



# GROWING OUR SUSTAINABILITY

SUSTAINABILITY REPORT 2018

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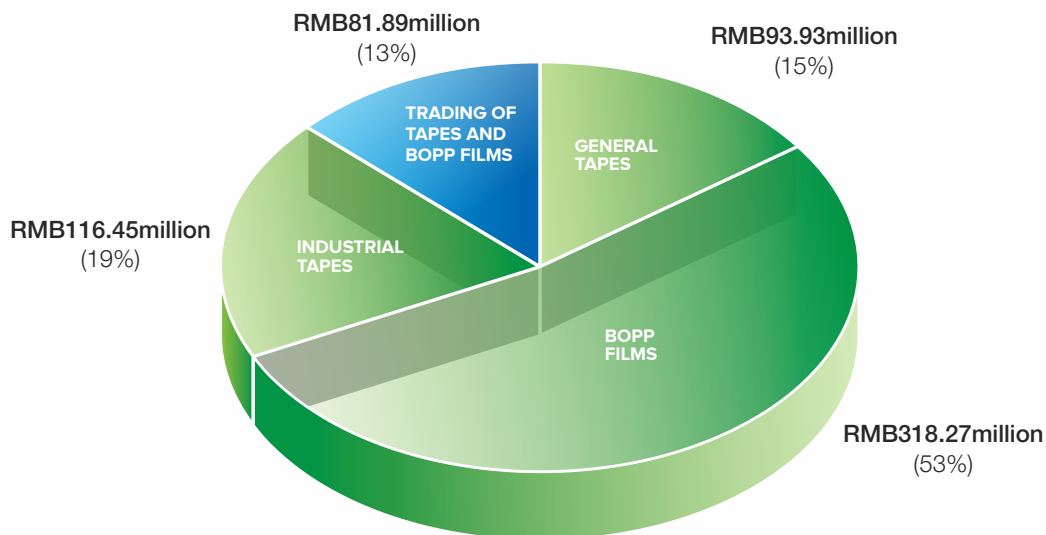
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# ABOUT THE GROUP

Luxking Group Holdings Limited (“Luxking”) is a manufacturer of adhesive tape products and biaxially oriented polypropylene films. It has been listed on the Singapore Exchange Limited (Stock Code: BKK) since 2005. Luxking and its subsidiaries<sup>1</sup> (collective as the “Group”) are headquartered in Hong Kong, with its manufacturing facility located in Zhongshan, the People’s Republic of China (the “PRC”). The Group serves diverse industries spanning the printing, packaging, automotive and electronics sectors with manufacturers as its major customers. Its products are distributed within the PRC and globally across Europe, North America and Asia. The Zhongshan manufacturing facility of the Group has acquired certifications of the ISO9001:2015 and ISO14001:2015 standards.

Regarding its supply chain, the Group sources its raw materials, PP Resin, from petrochemical suppliers in the PRC. The Group’s principal activities are divided into four business segments: Manufacture and sales of general purpose adhesive tapes (“General Tapes”), Manufacture and sales of industrial specialty tapes (“Industrial Tapes”), Manufacture and sales of biaxially oriented polypropylene films (“BOPP films”) and Trading of tapes and BOPP films. Details of the business segments and their economic performances are listed below:



Operating Subsidiaries :

- Zhongshan New Asia
- China King

From 1 July 2017 to 30 June 2018 (the “reporting year”), the net revenue was RMB 531,837,000. As at 30 June 2018, the total liabilities and total shareholders’ equity of the Group were RMB 184,520,000 and RMB 172,603,000 respectively. There was no significant change to the organisation and its supply chain in the reporting year

## VALUES AND MISSIONS

**Led by the Board of Directors, the Group is committed to being a responsible company. Luxking upholds its core values of pursuing excellence, continuous innovation, exceeding customer expectations, as well as making a positive contribution to the community in which it operates.**

<sup>1</sup> The operating subsidiaries of Luxking include: Excel Glory Limited (“Excel Glory”), China King International Trading Limited (“China King”), Tian Holdings Limited (“Tian”), Luxking Investment Limited (“Luxking Investment”), Luxking International Chemicals Limited (“Luxking International”) and Zhongshan New Asia Adhesive Products Co., Ltd. (“Zhongshan New Asia”), as of 30 June 2018.

