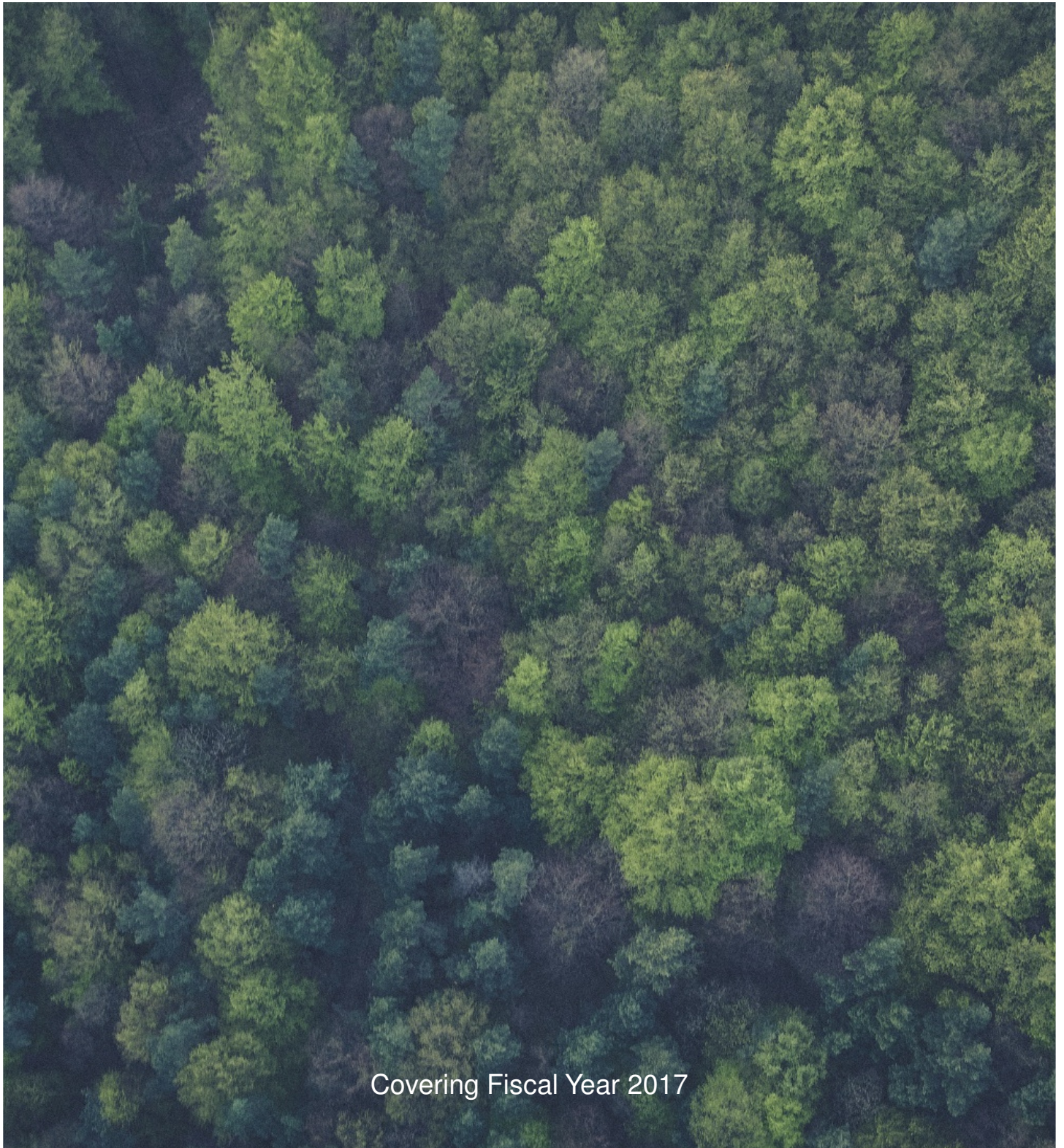




# SUSTAINABILITY REPORT



Covering Fiscal Year 2017



## Overview

***This Sustainability Report attempts to inform investors of China Jishan Holdings Limited (“China Jishan” or “the Group”) about our sustainability performance in a transparent and responsible manner.***

### Reporting Period

China Jishan’s Sustainability Report would be published on an annual basis and this is the first Sustainability Report of the Group. This report covers the Financial Year 2017 from 1 January 2017 to 31 December 2017.

### Reporting Scope

This Sustainability Report covers the Head Office of China Jishan, Zhejiang Jishan Printing and Dyeing Co., Ltd, the latter two entities being the Group’s wholly-owned subsidiaries, as well all the operating factories.

### Reporting Process

The preparation of the report was led by China Jishan’s Board of Directors (“BOD”), which comprises the Independent Chairman, Chief Executive Officer, Executive Directors, Independent Directors together with the senior management from all divisions. The BOD has approved the contents of the report, supported by a team of staff at the department head-level responsible for a well-planned report preparation strategy. Information and data for this report are collected from various departments and factories, and the accuracy and credibility of the data are validated through documentary evidence or past operational performance. Our Group will continue to work on this process to ensure that our data collection is effective and robust.

### GRI Guidelines

This report is prepared in accordance with the Global Reporting Initiatives (GRI) reporting guidelines, issued by Global Sustainability Standards Board (GSSB) in 2016, and in line with the core option, where applicable. We have not pursued external assurance for this report.

### Feedback

Whether you are our staff, clients, partners, industry associations, government departments, general public, media or social organizations, you are welcomed to read this Sustainability Report and send your feedback and suggestions to the Group by email so that the Group can continuously improve its sustainability performance.

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## Chairman's Message

Dear Shareholders,

Sustainability has become a critical success factor for companies to ensure long-term value creation, and there has been a growing demand among investors for enhanced transparency on listed companies' Environmental, Social and Governance ("ESG") practices. The Singapore Exchange ("SGX") has released mandatory sustainability reporting guidelines for listed companies for the financial year ending 31 December 2017 ("FY2017").

This is our first Sustainability Report for which we have adopted the Global Reporting Initiative's ("GRI") reporting guidelines for the first time. The report covers areas that are believed to be significant for China Jishan, including our corporate governance, sustainability strategies, policies towards employees, environmental impact, safety management, quality responsibility, as well as our actions to support society.

The Group has leased office space and plant and equipment to third parties. This is part of our rationalization strategy to ensure a stream of stable and recurring income from the lease of part of our unutilized factory space, and plant and equipment. This has enabled us to streamline our operations to more efficiently utilize our capacity, as well as diversify our income streams. However, the Group monitors the operations of the lessees to ensure that the Group's sustainability policies are achieved.

