors, Senior Management and Company Secretary” on page 30.

The Board met regularly during the year. The Board’s primary function is to set and review the overall strategic development of the Group and to oversee the achievement of the plans to enhance shareholders’ value. Daily operational decisions are delegated to the Executive Directors. The Board met four times during the year. The NED and INEDs may take independent professional advice at the Group’s expense in carrying out their functions.

RESPONSIBILITIES OF THE BOARD

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company’s affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group’s operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company.

董事會認為，各獨立非執行董事均為與管理層並無關係的獨立人士，其獨立判斷不會受到重大影響。此外，董事會認為，各獨立非執行董事均為董事會事務及其決策貢獻本身的相關經驗。截至二零一七年十二月三十一日止年度，董事會一直遵守上市規則有關委任至少三名獨立非執行董事之規定，即佔董事會成員三分之一的人數，並且其中一名成員具備適當專業資格，或具備會計或財務管理相關專業知識。獨立非執行董事並無涉及本集團的任何業務及財務利益，且與其他董事亦並無任何關係，並已向本集團確認彼等為獨立人士。

部分董事會成員間之關係披露於第30頁之「董事、高級管理層及公司秘書簡介」。

年內，董事會定期舉行會議。董事會的主要功能為制訂及檢討本集團的整體策略發展，以及監督業務計劃成效以提升股東價值。日常營運決策乃授予執行董事。年內，董事會舉行了四次會議。非執行董事及獨立非執行董事在執行彼等的職務時，可諮詢獨立專業人士的意見，費用概由本集團承擔。

董事會職責

董事會負責領導及控制本公司；及集體負責指導及監管本公司的事務。

董事會直接及間接透過其委員會帶領及指導管理層（包括制定戰略及監察管理層推行戰略）、監督本集團營運及財務表現，以及確保設有良好的內部監控和風險管理制度。

全體董事（包括非執行董事及獨立非執行董事）均為董事會帶來多種領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

獨立非執行董事負責確保本公司具有高標準的合規報告，並起平衡作用，使董事會在企業行動及運營方面能夠作出有效的獨立判斷。

全體董事均可全面並及時獲得本公司所有資料，並可於要求時在適當情況下尋求獨立專業意見，以向本公司履行其職責。

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

AUDIT COMMITTEE

The Group has established an Audit Committee with written terms of reference as suggested under the former Code on Corporate Governance Practices as set out in Appendix 14 to the then Listing Rules. The Audit Committee comprises Mr. CHAO, Pei-Hong, Mr. KO, Jim-Chen, Mr. CHEN, Joen-Ray and Mr. HSIEH, Lung-Fa, all Independent Non-executive Directors. The chairman of the Audit Committee is Mr. CHAO, Pei-Hong. Each member brings to the Committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Group who among themselves possess a wealth of management experience in the accounting profession, commercial and legal sectors.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee held two meetings to review interim and annual financial results and reports in respect of the year ended 31 December 2017 and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors, connected transactions and arrangements for employees to raise, in confidence, concerns about possible improprieties.

董事須向本公司披露彼等擔任的其他職務的詳情。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（特別是或會涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理的職責轉授予管理層。

審計委員會

本集團已成立審計委員會，並按照當時上市規則附錄十四所載的前企業管治常規守則的建議以書面釐定其職權。審計委員會成員包括所有獨立非執行董事趙培宏先生、柯俊禎先生、陳忠瑞先生及謝龍發先生。審計委員會的主席為趙培宏先生。每位成員為委員會貢獻其寶貴的經驗，審核財務報表及評估本集團重大控制及財務事宜。彼等均於會計專業、商界和法律界擁有豐富的管理經驗。

審計委員會的主要職責為協助董事會審閱財務資料及申報程序、內部監控程序及風險管理制度、審核計劃及與外聘核數師的關係，以及檢討安排，使本公司僱員可以隱密方式關注本公司財務申報、內部監控或其他方面的可能不當行為。

審計委員會共舉行了兩次會議，以審閱中期及截至二零一七年十二月三十一日止年度的年度財務業績及報告，以及有關財務申報及合規程序、內部監控及風險管理制度、外聘核數師的工作範圍及委聘、關連交易的重大事宜，以及可使僱員以隱密方式關注可能不當行為的安排。

REMUNERATION COMMITTEE

The Remuneration Committee comprises Mr. KO, Jim-Chen, Mr. CHAO Pei-Hong, Mr. CHEN, Joen-Ray, the Independent Non-executive Directors, and Mr. HUANG, Ching-Jung, the Non-executive Director. The Chairman of the Remuneration Committee is Mr. KO, Jim-Chen.

The primary functions of the Remuneration Committee include determining/reviewing and making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, the remuneration policy and structure for all directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee met once to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the Executive Directors and senior management and other related matters.

NOMINATION COMMITTEE

The Nomination Committee comprises Mr. YANG, Tou-Hsiung, Executive Director, Mr. CHAO, Pei-Hong, Mr. KO, Jim-Chen and Mr. CHEN, Joen-Ray, the Independent Non-executive Directors. The Chairman of the Nomination Committee is Mr. YANG, Tou-Hsiung.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the Independent Non-executive Directors.

The Board adopted the board diversity policy ("Board Diversity Policy") in accordance with the requirement set out in the CG Code. Such policy aims to set out the approach towards achieving diversity on the Board.

In assessing the Board composition and recommending candidates of directors to the Board, the Nomination Committee would consider a number of perspectives as set out in the Board Diversity Policy, including but not limited to skills, regional and professional experience, cultural and educational background, ethnicity, gender and other characteristics.

薪酬委員會

薪酬委員會成員包括獨立非執行董事柯俊禎先生、趙培宏先生、陳忠瑞先生及非執行董事黃景榮先生。薪酬委員會的主席為柯俊禎先生。

薪酬委員會的主要職責包括釐定／檢討個別執行董事及高級管理人員的薪酬待遇、全體董事及高級管理人員的薪酬政策及架構並就此向董事會提供推薦意見；及設立透明程序以制定薪酬政策及架構，從而確保概無董事或任何彼等的聯繫人士可參與釐定其本身的薪酬。

薪酬委員會已舉行一次會議，以審閱本公司薪酬政策及架構，以及執行董事及高級管理人員的薪酬待遇及其他相關事宜，並就此向董事會提供推薦意見。

提名委員會

提名委員會成員包括執行董事楊頭雄先生、獨立非執行董事趙培宏先生、柯俊禎先生及陳忠瑞先生。提名委員會的主席為楊頭雄先生。

提名委員會的主要職責包括檢討董事會的組成、制定及擬定提名及委任董事的相關程序、就董事委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事的獨立性。

董事會已按《企業管治守則》之要求採納董事會成員多元化政策。有關政策旨在列明達致董事會多元化的方法。

於檢討董事會的組成及就董事候選人提供建議予董事會的時候，提名委員會將考慮多個列明於董事會成員多元化政策的因素，包括（但不限於）技能、地區、專業經驗、文化與教育背景、族裔、性別及其他特質。

The Nomination Committee met once to review the structure, size and composition of the Board and the independence of the Independent Non-executive Directors, and to consider the qualifications of the retiring directors standing for election at the Annual General Meeting.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code. The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in the Environmental, Social and Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The principal businesses of the Group are manufacturing, R&D and sales, of which the Group has not engaged in any high-risk and high-leveraged investment. The members of the Board and the senior management have not engaged in any conduct of business which is beyond the risk acceptance level of the Company.

The Board of the Group oversees the Company to establish an appropriate and effective risk management mechanism and internal control system. The Audit Committee of the Board assists the Board to oversee the management of existing or potential risks in the Company. The management of the Company constantly supervises risks and the implementation of the internal control system to guarantee its effectiveness.

According to the characteristics of the industry in which the Group operates, a designated internal audit department and personnel are set up and appointed in each operating region with an operating cycle of control customised for the regions to carry out regular audit based on an annual plan and professional division of labour. Analysis on the seriousness and deficiency rate of each operational risk will be made, the results of which will be promptly reported to the management of the Company and subsequent improvements will be followed up. In addition to the monthly submission of audit reports to the Audit Committee for review, the audit department also presents major audit findings to the Board for examinations by the members of the Board in order to effectively mitigate the operational risks of the Group.

提名委員會已舉行一次會議，以檢討董事會的架構、規模及組成以及獨立非執行董事的獨立性，以及考慮於股東周年大會上候選的退任董事的資格。

企業管治職能

董事會負責履行《企業管治守則》的守則條文D.3.1條所載的職能。董事會檢討本公司的企業管治政策及常規、董事及高級管理人員的培訓及持續專業發展、本公司在遵守法律及監管規定、遵守《上市發行人董事進行證券交易的標準守則》（「《標準守則》」）及《僱員明文指引》以及遵守《企業管治守則》及環境、社會及管治報告的披露規定方面的政策及常規。

風險管理與內部監控

本集團以製造、研發及銷售為本業，並無從事任何高風險、高槓桿之投資，董事會成員及高階管理層也並未從事逾越公司風險接受程度之商業行為。

本集團董事會監督公司建立合適且有效的風險管理機制及內部監控系統；董事會下轄之審計委員會協助董事會監督公司存在或潛在之風險管理；公司管理層持續監察風險及內部監控系統的落實，以確保其有效性。

依集團產業特性，各營運區域均設有專責之內部稽核部門與人員，並訂定適地之循環控制作業，按年度計劃及專業分工定期稽核，分析各項營運風險之嚴重性及缺失頻率，即時送交公司管理層並追蹤後續改善情況。稽核部門除按月將稽核報告呈交予審計委員審核之外，同時也針對稽核重大發現於董事會中提報董事會成員檢討，以有效降低集團營運風險。

The major scopes of work of the risk management and internal controls of the Group are summarised as follows:

- Financial and financing cycle management – Alleviate risks through stringent internal controls and legitimate taxation planning applicable locally, credit risk management and control, evaluation and prediction of factors attributing to financial crisis; regularly assess capital position in markets, changes in exchange rates and bank interest rates, and prudently manage the fund allocation of the Company.
- Sales and payment collection cycle management – Oversee the due execution of the procedures in the sales business, including orders, credit provision, delivery, payment collection or refund and customer complaints so as to minimise the risks in relation to operating revenue.
- Procurement and payment cycle management – Perform internal controls on operating procedures in relation to supplier management, purchase requisition, price negotiation, contracting, quality check for purchased products or product returns, verification on payment or purchase discounts in order to ensure the openness, fairness and incorruptibility of the procurement system.
- Investment cycle management – The Group has established the “Investment Review Board” to rigourously evaluate mid-to-long-term investment or the subject matters of strategic alliance and to timely deal with investment projects.
- Information risk management – Maintain the soundness of the information management system of the Company, manage and safeguard the security of network information and swiftly provide the management with effective information on operational management.
- Legal affairs, intellectual property rights and R&D cycle management – The legal affairs department of the Group collaborates with professional legal counsels to achieve risk mitigation, transfer or aversion and to secure law compliance by offering education, training and consultation in relation to indentures, product liabilities, legal disputes and litigation, patents, trademarks, intellectual property rights and other relevant matters.

本集團風險管理與內部監控主要範疇，概舉如下：

- 財務及融資循環管理－透過嚴謹的內部管控制與適地適法的稅務規劃、信用風險管控及財務危機因子評估預測，以降低風險。定期評估市場資金狀況，匯率變動與銀行利率，審慎管理公司資金調度。
- 銷售及收款循環管理－監督銷售業務自訂單、授信、運送、收款或退回及客訴等程序之妥善執行，確保營收風險降至最低。
- 採購及付款循環管理－針對供應商管理、請購、比議價、發包、進貨品質檢驗或退貨處理、核准付款或進貨折讓等作業程序進行內控管理，確保採購系統公開公平不衍弊端。
- 投資循環管理－集團設有「投資審議委員會」，嚴謹評估中長期投資或策略聯盟標的，適時處理投資項目。
- 資訊風險管理－維持公司資訊管理系統健全、管控與防護網路資訊安全、提供管理階層快速且有效的營運管理資訊。
- 法務、智權及研發循環管理－集團法務專責部門與專業法律顧問合作，對於各項契約、產品責任、法律糾紛及訴訟、專利、商標及其他智慧財產權等相關事項，提供教育訓練及諮詢，以降低、轉移或避免風險，並確實遵守法令。

- Environmental protection management for production cycle: Implement all environmental protection stipulations and plans in accordance with the local regulatory requirements of the operating regions; and establish special units to plan, execute, supervise and track all environmental protection measures in order to assure the fulfillment of environmental protection responsibility.
- Occupational safety and hygiene management for production cycle – Conduct review and risk analysis on the detrimental level of abnormal environmental safety and hygiene incidents; and require the relevant departments of the plants to formulate improvement measures.
- 生產循環之環境保護管理：依據營運區域當地法規要求，落實各項環境保護規定與方案，並設專責單位計劃、執行、監管與追蹤各項環境保護措施，以確保對環境保護的責任。
- 生產循環之職業安全衛生管理－針對環安衛異常事故之危害程度進行檢討分析風險，並要求廠區相關部門訂定改善措施。

The main courses of study taken by finance personnel of the Group stationed in the plant site in Vietnam in 2017 are as follows:

本集團越南廠區財務人員於2017年主要進修情形如下：

Date of Course 進修時間	Name of Course 課程名稱	Hour of Study 進修時數
2017/04/14	New Stipulation of Statutory Provisions 法律條文新規定	2
2017/05/17	Topics on Fixed Assets Insurance and Risk Mitigation Awareness 固定資產保險專題及風險防範認識	2
2017/06/19	International Accounting Standards 國際會計準則	2
2017/08/18	Taxation Management and Trade Regulations 稅務管理與貿易規定	4
2017/09/26	Course on Foreign Exchange in Banking 銀行外匯課程	2

The main courses of study taken by finance personnel of the Group stationed in the plant site in the PRC in 2017 are as follows:

本集團中國廠區財務人員於2017年主要進修情形如下：

Date of Course 進修時間	Name of Course 課程名稱	Hour of Study 進修時數
2017/03/13	General Education on Accounting 會計常規教育	2
2017/06/16	How to Do a Good Financial Analysis by Non-Financial Personnel 非財務人員如何做好財務分析	4
2017/09/01	Statistical Continuing Education 統計持續教育	4
2017/12/04	Training on Accounting Certificate 會計證培訓	Employees to continue their external training on a voluntary basis 員工自行持續外訓

Corporate Governance Report

企業管治報告

During the year under review, all Directors have reviewed the effectiveness of the internal control system of the Group, including the resources on accounting and financial reporting functions of the Company, the qualification and experience of staff members and the training programmes participated by the staff members and the relevant budgets. The Group will, from time to time, review its risk management and internal control system in order to optimise its effectiveness and in turn heighten the overall corporate governance standard of the Group.