# ABOUT THIS REPORT

This is the first Sustainability Report (the “report”) published by Luxking. By reporting the policies, practices, targets and performances of the Group in terms of the material sustainability issues, it allows all stakeholders to understand the progress and development direction of the Group. The report has been uploaded to the websites of the Singapore Exchange Limited (the “SGX”) and Luxking ([www.newasiatapes.com](http://www.newasiatapes.com)).

## REPORTING BOUNDARY

This report focuses on the operation of Luxking’s business segment of the manufacture of BOPP films (the “Operation”) in the reporting year. The reporting boundary covers the manufacturing facility in Zhongshan managed by Luxking. While this report does not cover all of the Group’s operations, the aim of Luxking is to consistently upgrade the internal data collection procedure and gradually expand the scope of disclosure.

## REPORTING STANDARD

This report is prepared in accordance with the ‘comply or explain’ provisions of SGX-ST Listing Rules 711A (“LR 711A”) on sustainability reporting, as well as the guidance set out in the Practice Note 7.6: Sustainability Reporting Guide (“PN 7.6”) launched by the SGX. The five reporting components prescribed by the SGX-ST Listing Rules 711B (“LR 711B”) underline the key structure of this report. It takes reference from the sustainability reporting framework provided by the Global Reporting Initiatives (“GRI”), the GRI Standards (version 2016 and 2018). GRI’s Reporting Principles for defining report quality – accuracy, balance, clarity, comparability, reliability, and timeliness – form the backbone of this report.

To ensure reporting quality and credibility, Luxking commissioned a professional consultancy, Carbon Care Asia, to conduct the processes of stakeholder engagement and report preparation. In addition to the ‘required disclosures’ provided by GRI, selected topic-specific disclosures are included for enhanced reporting. A complete GRI-SGX Content Index is inserted in the last section for reader’s easy reference.

## CONFIRMATION AND APPROVAL

Information documented in this report is sourced from the official documents, statistical data, as well as management and operation information of and collected by Luxking according to the policies of the Group. The report has received the Board of Directors’ approval on 23 April 2019.

## OPINION AND FEEDBACK

Luxking values the opinion of stakeholders. If you have any questions or suggestions regarding the content or format of the report, please contact the Group via the following channels:

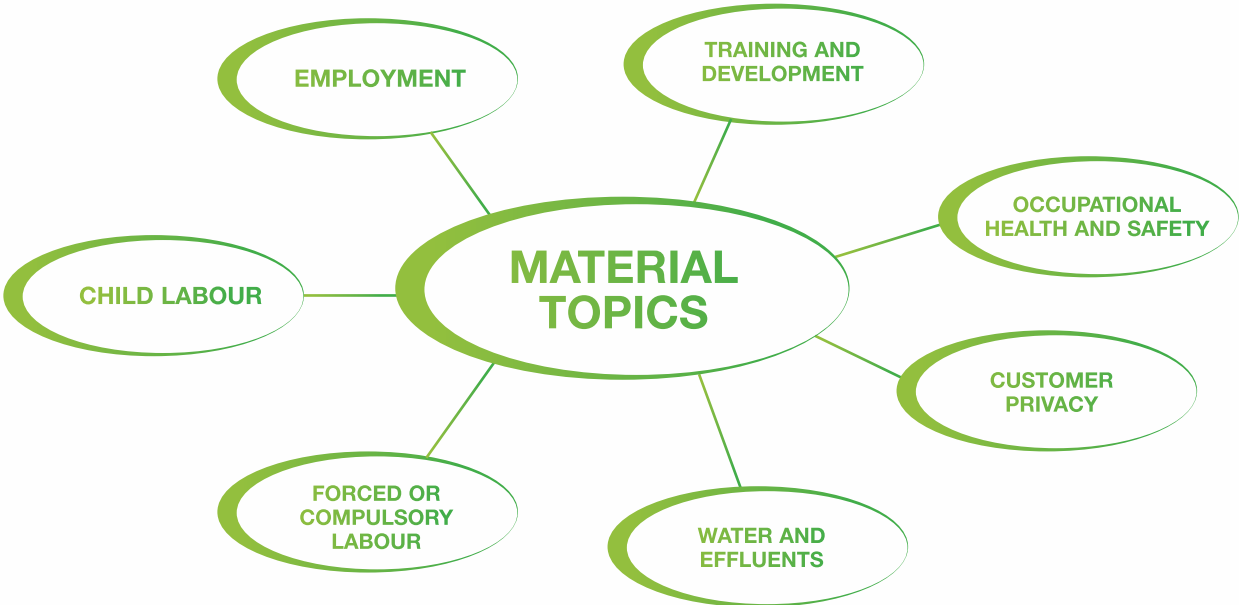
Address: Unit 6, 12/F., Tower A, New Mandarin Plaza, 14 Science Museum Road, Kowloon, Hong Kong.  
Email: [office@luxkinggroup.com](mailto:office@luxkinggroup.com)  
Tel: + (852) 3102-8960  
Fax: + (852) 3102-1330