In line with the Group's policies for sustainable development in the long run, the lessees made improvements to print and dye processing by applying environmental-friendly dye auxiliaries instead of traditional chemical auxiliaries. The environmental-friendly dye auxiliaries produce less pollutants and are compliant with European standards. Moreover, the lessees have started to use steam from heat and power plants as a replacement for coal in our factories. Steam is a by-product of electricity generation, thus reducing environmental pollution.

We are committed to strengthening our strategies to ensure that the Group continues to do more to protect the environment. We believe we will have an exciting year ahead.

**Mr. Lien Kait Long**  
Independent Chairman  
China Jishan Holdings Limited

## About China Jishan Holdings Limited

China Jishan Holdings Limited (“China Jishan”) is a limited liability company incorporated in the Republic of Singapore, and has been listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 2004. The registered office of the Company is at 112 Robinson Road, #05-01, Singapore 068902.

### Production Facilities

Our head office and production facilities are strategically located within the Shaoxing Binhai Industrial Zone in China (5728 Xingbin Rd, Binhai Industrial District, Shaoxing, China), widely known as “China’s Textile Hub”. The principal business activity of the Group is the leasing of factory space, plant and equipment to businesses involved in fabric processing, printing and dyeing, and sale of print and dye finished products and garments.

### Awards & Accreditations

In recognition of our strong brand equity and service excellence, we have received numerous awards and accolades including “Shaoxing City Famous Brand” by the Shaoxing Administration for Industry and Commerce in 2012, “Zhejiang Provincial Famous Brand” by the Zhejiang Administration for Industry and Commerce in 2010 and 2013, “China’s Quality Print and Dye Fabric - Top Award” by the China Dyeing and Printing Association in 2013 and 2014 and “2010 Model Enterprise Award for Labour Security and Integrity” by the Human Resources and Social Security Bureau of Shaoxing County.

We are also an ISO9001:2008 and ISO14001:2004 certified printing and dyeing services provider, which attests to the Group’s track record in delivering high quality products in a balanced and environmentally responsible manner.



## Corporate Governance

The Board and Management of China Jishan Holdings Limited are dedicated to constantly improving shareholder value by setting and maintaining high standards of corporate governance, integrity, competence and commitment across all aspects of our operations, cemented by effective internal control and risk management systems.

The Board of China Jishan Holdings Limited comprises Non-executive and Independent Chairman Mr. Lien Kait Long, Executive Director Mr. Jin Guan Liang, Executive Director Mr. Xiao Zi Liang, Executive Director Mr. Yu Ming Hai, Executive Director Mr. Yong Kok Hoon, Independent Director Ms. Cai Tian Chen and Independent Director Mr. Mak Yen-Chen Andrew. They come from diverse backgrounds with wide-ranging expertise in finance, business, legal, marketing and management fields. The principal functions of the Board include setting the direction of the Group's strategic direction, reviewing and approving annual budgets and financial plans, as well as supervising and monitoring the Group's performance, and ensuring the Group's compliance with all relevant laws and regulations.