於回顧年度內，全體董事已審閱本集團內部控制系統的成效，包括本公司會計及財務匯報職能方面的資源、員工資歷及經驗、以及員工所接受的培訓計劃及預算等。集團將不時檢討風險管理及內部監控系統，使其有效性更為完備，以提升集團整體企業管治水平。

MEETINGS ATTENDANCE

會議出席記錄

		Attendance/Number of Meeting 出席率／會議次數				
		Board 董事會	Audit Committee 審計委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東周年大會
Executive Directors	執行董事					
YANG, Tou-Hsiung (<i>Chairman</i>)	楊頭雄 (主席)	4/4	N/A不適用	N/A不適用	1/1	0/1
YANG, Cheng	楊正	2/4	N/A不適用	N/A不適用	N/A不適用	0/1
YANG, Kun-Hsiang (<i>CEO</i>)	楊坤祥 (行政總裁)	4/4	N/A不適用	N/A不適用	N/A不適用	1/1
YANG, Chen-Wen	楊辰文	4/4	N/A不適用	N/A不適用	N/A不適用	0/1
YANG, Kun-Chou	楊坤洲	3/4	N/A不適用	N/A不適用	N/A不適用	0/1
Non-executive Directors	非執行董事					
HUANG, Ching-Jung	黃景榮	4/4	N/A不適用	1/1	N/A不適用	0/1
CHOU, Szu-Cheng	周錫程	4/4	N/A不適用	N/A不適用	N/A不適用	0/1
Independent Non-executive Directors	獨立非執行董事					
CHAO, Pei-Hong	趙培宏	4/4	2/2	1/1	1/1	1/1
KO, Jim-Chen	柯俊禎	3/4	1/2	1/1	0/1	0/1
CHEN, Joen-Ray	陳忠瑞	3/4	2/2	1/1	1/1	0/1
HSIEH, Lung-Fa	謝龍發	3/4	1/2	N/A不適用	N/A不適用	0/1

Notes:

附註：

Mr. YANG, Cheng authorized Mr. YANG, Tou-Hsiung to exercise the voting right on the first board meeting. Mr. KO, Jim-Chen authorized Mr. CHAO, Pei-Hong to exercise the voting right on the second board meeting.

楊正先生授權楊頭雄先生於第一次董事會會議行使表決權。柯俊禎先生授權趙培宏先生於第二次董事會會議行使表決權。

DIRECTORS' TRAINING

In respect of code provision A.6.5 of the CG Code, all Directors of the Company have developed and refreshed their knowledge and skills by reading books and articles relating to legal and regulatory updates.

董事培訓

就《企業管治守則》的守則條文A.6.5條，本公司全體董事均有透過閱讀有關法律及監管方面的更新資料的書籍及文章以發展並更新其知識及技能。

All Directors have already provided the training records for the year ended 31 December 2017 to the company secretary.

全體董事已向公司秘書提供其於截至二零一七年十二月三十一日年度內的培訓記錄。

COMPLIANCE WITH APPENDIX 14 TO LISTING RULES

During the reporting period, the Company has complied with the code provisions as set out in Appendix 14 to the Listing Rules, with the exception of code provision E.1.2.

In respect of code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and should also invite the chairman of the audit, remuneration and nomination committees to attend. Mr. YANG, Tou-Hsiung (the Chairman of the Board and the Chairman of Nomination Committee) and Mr. KO, Jim-Chen (the Chairman of Remuneration Committee) were not able to attend the Annual General Meeting of the Company held on 23 May 2017 due to business commitments.

INDEPENDENCE CONFIRMATION

The Company has received, from each of the Independent Non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the CG Code stipulates that Non-executive Directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Each of the Non-Executive Directors of the Company is appointed for a specific term of 1 year or 3 years, where Mr. HUANG, Ching-Jung and Mr. CHAO, Pei-Hong were appointed for a term of 1 year and Mr. CHOU, Szu-Cheng, Mr. KO, Jim-Chen, Mr. CHEN, Joen-Ray and Mr. HSIEH, Lung-Fa were appointed for a term of 3 years. Each of the Non-Executive Directors of the Company is subject to retirement by rotation once every three years.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2017.

遵守上市規則附錄14

除守則條文E.1.2條之外，於報告期間，本公司一直遵守上市規則附錄14所載之守則條文。

就《企業管治守則》之守則條文E.1.2條，董事會主席應出席股東周年大會，並應邀請審計、薪酬及提名委員會主席出席。董事會主席及提名委員會主席楊頭雄先生及薪酬委員會主席柯俊禎先生因業務關係未克出席本公司於二零一七年五月二十三日舉行之股東周年大會。

獨立確認

根據上市規則第3.13條，本公司獲得各獨立非執行董事確認其獨立性。本公司認為所有獨立非執行董事均是獨立的。

非執行董事

企業管治守則之守則條文A.4.1條訂明非執行董事應以特定任期委任，並須接受重選，而守則條文A.4.2條訂明，所有就填補臨時空缺已獲委任的董事須於獲委任後首個股東大會上接受股東選舉，而每名董事（包括以特定任期委任的董事）最少須每三年輪值退任一次。本公司各獨立非執行董事均以特定任期（1年或3年）委任，當中黃景榮先生及趙培宏先生的任期為一年，而周賜程先生、柯俊禎先生、陳忠瑞先生及謝龍發先生的任期為三年。本公司各非執行董事須每三年輪值退任一次。

遵守標準守則

本公司已採納上市規則附錄10所載的《標準守則》。

本公司已向所有董事作具體查詢，所有董事亦已確認，彼等於截至二零一七年十二月三十一日止整個年度一直遵守《標準守則》。

AUDITOR'S REMUNERATION

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor. During the year under review, the Group is required to pay approximately US\$345,000 and US\$115,000 to the external auditor for their audit and non-audit services, respectively.

DIRECTORS' RESPONSIBILITIES FOR ACCOUNTS

The Directors of the Company acknowledge their responsibilities for preparing the Company's accounts for the year ended 31 December 2017. The Statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 106 to 112.

COMPANY SECRETARY

Ms. WONG, Wai Yee, Ella of Tricor Services Limited, external service provider, has been engaged by the Company as its company secretary. Its primary contact person at the Company is Mr. NI, Chih-Hao, Chief Financial Officer of the Company.

Ms. WONG has taken no less than 15 hours of relevant professional training for the year ended 31 December 2017.

SHAREHOLDERS' RIGHT TO CONVENE AND PUT FORWARD PROPOSALS AT EXTRAORDINARY GENERAL MEETING

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholders' meetings, including the election of individual directors. All resolutions put forward at shareholders' meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each shareholders' meeting.

Pursuant to the Company's Articles of Association, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

核數師薪酬

本公司審計委員會負責考慮委任外聘核數師及審核外聘核數師所進行之任何非核數之職能。於回顧年度內，本集團需就外聘核數師提供之服務（包括核數及非核數服務）向其支付分別約345,000美元和115,000美元。

董事對賬目之責任

本公司各董事承認其有編製本公司截至二零一七年十二月三十一日止年度賬目的責任。有關本公司的獨立核數師於財務報表的報告責任已載於第106至112頁的獨立核數師報告。

公司秘書

本公司已委聘卓佳專業商務有限公司（外聘服務機構）的黃慧兒女士出任公司秘書。其於本公司的主要聯絡人為本公司財務總監倪志豪先生。

於截至二零一七年十二月三十一日止年度，黃女士已完成不少於15小時的相關專業培訓。

股東召開股東特別大會及於會上提出議案的權利

為保障股東的利益及權利，於股東大會上，每項重大事宜（包括選舉個別董事）均會以一項獨立決議案提呈。根據上市規則，所有提呈股東大會的決議案將以按股數投票方式表決，而投票表決結果將於每次股東大會後刊載於本公司及香港聯交所網站。

根據本公司組織章程細則，於遞呈要求日期時持有不少於本公司繳足股本（賦有於本公司股東大會上之表決權）十分之一的股東於任何時候均有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且有關大會應於遞呈該要求後兩個月內舉行。倘董事會未有於遞呈要求後二十一日內召開有關大會，則遞呈要求的人士可自行以同樣方式作出此舉，而遞呈要求的人士因董事會未有召開大會而合理產生的所有開支應由本公司向遞呈要求的人士作出補償。

Corporate Governance Report 企業管治報告

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company.

CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Level 54, Hopewell Centre, 183 Queen's Road East,
Hong Kong
(with attention to Ms. WONG, Wai Yee, Ella,
Company Secretary)

Fax: (852) 2528 3158

Email: vdi@vedaninternational.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

如要向本公司董事會提出任何查詢，股東可以書面方式向本公司提出。

聯絡資料

股東可將上述查詢或要求郵寄或發送至：

地址：香港皇后大道東183號合和中心54樓
(註明交黃慧兒秘書收)

傳真：(852) 2528 3158

電郵：vdi@vedaninternational.com

為免混淆，股東必須將已妥為簽署的書面要求、通知或聲明或查詢(視情況而定)的正本送達或發送至上述地址，並提供彼等的全名、聯絡資料及身份證明，上述各項方告有效。本公司可能會按照法律規定披露股東資料。

INTRODUCTION

One year after the new global greenhouse gas emission reduction agreement came into effect at COP21, United Nations Environment Programme indicated in the Emissions Gap Report that there is a huge gap between the national pledges made on carbon reduction and the actual performance, and carbon reduction actions still need to be amplified worldwide with global warming mitigation taken as an urgent mission in order to prevent disastrous climate with best endeavour.

As an international corporate citizen, Vedan International Group pays constant attention to such issue relating to climate change and supports the civil notion of environmental protection, energy conservation and carbon reduction and earth preservation with practical actions. For many years, the Group has complied with the national standards and regulations applicable to all production bases and has formulated environmental policy which includes environmental protection in daily management with all-staff education in daily operation concerning energy conservation in respect of self-initiated carbon reduction and energy efficiency enhancement while participating in ecology-care activities and proactively developing green economy with significant importance attached to comprehensive development of corporate social responsibility in hope to maximise its local corporate influence and make valuable contribution to the local environmental protection.

Vedan International Group has established the "Corporate Social Responsibility Committee" which includes the operation directors of all production bases. The committee members practically promote environmental education with combination of regional production and sales strategy and the concept of environmental protection and earth preservation and implements sustainable environment plans with regular meetings to review the achievements under the respective indicators. In this report, the Group truthfully discloses the implementation of CSR. We will implement the corporate governance policy in accordance with the laws and strive to achieve the most outstanding operating efficiency of the Group with an aim to realise mutual benefit with the environment.

引言

在COP21全球溫室氣體減量新協議生效一年後，聯合國環境署於「排放落差」(Emissions Gap)報告中指出，各國所承諾的減碳目標與實際行動有著極大的落差，全球仍須擴大減碳行動，將降低暖化視為急迫性的任務，盡力避免災難性氣候的到來。

味丹國際集團作為國際企業公民的一員，長期持續關注著此氣候變遷議題，且以實際行動支持環境保護、節能減碳、愛護地球的公民理念。多年來，集團遵守各生產基地適用的國家標準法規，訂定環境政策將環境保護納入常規管理，並於日常營運中推行自主減碳、提升能源效率的全員節能教育，同時也投入自然生態關懷活動、積極開發綠色經濟，極力重視企業社會責任的全面發展，期望以深耕在地的企業影響力，對在地環境保護作出具體貢獻。

味丹國際集團設立「企業社會責任委員會」，委員會成員包含各生產基地的營運主管等，委員以各區產銷策略結合環保節能愛地球的理念，具體推動環境教育，落實永續環境發展的計劃，並定期會議以檢討各項指標成效。在本報告中，集團也如實披露CSR推動現況，我們將依循法令實踐公司治理政策，在與環境共榮的目標下，創造集團最卓越的營運成效。

Environmental, Social and Governance Report

環境、社會及管治報告

To uphold the mission of sustainable operation, corporate social responsibility of the Vedan International Group entails not only environmental protection and energy conservation education, but also maintenance of sound corporate governance and risk management, provision employees with a safe and healthy working environment where they can fully exploit their potentials, and balance of the interests of employees, customers, supply chain, investors and the overall development of the community. We undertake to make our best endeavour to constantly contribute to economic development, environmental protection for the earth and society through good and solid corporate governance.