# BOARD STATEMENT

Sustainability has never been more relevant to our world. While the products we manufacture play a role in enhancing the quality of life of the public, we are also concerned with the overall impact of our operations have on the planet. Our group is aware of the United Nations Sustainable Development Goals, which include advancing the wellbeing of our community across environmental and social aspects. A broader aim of the Group's sustainability efforts is to contribute to these goals, aligning the interests of the community and that of our business so as to manage the impact of our operations.

Stakeholder engagement is a key step in our sustainability governance. Understanding the expectations and views of internal and external stakeholders puts us in a better position to address their concerns. Guided by the results of a series of stakeholder engagement activities organised by an independent consultancy, we identified and prioritised critical sustainability topics with materiality analysis. As confirmed by the Board, the seven material topics included in this sustainability report are: employment, child labour, forced or compulsory labour, training and development, occupational health and safety, customer privacy and water and effluents.

## Material Topics Included



The Board recognises the importance of risk management and acknowledges its responsibility in ensuring that an effective system of risk management and internal control are maintained to address financial and non-financial risks, including environmental, social and governance risks. The management of the Group regularly monitors these risks to make adjustments to the environmental and social measures to meet the changing needs of society.

In the future, we will stay agile to rise above challenges brought by environmental, economic and social changes. While our long-term success is inextricably linked to our environmental, social and governance performance, we will seek to create a culture of sustainability within the Group, a process to be led by the Board in overseeing the formulation and implementation of sustainability strategies. By maintaining engagement with stakeholders at all levels, we hope to inspire the industry and the community as a whole to champion sustainability.

**LEUNG CHEE KWONG**  
Executive Chairman and Chief Executive Officer  
Luxking Group Holdings Limited



# SUSTAINABILITY GOVERNANCE

The Group considers sustainability governance as an integral part of its daily management processes and risk management. The Board has overall responsibility for the oversight of the Group's policies, initiatives and performance on sustainability matters. The Board reviews its actions, performance and achievements on regular basis. The Group considers the possibility of forming a sustainability taskforce to coordinate managerial functions in relation to corporate sustainability.



# STAKEHOLDER ENGAGEMENT

As a key in the management of the Operation, stakeholder<sup>2</sup> participation helps the Group review potential risks and business opportunities. Communicating with stakeholders and understanding their views allow the Group to better fulfil their needs and expectations with its business practice and manage different stakeholders' opinions. The Group constantly communicates with key internal and external stakeholders through various channels. This ensures that they have the opportunity to learn about the Group's development and operation directions and offers the Group the chance to listen to them in order to identify the priority of issues and develop corresponding policies.