### The Board currently comprises the following members:

**Mr. LIEN KAIT LONG**

Non-Executive Director/ Independent Chairman

**Mr. JIN GUAN LIANG**

Executive Director

**Mr. XIAO ZI LIANG**

Executive Director / Chief Executive Officer

**Mr. YU MING HAI**

Executive Director

**Mr. YONG KOK HOON**

Executive Director

**Ms. CAI TIAN CHEN**

Independent Non-Executive Director

**Mr. MAK YEN-CHEN ANDREW**

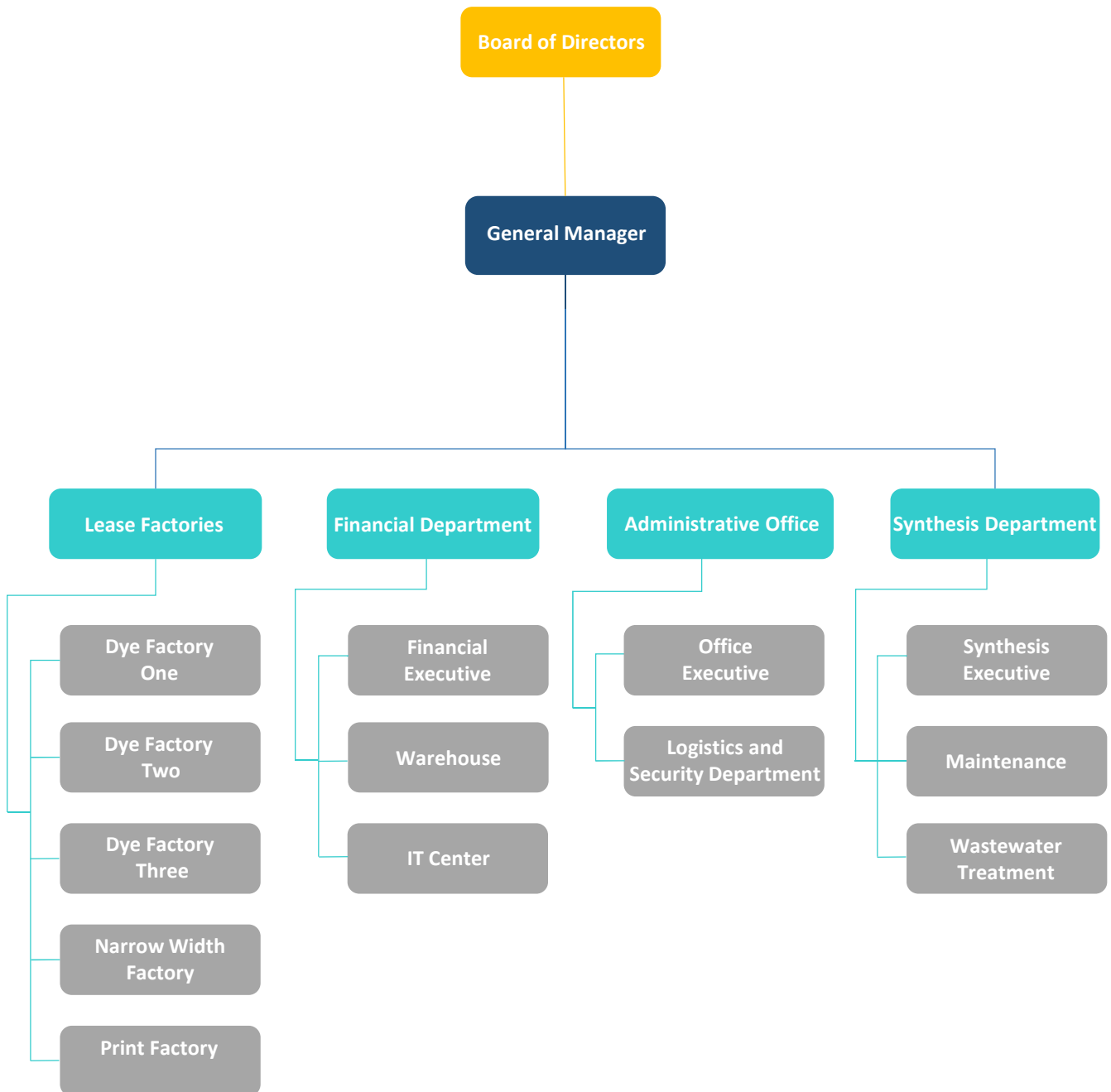
Independent Non-Executive Director

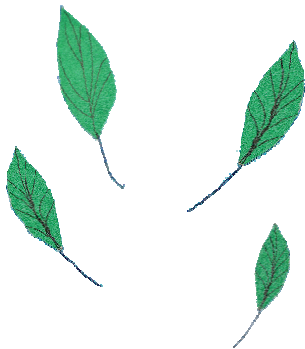
Full profiles of Directors are available on page 6 and 7 of the Annual Report.

### Length of Service

Newly appointed Directors serve an initial term of three years, after which they are considered for re-nomination for another term. Their re-nominations are subject to the recommendations of the Nominating Committee and the Board. New Directors appointed in the year, as well as retiring Directors, are subject to retirement and re-election by shareholders at the next Annual General Meeting.

Organizational Structure for China Jishan's Corporate Governance





## Sustainability at China Jishan Holdings Limited

China Jishan's sustainability strategy has been established by the BOD and we believe our sustainability framework allows us to practice good corporate citizenship, along with making contributions to the development of the local area and the markets that we operate in. Our sustainability framework is divided into three stages: the BOD charts the Group's strategic plan for sustainable development; the senior management team develops the specific policies and monitors their execution; the department heads implement the policies and carry out the action plans.

01

### Focus on People

Our success would not have been possible without the efforts and diligence of our people. We are committed to providing a working environment with equal opportunities for employees to fulfill their potential.

02

### Environmental Impacts

We value the importance of the environment and we are committed to environmental sustainability by ensuring that our operations are conducted in a responsible manner.

03

### Safety Management

Safety is an essential part of China Jishan's operation and we continuously make every effort to improve the security and safety of our employees.

04

### Quality Responsibility

As part of the Group's responsibility to our customers and community, in the provision of the products, lessees are to comply strictly with relevant quality standards.

05

### Supporting the Community

We actively promote good relationships with the communities where our operations are located, including engaging in charitable and voluntary work to support the long-term development of the community.





## Focus On People

As a leading player in China's textile industry, China Jishan remains committed to enhancing the productivity and manufacturing capabilities of its core print and dye business. In line with this internal strategy, we are determined to recruit professional and dynamic individuals from diverse backgrounds. Due to the relocation of the plant and machineries to a new factory in Binhai, the Group has temporarily ceased its printing and dyeing business since 2016. In 2017, the Group has rented out part of the factory space and plant and equipment to ensure a stable and recurring income stream. The Group is responsible for the human resources of the employees which include those sub-contracted to the lessees.

Our workforce can be divided into two main functions: factory workers (subcontracted workers for lessees) and non-factory staff. Factory workers are employees working for lessees in the factories. Non-factory staff are employees working for China Jishan who are in charge of all operational work, including the management team, as well as the financial department, administrative department and synthesis department. The Group is in charge of the human resources procedures for all employees (both factory and non-factory workers). In 2017, factory workers made up 96.1% (1,154 people) of the total workforce, due to the labour intensive characteristic of the print and dye industry. In 2016, factory workers made up 92.8% (779 people) of the total workforce. The small number of factory workers in 2016 was due to the relocation of the existing factory to Binhai and the cessation of some business activities in the manufacturing factories.

### Total Workforce by Function

Year	2016		2017	
Function	Factory	Non-Factory	Factory	Non-Factory
Number of Employees	779	60	1,154	47
Total	839		1,201	

### Diverse Workforce

The employees come from a range of places in China, including Guizhou Province, Zhejiang Province, Anhui Province, Hebei Province, Jilin Province, Henan Province, Heilongjiang Province, Hubei Province, Hunan Province, Jiangsu Province, Jiangxi Province, Guangxi Province, Shandong Province, Shaanxi Province, Sichuan Province, Yunnan Province and Chongqing.

The workforce comes from 17 provinces in China. As at 31 December 2017, our employee count reached 1,201, a 43.1% increase over the previous year. The huge increase in employees is mainly driven by the reopening of manufacturing activities. In 2016, the local government required China Jishan to relocate our existing factory to a new factory in Binhai. Therefore, some of the business activities were ceased during the period and many employees left due to the distant location of the new factory. The relocation of the manufacturing facilities was completed in early 2017 and the business activities have started to operate progressively.

#### Total Workforce by Gender



#### Total Workforce by Gender and Rank

Year		2016		2017	
Gender		Male	Female	Male	Female
Number of Employees	Senior Management	4	1	4	1
	Middle Management	17	-	20	-
	General Staff	582	235	795	381
Total		839		1,201	

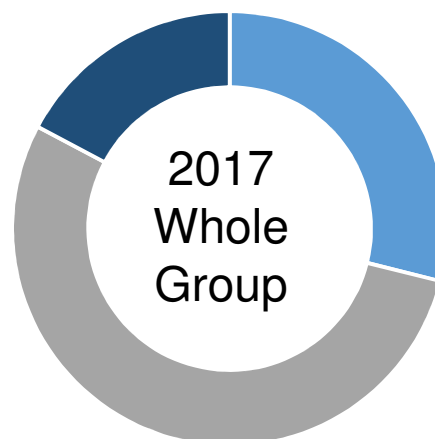
The structure of employees with regard to age group remains relatively stable in China Jishan. In 2016, the percentage was similar: 28% of the employees were below 30; 53% of the employees were between 30 and 50; 19% of the employees were above 50. The decline in employees over 50 was due to the retirement of some staff in 2017 (see next page).



