



JU TENG INTERNATIONAL HOLDINGS LIMITED
巨騰國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 3336

2023

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

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ABOUT THIS REPORT

Overview

This report is the eighth Environmental, Social and Governance (“ESG”) Report (“ESG Report”) released by Ju Teng International Holdings Limited (“Ju Teng International”, the “Company” (together with its subsidiaries, the “Group”), or “we”), and discloses information on our ESG strategy, measures, priorities, and performance.

Reporting period

Unless otherwise specified, the disclosed information of this report covers the period from 1 January to 31 December 2023 (the “Reporting Period”).

Basis of preparation

This report is prepared in accordance with “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) issued by The Stock Exchange of Hong Kong Limited (“HKEX”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on HKEX. The content of this report is determined by a set of procedures, including identifying and prioritising stakeholders, identifying and prioritising material ESG issues, collecting environmental metrics, and verifying the reported data.

Reporting scope and boundary

During the Reporting Period, the content and metrics reported in this report cover the following subsidiaries:

- Suzhou Dazhi Communication Accessory Co., Ltd. (Abbreviated as “Wujiang Production Plant”)
- Ju Teng (Neijiang) Communication Accessory Co., Ltd. (Abbreviated as “Neijiang Production Plant”)
- WIS Precision (Taizhou) Co., Ltd.
- Juteng Electronic Technology (Taizhou) Co. Ltd. (the above two companies, collectively referred to as “Taizhou Production Plants”)
- Compal Precision Module (Jiangsu) Co., Ltd. (Abbreviated as “Compal Production Plant”)
- Tasun (Chongqing) Electronic Technology Co., Ltd.
- Compal Electronic Technology (Chongqing) Co., Ltd. (the above two companies, collectively referred to as “Chongqing Production Plants”)
- Lian-Yi Precision (Zhongshan) Inc. (Abbreviated as “Lian-Yi Production Plant”)

Source of data

The information and case studies of this report are prepared based on the Group’s internal statistical reports and other relevant internal documents.

Board approval

This report was reviewed by the management and was approved by the board of directors of Ju Teng International (the “Board”) on 18 March 2024.

ABOUT JU TENG INTERNATIONAL

Company overview

Established in 2000, Ju Teng International is a casing manufacturer specialising in 3C products. Its major customers include HP, Dell, Acer and Asus and its production bases cover Eastern China, Western China and Taiwan. After 23 years of endeavours, Ju Teng International has been well recognised by our customers. During the post-pandemic era, the demand for remote working and learning continues to increase, which has become new life trends and promoted the development of personal computer market, as well as brought new opportunities and challenges to the Group. We take advantage of this market opportunity to proactively increase our technology R&D and enhance our core competitiveness. At the same time, the Group remains cautious in the face of risks and uncertainties, adjusts its strategies flexibly and grows steadily in the midst of challenges.

Ju Teng International's vision

Ju Teng International always believes that quality, scientific management and sustainable development are the foundation. With the increasingly stringent requirements of governments and markets on the electronics industry's production chain over the past 23 years, we have won the recognition of our customers worldwide by relying on our advanced technologies, responsible attitude, professional services and excellent product quality. We believe a well-performing enterprise not only delivers high-quality products but also conducts scientific management and achieves sustainable development. With a view to performing the social responsibilities, promoting the progression of our suppliers and protecting the benefits of our broad investors, we promote the sustainable development of the electronics industry through our endeavours in the following five vision areas.



Ju Teng International's visions

In order to help the public to better understand Ju Teng International's business philosophy, mission and vision, environmental protection and social responsibility practices, this report provides an open and detailed disclosure and elaboration on ESG and other non-financial aspects, and we also hope that this disclosure will provide an opportunity for ourselves to organise and reflect on ESG risk management.