## Main means of stakeholder engagement

|               |                    | STAKEHOLDERS                  | MEANS OF COMMUNICATION   |  |
|---------------|--------------------|-------------------------------|--|--|
| Internal      | Board of Directors |                               | Written reports – Presentation /speeches – Regular meetings –Workshops   |  |
|               | Management         |                               | Interviews – Direct mails – Written reports – Presentation /speeches – Focus groups – Regular meetings – Seminars – Trainings – Site visits – Workshops - Large events – Charity events – Staff social events – Exhibitions – Opinion box – Emails (e.g. whistleblowing emails) – Satisfaction surveys |  |
|               | Executive staff    |                               | Interviews – Written reports – Presentation /speeches – Focus groups – Regular meetings – Seminars – Trainings – Site visits – Workshops – Large events – Staff social events – Opinion box  |  |
|               | General staff      |                               | Interviews – Presentation /speeches – Focus groups – Regular meetings – Seminars – Trainings – Workshops – Large events – Charity events – Staff social events – Exhibitions – Opinion box – Emails (e.g. whistleblowing emails)   |  |
| The Operation | Shareholders       |                               | Annual General Meetings – Engagement through investor relations consultancy  |  |
|               |                    | Investors                     | Written reports – Engagement through investor relations consultancy  |  |
|               |                    | Customers                     | Direct mails – Written reports – Interviews – Presentation /speeches – Focus groups – Regular meetings – Seminars – Workshops – Visits /study trips – Education & training – Large events – Charity events – Exhibitions – Hotlines  |  |
|               |                    | Suppliers                     | Direct mails – Written reports – Interviews – Presentation /speeches – Focus groups – Regular meetings – Seminars – Workshops – Visits /study trips – Education & training – Large events – Charity events – Exhibitions – Hotlines  |  |
|               | External           | Distributors                  |  | Interviews – Regular meetings – Workshops – Visits /study trips – Hotlines   |
|               |                    | Government                    |  | Direct mails – Written reports – Regular meetings – Seminars   |
|               |                    | Non-governmental organisation |  | Interviews – Presentation /speeches – Regular meetings – Visits /study trips – Education & training – Large events – Exhibitions   |
|               |                    | Regulatory agencies           |  | Direct mails – Written reports – Interviews – Regular meetings – Seminars – Visits /study trips – Education & training – Hotlines  |
|               |                    | Banks                         |  | Hotlines   |
|               |                    | Business partners             |  | Direct mails – Written reports – Interviews – Presentation /speeches – Focus groups – Regular meetings – Workshops – Visits /study trips – Education & training – Large events – Charity events – Exhibitions – Hotlines |
|               |                    | Academic institutes           |  | Direct mails – Interviews – Presentation /speeches – Focus groups – Regular meetings – Visits /study trips – Education & training – Large events – Exhibitions – Opinion box   |
|               |                    | Local social groups           |  | Large-scale events   |
|               |                    | Employees' families           |  | Written reports – Charity events   |

<sup>2</sup> Stakeholders refer to groups or individuals materially influencing or affected by the Operation's business.

# STAKEHOLDER ENGAGEMENT

## Material sustainability topics in the reporting year

To formulate the Group's sustainability strategy and direction and to identify material sustainability topics for the Operation and its stakeholders, the Group commissioned an independent consultancy to conduct a management interview. Combining the results of the interview and expert advice, the Group selected seven critical issues to focus on in this report.

### Procedures for materiality analysis

#### 1 IDENTIFYING RELEVANT TOPICS

##### Management Interview:

discussed management approach to identify material factors and sustainability risks

##### Expert review:

identified 27 relevant topics

#### 2 COLLECTING STAKEHOLDER FEEDBACK

##### Online questionnaire:

links to online survey were dispatched to 107 internal and external stakeholders; 66 valid responses were collected (valid response rate 62%)

#### 3 ASSESSING MATERIAL TOPICS

Developed materiality matrix (see figure below); assessed the materiality of topics based on the survey results

#### 4 VALIDATION

The Board of Directors confirmed the material topics for sustainability reporting of 2017/18





# STAKEHOLDER ENGAGEMENT

| Areas                            | No. | Critical Factors (by descending order of importance) | Other Relevant Topics identified |                                   |                     |
|----------------------------------|-----|--|----------------------------------|-----------------------------------|---------------------|
| Social                           | 15  | Employment   | Environment                      |                                   |                     |
|                                  | 20  | Child Labor  |                                  |                                   |                     |
|                                  | 21  | Forced or Compulsory Labor                           |                                  |                                   |                     |
|                                  | 17  | Training and Development                             |                                  |                                   |                     |
|                                  | 16  | Occupational Health and Safety                       |                                  |                                   |                     |
| Environment                      | 9   | Environmental Compliance                             |                                  | 7                                 | Materials           |
| Social                           | 26  | Customer Privacy                                     |                                  | 8                                 | Energy              |
| Other Relevant Topics identified |     |  |                                  | 9                                 | Water and Effluents |
| Economic                         | 1   | Economic Performance                                 |                                  | 10                                | Biodiversity        |
|                                  | 2   | Market Presence                                      |                                  | 11                                | Emissions           |
|                                  | 3   | Indirect Economic Impacts                            | 12                               | Waste                             |                     |
|                                  | 4   | Procurement Practices                                | 14                               | Supplier Environmental Assessment |                     |
|                                  | 5   | Anti-corruption                                      | 18                               | Diversity and Equal Opportunity   |                     |
|                                  | 6   | Anti-competitive Behaviour                           | 19                               | Non-discrimination                |                     |
| Social                           |     |  | 22                               | Local Communities                 |                     |
|                                  |     |  | 23                               | Supplier Social Assessment        |                     |
|                                  |     |  | 24                               | Customer Health and Safety        |                     |
|                                  |     |  | 25                               | Marketing and Labeling            |                     |
|                                  |     |  | 27                               | Socioeconomic Compliance          |                     |