In 2017, approximately one third of the lessees' employees were under 30. The majority of the employees were between 30 and 50 years old, and they comprised 54% of the Group.

Employees above 50 made up 17% of the whole Group. Many of them have been with the Group for a long time and had witnessed the success of China Jishan since the 1990s.

Percentage of Employees by Age Group



Age below 30: 29%  
Age 30 and 50: 54%  
Age above 50: 17%

#### New Employee Hires by Age Group in 2017

Age above 50

**109**  
15%

Age 30 and 50

**389**  
53%

Age below 30

**240**  
32%

Total

**738**

#### Employee Departures by Age Group in 2017

Age above 50

**59**  
16%

Age 30 and 50

**189**  
50%

Age below 30

**128**  
34%

Total

**376**

In 2017, 376 employees left the Group, with the majority of turnover being voluntary due to the distant location of the new factory. The turnover rate was approximately 31.3% and this is a large drop compared with 2016. In 2016, a total of 767 employees left the company due to the relocation of the existing factory and cessation of some business activities. The turnover rate in 2016 was approximately 83.1%. Therefore, employee turnover had improved to a great extent in 2017.

### Employee Benefits

Full-time employees enjoy the following benefits:

- Leave – matrimonial, maternity, home leave, national service and special leave.
- Transportation allowances.
- Luncheon allowances.
- Staff travel.

### Employee Health

Apart from free annual basic health screening for every employee, lessees also provide occupational health examination for factory workers. We want to help our factory workers in preventing occupational diseases or in lessening the impact of those afflictions, so as to build a promising future for them and their families.

### Activities Organized in 2017



#### Health Initiatives

- a. Free annual basic health screening
- b. Occupational health examination for factory workers



#### Talks/Workshops

- a. General health talks
- b. Modern business etiquette
- c. Healthy diet talks



#### Leisure Activities

- a. Staff travel
- b. Group table tennis tournament
- c. Group hike trek

### Staff Travel to Longhua Temple



The Group organized a staff trip to Longhua Temple, located in Shaoxing, in early May of 2017.



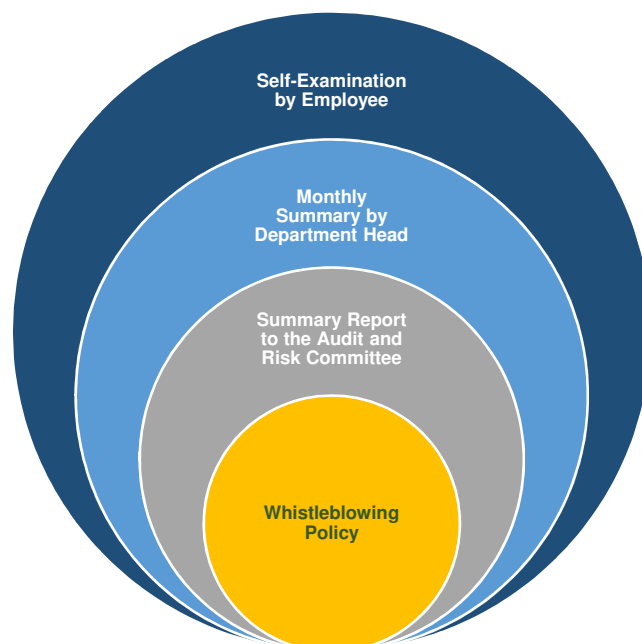
### Employee Code of Conduct

All employees should recognize the Group's core values, including integrity and teamwork, customer first, safety and pursuit of excellence. These core values run through the business activities of China Jishan and are also reflected in the employee code of conduct.

The employee code of conduct covers various perspectives, such as non-discrimination, harassment, anti-corruption, diversity and equal opportunity as well as other contents that are compliant with the Chinese Labor Law.

Staff are required to be in strict compliance with the employee code of conduct, with the related content also included in their employment contracts. We have established a monitoring mechanism for recording and correcting any misconduct, as well as guiding appropriate actions.

A whistleblowing policy has also been established to report conduct that is procedurally noncompliant or which may lead to potential frauds. Employees can report severe disciplinary violations to the BOD directly via a whistleblowing email address and hotline. The Audit and Risk Committee is responsible for following up on the report and conducting an investigation into the potential violations.





## Environmental Impact

### Sustainability Policy

To practice good corporate citizenship, our Group has a responsibility to protect the environment in the long-run. We ensure that our business operations, as well as those of our lessees, are carried out in a responsible manner and we do our best to minimize any negative impact relating to carbon emissions, waste and the consumption of energy and resources.

### Climate Change – The Impact on Print and Dye Industry

Textiles are a fundamental part of everyday life and an important sector in the global economy. In terms of value, the global market size of the textile staples market is expected to expand from nearly US\$125 billion in 2017 to over US\$200 billion by 2027, registering a compounded annual growth rate of 4.9% during the forecast period 2017 – 2027. The global textile staples market is expected to create total incremental opportunities of nearly US\$82 billion between 2017 and 2027, with the print and dye industry a crucial processing stage in the textiles industry.

As the industry grows, its impact on the environment continues to grow in tandem. The UN Intergovernmental Panel on Climate Change (“IPCC”) estimates that global emissions will increase from the current 2% to 3% by 2050. IPCC also estimates that global temperatures will rise by 4 degrees Celsius by the year 2100, if no action is taken to reduce emission of anthropogenic greenhouse gas emissions. Although only responsible for a comparatively small percentage of global emissions, the print and dye industry is making efforts to reduce its carbon footprint.





### Energy Utilization

The principal sources of energy used by the lessees' business operations are electricity, water and steam. Electricity is used to power the processing machines in the workshops, which is essential for business operations. Water consumption is used to print and dye the fabrics. After processing, water effluent is discharged to wastewater treatment plants for further treatment. The steam is used for processing fabrics. Two types of steams are used in the factory: low-pressure steam for fabric treatment; and middle-pressure steam for heat setting. While bituminous coal was previously used to power the boiler for heat setting in 2015 and 2016, our lessees have begun to use middle pressure steam as a replacement source of fuel following the relocation of our factory in 2017. 2015 was chosen to be the base year for energy utilization, since production was suspended in 2016. Currently, energy is mainly utilized by lessees in the factories and the Group is responsible for supervising and regulating their operations and production, including energy utilization.