秉持永續經營的使命，企業社會責任對味丹國際集團而言，除了關注環境保護、重視節能教育之外，也涵蓋健全的公司治理與風險管控、提供員工一個安全健康且得以充份發揮潛力的工作環境，並兼顧員工、客戶、供應鏈、投資人及社區整體發展之均衡利益，我們承諾將持續透過良好嚴謹的企業管治，回饋社會的同時，發展經濟並為地球環境保護盡最大的力量。



The Vietnam Plant (Primary Production Base) Promoted Park-like Construction in Factory Areas with Colossal Tree Plantings to Conserve the Ecology

主要生產基地- 越南廠區推行工廠公園化，大量植樹保育自然生態

This report has been prepared in compliance with the requirements of the Environmental, Social and Governance (ESG) Reporting Guide under Appendix 27 and the principles of the CG Code under Appendix 14 to the Listing Rules on the Hong Kong Stock Exchange for the purposes of general disclosure and KPIs disclosure responsibilities. The period and areas covered by this report are as follows:

本報告係依據香港聯合交易所上市規則附錄二十七所載《環境、社會及管治報告指引》及附錄十四《企業管治守則》之原則履行一般披露及關鍵績效指標披露的責任。本報告涵蓋期間及範疇如下：

Period covered 涵蓋期間	From 1 January 2017 to 31 December 2017 西元2017年1月1日至2017年12月31日
Areas covered 涵蓋範疇	The production bases in Vietnam and China and the business footholds of branches in Taiwan covered by Vedan International Group 味丹國際集團涵蓋越南、中國生產基地及台灣分公司營運據點

《ENVIRONMENT》

ENVIRONMENTAL PROTECTION

Policy: Care for Environment and Sustainable Operation

The Group upholds the concept of “care for environment and sustainable operation” and proactively carries out the efficiency management of water resources, carbon reduction management and waste management, while initiating energy management system and continuous management of power consumption, and adopting energy-saving electrical equipment to enhance the energy conservation performance in the offices, as well as promoting park-like construction in factory areas with colossal tree plantings to conserve the ecology.

In respect of environmental protection and energy conservation, the Group undertakes to carry out the following actions:

(1) Emission management – Striving to reduce discharge of wastewater, exhaust gas and waste

- Employee safety, environmental protection and resources conservation are the prime principles of all operating activities of the Group. In the ordinary course of business, the Group shall, as long as technically practicable, provide treatment for, and secure the reduction of, emission of exhaust gas, wastewater and waste, and achieve or over-achieve the provisions of the prevailing national laws of the places where its production bases are located and the requirements of internal standards.
- The Group regularly reviews the progress and effectiveness of each resources management plan every year and improves the deficiencies to ensure that there is no substantial impact on the surrounding environment in the factory areas.
- In 2017, the emission standard of each emission of the Group was in line with the requirement of environmental impact assessment for all production bases. The Vietnam plant (primary production base of the Group) reformed the concentration system in production plants in 2017 for the purpose of reducing the consumption of steam energy, resulting in a decrease of 12,339.36 ton of emission of CO₂e. It also established a new denitrification processing system which effectively reduced the production of wastewater and sludge.

《環境》

環境保護

政策：愛護環境，永續經營

本集團秉持愛護環境、永續經營的理念，積極執行水資源使用效益管理、減碳管理及廢棄物管理，同時建立能源管理制度持續用電量管理，並且採用節能省電器材提升辦公室節能實績；另於廠區推行工廠公園化，大量植樹保育自然生態。

針對環保與節能，本集團承諾將力行以下具體作為：

(1) 排放物管理－努力減少廢水、廢氣與廢棄物之排放

- 集團一切營運活動以確保人員安全，保護環境及保育資源為首要原則。於日常營運中，於技術可行的範圍內，儘可能處理與減少廢氣、廢水及廢棄物等之排放，並符合或超越生產基地之國家現行法令規定及內部標準之要求。
- 集團每年定期稽核各項資源管理計畫之進度及效益，並就缺失進行改善，以確保廠區周遭環境負荷無顯著之影響。
- 2017年，集團各類排放物的排放標準均符合各生產基地環評規定。主要生產基地越南廠區2017年針對生產廠濃縮系統進行改造，其目的為減少蒸汽能源使用量，其成效相當於減少12,339.36公噸CO₂e排放量；另外新建脫氮處理系統，有效減少廢水污泥產生量。

ENVIRONMENTAL PROTECTION

Policy: Care for Environment and Sustainable Operation
(continued)

(1) Emission management – Striving to reduce discharge of wastewater, exhaust gas and waste (continued)

- According to the statistics, the types of emissions produced in the production process of the primary plants in 2017 and the relevant data are set out below:

環境保護

政策：愛護環境，永續經營（續）

(1) 排放物管理－努力減少廢水、廢氣與廢棄物之排放（續）

- 經統計，2017年主要廠區生產過程之排放物種類及數據分列如下：

Type of emissions	排放物種類	2017 二零一七年	Unit 單位
Total volume of wastewater discharged (m ³)/product output (ton)	廢水總排放量（立方米）／產品產量（公噸）	6.35	m ³ /ton 立方米／公噸
Wastewater – Chemical Oxygen Demand (COD) (kg)/product output (ton)	廢水－化學需氧量(COD)（公斤）／產品產量（公噸）	9.07	kg/ton 公斤／公噸
Air emission – Sulphur oxides (SOx) (kg)/product output (ton)	空氣排放－硫氧化物(SOx)（公斤）／產品產量（公噸）	2.15	kg/ton 公斤／公噸
Air emission – nitrogen oxides (NOx) (kg)/product output (ton)	空氣排放－氮氧化物(NOx)（公斤）／產品產量（公噸）	0.11	kg/ton 公斤／公噸
Total greenhouse gas emission	溫室氣體總排放量	837,226.80	ton CO ₂ e 公噸CO ₂ e
Total emission intensity of greenhouse gas	溫室氣體總排放量密度	1.51	ton CO ₂ e/ton 公噸CO ₂ e／公噸
Total hazardous waste	有害廢棄物總量	83,788	kg公斤
Total non-hazardous waste	無害廢棄物總量	38,236,805	kg公斤
Hazardous waste intensity (kg/ton product output)	有害廢棄物密度（公斤／公噸產品產量）	0.15	kg/ton 公斤／公噸
Non-hazardous waste intensity (kg/ton product output)	無害廢棄物密度（公斤／公噸產品產量）	69.16	kg/ton 公斤／公噸

ENVIRONMENTAL PROTECTION

**Policy: Care for Environment and Sustainable Operation
(continued)**

(2) Resources usage management – Promoting energy conservation, consumption reduction, recycle and reuse of resources

- The Group advocates and implements the 3R policy (Reduce, Reuse, Recycle) and recycles and reuses its resources to achieve the goal of reducing materials consumption and waste generation.
- The Group implements green procurement policy to procure suppliers to minimise their impacts on the environment.
- By implementing ISO 50001 Energy Management System, the Group has established an energy management system in the primary production bases and formed the “Energy Management Committee” which is responsible for the systematic management of all equipment in daily operation in order to enhance the equipment efficiency in a continuous manner. The Group has also implemented energy saving and carbon reduction plan to rationalise energy consumption and reduce energy cost.
- In 2017, the Vietnam plant (primary production base of the Group) improved the concentration system in the production process in production plants and reduced the use of steam energy while also reducing water consumption for cooling down. According to the statistics, the energy conservation rate of the concentration system in the production process in such production plant reached 72.54% and the emission of CO₂e was reduced.
- The Group proactively implement the resources recycle policy which recycles the condensation produced in the concentration process of production and reuse the same in the production process. In 2017, 1.39KL of condensation can be recycled for every ton of products, representing approximately 23.5% of the water consumed in such production process.
- In 2017, the packaging materials used by the primary production bases of the Group in the production process of main products can be classified into FIBC bags, paper bags, carton boxes, plastic cylinders, etc. Towards the goal of recycling and reusing the packaging materials used for the finished products, the Company has recycled and reused the plastic cylinders used for containing maltose. According to the statistics in 2017, the recycling rate reached 82%.

環境保護

政策：愛護環境，永續經營（續）

(2) 資源使用管理－推動節能減耗，資源回收再利用

- 集團宣導與執行3R政策(Reduce, Reuse, Recycle)，資源回收再利用，以達成減少物質消耗減廢之目的。
- 利用綠色採購政策實施，促使供應商減低對環境造成之衝擊。
- 集團執行ISO 50001能源管理系統，在主要生產基地建立能源管理制度，並成立「能源管理委員會」，具體於日常營運有系統的管理各項設備，以持續提升設備效率，並實施節能減碳計劃，促使耗能合理化、降低能源成本等。
- 2017年集團主要生產基地越南廠針對生產廠的製程濃縮系統進行改善，降低蒸汽能源使用，同時可減少冷卻水使用量，經統計，全年此生產廠的製程濃縮系統節能率達72.54%，並減少CO₂e排放量。
- 集團積極進行資源回收再利用之政策，將生產濃縮過程中所產生之冷凝水，回收製程再使用，2017年每噸的產品可回收再使用1.39KL之冷凝水，約占該製程使用水之23.5%。
- 2017年集團主要廠區於生產主產品過程所使用包裝材料可分為太空包、紙袋、紙箱、塑膠桶等。公司朝向製成品所用之包材回收再利用的方向，目前已先進行將盛裝麥芽糖漿之塑膠桶進行回收再利用，2017年統計之回收率已達82%。

ENVIRONMENTAL PROTECTION

Policy: Care for Environment and Sustainable Operation
(continued)

(2) Resources usage management – Promoting energy conservation, consumption reduction, recycle and reuse of resources (continued)

- The total consumption of energy used in the primary production bases in 2017 is as follows:

環境保護

政策：愛護環境，永續經營（續）

(2) 資源使用管理－推動節能減耗，資源回收再利用（續）

- 2017年主要生產基地資源使用總耗量統計如下：

Types of usage	使用種類	2017 二零一七年	Unit 單位
Indirect energy – unit consumption of electricity (total electricity consumption (kWh)/production output (ton))	間接能源－電力單位用量 (電力總用量(千瓦小時)/ 產品產量(公噸))	808.63	kWh/ton 千瓦小時／公噸
Indirect energy – unit consumption of biofuel (total biofuel consumption (kg)/production output (ton))	間接能源－生質燃料單位用量 (生質燃料總用量(公斤)/ 產品產量(公噸))	85.97	kg/ton 公斤／公噸
Direct energy – unit consumption of coal (total coal consumption (kg)/production output (ton))	直接能源－煤炭單位用量 (煤炭總用量(公斤)/ 產品產量(公噸))	461.49	kg/ton 公斤／公噸
Total water consumption	總耗水量	7,598,055	m ³ 立方米
Water consumption intensity (total water consumption (m ³)/production output (ton))	耗水密度(總耗水量(立方米)/ 產品產量(公噸))	13.74	m ³ /ton 立方米／公噸
Total packaging materials used – FIBC bags	使用的包裝物料總量－太空包	55,722	kg 公斤
Total packaging materials used – paper bags	使用的包裝物料總量－紙袋	387,799	kg 公斤
Total packaging materials used – carton boxes	使用的包裝物料總量－紙箱	3,938,692	kg 公斤
Total packaging materials used – plastic cylinders	使用的包裝物料總量－塑膠桶	507,944	kg 公斤
Intensity of packaging materials used – FIBC bags	使用的包裝物料密度－太空包	5.23	kg/ton 公斤／公噸
Intensity of packaging materials used – paper bags	使用的包裝物料密度－紙袋	9.29	kg/ton 公斤／公噸
Intensity of packaging materials used – carton boxes	使用的包裝物料密度－紙箱	70.30	kg/ton 公斤／公噸
Intensity of packaging materials used – plastic cylinders	使用的包裝物料密度－塑膠桶	40.68	kg/ton 公斤／公噸

ENVIRONMENTAL PROTECTION

**Policy: Care for Environment and Sustainable Operation
(continued)**

**(3) Environment and natural resources management –
Enhancing efficiency of energy consumption, caring for
environment and protecting natural ecosystem**

- In order to combat the global warming and devote our efforts against the climate change, the Vietnam plant (primary production base of the Group) obtained the ISO 50001 energy management system certificate in October 2016. We established an impeccable equipment maintenance and examination system through a high-standard certification inspection. The usage of energy consuming equipment has been gradually optimised, which facilitated reasonableness and efficiency of energy consuming equipment and reduced energy costs.
- Based on the differences of soil and changes in climate among different business footholds globally, the Group adopts environmentally friendly designs for its plants and grows a variety of appropriate and diversified plants and trees in the surroundings and at the same time promotes park-like construction in factory areas. Various animals are commonly seen in the landscaping wildlife ponds at certain business footholds. The Group aims to bring land greening, carbon reduction, biodiversity and ecosystem and environmental protection into its daily operation.
- With reference to the international environmental education regulations, the Group merges the national environmental protection concept into the employee concept through daily trainings and enhances the knowledge, skills, attitude and values of the employees in respect of environmental protection while promoting environmental protection, safety and hygiene propaganda and continuously universalising civic environmental protection education
- Since April 2017, the thermal plants of the Vietnam plant (primary production base of the Group) has planned to use non-burnt bricks equipment which recycled the clinker (fly ash and bottom ash) in electrical boilers into non-burnt bricks and building backfill materials. Being in line with the national development policy, it reused and recycled waste and used such equipment and technical skills to enhance reuse of resources, which conserved energy and reduced consumption and brought significant meanings to earth preservation. It is estimated that this equipment will commence operation at the end of 2018.