## BOUNDARIES OF MATERIAL FACTORS

The impact and influence of each material factor identified may have wider impacts beyond the business operations itself, and thus require considerations. The table below summarises where impacts occur for each material factor. All topics are material within and outside of the Operation. The Operation will continue monitoring any significant changes in the boundaries of material factors.

| Material Factors               | Boundaries                        |  | Impacts addressed in this Report      |
|--------------------------------|-----------------------------------|--|---------------------------------------|
|                                | Within the Operation <sup>3</sup> | Outside the Operation <sup>4</sup>       |                                       |
| Employment                     | Employees of the Operation        | Regulatory agencies                      | Employment and Labour Rights, Page 10 |
| Child Labour                   | Employees of the Operation        | Regulatory agencies                      | Employment and Labour Rights, Page 10 |
| Forced or Compulsory Labour    | Employees of the Operation        | Regulatory agencies                      | Employment and Labour Rights, Page 10 |
| Training and Development       | Employees of the Operation        | Regulatory agencies                      | Employment and Labour Rights, Page 10 |
| Occupational Health and Safety | Employees of the Operation        | Regulatory agencies                      | Employment and Labour Rights, Page 11 |
| Water and Effluents            | Employees of the Operation        | Professional bodies, regulatory agencies | Environmental Protection, Page 12     |
| Customer Privacy               | the Operation                     | Customers                                | Ethical Operations, Page 13           |

<sup>3</sup> The boundary for impacts within the Operation aligns with the reporting boundary.

<sup>4</sup> The boundary for impacts outside the Operation takes reference from the key external stakeholders identified for this reporting year.



# SUSTAINABILITY RISKS AND OPPORTUNITIES

In view of the material issues identified through the stakeholder engagement exercise, the Operation identifies the risks and opportunities in its social, environmental and economic challenges.

## RISKS

## RESPONSES/ OPPORTUNITIES

### Talent attraction and retention

Hiring and retaining highly skilled employees is a constant challenge for the manufacturing industry. Loss of skilled employee can affect the Operation's daily operations and the long-term viability of its business. Fair employment system and practices, and learning and development opportunities are key drivers for building a talented and engaged workforce.

### Employment System and Procedures

The Operation has put in place a structured employment system and procedures to ensure employee welfare are secured and compliant with relevant laws and regulations.

### Socially Responsible Conduct

Malpractice in employment, such as discrimination, child labour, or forced labour, and accompanying negative publicity can reduce employee morale and erode customer trust. Non-compliance with relevant regulatory requirements may result in lengthy litigation, monetary and non-monetary sanctions, and threaten business reputation.

### Social Responsibility Employment Management

The Operation is mindful of its obligation to uphold principles of socially responsible employment, and to comply with applicable regulatory requirements with the support of a structured employment system and recruitment procedures.

### Occupational Health and Safety Hazards

The safety and health of our employees in the production line are exposed to certain occupational health and safety risks, such as exposure to certain hazardous chemicals, radioactive operations and machinery. This may also affect their productivity and performance. It is, therefore, important to identify and manage occupational health and safety risks, implement preventive and mitigation measures, and create a safety culture at the workplace.

### Safety Management System and Measures

The Operation has in place a safety management system to identify and control the risk associated with occupational health and safety hazards. To promote the culture of a safe and healthy workplace, the Operation has implemented a number of safety procedures and operating instructions, and has carried out regular safety training and inspections.

### Customer Privacy

The Operation holds personal data about customers and suppliers during its operations. With increasing attention to how businesses collect, handle, store, use and disclose personal data, data loss and breach of customer privacy can result in erosion of trust and brand loyalty.