The following table illustrates the energy utilization from different energy sources from 2015 to 2017. The energy utilization in 2016 dropped dramatically as a result of the relocation of the existing factory and cessation of some business activities. Electricity utilization in 2017 was reduced by 3% compared to 2015, while water consumption in 2017 was reduced by 6% compared to 2015. The declines in electricity and water consumption is indicative of our progress in improving production efficiency. Sewage disposal in 2017 increased by 13% compared to 2015, which was due to the discharge of more cooling water produced from incremental steam utilization. Steam consumption in 2017 doubled compared to 2016 and 2015 due to the replacement of bituminous coal to middle pressure steam for sustainable development.

Energy Type (Unit)	2015	2016	2017
<b>Electricity Consumption (GWh)</b>	40.26	34.08	39.08
<b>Water Consumption (10,000 ton)</b>	146.67	118.61	137.28
<b>Sewage Disposal (10,000 ton)</b>	150.29	129.45	170.36
<b>Steam Consumption (10,000 ton)</b>	24.96	24.37	51.44
<b>Coal Consumption (10,000 ton)</b>	2.82	1.87	-

### Energy Intensity

Energy intensity is calculated by dividing the absolute energy consumption by total textile produced per year. In 2015, 2016 and 2017, the total textile production of China Jishan were 115.48, 113.33 (mainly by lessees), 195.62 (by lessees) million meters respectively. 2015 was chosen to be the base year for energy intensity, since production was suspended in 2016.

The following table illustrates the energy intensity of different energy sources from 2015 to 2017. Apart from steam and coal, China Jishan managed to decrease the energy intensity of electricity, water consumption and sewage disposal to a great extent. Comparing 2017 with 2015 (the base year), energy intensity was lowered by 42.9% for electricity; 44.7% for water consumption; and 33.1% for sewage disposal. The main reason for the decrease was the increase in textile production in 2017, which improved production efficiency and reduced the energy intensity. For steam consumption, energy intensity was increased by 21.8% in 2017, compared to 2015. The dramatic increase was due to the use of middle pressure steam to replace coal after the relocation. Moreover, the increased textile production in 2017 also contributed to the high energy intensity of steam. Since lessees do not use coal fuel any more, there was no coal energy intensity data for 2017.

Energy Type (Unit)	2015	2016	2017
<b>Average electricity consumption for finished goods (kWh/meter)</b>	0.35	0.30	0.20
<b>Average water consumption for finished goods (kilogram/meter)</b>	12.70	10.47	7.02
<b>Average sewage disposal for finished goods (kilogram/meter)</b>	13.01	11.42	8.71
<b>Average steam consumption for finished goods (kilogram/meter)</b>	2.16	2.15	2.63
<b>Average coal consumption for finished goods (kilogram/meter)</b>	0.24	0.16	-

### Carbon Emission

The indirect (Scope 2) carbon emissions in metric tons of CO<sub>2</sub> is calculated in the table below and Global Warming Potential (“GWP”) rates from the Fourth Assessment Report (“AR4”) by Intergovernmental Panel on Climate Change (“IPCC”) in 2007 are used. 2015 was chosen to be the base year for carbon emission, since production was suspended in 2016. Carbon emissions in 2017 increased by 50% compared to 2015, due to the dramatic increase in steam consumption.

Emission (Unit)	2015	2016	2017
<b>From electricity used (tons)</b>	18,922	16,018	18,370
<b>From steam used (tons)</b>	36,786	35,925	75,822
<b>From coal consumption (tons)</b>	7,217	4,791	-
<b>Total (tons)</b>	62,925	56,734	94,192

### Carbon Emission Intensity

The indirect (Scope 2) carbon emissions intensity in metric tons per 10,000 meters is calculated in the table below, by dividing carbon emissions from different energy sources by the total textile production per year. 2015 was chosen to be the base year for carbon emission intensity, since production was suspended in 2016. Carbon emissions intensity from electricity consumption in 2017 decreased by 42.7% compared to 2015 due to the increase in textile production, while carbon emissions intensity from steam consumption in 2017 increased by 21.6% compared to 2015 due to the use of middle pressure steam.

Energy Type (Unit)	2015	2016	2017
<b>Average emission from electricity consumption for finished goods (tone/10,000 meter)</b>	1.64	1.41	0.94
<b>Average emission from steam consumption for finished goods (tone/10,000 meter)</b>	3.19	3.17	3.88
<b>Average emission from coal consumption for finished goods (tone/10,000 meter)</b>	0.62	0.42	-





### Electricity Consumption

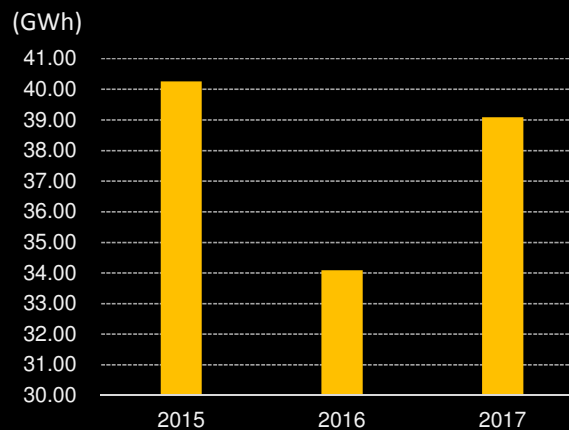
Electricity utilization in 2016 was reduced by 15% compared to 2015 as a result of the relocation of the existing factory and cessation of some parts of business activities. The relocation work, which was required by Shaoxing government, had a massive impact on our business operations.

Electricity utilization in 2017 was reduced by 3% compared to 2015, largely due to improvements in processing efficiency. Relocating to a new location was a great opportunity to improve operational efficiency. Lessees' teams took actions in the following aspects to improve operational efficiency:

- Introducing new and efficient equipment and disposing old facilities
- Adding operational efficiency as a key indicator in the employee's performance review program
- Changing the reporting mechanism from staff reporting to workshop supervisors to staff reporting directly to department head
- Increasing the frequency of self-assessment in the workshop from monthly to weekly

In the construction of the new factory, energy-efficient facilities were introduced to reduce carbon emissions. These include energy-saving electric appliances, LED lights and thermal insulation windows and walls.