環境保護

政策：愛護環境，永續經營（續）

**(3) 環境及天然資源管理－提升能源使用效
率，愛護環境保護自然生態**

- 為減緩全球暖化、對改善氣候變遷盡一份心力，集團主要生產基地越南廠區已於2016年10月取得ISO 50001能源管理系統之認證，透過高標準的認證稽核，建立完善的設備保養與診斷制度，逐步改善耗能設備之使用，促使設備耗能合理效率提升，降低能源成本。
- 依全球營運據點土壤及氣候變化之不同，集團廠區採友善環境設計，於廠辦周遭栽植大量合適的、多樣的植物與樹木，推行工廠公園化，部份營運據點設置之造景生態池亦常見各種生物，集團朝增加綠地減碳、生物多樣性及生態環境保護於日常中。
- 參考國際環境教育法規，集團將國民環境保護之概念融入員工觀念的日常培訓，增進員工對環境保護的知識技能、態度及價值觀，並推展各項環安衛宣導活動，持續普及公民環保教育。
- 集團主要生產基地越南廠區熱電廠於2017年4月起規劃免燒磚設備，將煤炭鍋爐之煤渣（飛灰、底灰）再製為免燒磚及建築回填物料。依照當地國家發展政策，落實廢棄物再利用，利用該設備及工藝技術增加資源化再利用，節能降耗，保護土地都具有重大的意義。此設備預計於2018年底正式運作。

ENVIRONMENTAL PROTECTION

Policy: Care for Environment and Sustainable Operation (continued)

(3) Environment and natural resources management – Enhancing efficiency of energy consumption, caring for environment and protecting natural ecosystem (continued)

- In 2017, the primary production bases of the Group organised a total of 37 training courses in relation to environmental safety and hygiene with 2,617 participants and the average training hours were 7.45 hours per person every year. The contents of the courses are summarised as follows:

No. 項次	Course Name 課程名稱		
1	Groups 1 – 6 Training Targets about Labour Safety under National Requirements 國家要求之勞安第1 – 6組訓練對象		
2	Industrial Safety Management and Practice for Foreign Workers 外籍幹部工業安全管理與實務		
3	Learning ISO/OHSAS Environmental Management System, Occupational Safety and Hygiene Management System/Internal Inspector ISO/OHSAS環境管理系統、職業安全與衛生管理系統認識／內部稽核員		
4	Chemical Drugs Safety Course 化學藥品安全課程		
5	Waste Management and Resources Recycle Course 廢棄物管理、資源回收課程		
6	Safety of Gas Welder and Electric Welder 氣焊、電焊安全		
7	Operation Safety of Loading Equipment and Stacking Machine 吊卸設備、堆高機運行安全		
8	Electricity Safety 用電安全		
9	Operation in Dust Area 粉塵區域作業		
10	Safety Training for Operation in Limited Space and Overhead Operation 安全訓練在局限空間作業及高空作業		
Total	Total training hours for the year	Total participation	Average training hours of employees
合計	全年總訓練時數	總參與人次	員工平均受訓時數
	19,491 (hours)	2,617 (persons)	7.45 (hours/year)
	19,491 (小時)	2,617 (人)	7.45 (小時／年)

環境保護

政策：愛護環境，永續經營（續）

(3) 環境及天然資源管理－提升能源使用效率，愛護環境保護自然生態（續）

- 2017年集團主要廠區共舉辦環境安全衛生相關教育訓練課程總計37場次，參加人次為2,617人，平均每人每年受訓時數為7.45小時，其課程內容概列如下：

ENVIRONMENTAL PROTECTION

Policy: Care for Environment and Sustainable Operation (continued)

(4) Internal inspection enhancement and cycle improvement

- The Vietnam plant (primary production base of the Group) implements the Environmental Management System (ISO 14000), Occupation Health Safety Management System (OHSAS 18001) and Energy Management System (ISO 50001), and regularly reviews the progress and effectiveness of all plans every year and proactively improves the deficiencies in order to continuously improve and govern the Company with high-standard international regulations and conduct self-reflection.
- In 2017, in respect of all laws related to environmental protection as well as the air monitoring, discharge of sewage and waste disposal, the Group met the national standard of all the places where its production bases are located.
- In 2017, the external inspection and environmental examination in respect of environmental safety and hygiene and energy in the primary production bases are as follows:

No. 項次	Name 名稱	Result 結果
1	First Quarter Environmental Examination 第一季環境檢測	Qualified 合格
2	Annual External Inspection (ISO14001&OHSAS18001) 年度外部稽核(ISO14001&OHSAS18001)	Pass 通過
3	Second Quarter Environmental Examination 第二季環境檢測	Qualified 合格
4	Third Quarter Environmental Examination 第三季環境檢測	Qualified 合格
5	Annual External Inspection (ISO 50001) 年度外部稽核(ISO 50001)	Pass 通過
6	Fourth Quarter Environmental Examination 第四季環境檢測	Qualified 合格

Note: The Group's production bases in China and business footholds in Taiwan are primary engaged in sales and light industry trade. The primary production base of the Group is the Vietnam plant and therefore the environmental emission and energy data disclosed in this report mainly concern the Vietnam plant.

環境保護

政策：愛護環境，永續經營（續）

(4) 加強內部稽核與循環改善

- 集團主要生產基地越南廠區執行環境管理系統(ISO 14001)·職業安全衛生管理系統(OHSAS 18001)與能源管理系統(ISO 50001)·每年定期稽核各項計畫進度及執行成效·並積極改善缺失·持續改進以高標準國際規章管治公司並自我檢視。
- 2017年集團所有環保相關法律及檢測空氣、放流水、廢棄物等，皆符合各生產基地之國家標準。
- 2017年主要生產基地環境安全衛生及能源外部稽核與環境檢測統計如下：

備註：集團中國廠區與台灣營運據點之活動以銷售及輕貿易為主，集團之主要生產基地為越南廠，故本報告所披露之環境排放與能源數據以越南廠區之統計為主。

《SOCIETY》

EMPLOYEE PRACTICE AND BENEFIT

Policy: Building Corporate Harmony and Enhancing Employees' Benefits

To gain trust from the employees, the Group maintains sincere communication, proactively cares for the employees and values employees' benefits and opinions. The Group supports the international labour and human right standards and achieves the goal of "building corporate harmony and enhancing employees' benefits" through three measures, namely "full compliance with the labour laws, continuous optimisation of the safety and healthiness of the working environment and proactive implementation of employees' training and communication", which help build a sound labour-employer interrelationship and maximise the benefits of the Group and society.

The Group undertakes to earnestly implement the following employee relations policies:

(1) Employment principles – Fair employment conditions, compliant and reasonable remuneration

- The Group considers its employees to be its most important cooperative partners. The employment of an employee is based on the ability-oriented and fair employment principles. There is no discrimination in each division and department in terms of recruitment, employment, promotion, training and reward. Upon employment, the remuneration of an employee shall be based on an equal pay for equal work principle and there shall be no bias or discrimination against different identities such as race, religion, nationality, gender or disability in terms of appointment and promotion.
- The Group has long been complying the national labour laws of the places where its production bases are located to systematise the remuneration and report to the competent authorities of the places where the enterprises are located.

《社會》

員工常規與福利

政策：建立企業和諧、增進員工福利

本集團真誠溝通、主動關懷員工、重視員工權益與意見回應等，以獲得員工信賴，本集團支持國際勞工及人權標準，並從「確實遵守勞動法令、持續提升安全健康的工作環境、積極落實員工培訓與溝通」三方面來達成「企業和諧與增進員工福利」之目標，建立良好的勞資互動關係，為集團及社會整體創造最大的利益。

本集團承諾將力行以下員工關係政策：

(1) 僱傭原則－公平之聘雇條件與合規合理之報酬

- 集團視員工為最重要的合作夥伴，聘任員工以能力取向、平等任用為原則，於招募、雇用、晉升、培訓及獎勵等，各職類科別均無歧視。員工聘任後，薪酬計以同工同酬，不因其種族、宗教、國籍、性別或殘疾等身分地位之不同，而在任用與升遷上有所偏頗或歧視。
- 集團長期遵守各生產基地之國家勞動法令，確實履行薪酬制度化，並依法向企業所在地之主管機關進行申報。

EMPLOYEE PRACTICE AND BENEFIT

員工常規與福利

Policy: Building Corporate Harmony and Enhancing Employees' Benefits

政策：建立企業和諧、增進員工福利

(1) Employment principles – Fair employment conditions, compliant and reasonable remuneration (continued)

(1) 僱傭原則－公平之聘僱條件與合規合理之報酬（續）

- In 2017, the Group had 3,781 employees in aggregate. The statistics of employee turnover rate by gender and geographic region is set out below:

- 2017年集團員工總數共3,781位，以下按其性別、地區劃分人數，並統計其僱員流失比率：

The Group's primary base 集團主要基地	Male in each region 各區男員工	Female in each region 各區女員工	Total number of employees in each region 各區員工總數
The Vietnam plant 越南廠區	2,949	621	3,570
The China plant 中國廠區	126	71	197
Foothold in Taiwan 台灣據點	9	5	14

The Group's primary base 集團主要基地	Total average resignation rate of male staff per month 男員工月離職率總平均	Total average resignation rate of female staff per month 女員工月離職率總平均	Total average resignation rate per month of each district 各區月離職率總平均
The Vietnam plant 越南廠區	1.38%	0.28%	1.66%
The China plant 中國廠區	1.02%	0.21%	1.23%
Foothold in Taiwan 台灣據點	0.60%	0.00%	0.60%

(2) Employees' benefits – Enhancing benefits and good working conditions (continued)

(2) 員工福利－提升福利與良好的工作條件（續）

- The Group attaches importance to gender equality at work and has included such into the standards of the Company. It complies with the local governmental regulations. Provisions such as maternity system management measure, paternity leave and menstrual leave are clearly stipulated.
- The Group has formulated relevant regulations which provide workers based at the primary production bases in Vietnam and China with benefits, such as free food, clothing, housing, transportation, education, entertainment and training.

- 集團重視兩性工作平等並納入公司規範，遵守當地政府法規，明訂懷孕制度管理辦法、男性陪產假、女性生理假等規定。
- 集團制定相關規範，主要生產基地越南及中國廠區，針對長駐幹部提供免費食衣住行育樂及培訓的福利。

EMPLOYEE PRACTICE AND BENEFIT

Policy: Building Corporate Harmony and Enhancing Employees' Benefits (continued)

(2) Employees' benefits – Enhancing benefits and good working conditions (continued)

- Employees' benefits and working hour management systems have been established for all operating areas of the Group in compliance with the local labour laws, including minimum wage, annual leave and other statutory benefits. Workers are entitled to the leaves as stipulated by the local laws.
- In 2017, in addition to the fixed monthly salary, the Group's employees can receive appropriate year-end and performance bonuses based on the department or individual performance. The Vietnam plant, the primary production base, conducts promotion assessment twice a year, in order to encourage the talents to excel themselves with a friendly management approach.

(3) Labour communication – Strengthening communication channels and valuing human rights

- The Group provides diversified channels for internal communication and opinion expressing which allows it to persistently understand employees' real opinions and recommendations on each aspect of the Company through diversified means such as the proposal system, suggestion boxes and employee satisfactory survey, and to make improvements based on the problems raised by the employees upon discussion.
- The Group respects the right of employees to form associations and organise unions upon their own free will in accordance with the laws, and regularly convenes labour conferences to share opinions with the labour representatives and directly respond to the queries raised by the employees. Meanwhile, it regularly organises "Employee Forum" with the labour unions which allows the labour unions to promptly reflect each problem raised by the employees and constantly follow up the execution progress of each discussion topic.

員工常規與福利

政策：建立企業和諧、增進員工福利（續）

(2) 員工福利－提升福利與良好的工作條件（續）

- 集團所有營運區域均建立合乎當地勞動法規的員工待遇及工時管理機制，包括最低工資、特休假及法令規定的福利，員工均依當地法令休假。
- 2017年集團員工除固定月薪外，尚可按部門或個人績效獲得適當年終及績效獎金，主要生基越南廠區且每年固定實施2次晉升評核，透過友善管理方式鼓勵人才表現。

(3) 勞資溝通－加強溝通管道、重視人權

- 集團提供多元的內部溝通與反映管道，持續透過提案制度、意見箱、員工滿意度調查等多元方式，了解員工對於公司各面向的真實意見與建議，並針對員工反應的問題進行討論，做為改善的依據。
- 集團尊重員工依法自由結社及組織工會的權利，每年定期召開勞動大會，與勞動代表進行意見交流，並直接答覆員工之提問。同時定期與工會共同舉辦「職場座談會議」，讓工會代表能夠即時反應員工之各項問題，並持續追蹤各項議題之執行進度。

EMPLOYEE PRACTICE AND BENEFIT

Policy: Building Corporate Harmony and Enhancing Employees' Benefits (continued)

(3) Labour communication – Strengthening communication channels and valuing human rights (continued)

- The Group has reported its internal regulations to the competent authorities in the countries where its production bases are located. Furthermore, it has established the “Incentive and Disciplinary Committee” comprising labour unions, legal personnel and relevant competent units to deal with the matters of the reward and punishment on the internal staff of the Company in a transparent and open manner.
- The Group attaches importance to labour interests. The Vietnam plant (primary production base of the Group) has coordinated with auditing institutions BSI/SGS/INTERTEK to regularly carry out external audits and collect employees' opinions on the Company's management system, which is in line with the internationally recognised standards.