### Data Protection Measures

The Operation has implemented a host of measures to protect customer privacy, such as setting standards and providing guidance for employees to follow, implementing security system for data storage, and establishing mitigation measures in case of data leakage.

### Pollution and environmental contamination

The Operation is subject to laws and regulations on minimising any adverse environmental impact from its emissions. Due to its business nature, the Operation carries an inherent risk of contamination in the surrounding environment and communities. Transitioning to clean production entails a tightening of regulatory controls that affect the Operation's approach to manage its production process and puts more emphasis on cleaner production, such as on the use of chemicals and treatment of effluent and waste.

### Pollution Control System

The Operation has been managing its potential pollution and adverse environmental impact of its production. The Operation ensures the quality of effluent complies with regulatory standards through on-site wastewater treatment and on-going monitoring.

# EMPLOYMENT AND LABOUR RIGHTS

## EMPLOYMENT

The Operation has in place a recruitment system to hire suitable talents. The Company Recruitment Guide stipulates the recruitment procedures. Applicants have to present their identity cards and fill in the application form during the process. The Operation will only consider the applications after verifying applicants' criminal conviction records.

In the reporting year, the business segment of manufacture of BOPP films in Zhongshan facility had a total of 78 employees, all of which were full time and permanent employees. All full-time employees were covered by pension, medical insurance, unemployment insurance, work injury insurance and maternity insurance, in accordance with requirements set out in the Labour Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, Regulations on the National Social Security Fund (全国社会保障基金条例), Regulations on Unemployment Insurance (失业保险条例) and Interim Measures on Employee Childbirth Insurance (企业职工生育保险试行办法).

## LABOUR STANDARDS

### *Eliminating Child Labour*

The Operation supports the Minimum Age Convention and the Worst Forms of Child Labour Convention of the International Labour Organization. As stipulated in the Company Recruitment Guide, the Operation prohibits recruitment of employees under the age of 18. The identity cards of the applicants are checked during the recruitment process to verify their age.

### *Avoiding Forced or Compulsory Labour*

Employees at the Operation are hired on a voluntary and fair basis. The standard working hours is eight hours per day. The Operation has established the Requirement on Restricting Overtime Hours (对加班时间的限制性规定), in which any overtime arrangement requires prior mutual agreement between the employees and their supervisors, where employees will be compensated with leave or allowance.

## TRAINING AND DEVELOPMENT

To ensure the quality of products and the safety of employees, the Operation has set up a Safety Production Training System according to the Production Safety Law of the People's Republic of China and arranges for new employees to receive safety induction training. New employees are only allowed to perform their duties after they have passed an examination following training. Highlights of training content include:

- \* National legislation requirements relating to occupational health and safety
- \* In-house safety production procedures
- \* Safety responsibilities of various level and function across the company
- \* Major occupational health and safety hazards
- \* Safety awareness and knowledge enhancement
- \* In-house disciplinary procedures
- \* Analysis of typical examples of incidents and accidents
- \* Precautionary measures of incidents and accidents
- \* Proper use of personal protective equipment
- \* Proper use and maintenance of firefighting equipment

For special works, operators have to receive training designated by relevant governmental authorities. Such operators can only operate the special works after passing an examination and obtaining the licences granted by relevant governmental authorities. For employees who have been away from their roles for six months or more, they must receive refreshment training and pass an examination before resuming their roles.

In addition to new employees, the Operation arranges regular training to existing employees according to its quarterly training schedule. In addition to the training content listed above, additional scheduled training includes:

- \* Employee Handbook
- \* Enhancing packaging quality and image of product
- \* Environmental protection management system
- \* Handling of dangerous chemicals
- \* Emergency drills

# EMPLOYMENT AND LABOUR RIGHTS

To discuss the performance of employees and explore their development needs, the Operation conducts performance and career development review with employees annually. In the reporting year, all of the employees received regular performance and career development review. Average hours of training per employee in the reporting year were 2.6.

## OCCUPATIONAL HEALTH AND SAFETY

The Operation strives to provide a safe workplace for employees by implementing an occupational health and safety management system according to the Production Safety Law of the People's Republic of China. The system is audited internally once a year to ensure its effectiveness. All employees must follow a series of occupational health and safety procedures according to the system, covering the production line, fire prevention and response, radioactive substances management, operation of lifting appliances and safety inspection. In addition to such guidance, recommendation boxes are in place to allow workers to report work-related hazards and hazardous situations. The Human Resources Department would then allocate the recommendations to relevant departments for follow up action. By following these procedures, the Operation aims to minimise occupational health and safety hazards and mitigate relevant impacts in its operations.