### Total Electricity Consumption



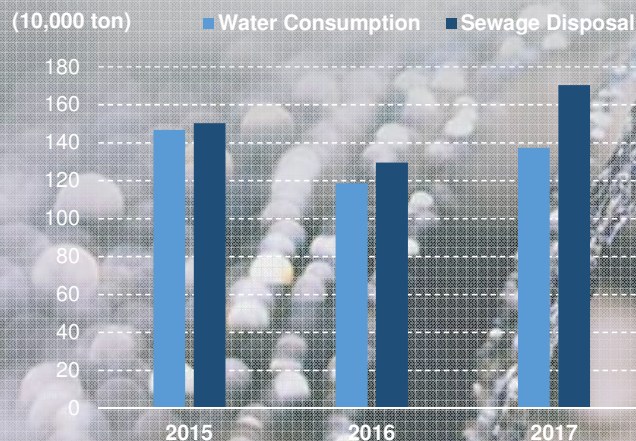


### Water Consumption and Sewage Disposal

Water consumption in 2016 was reduced by 19% compared to 2015, which resulted from the relocation of the existing factory and the cessation of some business activities. Water consumption in 2017 was reduced by 6% compared to 2015. The reduction was led by improvements in processing efficiency that required less water to produce the same amount of fabric.

The constitution of the sewage and its treatment are illustrated in the next two pages. In 2015 and 2016, sewage disposal was approximately 2.5% and 9% higher than the volume of water consumption, as chemical additives in the print and dye processing are mainly fluids. The dyeing effluent would be discharged with the water consumed during the processing efficiency. In 2017, the sewage disposal was approximately 24% higher than the volume of water consumption and the reason for this phenomenon is that we started to use steam from heat and power plant as a replacement for coal firing in the factories for after print process. Therefore, more water is needed to cool the steam after use and the cool water would be discharged into sewage. Steam in the heat and power plant is a byproduct of electricity generation, thus reducing environmental pollution.

### Total Water Consumption and Sewage Disposal





### Sewage Disposal

Wastewater from dyeing processes is one of the biggest contributors to textile effluent. The wastewater mainly includes residual dyes and auxiliary chemicals. The table below illustrates the major components of the wastewater.

Dye Class	Fibre	Loss to Effluent (% applied)
<b>Acid</b>	Polyamide (nylon)	5-20
<b>Basic</b>	Acrylic	0-5
<b>Direct</b>	Cotton	5-30
<b>Disperse</b>	Polyester	0-10
<b>Metal-complex</b>	wool/polyamide	2-10
<b>Reactive</b>	Cotton	10-50
<b>Sulphur</b>	Cotton	10-40
<b>vat</b>	Cotton	5-20

### Improvement of Textile Auxiliaries to Protect Environment

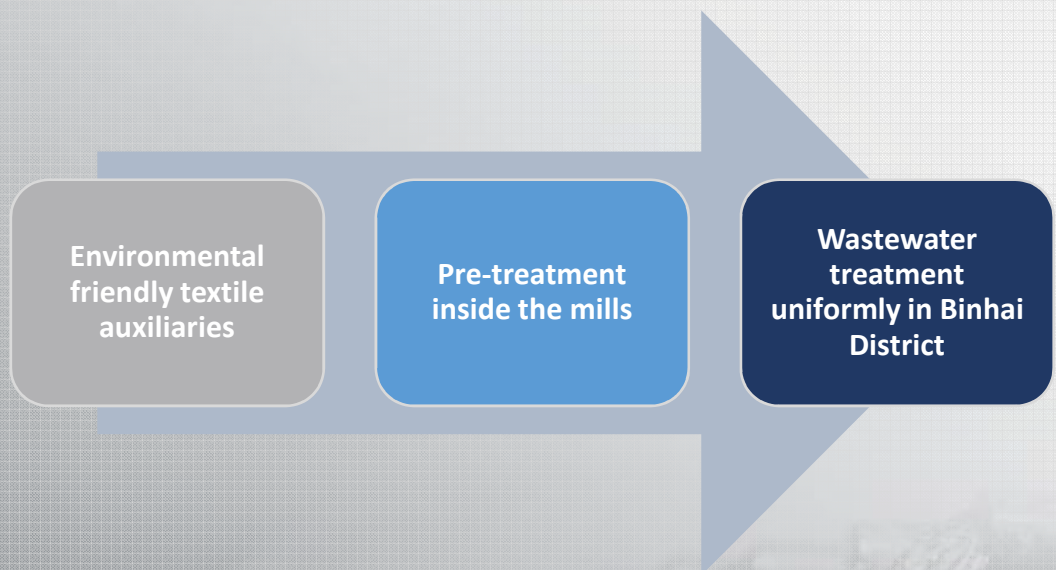
Developments in technology have helped the textile industry in its efforts to protect the environment. Print and dye processing industry now uses environmentally-friendly textile auxiliaries instead of chemical auxiliaries, which are environmentally friendly and in compliance with European standards. Our lessees too have participated in this transition, thus contributing to less pollution from the effluent discharged from our factory which can be treated more easily.



### Wastewater Management

Apart from using environmentally friendly textile auxiliaries, the Group plan to build a wastewater pool inside the mills to pre-treat the effluent before discharging it to the wastewater treatment plant.

The factory was relocated to Binhai District, Shaoxing City at the end of 2016 and this district is equipped with one of the largest wastewater treatment facilities, with an average flow rate of 900,000 cubic meters per day ( $\text{m}^3/\text{day}$ ). Wastewater discharged from different mills in Binhai District will be treated uniformly so that the water quality meets the national standard and is safe to be discharged into the nearby river. The third phase of the wastewater treatment project is still under construction and the capacity of the wastewater treatment will improve greatly after the project's completion.



### Steam Consumption

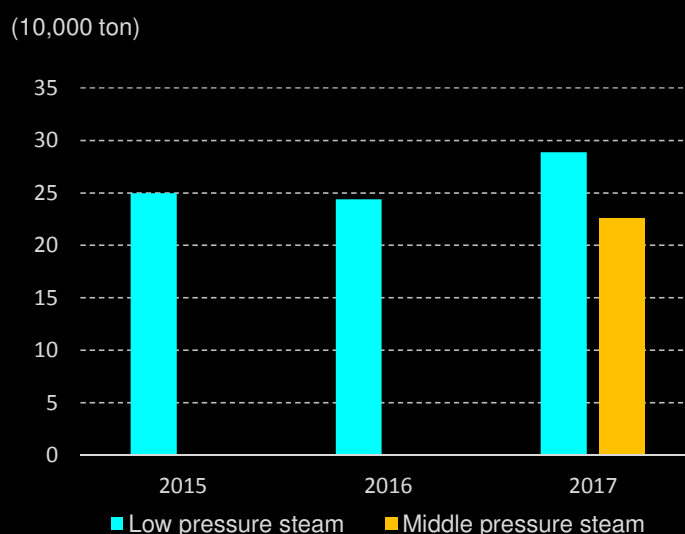
Steam utilization in 2016 was reduced by 2% compared to 2015. Compared to other energy sources, steam utilization only decreased by a relatively small amount in 2016, resulting from steam's central transportation system from the heat and power plant. Although the factory production was suspended due to the relocation, the steam pipeline was not cut off and the steam was still transported from the heat and power plant.