(4) Establishment of safe and healthy working environment – Ensuring Company's safety to maintain employees' healthiness

- Adhering to the concept of “ensuring Company's safety to maintain employees' healthiness”, the Group places significant importance on the promotion of occupational safety and hygiene. All of its policies, which are in compliance with the relevant laws applicable to the local operating area, have formed a safe working environment to its employees, clients, underwriters and relevant personnel.
- The Group offers labour insurance and health insurance applicable to the local operating area to each employee and arranges regular health check for the employees in an endeavour to look after the physical and mental health of all employees. Moreover, the Group cooperates with professional medical institutions to find out whether an employee suffers from an occupational disease based on the differences of each business division in order to safeguard the healthiness of the employees.

員工常規與福利

政策：建立企業和諧、增進員工福利（續）

(3) 勞資溝通－加強溝通管道、重視人權（續）

- 集團對生產基地國家權責機關申報公司內規，同時以工會、法務人員與相關單位主管為基本成員設立「獎懲委員會」，以透明公開方式處理公司內部員工之獎懲事宜。
- 集團重視勞工權益，主要生產基地越南廠區配合BSI/SGS/INTERTEK審查單位，定期實施外部稽查，訪查員工對公司管理制度之意見，符合國際標準認證。

(4) 建構安全與健康的工作環境－公司安全，全員健康

- 集團本著「公司安全，全員健康」的理念，對於職業安全衛生宣導特別重視，所有政策均符合營運區域當地適用的相關法令，為員工、客戶、承包商及相關人員營造安全的工作環境。
- 集團為每位員工參保符合營運區域當地適用的勞工保險或健康保險，為照顧全體員工身心健康，並定期辦理員工身體健康檢查。同時，集團也依各功能事業單位之區別，與專業衛生機構合作，調查追蹤員工有無職業病例，為員工健康把關。

EMPLOYEE PRACTICE AND BENEFIT

Policy: Building Corporate Harmony and Enhancing Employees' Benefits (continued)

(4) Establishment of safe and healthy working environment – Ensuring Company's safety to maintain employees' healthiness (continued)

- In order to carry out the propaganda of the concept of environmental protection, safety and hygiene, in addition to organising environmental safety education programs for the management level and the employees from time to time, the Group has also merged the concept of environmental safety and hygiene into major corporate activities in order to create an impact of the combination of environmental safety education with operating activities.
- The Group regularly inspects the progress and outcome of every environmental protection, safety and hygiene plan and continuously improves those plans in accordance with the requirements. The department in charge of environmental management implements and supervises various safety and hygiene drills in the factory areas targeting at the harm of special or major equipment in the factory areas, and performs precaution inspections, such as fire safety equipment, use of chemicals and safety inspections on electrical equipment to avoid risks of potential disaster.
- In 2017, there were 11 cases of work injury in the Group's primary production bases, which resulted in a total of 3,444 lost working hours due to work injury. The Group will continuously minimise the occurrence of work safety accident every year through rigorous safety education, management system and equipment.
- The Vietnam plant (primary production base of the Group) has comprehensively acquired various management system certifications including ISO 14001, OHSAS 18001, ISO 50001, FSSC 22000, HACCP, ISO 9001 and so on. Meanwhile, it adheres to the standards of the management systems and frequently carries out inspections and guidance with continuous improvements.

員工常規與福利

政策：建立企業和諧、增進員工福利（續）

(4) 建構安全與健康的工作環境－公司安全，全員健康（續）

- 為落實環保、安全及衛生觀念之宣導，集團除不時舉辦對管理階層及員工之環境安全教育課程之外，另外也將企業重大活動結合環安衛理念，以收環境安全教育與營運活動結合之效。
- 集團每年定期檢測環安衛各項計劃進度及執行成效，持續改善符合規定；並由環境管理專責單位於廠區實施與督導各類環安衛演習活動，尤其針對廠區特殊或重要設備之危害，也實施預知專項查核，例如消防設備、化學品使用及電氣安全查核等，防範風險於未然。
- 2017年集團主要生產基地因工作關係而受傷的件數有11件，統計因此工傷而損失的工作時數共3,444小時。集團將透過嚴謹的安全教育、管理制度和設備等，每年持續降低工安事故發生率。
- 集團主要生產基地越南廠區，已經全面取得各項管理系統認證，包括ISO 14001、OHSAS 18001、ISO 50001、FSSC 22000、HACCP、ISO 9001等等。同時依循管理系統準則，經常執行稽查與督導，持續改進。

EMPLOYEE PRACTICE AND BENEFIT

Policy: Building Corporate Harmony and Enhancing Employees' Benefits (continued)

(5) Development and training – Talent cultivation and establishment of learning and growing environment which employees can follow

- As the Group believes that talents are, above all, the greatest assets of the Company, we value the nurture and development of talents and provide each employee with a comprehensive educational training and promotion system to satisfy the needs of employees in different countries and regions, which allows all employees to deploy their skills and unearth their potentials.
- The Group regularly convenes meetings of the education and training committee while proactively organising professional courses and language courses based on the job requirements of each department and regularly conducting language and computer skill assessments to improve occupational skills of the employees. The Group has conducted a total four assessments of language and computer skill respectively in 2017.
- The Group formulates the “Annual Plan for Education and Training” every year. To enhance the diversification of learning, in addition to assigning employees to training institutions to participate in various education and trainings, the Group also engages professional lecturers to hold a variety of seminars in the factories from time to time and nurture its employees based on their aptitudes so as to boost their potentials and enhance their work passions and at the same time raise their sense of belonging to the Company.
- Based on the global operating strategy of the Group, it continues to cultivate talents for its future senior management and strategically nurtures employees possessing high potentials with emphasis on specific trainings to heighten the professionalism and regularly updates on their promotion and development to ensure the instantaneity and integrity of its talent reserve in a bid to satisfy the needs for the long-term business growth of the Group and enhance the core competitiveness of the organisation.

員工常規與福利

政策：建立企業和諧、增進員工福利（續）

(5) 發展與培訓－人才培育，建立員工可遵循的學習成長環境

- 集團深信人才是公司最大的資產，我們重視人才的培育與發展，依年度計劃提供完整的教育訓練及晉升制度給每位員工，以滿足不同國家及地區員工之各種需求，使每位員工得以充分發揮所長並開發潛力。
- 集團定期召開教育訓練委員會，同時主動依據各單位工作需求，開辦專業課程及語文課程，並定期舉辦語文檢定及電腦技能檢定，以提升員工職場技能。2017年集團共舉辦語文及電腦檢定各四次。
- 集團每年設定「教育訓練年度計劃」，為強化多元學習，除員工外派至訓練機構接受各項教育訓練外，集團也定期外聘專業講師不定期進廠舉辦各類專題講座，因材施教培訓員工，激發其潛力，使員工對工作更加熱忱，也增進員工對公司的認同感。
- 因應集團全球營運策略，持續培育未來高階管理人才，集團有計劃地養成高潛力員工，注重其個別學習培訓、提升其專業素質，並定期追蹤其晉升與發展，確保人才儲備即時且完整，以符合集團未來長期事業成長需要，提升組織核心競爭力。

EMPLOYEE PRACTICE AND BENEFIT

Policy: Building Corporate Harmony and Enhancing Employees' Benefits (continued)

(5) Development and training – Talent cultivation and establishment of learning and growing environment which employees can follow (continued)

- In 2017, the Group organised a total of 52,301 hours of education and training courses with the average training hours of approximately 14.65 hours per person every year. In 2017, total hours of middle and high management personnel of the Group taking occupational training courses were 8,890.5 hours (middle management officers) and 3,823.5 hours (senior management officers), respectively.

(6) Labour standards – Ensuring compliance with labour and safety laws

- The Group strives to comply with all labour laws applicable to the operating areas and achieve the goal of “establishing a safe and healthy working environment” by three aspects, namely “ensuring the compliance with labour laws, constantly reviewing the development plans and prohibiting the violation of human rights”.
- The Group adheres to the principle of employment freedom and refuses to hire forced labour and child labour. All employment shall be based on the employees' own free will and imposition of mandatory measures on employees in violation of laws or human rights of employees is prohibited.
- The Group accepts inspections on its labour safety and hygiene system carried out by government authorities or external independent inspection units to ensure all operating activities are in compliance with the local government decree and international standards.

員工常規與福利

政策：建立企業和諧、增進員工福利（續）

(5) 發展與培訓－人才培育，建立員工可遵循的學習成長環境（續）

- 2017年，集團舉辦的教育訓練課程總時數52,301小時，平均每人每年訓練時數約14.65小時。2017年集團中、高階管理層接受在職培訓課程的人時總數分別為8,890.5小時（中階主管）及3,823.5小時（高階主管）。

(6) 勞工準則－確實遵守勞動與安全法令

- 集團致力遵守所有營運區域當地適用的勞動法令，透過「確實遵守勞動法令、持續檢討發展方案、嚴禁管理違反人權」之三個面向來達成「建構安全健康之工作環境」的目標。
- 集團遵守就業自由，拒絕雇用被迫的員工及童工，所有工作應當是出自於員工自願，並禁止對於員工實施不合法令或違反員工人權之強制措施。
- 集團接受政府單位或外部獨立審查單位，進行勞動安全衛生制度之稽查，以使各項經營活動均能符合當地政府法令及國際標準。

EMPLOYEE PRACTICE AND BENEFIT

Policy: Building Corporate Harmony and Enhancing Employees' Benefits (continued)

(6) Labour standards – Ensuring compliance with labour and safety laws (continued)

- The Group has an internal legal affairs department which is not only responsible for revising the internal regulations and systems of the Company in accordance with the decrees issued by the government, but also for educating the employees to understand and comply with the labour laws through its education and training system.

(7) Continuous review on development plans in pursuit of a better safety and health management system

- The fundamental obligation of the Group is to provide its employees a safe and healthy working environment. A specialised department for the management of environmental safety and hygiene has been established within the Group which is responsible for supervising the management system for environmental protection, safety and hygiene, formulating all safety and hygiene management regulations, regularly reviewing the improvement recommendations put forward by all units, examining the abnormal safety and hygiene incidents and analysing the causes thereof, and suggesting feasible improvement proposals or refined engineering designs to the Group in an endeavour to assist the Group to continuously heighten the management standards.
- Annual targets of the safety and hygiene management have been set in each factory areas of the Group in accordance with the local regulations. The occurrences of abnormal safety and hygiene incidents have been effectively reduced through an implementation of safety and hygiene inspections, safety and hygiene education and trainings and regular inspections on working environment in order to maximise the working efficiency of the employees in a safe and healthy environment.
- In addition to the respective safety and hygiene inspection of each unit of the Group, the internal inspection department also regularly reviews the management of every environmental protection and safety operation and the relevant operating environment to ensure the implementation management systems such as ISO 14001, OHSAS 18001, ISO 50001, FSSC 22000, HACCP, ISO 9001, etc.

員工常規與福利

政策：建立企業和諧、增進員工福利（續）

(6) 勞工準則－確實遵守勞動與安全法令（續）

- 集團內部設立法務專責單位，除依據政府公告之法令修正公司內部規章制度外，更透過教育訓練系統，教育員工了解並遵守勞動法令。

(7) 持續檢討發展方案，追求更完善之安全與健康管理制

- 集團營運最基本的義務是提供員工安全健康的工作環境，集團內部設有環境安全衛生專責管理部門，負責環安衛管理系統之督導並建立各項安全衛生管理規範，同時定期審查各單位提出之改善建議，針對安衛異常事故進行檢討、分析原因，並提出集團可行之改善方案或工程改良設計，協助集團持續提升管理水平。
- 集團各廠區依據當地法規訂定安衛管理年度目標，各單位透過安衛查核、安衛教育訓練及定期作業環境檢查等實際作為，有效降低安衛異常事故發生率，讓員工在安全健康的環境中，發揮最大的工作效率。
- 除集團各單位自主安衛檢查之外，內部稽核單位也定期對廠區之各項環安作業管制及有關作業環境進行稽核，以確保ISO 14001、OHSAS 18001、ISO 50001、FSSC 22000、HACCP、ISO 9001等等管理系統的落實執行。

SUPPLY CHAIN MANAGEMENT

Policy: Strengthening Green Procurement and Maintaining Mutual Growth with Suppliers

Under the primary condition of stable quality and honesty in the process of determining the suppliers, the Group selects its suppliers across the globe as if deciding a long-term cooperation partner. Under the gradual surge of green energy awareness across the globe, the Group also wishes to promote the relevant environmental protection concepts or practices to the upstream suppliers through its supply chain management strategy of green products and encourage the suppliers to actively cooperate and participate in the environmental protection movement with its influence as a local enterprise in hope to establish a green supply chain in the food industry with its suppliers and improve the performance of the Group and its suppliers in terms of social and environmental responsibility.

The raw material suppliers of the Group include manufacturers and distributors. Engineering constructions are undertaken by engineering contractors of construction and machinery. The Group adopts standardised procurement model which not only includes comparison of quality, cost, service, technology and delivery, but also includes linked management for the information of suppliers to ensure the integrity of the long-term information storage and flexibly updates the changes in procurement demands so as to reduce procurement risks.