In the reporting year, the Operation did not have workers who are not employees but whose work and/or workplace is controlled by the Operation. Information on work-related injuries and ill-health is summarised below:

|   | NUMBER  | RATE |
|---|---------|------|
| Number of fatalities by work-related injury                             | 0       | 0%   |
| Number of high-consequence work-related injuries (excluding fatalities) | 0       | 0%   |
| Number of recordable work-related injuries                              | 0       | 0%   |
| Number of fatalities caused by work-related ill health                  | 0       | 0%   |
| Number of recordable work-related ill health                            | 0       | 0%   |
| Total number of hours of work of employees in the Operation             | 191,088 | -    |

All employees of the Operation are covered by medical insurance. Medical insurance covers hospitalisation including medical prescription and surgery operations. Voluntary health promotion services and programs has not yet been developed to workers to address major non-work-related health risks.

To ensure the system covers all potential occupational health and safety hazards, and apply control measures to eliminate hazards and minimise risks, the Operation will improve the occupational health and safety system according to the future plan.

Going forward, the Operation has set out the following social targets for its employment system:



### TARGETS FOR 2018/2019

|                                |  |
|--------------------------------|--|
| Employment                     | <ul style="list-style-type: none"> <li>To review the coverage of employees on basic pension, medical insurance, unemployment insurance, work injury insurance and maternity insurance</li> </ul>   |
| Labour Standards               | <ul style="list-style-type: none"> <li>To provide awareness training on elimination of child labour and forced labour</li> </ul>   |
| Occupational Health and Safety | <ul style="list-style-type: none"> <li>To develop procedures to identify work-related hazards and assess risks</li> <li>To develop control measures to eliminate identified hazards and minimise risks</li> <li>To develop procedures to allow workers to remove themselves from work situations that they believe could cause injury or ill health while avoiding reprisals of workers</li> <li>To optimise accident or incident investigation procedures</li> <li>To optimise safety inspection procedures to cover the work environment, workers' health, and first aid and emergency treatment</li> <li>To optimise the functions of the safety committee to allow worker participation and consultation related to occupational health and safety issues</li> </ul> |



# ENVIRONMENTAL PROTECTION

## WATER AND EFFLUENTS

### *Water Consumption*

The Operation identified potential environmental impacts associated with the production of the BOPP film, covering energy consumption, waste disposal, wastewater discharge, air emission and noise emission. The environmental impacts are reviewed and updated, if applicable, once a year or when there is change in the operations.

The Operation withdrew water from the municipal water supply. Although there was no local water scarcity issue and its operations did not lead to high levels of environmental impact from water consumption, the Operation strives to achieve efficient use of water resources. For instance, the Operation refitted water-taps with high water flow rate and performed regular preventive maintenance of its water supply system according to the Cleaner Production Promotion Law of the People's Republic of China.

For continual improvement of its environment performance, the Operation sets environmental goals and targets at the beginning of each year. In this process, the Operation defines the key environmental performance indicators, action list, budget, responsible department and the completion deadlines. In the reporting year, the Operation achieved its goal to monitor its water consumption. The Operation will use the water consumption as a base line to develop its future goals and targets to enhance its efficiency in water consumption.

In the reporting year, the Operation withdrew 5.3 ML of freshwater, measured by water metres, and discharged the same amount of water as effluent for two main purposes, namely industrial and domestic usages.

### *Industrial Water Treatment and Discharges*

The production department consumed water for evaporative cooling and production of BOPP films. Water used in the evaporative cooling was recycled in the closed loop cooling system. On the other hand, the industrial water effluent was treated in the onsite tertiary wastewater treatment plant. In the treatment process, effluent passed through four treatment tanks, i.e. treatment tank, anaerobic tank, storage tank and aerobic tank. The Quality Control Department was responsible for monitoring the quality of treated effluent, to ensure compliance with the discharge limits of water pollutants. In addition, the Operation invited the local environmental protection authority to monitor and test the treated effluent once every year.