Steam utilization in 2017 increased by 106% compared to 2015. The dramatic increase was due to the use of middle pressure steam to replace coal fuel for better environmental protection. Lessees stopped using bituminous coal fuel in 2017.

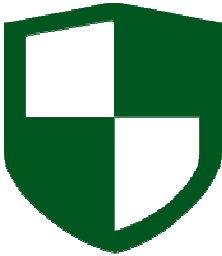
Currently, lessees use two types of steam in the factory: low-pressure steam for fabric treatment; and middle-pressure steam for heat setting. We used to use bituminous coal to power the boiler for heat setting in 2015 and 2016. After relocation in 2017, lessees started to use middle pressure steam to replace the bituminous coal for environmental protection reason.

Lessees are attempting to adapt new technology in the future for fabrics processing to improve production efficiency and reduce steam consumption.

### Total Steam Consumption







## Safety Management

Employees are the most valuable assets of China Jishan. We place great emphasis on our relations with employees, and have been endeavoring to improve the performance of the Group in terms of safety. Abiding by the guiding policy of “Safety First”, the Group has been improving its occupational health and safety systems and policies, and providing protective measures (including requirement on wearing workshop uniforms) for its employees to prevent any potential risk of health and safety.

The Group arranges free health screenings for employees each year. The lessees also provide occupational health examination for staff working in the processing workshop. In 2017, a total of 249 employees accepted the occupational health examination .

The lessees pay great attention to labor security and thus we organize various training sessions related to safety management all year round to strengthen employees’ safety awareness through continuous training. The training sessions are a combination of theoretical and practical training, including safety training, fire protection training, fire drill, first-aid training, and machine operation training. In 2017, 1,141 people attended the training sessions.





### **Safety Training Sessions**

In 2017, many safety training sessions were organized, including the annual safety training session, fire protection workshop, fire drill training and first-aid training.

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#### **Annual Safety Training Session**

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The annual safety training session was conducted in February of 2017. All employees were required to attend the session.

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#### **Fire Protection Workshop**

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The fire protection workshop was held in May 2017. We invited experts from the fire department to discuss issues of fire protection in the processing workshop with the heads of different departments.

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### Fire Drill Training

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The fire drill training was organized in the processing workshop in May 2017. We invited experts from the fire department to simulate realistic scenarios of the fabrics processing workshop on fire. This training taught the staff how to quickly respond to the situation and how to protect themselves from the smoke.



Experts from the fire department also demonstrated the method of using the fire extinguisher and how to put out a fire using a hydraulic giant. This is essential for the processing workshop since the fabrics are made of flammable materials.

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### First-aid Training

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The first-aid training was held in April 2017. Employees were trained to carry out simple cardiopulmonary resuscitation ("CPR"). Through various theoretical and practical training sessions, we have created a safe working environment for the staff.



## Quality Responsibility

### Quality Responsibility

It is mandatory for the lessees, in the provision of product quality, to comply strictly with quality standards, thus being responsible to the customers and community.

The lessees have strict criteria for selecting suppliers and the textile auxiliaries they use are environmental friendly and in compliance with related standards. Therefore, the effluent discharged from our factory is less polluted and can be treated more easily.

The lessees' procurement functions execute pre- and post-control measures through supplier selection and supplier management to ensure the commitment to fulfilling corporate social responsibilities.

### Anti-Corruption Practices

We have updated the content on anti-corruption/anti-bribery practices in our latest policy and included the relevant clauses in the new contracts that require all suppliers to comply with all local laws where they operate. Moreover, suppliers should disclose to us immediately if they learn of any such violations.

In addition, we have improved the relevant rules in our code of conduct on clean governance, with the aim of creating an enterprise free of corruption through the supervision of our corporate management system.

To further enhance business transparency by our staff and to facilitate a channel for any misconduct or violations to be reported, a whistleblowing policy has also been established to reveal conduct that is procedurally noncompliant or which may lead to potential frauds.





Our success would not have been possible without the support from our community. As such, we believe in reinvesting into the community. We actively promote a good relationship with the communities in which our operations are located, including engaging in charitable and voluntary work to support the long-term development of the community.



## Supporting the Community

China Jishan invests in the education of young people. We have established long-term technical cooperation with the National Dyeing and Finishing Engineering Research and Development Center, Zhejiang Sci-Tech University and other research centers. We are eager to provide work opportunities for young people who have passion for the print and dye industry.

The Group is continuously working on product innovation and in providing a better working environment for our staff. We have been awarded with numerous awards, for example, “Shaoxing City Famous Brand” by the Shaoxing Administration for Industry and Commerce in 2012, “Zhejiang Provincial Famous Brand” by the Zhejiang Administration for Industry and Commerce in 2010 and 2013, “China’s Quality Print and Dye Fabric - Top Award” by the China Dyeing and Printing Association in 2013 and 2014, and “2010 Model Enterprise Award for Labour Security and Integrity” by the Human Resources and Social Security Bureau of Shaoxing County.

We also encourage the staff to make contributions to our community. We have organized voluntary blood donation activities to strengthen our relationships with non-governmental organizations, charitable organizations and social organizations.