The cooperation agreements between the Group and its suppliers or contractors firstly requires the suppliers to faithfully carry out every transaction in accordance with the contracts and not to damage the interests and image of the Group. No suppliers shall engage in transfer of personal benefits or involve in loans, leases and investments for any non-business purposes with employees of the Group or their families, relatives and friends. Meanwhile, the Group also takes into account of appeals lodged by the suppliers against the employees of the Group who may have breached the procurement rules, and carries out investigations to safeguard the interests of the suppliers in a bid to build a harmonious trading relationship between both parties and establish an open, fair and just procurement management mechanism.

供應鏈管理

政策：強化綠色採購，持續與供應商共同成長

本集團以選擇長期合作夥伴的角度檢視全球各地供應商，品質穩定與誠信正直是我們擇定供應商的主要條件。而在全球綠能意識逐漸高漲下，集團也希望透過綠色產品供應鏈的管理策略，將相關的環保觀念或作法推廣至上游供應商，以在地企業影響力，鼓勵供應商主動配合參與環保作為，集團期盼未來與供應商共同建立食品產業綠色供應鏈，提升集團與供應商在社會和環境責任上的表現。

本集團的原物料供應商有生產製造商及代理經銷商等，工程建造則由營建、機械等工程承攬商負責。集團採用標準化之採購交易模式，除針對品質、成本、服務、技術及交貨狀況進行評比之外，也將供應商資訊作串聯管理，確保長期備料完善、採購需求異動靈活更新，以降低採購風險。

本集團與供應商或承攬商的合作協議，首先要求供應商必須依合約忠實地執行各項買賣交易行為，不得損害本集團之利益與形象。供應商也不得對本集團員工個人或親友進行私人的利益輸送，或是任何非依公務上指定之借貸、租賃及投資等；同時，本集團也接受供應商申訴違反採購紀律的集團員工，並確實調查案情，以使供應商之權益獲得保障，建構雙方和諧之買賣關係，達成公開、公平、公正之採購管理機制。

SUPPLY CHAIN MANAGEMENT

Policy: Strengthening Green Procurement and Maintaining Mutual Growth with Suppliers (continued)

We undertake to implement the following supply chain management policies with considerable efforts:

(1) Regular supplier assessment mechanism for purpose of improving management system of both parties

- The Group has established a system for inspection upon delivery, regular inspection and assessment, and explicitly has required the suppliers to cooperate with the Group's investigation in the factories based on the "Suppliers' Annual External Assessment Program". The top priority is to guide the supplier to improve the deficiencies found in the inspection and assessment. After notifying suppliers the items which require improvement, regular investigation shall be continued and gradings will be given in order to improve the management system of both parties and ensure its business relationships with quality suppliers. In 2017, the Group fairly completed the annual supplier assessment as scheduled and organised two key supplier interactive communication meetings.
- The procurements of new raw materials or newly added suppliers of the Group are all subject to the examination and qualification judgement based on the "Assessment Form for New Supplier" in order to ensure the standards of the Group's procurement management.

供應鏈管理

政策：強化綠色採購，持續與供應商共同成長（續）

我們承諾將力行以下供應鏈管理政策：

(1) 定期進行供應商評核機制，以提升雙方管理制度

- 集團建立交貨驗收、定期稽核及評價制度，依據「年度供應商外部評核計劃」確實要求供應商配合集團的進廠訪查，稽查評核之缺失項目以輔導供應商改善為第一優先，通知供應商改善項目，並持續定期訪查，評列等級，以提升雙方管理制度，並確保與優良供應商往來。2017年集團已依計劃確實完成供應商年度評核；並舉辦二次重點供應商互動溝通會議。
- 集團對於新的原物料採購或新增的供應商，均需依據「新供應商評估表」據以審查、判定合格後才得以進行採購作業，確保符合集團採購管理規範。

SUPPLY CHAIN MANAGEMENT

Policy: Strengthening Green Procurement and Maintaining Mutual Growth with Suppliers (continued)

(2) Continuous promotion and encouragement to suppliers for implementation of their own management systems

- In order to carry out safety management for suppliers and prevent constructional safety incidents, the Group not only continuously reminds and informs contractors the relevant safety management requirements, but also conducts on-site supervision over the operation safety of the manufacturers and procures them to implement their own management to prevent safety hazard to workers or damage to the environment arising from improper operation.
- The Group also requires engineering contractors to comply with and undertake to abide by all requirements under the “Management Measures for Safety and Hygiene of Contractors” and the policies and requirements under ISO 14001 and OHSAS 18001 of the Group and concurrently requires contractors to assign safety management personnel and engineering supervisors to the construction sites to confirm the safety before, during and after the construction in order to ensure the operation safety and environmental hygiene. In 2017, the Group has organised two education programmes concerning safety and hygiene management for the contractors and continuously heightened the critical measures and requirements.

供應鏈管理

政策：強化綠色採購，持續與供應商共同成長（續）

(2) 持續宣導及鼓勵供應商落實自主管理制度

- 為落實承攬商安全管理事宜，防止施工安全事故的發生，集團除持續提醒及告知承攬商相關安全管理規定外，並於現場督導廠商作業安全，促其落實自主管理，避免因作業不當而產生人員安全或環境的危害。
- 集團並規定工程承包廠商必須遵守及切結「承包商安全衛生管理辦法」之各項規範，遵守集團ISO 14001及OHSAS 18001之政策規定，同時要求於施工區域派遣安全管理人員及工程監工人員，進行施工前、中、後之安全確認，以確保工作安全及環境衛生。2017年集團已對承包商進行二次安全衛生管理宣導，持續加強重要措施與要求。

SUPPLY CHAIN MANAGEMENT

Policy: Strengthening Green Procurement and Maintaining Mutual Growth with Suppliers (continued)

(3) Continuously maintain the proportion of green procurement

- In principle, if the suppliers in the country of the Group's business footholds or the neighbouring countries share the advantages in delivery time with the same favourable conditions in terms of quality, service and price, priority would be given to the local raw material suppliers and contractors in order to reduce the carbon emission in the process of transportation and jointly achieve green efficiency.
- In addition to continuously facilitating the replacement of old and high-consumption equipment with new models through plans on manufacturing process improvement or special projects, the Group also regularly participates in various exhibitions of innovative technology and new energy conservation equipment in hope to continue to manufacture with relatively high-efficiency equipment, reduce energy consumption per unit, reduce the cost of electricity used for operation, thereby implement energy management and enhance the competitiveness of the Group in the industry.
- The Group advocates green procurement policy and gradually carry out the environmental protection concept of "low pollution, recyclability and resources conservation". We support ecologically friendly products and green energy, and give priority to recyclable, degradable, reusable and recoverable products in response to the international environmental protection standards. In compliance with the local environmental protection regulations, we encourage suppliers to actively develop green products so as to minimise the damage to the environment. All in all, we make a contribution to take the eco-friendly pledge for all mankind.
- In 2017, the Group's primary production bases continuously increased the proportion of green procurement to meet the carbon reduction target. Accomplishments, in particular, included: (a) continuous increase in proportion of procurement at production places with great effort, (b) completion of two annual procurement projects of energy-efficient equipment, (c) continuous adoption of biofuel of 52,106 tons/year and (d) achievement of the procurement target of 100% electrical appliances with energy efficiency label.

供應鏈管理

政策：強化綠色採購，持續與供應商共同成長（續）

(3) 持續維持綠色採購比重

- 原則上，集團營運據點所在地或鄰國之供應商具有交期優勢，在品質、服務及價格合宜的相同條件下，我們優先選擇當地原物料採購及承包商，以減少貨物運輸過程的碳排放量，共同達成綠色效益。
- 集團除持續透過製程改善或專案計劃，促進老舊之高耗能設備汰舊換新外，並定期參與各項創新技術、節能新設備展覽會，以期持續以相對高效能設備進行生產，降低單位產品能耗，節約營運電力成本落實能源管理，也提升集團產業競爭力。
- 集團提倡綠色採購政策，逐步落實「低污染、可回收、省資源」之環保理念，我們支持具備親善環境的產品及綠色能源，優先選擇易回收、易拆解、再生使用率及回收利用率高的產品，響應各國環保標章；在符合當地環保法規的情形下，鼓勵供應商積極開發綠色產品，減輕對地球環境的破壞，為人類環保事業盡一份心力。
- 2017年集團主要生產基地持續增加綠色採購比重，達成減碳目標，具體做為有：(a)持續努力增加在地產地採購比重(b)完成年度高效能設備採購專案二件(c)使用生質燃料52,106噸／年(d)完成電器節能標章產品100%採購目標。

PRODUCT RESPONSIBILITY

Policy: Comprehensive Quality Management to Live Up to Customers' Satisfaction

Continuous pursuit of high quality is the core objective of the Group's corporate culture. Over the years, we have been enhancing the planning and implementation of quality improvement of our products and persisting to exceed customers' expectations with supreme quality.

Through a consolidation of three aspects, namely quality control, production technology and management system, the Group strictly complies with the highest standard of "Comprehensive Quality Management" to carry out quality control, enhance productivity and pursue a production process with lower cost and higher efficiency so as to achieve a more promising operating performance of the Group.

We undertake to implement the following product responsibility policies with considerable efforts:

(1) In compliance with national quality and safety regulations

- As product is the core competitiveness of an enterprise, the primary production bases of the Group have established GMP+ Feed Safety Assurance, ISO 17025, HACCP, ISO 9001 and FSSC 22000 food safety management systems and enforce them on relevant food production aspects to enhance its competitiveness and satisfy customers' requirements on quality and the requirements of food safety standards.
- The Group ensures the quality of every product it produced is in compliance with all requirements of relevant local laws applicable to the operating areas.
- In 2017, the Group has fully implemented the monthly review of the validity period of various intellectual property rights in a bid to ensure the due completion of registration procedure for renewal before expiration and prevent trademarks being counterfeited.
- The shipment of each batch of the products is subject to a random inspection conducted by the Group. The fail rate of the Group's product in the random inspection in 2017 was approximately 0.15%; the Group will continue to enhance the system for the traceability of source management.
- The Group performed a product recall drill in 2017 for every main product (MSG, seasoning products, modified starch, maltose and feed products).

產品責任

政策：全員品管，顧客滿意

持續追求高品質是本集團企業文化的核心目標，多年來我們不斷強化集團對於品質提升的規劃與執行，堅持以卓越的品質超越客戶的期待。

集團透過品質管制、生產技術與管理系統三方的整合，嚴守以「全員品管」的最高標準執行品質管控、提升生產力、追求成本更精簡及效率更高的製程，進而創造集團更優越的經營績效。

我們承諾將力行以下產品責任政策：

(1) 符合國家品質與安全規範

- 產品是企業的核心競爭力，集團主要生產基地已建立GMP+ Feed Safety Assurance、ISO 17025、HACCP、ISO 9001、FSSC 22000食品安全管理系統，並實施於各相關食品製造的範圍，以提高競爭能力，達到客戶的品質及食品安全標準要求。
- 集團確認所生產之各項產品品質，均符合所有營運區域適用的當地相關法令規定。
- 2017年集團已確實達成每月定期檢討各項智慧財產權效期，以確保於到期前確實完成更新登記作業，避免商標遭到仿冒。
- 集團針對每批次產品進行抽檢，達標方可出貨，2017年集團產品抽檢不合格率約0.15%；未來集團將持續強化源頭管理可溯性的制度。
- 集團於2017年對主要產品（味精、風味調味料、變性澱粉、麥芽糖漿、飼料），各進行一次產品回收程序標準演習。

PRODUCT RESPONSIBILITY

Policy: Comprehensive Quality Management to Live Up to Customers' Satisfaction (continued)

(2) Preservation of customers' interests and consolidation of customer relations

- As the Group weighs its customer relation management system, it has established feasible and effective customer communication channels to understand the needs and questions of customers. The Group has established the "operating procedures for toll-free customer service hotline". Through the toll-free customer hotline, the Group ascertains the procedures and scope of customer service operation and matters which require customers' cooperation in order to ensure customers' interests as well as to safeguard the interests of the distributors and agents.
- Addressing customers' opinions and feedbacks and the quality issues, each business unit has formulated standard operating procedures in compliance with the local laws, according to which it promptly provides proper responses, makes reports and puts forward solutions through the communication channels specified in the official website of the Group and sales personnel to achieve the goal of customer satisfaction.
- In 2017, the Group has received 11 customer feedbacks in total. The general management office has appointed a designated person to arrange the response to customers' feedback and the response rate was 100%.
- Addressing customers' data protection and privacy management, the Group carried out 6 internal inspections in 2017 to ensure that the management measures are duly implemented by every department.
- The distribution partners around the world are important market vanguards of the Group which help the Group to deliver its brand value to the potential customers at every corner of the world. The Group organises distribution partner meetings or product launching events from time to time to share the analysis on the overall market trend and its marketing strategies in order to assure customers' satisfaction and establish a long-term and stable market operating foundation for the Group.