### *Domestic Water Treatment and Discharges*

Domestic water was consumed for routine cleaning of facility and cooking at the employee canteen. Effluent from routine cleaning was directly discharged to the municipal sewage system. At the employee canteen, the outlet of the effluent has a filtration screen and an oil trap to remove food debris, grease and oil. The filtered effluent was then discharged to the municipal sewage system.

Moving forward, the Operation plans to achieve the following environmental targets in the coming year.



| TARGETS FOR 2018/2019 |   |
|-----------------------|---|
| Water and Effluents   | <ul style="list-style-type: none"><li>To reduce the total water consumption and total water discharge by 5%</li></ul> |

## CUSTOMER PRIVACY

The Operation upholds its sustainability values and acknowledges the importance of protecting the data privacy of its customers and suppliers. It emphasises confidentiality and has established relevant procedures in the Employee Handbook. Employees must follow standards of non-disclosure at work and refrain from disclosing confidential information in personal interaction or public events.

Major customer privacy protection measures include:

- defining the data subjected to protection, including customer information, assets, contracts, information for after-sale services
- defining protection measures, including implementation of a system for registering confidential documented information, storing such information at location with restricted access, and copying or borrowing such information with defined approval procedures

### **Management of Data Leakage**

When employees suspect or discover cases of leakage, they would take mitigation measures and report to the Human Resources Department or the management. Depending on the impact or economic loss to the Operation, the Operation would carry out comparable disciplinary actions and request compensation from involved employees. For cases incurring significant impact or economic loss for the Operation, the Operation would request compensation comparable to the loss of the Operation, or reporting to the relevant judicial authorities.

The number of substantiated complaints received concerning breaches of customer privacy is summarised below:

|   |  |   |
|---|--|---|
| Number of substantiated complaints received concerning breaches of customer privacy | Complaints received from outsiders parties and substantiated by the organisation | 0 |
|   | Complaints from regulatory bodies  | 0 |
| Total number of identified leaks, thefts or losses of customer data                 |  | 0 |

Going ahead, the Operation plans to achieve the following target for the coming year.



| TARGETS FOR 2018/2019 |   |
|-----------------------|---|
| Customer Privacy      | <ul style="list-style-type: none"> <li>• To actively monitor the system of data management to prevent any breach of customer privacy</li> </ul> |

# GRI-SGX CONTENT INDEX

| Disclosure Description            |   | SGX       | Page  | Remarks                       |
|-----------------------------------|---|-----------|-------|-------------------------------|
| GRI 102: General Disclosures 2016 |   |           |       |                               |
| Organisational Profile            |   |           |       |                               |
| 102-1                             | Name of the organization  |           | 1     |                               |
| 102-2                             | Activities, brands, products, and services                            |           | 1     |                               |
| 102-3                             | Location of headquarters  |           | 1     |                               |
| 102-4                             | Location of operations  |           | 1     |                               |
| 102-5                             | Ownership and legal form  |           | 1     |                               |
| 102-6                             | Markets served  |           | 1     |                               |
| 102-7                             | Scale of the organization   |           | 1     |                               |
| 102-8                             | Information on employees and other workers                            |           | 10,11 |                               |
| 102-9                             | Supply chain  |           | 1     |                               |
| 102-10                            | Significant changes to the organization and its supply chain          |           | 1     |                               |
| 102-11                            | Precautionary Principle or approach                                   |           | 9     |                               |
| Strategy                          |   |           |       |                               |
| 102-14                            | Statement from senior decision-maker                                  | LR711B-1e | 3     |                               |
| 102-15                            | Key impacts, risks, and opportunities                                 | PN7.6-3.3 | 9     |                               |
| Ethics and integrity              |   |           |       |                               |
| 102-16                            | Values, principles, standards, and norms of behaviour                 | -         | 1     |                               |
| Governance                        |   |           |       |                               |
| 102-18                            | Governance structure  | PN7.6-3.1 | 3     |                               |
| 102-21                            | Consulting stakeholders on economic, environmental, and social topics | PN7.6-3.7 | 5-6   |                               |
| 102-29                            | Identifying and managing economic, environmental, and social impacts  | PN7.6-3.3 | 8     |                               |
| Stakeholder Engagement            |   | PN7.6-3.7 |       |                               |
| 102-40                            | List of stakeholder groups  |           | 5     |                               |
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