## GRI Content Index

GENERAL STANDARD DISCLOSURES		
GRI Code	Description	Page Reference and remarks
ORGANIZATIONAL PROFILE		
G102-1	Name of the organization	About China Jishan Holdings Limited (Pg 2)
G102-2	Activities, brands, products, and services	About China Jishan Holdings Limited (Pg 2)
G102-3	Location of headquarters	About China Jishan Holdings Limited (Pg 2)
G102-4	Location of operations	About China Jishan Holdings Limited (Pg 2)
G102-5	Ownership and legal form	About China Jishan Holdings Limited (Pg 2)
G102-6	Markets served	About China Jishan Holdings Limited (Pg 2)
G102-7	Scale of the organization	Focus on People (Pg 6-10)
G102-8	Information on employees and other workers	Focus on People (Pg 6-10)
G102-9	Supply chain	Quality Responsibility (Pg 23)
G102-10	Significant changes to the organization and its supply chain	Nil
G102-11	Precautionary Principle or approach	Nil
G102-12	External initiatives	Focus on People (Pg 6-10) Supporting the Community (Pg 24)
G102-13	Membership of associations	Nil
STRATEGY		
G102-14	Statement from senior decision-maker	Chairman's Message (Pg 1)
G102-15	Key impacts, risks, and opportunities	Chairman's Message (Pg 1)
ETHICS AND INTEGRITY		
G102-16	Values, principles, standards, and norms of behavior	Corporate Governance (Pg 3) Focus on People (Pg 6-10) Quality Responsibility (Pg 23)
G102-17	Mechanisms for advice and concerns about ethics	Focus on People (Pg 10) Quality Responsibility (Pg 23)
GOVERNANCE		
G102-18	Governance structure	Corporate Governance (Pg 3)
G102-19	Delegating authority	Corporate Governance (Pg 4)
G102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance (Pg 3-4) Sustainability at China Jishan (Pg 5)
G102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability at China Jishan (Pg 5)
G102-22	Composition of the highest governance body and its committees	Corporate Governance (Pg 3)
G102-23	Chair of the highest governance body	Corporate Governance (Pg 3)
G102-24	Nominating and selecting the highest governance body	Corporate Governance (Pg 3)

## GRI Content Index

GENERAL STANDARD DISCLOSURES		
GRI Code	Description	Page Reference and remarks
GOVERNANCE		
G102-25	Conflicts of interest	Annual Report (Pg 25)
G102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance (Pg 3)
G102-27	Collective knowledge of highest governance body	Corporate Governance (Pg 3)
G102-28	Evaluating the highest governance body's performance	Annual Report (Pg 24-26)
G102-29	Identifying and managing economic, environmental, and social impacts	Sustainability at China Jishan (Pg 5)
G102-30	Effectiveness of risk management processes	Annual Report (Pg 20-23)
G102-31	Review of economic, environmental, and social topics	Annual Report (Pg 4)
G102-32	Highest governance body's role in sustainability reporting	Corporate Governance (Pg 3) Sustainability at China Jishan (Pg 5)
G102-33	Communicating critical concerns	Annual Report (Pg 33-35)
G102-34	Nature and total number of critical concerns	Sustainability at China Jishan (Pg 5)
G102-35	Remuneration policies	Annual Report (Pg 18-19)
G102-36	Process for determining remuneration	Annual Report (Pg 18-19)
G102-37	Stakeholders' involvement in remuneration	Annual Report (Pg 18-19)
G102-38	Annual total compensation ratio	Annual Report (Pg 18-19)
G102-39	Percentage increase in annual total compensation ratio	Annual Report (Pg 18-19)
STAKEHOLDER ENGAGEMENT		
G102-40	List of stakeholder groups	Sustainability at China Jishan (Pg 5)
G102-42	Identifying and selecting stakeholders	Sustainability at China Jishan (Pg 5)
G102-43	Approach to stakeholder engagement	Sustainability at China Jishan (Pg 5)
G102-44	Key topics and concerns raised	Sustainability at China Jishan (Pg 5)
REPORTING PRACTICE		
G102-45	Entities included in the consolidated financial statements Disclosure	Annual Report (Pg 9)
G102-46	Defining report content and topic Boundaries	Overview
G102-47	List of material topics	Sustainability at China Jishan (Pg 5)
G102-48	Restatements of information	Sustainability at China Jishan (Pg 5)
G102-49	Changes in reporting	Not applicable
G102-50	Reporting period	Overview
G102-51	Date of most recent report	Overview
G102-52	Reporting cycle	Overview

## GRI Content Index

SPECIFIC STANDARD DISCLOSURES		
GRI Code	DMA and Indicators	Page Reference and remarks
ENVIRONMENTAL		
Energy		
G302-1	Energy consumption within the organization	Environmental Impact (Pg 12-13, Pg15)
G302-3	Energy intensity	Environmental Impact (Pg 13)
G302-4	Reduction of energy consumption	Environmental Impact (Pg 12)
Emissions		
G305-2	Energy indirect (Scope 2) GHG emissions	Environmental Impact (Pg 14)
G305-4	GHG emissions intensity	Environmental Impact (Pg 14)
G305-5	Reduction of GHG emissions	Environmental Impact (Pg 14)
effluent and waste		
G306-1	Water discharge by quality and destination	Environmental Impact (Pg 16-18)
COMPLIANCE		
G307-1	Non-compliance with environmental laws and regulations	There were no such incidents occurred during the reporting period
EMPLOYMENT		
G401-1	New employee hires and employee turnover	Focus on People (Pg 6- 8)
G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Focus on People (Pg 9)
G401-3	Parental leave	In total 166 employees were entitled to parental leave In total 12 employees took parental leave
OCCUPATIONAL HEALTH AND SAFETY		
G403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	There were no such incidents occurred during the reporting period
G403-3	Workers with high incidence or high risk of diseases related to their occupation	Not applicable. No worker in China Jishan belongs to this category
G403-4	Health and safety topics covered in formal agreements with trade unions	Not applicable
TRAINING AND EDUCATION		
G404-1	Average hours of training per year per employee	Operational staff: 24 hours per employee Factory worker: 12 hours per employee
G404-2	Programs for upgrading employee skills and transition assistance programs	Safety Management (Pg 20-22)
DIVERSITY AND EQUAL OPPORTUNITY		
G405-1	Diversity of governance bodies and employees	Focus on People (Pg 6-8)



## GRI Content Index

SPECIFIC STANDARD DISCLOSURES		
GRI Code	DMA and Indicators	Page Reference and remarks
HUMAN RIGHTS		
Non-discrimination		
G406-1	Incidents of discrimination and corrective actions taken	Nil
Freedom of association and collective bargaining		
G407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Nil
Child Labor		
G408-1	Operations and suppliers at significant risk for incidents of child labor	We are in compliance with the Employment Act and Chinese Labor Law. All our suppliers are expected to comply with our Suppliers' Code of Conduct
Forced or Compulsory Labor		
G409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We are in compliance with the Employment Act and Chinese Labor Law. All our suppliers are expected to comply with our Suppliers' Code of Conduct
SOCIETY		
Anti-corruption		
G205-2	Communication and training about anti-corruption policies and procedures	Focus on People (Pg 10) Quality Responsibility (Pg 23)
G205-3	Confirmed incidents of corruption and actions taken	Nil
Local Communities		
G413-1	Operations with local community engagement, impact assessments, and development programs	Supporting the Community (Pg 24)



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