產品責任

政策：全員品質，顧客滿意（續）

(2) 保障客戶權益，鞏固客戶關係

- 集團重視客戶關係管理系統，已建立可行、有效的客戶溝通管道，了解客戶的需求及問題。集團設立「客戶免付費專線服務作業流程」，通過客戶免付費專線，確認服務客戶作業流程範圍及相關客戶需配合事項，以確保客戶權益，也包含經銷商及代理商之權益保障。
- 針對客戶的意見回饋或品質問題，各事業單位也依據當地法令訂定標準作業流程，透過集團官網指定的連絡管道以及業務人員，即時給予妥善的回應並按流程通報與處理，達到客戶滿意的目標。
- 2017年集團共接獲11件顧客反應，由總經理室責成專人統籌回覆客戶意見，並且達成100%回覆率。
- 針對消費者資料保障及隱私管理，集團於2017年完成6次內部稽查，確保管理辦法確實為各部門所執行。
- 遍佈全球的經銷通路夥伴是集團重要的市場先鋒，協助集團將企業品牌價值傳達給世界各角落的潛在客戶。集團不時舉辦經銷通路夥伴會面活動或產品發佈會，分享整體市場趨勢與行銷策略，以確保顧客滿意，建立集團長期穩健的市場經營基礎。

ANTI-CORRUPTION AND PREVENTIVE MEASURES

Policy: Upholding Integrity and Formulating Standards

The Group highly values operation in good faith. It has established a designated inspection unit, in addition to the establishment of a transparent and open communication platform. The Group requires its employees to comply with the regulations of integrity and also reinforces the propaganda on a regular basis to prevent corruption and fraud.

The Group requires all employees to abide by the prevailing government regulations in each operating area and the internal regulations of the Company in an endeavour to procure employees to safeguard the Group's reputation with the highest moral standard. For the implementation of the Group's anti-corruption policy, penalty shall be imposed on inappropriate conducts in accordance with the relevant regulations of the Company, while local legal proceedings shall be instituted on a serious breach.

The Group shall implement the following policies with considerable efforts to enforce the regulations of integrity on employees:

(1) Continuous propaganda of integrity

The Group requires every employee internally, and reminds all customers, suppliers and all third parties involved in business transactions externally not to obtain commercial benefits directly or indirectly through malfeasance or bribery. It has also established standard operation procedure systems for business, procurement and finance departments to prevent employees from abusing their power for personal gains which would result in conflict of interests.

(2) Establishment of transparent and open communication platform

Integrity is a major criterion of the Group's assessment on its employees and employees who reported corrupt conducts shall not result in any implication to their salaries and promotion prospects or be subject to other unfavourable penalties. There is a feedback channel which allows all employees to report corrupt conducts to the management directly through diversified means, where the whistle blower shall be protected by the Group's system. No employee in the Group was subject to legal proceedings regarding corrupt conduct in 2017.

反貪污防治

政策：落實誠信行為與規範

本集團重視誠信經營，除建立透明公開的溝通平台外，集團內部並設立專責之稽查單位查核，平時也加強宣導與要求員工落實誠信之規範，以防貪污與舞弊。

集團要求所有員工遵守各營運區域當地現行有效之政府法規和公司內規，期許員工以最高道德標準共同維護集團聲譽，如查有不當行為，除依公司相關規定予以懲處外，重大情節並依當地法律程序處理，以落實集團期望之反貪政策。

集團對員工之誠信規範將力行以下政策：

(1) 持續宣導誠信行為

集團對內要求每位員工、對外提示所有客戶、供應商及所有涉及商業行為之第三方，集團禁止以直接或間接之任何貪瀆或賄賂方式獲取商業利益，並且在業務、採購、財務部門內建立標準作業流程系統，以避免員工利用職務之便，導致任何利益衝突之情事。

(2) 建立透明公開溝通平台

集團對於員工之誠信列為重要考核項目，且不因員工舉報貪污行為而影響員工之待遇、升遷或受到其他不利之處分。集團設有意見反映管道，所有員工均可直接透過多元的管道，向管理階層舉報貪污案件，檢舉人並受到集團制度之保護。2017年集團並無僱員貪污訴訟案件。

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

Policy: Facilitating Social Development and Willing to be Corporate Volunteer

The Group provides special care to the relatively underprivileged minority in society and gives long-term and appropriate support and positive encouragement. With a thankful heart, the Group is willing to be a cheerful corporate volunteer and communicate with the community benevolently so as to requite the public for the support to the Company.

Through internal coordination and planning of the public relations department, the Group has been devoting itself to public welfare activities, such as providing international medical support, taking care of the impoverished families, promoting environmental protection and energy conservation education and sponsoring outstanding poor students for a long period of time in hope for encouraging more enthusiasts to carry out charitable work and radiating warmth to every corner in need through our modest contribution and increased participation. Vietnam Red Cross awarded the “Red Cross Outstanding Contribution of Business Enterprise Award” to a Vietnamese company under the Group for multiple times, indicating that the Company’s active participation in the public welfare has obtained recognition by international charity and aid organisation.

The followings set forth a summary of the Group’s social operation and participation in public welfare:

(1) Continuous international medical support

Given that international human care has always been the benevolent activity which the Group pays attention to, other than sponsoring the “Agent Orange Victim Fund” and the “Child Protection Fund”, the Vietnam plant (primary production base of the Group) has cooperated with the Government of Dong Nai Province, Taichung Veterans General Hospital, Taiwan and Huei-Kong Social Welfare Foundation for six consecutive years to carry out international medical support activities which benefitted nearly ten thousand people. In 2017, the Group fully implemented the plan under the “Medical Cooperation Memorandum” entered into by the government, universities and companies, which supports medical personnel in Vietnam to go to Taiwan for a half-year international medical exchange in order to achieve the goal of expanding local medical services and cultivating outstanding medical professionals.

社區經營與慈善公益

政策：促進社會發展、樂為企業志工

本集團對於社會結構中相對弱勢的族群特別關懷，長期給予適當的扶助與正向的鼓勵。集團抱持感恩的心，樂於做一員快樂的企業志工，用愛心與社會各界溝通，回饋大眾對公司的支持。

集團透過內部專責公共關係部門的統籌與規劃，長期以來持續投入國際醫療援助、關懷貧戶、推廣環境能源教育及協助清寒優秀學子等公益活動，我們希望以自己棉薄的奉獻，擴大社會參與，號召更多愛心人士攜手行善，將溫情傳送至社會需要的角落。越南紅十字會也多次頒發「紅十字會事業傑出成績貢獻獎」予集團越南公司，顯見公司積極參與慈善活動已獲得國際慈善救援組織的肯定。

以下分享集團於社區經營與慈善公益的概況：

(1) 持續進行國際醫療援助活動

國際人道關懷一直是本集團關注的愛心活動，除贊助「橙黃劑受害者基金會」和「兒童保護基金會」之外，主要生產基地越南廠區已連續六年與同奈省府、台灣台中榮民總醫院及惠康基金會合作國際慈善醫療活動，義診服務受惠民眾已近上萬人次；2017年集團確實執行官學產三方簽訂的「醫療合作備忘錄」計劃，協助越方醫事人員至台灣進行為期半年的國際醫事交流，達成擴大在地醫療服務、培育優秀醫護人員的目標。

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

Policy: Facilitating Social Development and Willing to be Corporate Volunteer (continued)

(2) Encouragement to employees to participate in social welfare activities

The Group always encourages its employees to participate in all kinds of public welfare activities and several directors of the Group and their families have set an example by working as long-term volunteers of medical institutions and hospice centres in an endeavour to motivate more employees to unite their power through personal actions and serve the public with contribution to society.

(3) Continuous charity and public welfare activities

To demonstrate the spirit of fraternity and help impoverished families, the Group adheres to the concept of gaining healthy lives through flavourful and delicious food and organises various activities such as "Spreading Warmth at the End of the Year", "Gratitude Fund", "Building Warm-Hearted House" and "Poverty Fund" every year to provide the most appropriate support to the needy.

(4) Facilitation environmental protection and energy conservation education

In order to enhance the awareness of the importance of energy and climate change issues among all people, the Group cooperated with the local government and international organisations every year to promote the concept of forest conservation by organising different activities such as "Green Sunday", "Tree Planting", "Environmental Protection Drawing Competition" and "Classification of Household Waste", and sponsor a variety of environmental protection funds in an endeavour to facilitate environmental protection, forest conservation, forest expansion and improve the ecological environment.

社區經營與慈善公益

政策：促進社會發展、樂為企業志工（續）

(2) 鼓勵員工參與社會公益活動

集團向來鼓勵員工自主參與各類公益活動，集團多位董事及其家人更是躬身力行，長期擔任醫療機構、安寧照護機構的志工，期望由己身做起，帶動更多員工力量集結，服務人群回饋社會。

(3) 持續進行慈善公益活動

為了發揮相親相愛精神、協助環境困難的家庭，本著濃郁美味食品帶來健康生活的理念，集團每年舉辦「歲末送溫暖」、「知恩圖報基金」、「建設溫情屋」、「為貧窮基金」等多項活動，為弱勢民眾提供最適當的協助。

(4) 推動環境能源教育

為提高民眾體認能源及氣候變遷議題的重要，集團每年配合當地政府單位及國際組織宣導愛林護林的意識，舉辦各種「綠色週日」、「植樹」、「環保畫圖比賽」、「生活垃圾分類」活動，並且贊助各類環保基金，為綠化促進、愛林護林擴大森林資源及改善生態環境而努力。



International Medical Support
國際醫療援助活動



Building Warm-Hearted House
建設溫情屋



Tree Planting
植樹活動

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

Policy: Facilitating Social Development and Willing to be Corporate Volunteer (continued)

(5) Continuous promotion study encouragement

In order to incentivise impoverished students, the Group not only entered into the "Industry-University Collaboration Memorandum" with numerous higher education institutions, but also regularly carried out study encouragement in accordance with the local government policies and gave scholarships and donations for construction of schools in a bid to provide better education to outstanding students in order to encourage students to study hard.



Donations for Construction of Schools and
Encouragement to Students
捐資興學鼓勵學子

社區經營與慈善公益

政策：促進社會發展、樂為企業志工（續）

(5) 持續推展勸學活動

為獎勵清寒學子，集團除與多所高等教育學校簽定「產學合作備忘錄」之外，也定期配合當地政府政策進行勸學教育，頒發獎助學金及捐資興學，以協助優秀學子接受更良好的教育，鼓勵學子持續奮發向學。



Cooking Event on the Women's Day
三八婦女節烹飪活動

(6) Generation of a centripetal force towards society by culture education

The cultivation strategy of the Group is to rapidly and fully integrate into local culture where it operates. As such, the Group provides various recreational activities and supports the relevant activities of local governments, such as celebrating local festivals, participating in the International Women's Day, commending senior employees, establishing party organisations and organising activities in a bid to enhance a sense of belonging of the employees to the local culture and earn recognition of the Company from society.

(6) 以文化教育凝聚社會向心力

深耕在地是集團的發展策略，為使集團更快速地完全融入營運區域當地文化，集團提供各種文娛活動以及配合當地政府的相關活動，例如：在地文化日慶典、三八婦女節活動、資深員工表揚活動、成立黨組織、黨部活動等，加強全球員工對在地文化的歸屬感，同時也凝聚社區對公司的認同感。



The Company's Inter-plant Football Championship
公司廠際盃足球賽

PROSPECTS

“Care for environment and sustainable operation” is the operational mission of the Group and also a commitment and fundamental responsibility of us as an international corporate citizen to the environment and society. In process of the preparation of the disclosure in this report, we have reviewed the actual actions taken by the Group in a new perspective for implementing the three sustainability measures, namely sustainable environment, public welfare and sound corporate governance, and found that certain items still require continuous improvement. In the future, the Group will formulate better development solutions which integrate the operating procedures and will continuously strive for excellence, facilitate social development and benefit the environment as a whole.

With reference to the relevant regulations and international standards, the Group will continue to review the hindrances and risks to be involved in the future corporate governance, social development and environmental protection. It will also formulate mid-to-long-term improvement strategies and action plans as soon as possible with effective communication with the stakeholders of the Group, including employees, customers, suppliers, investors and the community, that enable them to understand and support every practical action taken by the Group for the environmental, social and governance in order to face the trend of the macro-environment and challenges together in a prudent manner and seek the best way for coexistence and mutual prosperity.

The Group believes that the fulfilment of social responsibility is the critical driving force for the sustainable growth of enterprises in the 21st century. In the future, we will continue to integrate the core competence of biotechnology with social responsibility, nurture talents for the greening field and develop green economy. The Group not only expects to have a significant influence on the food industry, but also hopes to arouse the awareness of climate change among global citizens in an endeavour to contribute to the sustainable development of the environment of the earth and create a better home together.

展望

「愛護環境、永續經營」是本集團的經營使命，也是身為世界企業公民對環境與社會的承諾和基本責任。我們透過披露本報告的過程，重新檢視集團對於實踐永續環境、維護社會公益及健全企業管治三個永續面的實際作為，我們發現有部份項目仍有待持續改善，未來集團將建立更完備且結合營運流程的發展方案，努力持續追求企業卓越經營、促進社會發展並創造環境的共好。

本集團將參考相關法規及國際標準，持續檢討集團未來在企業治理、社會發展與環境保護所將面臨的難題與風險，儘早規劃中長期改善策略及行動方案，並有效溝通於集團之利害關係人包括員工、客戶、供應商、投資人及社區，使之了解並支持集團在環境、社會及管治的各項作為，共同謹慎面對大環境的趨勢與挑戰，尋求共存共榮的最佳模式。

集團相信善盡社會責任，將是企業在廿一世紀永續成長的關鍵助力。未來，我們將持續運用生物技術核心能力與社會責任結合，培育綠色領域人才，發展綠色經濟，集團期望不僅在食品產業擁有重要的影響力，更希望喚起全球公民對氣候變化的警覺，共同為地球環境永續發展盡力，開創美好家園。

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		本報告書披露之履行情形
A. Environmental 環境 A1 Emissions: 排放物：	General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1生效)	
	<p>Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：</p> <p>(a) the policies; and (a) 政策：及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer (b) 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note:</i> (1) Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. 註： (1)廢氣排放包括氮氧化物、硫氧化物及其他受國家法律及規例規管的污染物。</p> <p><i>Note:</i> (2) Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. 註： (2)溫室氣體包括二氧化碳、甲烷、氧化亞氮、氫氟碳化物、全氟化碳及六氟化硫。</p> <p><i>Note:</i> (3) Hazardous wastes are those defined by national regulations. 註： (3)有害廢棄物指國家規例所界定者。</p>	<p>As stated in the section headed "Environmental Protection (1) Emission management" in this report 如報告書「環境保護的(1)排放物管理」章節敘述</p>

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	<p>KPI (effective from 2017.1.1) 關鍵績效指標 (2017.1.1生效)</p> <p>KPI A1.1: The types of emissions and respective emissions data. 關鍵績效指標A1.1：排放物種類及相關排放數據。</p> <p>KPI A1.2: Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 關鍵績效指標A1.2：溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。</p> <p>KPI A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 關鍵績效指標A1.3：所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。</p> <p>KPI A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 關鍵績效指標A1.4：所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。</p>	<p>As stated in the section headed “Environmental Protection (1) Emission management” in this report 如報告書「環境保護(1)排放物管理」章節敘述</p> <p>As stated in the section headed “Environmental Protection (1) Emission management” in this report 如報告書「環境保護(1)排放物管理」章節敘述</p> <p>As stated in the section headed “Environmental Protection (1) Emission management” in this report 如報告書「環境保護(1)排放物管理」章節敘述</p> <p>As stated in the section headed “Environmental Protection (1) Emission management” in this report 如報告書「環境保護(1)排放物管理」章節敘述</p>
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	<p>KPI A1.5: Description of measures to mitigate emissions and results achieved. 關鍵績效指標A1.5：描述減低排放量的措施及所得成果。</p> <p>KPI A1.6: Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 關鍵績效指標A1.6：描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。</p>	<p>As stated in the section headed "Environmental Protection (1) Emission management" in this report 如報告書「環境保護(1)排放物管理」章節敘述</p> <p>As stated in the section headed "Environmental Protection (1) Emission management" in this report 如報告書「環境保護(1)排放物管理」章節敘述</p>
<p>A2 Use of Resources: 資源使用：</p>	<p>General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效)</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源 (包括能源、水及其他原材料) 的政策。</p> <p><i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. 註：資源可用於生產、儲存、運輸、樓宇、電子設備等。</p>	<p>As stated in the section headed "Environmental Protection (2) Resources usage management" in this report 如報告書「環境保護(2)資源使用管理」章節敘述</p>

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	<p>KPI (effective from 2017.1.1) 關鍵績效指標 (2017.1.1生效)</p> <p>KPI A2.1: Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 關鍵績效指標A2.1：按類型劃分的直接及／或間接能源（如電、氣或油）總耗量（以千個千瓦時計算）及密度（如以每產量單位、每項設施計算）。</p> <p>KPI A2.2: Water consumption in total and intensity (e.g. per unit of production volume, per facility). 關鍵績效指標A2.2：總耗水量及密度（如以每產量單位、每項設施計算）。</p> <p>KPI A2.3: Description of energy use efficiency initiatives and results achieved. 關鍵績效指標A2.3：描述能源使用效益計劃及所得成果。</p> <p>KPI A2.4: Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 關鍵績效指標A2.4：描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。</p> <p>KPI A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 關鍵績效指標A2.5：製成品所用包裝材料的總量（以噸計算）及（如適用）每生產單位佔量。</p>	<p>As stated in the section headed “Environmental Protection (2) Resources usage management” in this report 如報告書「環境保護(2)資源使用管理」章節敘述</p> <p>As stated in the section headed “Environmental Protection (2) Resources usage management” in this report 如報告書「環境保護(2)資源使用管理」章節敘述</p> <p>As stated in the section headed “Environmental Protection (2) Resources usage management” in this report 如報告書「環境保護(2)資源使用管理」章節敘述</p> <p>As stated in the section headed “Environmental Protection (2) Resources usage management” in this report 如報告書「環境保護(2)資源使用管理」章節敘述</p> <p>As stated in the section headed “Environmental Protection (2) Resources usage management” in this report 如報告書「環境保護(2)資源使用管理」章節敘述</p>

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<p>A3 Environment and Natural Resources: 環境及天然資源：</p>	<p>General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效)</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。</p> <p>KPI (effective from 2017.1.1) 關鍵績效指標 (2017.1.1生效)</p> <p>KPI A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 關鍵績效指標A3.1：描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。</p>	<p>As stated in the section headed "Environmental Protection (3) Environment and natural resources management" in this report 如報告書「環境保護(3)環境及天然資源管理」章節敘述</p> <p>As stated in the section headed "Environmental Protection (3) Environment and natural resources management" in this report 如報告書「環境保護(3)環境及天然資源管理」章節敘述</p>
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<p>B. Social 社會</p> <p>I. Employment and Labour Practices 一、僱傭及勞工常規</p> <p>B1 Employment: 僱傭：</p>	<p>General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效)</p> <p>Information on: 有關薪酬及解僱、招聘及晉升、 工作時數、假期、平等機會、多元 化、反歧視以及其他待遇及福利 的：</p> <p>(a) the policies; and (a) 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer (b) 遵守對發行人有重大影響的 相關法律及規例的資料。</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>		<p>As stated in the section headed “Employee Practice and Benefit (1) Employment principles” in this report 如報告書「員工常規與 福利(1)僱傭原則」章節 敘述</p>

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		Recommended Disclosures – KPI 建議披露－關鍵績效指標	
B2 Health and Safety: 健康與安全：	<p>General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效)</p> <p>Information on: 有關提供安全工作環境及保障僱員避免職業性危害的：</p> <ul style="list-style-type: none"> (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer (b) 遵守對發行人有重大影響的相關法律及規例的資料。 <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<p>KPI B1.1 關鍵績效指標B1.1</p> <p>Total work force by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。</p> <p>KPI B1.2 關鍵績效指標B1.2</p> <p>Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。</p>	<p>As stated in the section headed "Employee Practice and Benefit (1) Employment principles" in this report 如報告書「員工常規與福利(1)僱傭原則」章節敘述</p> <p>As stated in the section headed "Employee Practice and Benefit (1) Employment principles" in this report 如報告書「員工常規與福利(1)僱傭原則」章節敘述</p> <p>As stated in the section headed "Employee Practice and Benefit (4) Establishment of safe and healthy working environment" in this report 如報告書「員工常規與福利(4)建構安全與健康的工作環境」章節敘述</p>

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	<p>Recommended Disclosures – KPI 建議披露－關鍵績效指標</p> <p>KPI B2.1 關鍵績效指標B2.1</p> <p>Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。</p> <p>KPI B2.2 關鍵績效指標B2.2</p> <p>Lost days due to work injury. 因工傷損失工作日數。</p> <p>KPI B2.3 關鍵績效指標B2.3</p> <p>Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。</p>	<p>As stated in the section headed “Employee Practice and Benefit (4) Establishment of safe and healthy working environment” in this report 如報告書「員工常規與福利(4)建構安全與健康的工作環境」章節敘述</p> <p>As stated in the section headed “Employee Practice and Benefit (4) Establishment of safe and healthy working environment” in this report 如報告書「員工常規與福利(4)建構安全與健康的工作環境」章節敘述</p> <p>As stated in the section headed “Employee Practice and Benefit (4) Establishment of safe and healthy working environment” in this report 如報告書「員工常規與福利(4)建構安全與健康的工作環境」章節敘述</p>

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B3 Development and Training: 發展及培訓：	General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效) Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 <i>Note:</i> Training refers to vocational training. It may include internal and external courses paid by the employer. 註：培訓指職業培訓，可包括由僱主付費的內外部課程。		As stated in the section headed “Employee Practice and Benefit (5) Development and training” in this report 如報告書「員工常規與福利(5)發展與培訓」章節敘述
		Recommended Disclosures – KPI 建議披露－關鍵績效指標 KPI B3.1 關鍵績效指標B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別（如高級管理層、中級管理層等）劃分的受訓僱員百分比。 KPI B3.2 關鍵績效指標B3.2 The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	As stated in the section headed “Employee Practice and Benefit (5) Development and training” in this report 如報告書「員工常規與福利(5)發展與培訓」章節敘述 As stated in the section headed “Employee Practice and Benefit (5) Development and training” in this report 如報告書「員工常規與福利(5)發展與培訓」章節敘述

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B4 Labour: 勞工準則：	<p>Standards: General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效)</p> <p>Information on: 有關防止童工或強制勞工的：</p> <p>(a) the policies; and (a) 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer (b) 遵守對發行人有重大影響的 相關法律及規例的資料。</p> <p>relating to preventing child and forced labour.</p>		<p>As stated in the section headed “Employee Practice and Benefit (6) Labour standards” in this report 如報告書「員工常規與 福利(6)勞工準則」章節 敘述</p>
		<p>Recommended Disclosures – KPI 建議披露－關鍵績效指標</p> <p>KPI B4.1 關鍵績效指標B4.1</p> <p>Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免 童工及強制勞工。</p> <p>KPI B4.2 關鍵績效指標B4.2</p> <p>Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關 情況所採取的步驟。</p>	<p>As stated in the section headed “Employee Practice and Benefit (6) Labour standards” in this report 如報告書「員工常規與 福利(6)勞工準則」章節 敘述</p> <p>As stated in the section headed “Employee Practice and Benefit (6) Labour standards” in this report 如報告書「員工常規與 福利(6)勞工準則」章節 敘述</p>

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<p>II. Operating Practices 二、營運慣例</p> <p>B5 Supply Chain Management: 供應鏈管理：</p>	<p>General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效)</p> <p>Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。</p>	<p>Recommended Disclosures – KPI 建議披露－關鍵績效指標</p> <p>KPI B5.1 關鍵績效指標B5.1</p> <p>Number of suppliers by geographical region. 按地區劃分的供應商數目。</p> <p>KPI B5.2 關鍵績效指標B5.2</p> <p>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及有關慣例的執行及監察方法。</p>	<p>As stated in the section headed "Supply Chain Management" in this report 如報告書「供應鏈管理」章節敘述</p> <p>As stated in the section headed "Supply Chain Management (1), (2) and (3)" in this report 如報告書「供應鏈管理(1)·(2)及(3)」章節敘述</p>

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B6 Product Responsibility: 產品責任：	<p>General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效)</p> <p>Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) the policies; and (a) 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer (b) 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>		<p>As stated in the section headed "Product Responsibility" in this report 如報告書「產品責任」章節敘述</p>

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	Recommended Disclosures – KPI 建議披露－關鍵績效指標	
	KPI B6.1 關鍵績效指標B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	As stated in the section headed "Product Responsibility (1)" in this report 如報告書「產品責任(1)」章節敘述
	KPI B6.2 關鍵績效指標B6.2 Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	As stated in the section headed "Product Responsibility (2)" in this report 如報告書「產品責任(2)」章節敘述
	KPI B6.3 關鍵績效指標B6.3 Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	As stated in the section headed "Product Responsibility (1)" in this report 如報告書「產品責任(1)」章節敘述
	KPI B6.4 關鍵績效指標B6.4 Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	As stated in the section headed "Product Responsibility (1)" in this report 如報告書「產品責任(1)」章節敘述
	KPI B6.5 關鍵績效指標B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	As stated in the section headed "Product Responsibility (1)" in this report 如報告書「產品責任(1)」章節敘述

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B7 Anti-corruption: 反貪污：	General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效) Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer (b) 遵守對發行人有重大影響的相關法律及規例的資料。 relating to bribery, extortion, fraud and money laundering.	Recommended Disclosures – KPI 建議披露－關鍵績效指標	
		KPI B7.1 關鍵績效指標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. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	As stated in the section headed “Anti-corruption and Preventive Measures” in this report 如報告書「反貪污防治」章節敘述 As stated in the section headed “Anti-corruption and Preventive Measures (1)” in this report 如報告書「反貪污防治(1)」章節敘述
		KPI B7.2 關鍵績效指標B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	As stated in the section headed “Anti-corruption and Preventive Measures (2)” in this report 如報告書「反貪污防治(2)」章節敘述

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<p>III. Community 三、社區</p> <p>B8 Community Investment: 社區投資：</p>	<p>General Disclosure (effective from 2016.1.1) 一般披露 (2016.1.1.生效)</p> <p>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. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p>	<p>Recommended Disclosures – KPI 建議披露－關鍵績效指標</p> <p>KPI B8.1 關鍵績效指標B8.1</p> <p>Focus are as of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇（如教育、環境事宜、勞工需求、健康、文化、體育）。</p> <p>KPI B8.2 關鍵績效指標B8.2</p> <p>Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源（如金錢或時間）。</p>	<p>As stated in the section headed "Community Development and Public Welfare" in this report 如報告書「社區經營與慈善公益」章節敘述</p> <p>As stated in the section headed "Community Development and Public Welfare (1)-(6)" in this report 如報告書「社區經營與慈善公益(1)-(6)」章節敘述</p> <p>As stated in the section headed "Community Development and Public Welfare" in this report 如報告書「社區經營與慈善公益」章節敘述</p>