RESPONSIBILITIES OF THE MANAGEMENT

- ✓ Strictly complying with laws and regulations of jurisdictions that we operate in;
- ✓ Appointing dedicated personnel to take responsibility in implementing internationally recognised environmental, health and safety, labour rights management systems in each Production Plant;
- ✓ Upholding business ethics, rooting out corruption, protecting confidential information and respecting intellectual property rights.

Ju Teng International has been working with all members within the value chain to reduce the environmental and social impact of the manufacturing process of electronic products. In response to the international community and investors' demand for sustainable development, Ju Teng International continuously optimises the implementation of ESG management system to improve and enhance the Group's ESG management and performance.

ESG organisation structure

With the goal of "Dynamic Maintenance and Improvement of ESG Management System", Ju Teng International mainly adopts the ESG management procedures of "framework building, target setting and actions taking" to execute work tasks at all levels and actualise normalisation in management. Our current ESG management model is adopted under a top-down approach.

The Board is taking the lead in formulating ESG management policies at the Group level. The general manager of each production plant company ("Production Plant") is responsible for constructing the ESG management system that meets the characteristics of the Production Plant, participating in the top-level design, controlling the policies and systems of all ESG-related aspects, and reporting to the Board on the Production Plant's ESG management results. Each operational unit in the Production Plants is required to strictly implement the ESG management system, including executing the ESG targets, ESG training, managing ESG-related data and collecting information. The Group's ESG management organisation structure is as follows:



ESG Management Organisation Structure

The Group's ESG management system can be distributed to all departments and units responsible for managing and implementing ESG issues and monitoring ESG trends to improve the Group's ESG performance. Considering the safety risks in the manufacturing industry, the Group requires each operational unit in the Production Plants to assign designated staff to participate in the management of occupational safety and health, such as the formulation of internal regulations and policies, identification and evaluation of safety risks, etc.

RESPONSIBILITIES OF THE MANAGEMENT

Stakeholder identification and communication

Ju Teng International always attaches importance to multi-stakeholder communication and has established a regular communication mechanism with key stakeholders including shareholders/investors, customers, employees, suppliers and the community. We gain an in-depth understanding of the requirement, opinions and suggestions from various parties through media analysis, peer benchmarking, online feedback, customer hotlines, meetings and other channels, and integrate stakeholders' opinions and concerns into the operation and decision-making process, so as to integrate ESG with daily operations and clarify the future ESG improvement directions of our Group.

Stakeholder category	Aspiration and expectation	Engagement channel	Frequency
Shareholders/ Investors	<ul style="list-style-type: none"> Enterprise risk management Business ethics Transparent operation 	<ul style="list-style-type: none"> HKEX official website "Investor relations" section on the official website 	Unscheduled announcement
Customers	<ul style="list-style-type: none"> Product quality and safety control Customer services and communication Customer privacy management Product and technological innovation Emission control Human rights protection Quality and quick service response 	<ul style="list-style-type: none"> Official website Customer satisfaction survey On-site research communication 	Frequent communication during the cooperation period
Employees	<ul style="list-style-type: none"> Labour law compliance Employees' wellbeing and development Employees' health and safety 	<ul style="list-style-type: none"> Worker union Various staff activities WeChat official accounts managed by respective Production Plants Employee complaints mechanism Employee performance appraisal 	Few posts per week on the official accounts Two to four issues of the internal magazine per year
Suppliers	<ul style="list-style-type: none"> Supplier management Energy use management Fair and open procurement Supplier support and growth 	<ul style="list-style-type: none"> On-site examination Supplier self-assessment questionnaires 	Frequent communication during the cooperation period
Community	<ul style="list-style-type: none"> Anti-corruption Environmental impact Giving back to the community 	<ul style="list-style-type: none"> Press release Community activities 	Unscheduled announcement and activities

RESPONSIBILITIES OF THE MANAGEMENT

Materiality identification and communication

As there were no significant changes in the market, business operation and risks of the Group during the Reporting Period, and in light of the Group's business development and the stakeholders' focuses during the Reporting Period, we have reviewed the list of material issues for 2023 to ensure the continuity and focus of the Group's ESG issues. The list of material issues of Ju Teng International is as follows:

Environment	Labour	Governance and community	Product responsibility
<ul style="list-style-type: none"> Minimising emission and wastewater Waste management Energy saving and minimising greenhouse gas ("GHG") emissions New energy application Environmental compliance 	<ul style="list-style-type: none"> Compliance with labour laws Protecting workers against health and safety hazards Labour relations Training and development 	<ul style="list-style-type: none"> Anti-corruption Managing suppliers' environmental and social performance 	<ul style="list-style-type: none"> Protecting customer information and privacy Assuring product quality Satisfying customer service and communication Fair sales of products Product and technological innovation

Anti-corruption management

During the Reporting Period, Ju Teng International strictly complied with the "Anti-Unfair Competition Law of the People's Republic of China" and formulated anti-corruption policies and systems to protect the fair competition market and stop unfair competition practices. Meanwhile, we remain committed to managing our business practices in accordance with the "Responsible Business Alliance (RBA) Code of Conduct" ("Code"), among which Taizhou Production Plants passed the RBA audit in 2023 and obtained the silver level certificate recognised by Validated Assessment Program. We require that management and all employees strictly abide by this Code and established this Code as a programmatic document to achieve the Group's professional ethics, honest operation and compliance goals. In accordance with this Code, we have formulated and implemented the internal "Business Ethics Management Procedure" to strictly manage the business ethics of our employees. We require the main responsible personnel and relevant suppliers to sign the "Commitment on Integrity and Confidentiality" document. To enhance the anti-corruption awareness of employees, Taizhou Production Plants provided trainings on RBA knowledge for employees during the Reporting Period, including ethics and anti-corruption standards. Furthermore, Ju Teng International has formulated a Whistleblowing Policy and continue to provide channels such as dedicated hotline and email address for anyone to report corruption and immorality of our employees in real names or anonymously.

Anti-corruption management	<ul style="list-style-type: none"> Adopting a zero-tolerance policy and prohibiting any form of bribery, extortion and corruption Stipulating that employees are required not to promise, offer, grant, give or accept any third-party bribe, or provide other forms of benefits to third-parties to obtain improper advantages Ensuring that all business dealings are transparent, and are recorded in our business books accurately and in detail
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RESPONSIBILITIES OF THE MANAGEMENT

During the Reporting Period, Ju Teng International continued to apply its internal “Laws and Regulations Management Procedures” to monitor and identify the laws and regulations applicable to the Group and the procedures required by customers, and to maintain regular updates to ensure compliance and legal operation of our business. Meanwhile, the Group has conducted compliance promotion for employees to prevent corruption-related incidents. Ju Teng International is actively planning to provide comprehensive anti-corruption trainings for the Board in 2024. To enhance the Board’s understanding of preventing bribery and corruption, and ensure operations are conducted properly and orderly, guidelines developed by the Independent Commission Against Corruption, such as the “Toolkit on Directors’ Ethics”, the “Corruption Prevention Guide for Listed Companies” and the “Corruption Prevention Guide on Governance and Internal Control of Non-Governmental Organisations” will be shared. During the Reporting Period, there were no filed and concluded case of corruption lawsuits against Ju Teng International or its employees.

RESPONSIBILITIES OF THE OPERATION

- ✓ Mutual success with customers
 - Being oriented to customers' satisfaction and being responsible to customers at all times;
 - Satisfying customers' needs, achieving management targets on quality, cost, delivery, service and safety;
 - Implementing a sound customer complaint and improvement system;
- ✓ Mutual success with suppliers
 - Implementing supplier audit mechanism to ensure protection to labour rights, natural environment and ethical business practices across the supply chain;
 - Forbidding the use of conflict minerals.

During the Reporting Period, Ju Teng International strictly complied with "Law of the People's Republic of China on Product Quality" and "Quality Management Systems – Guidelines for the application of GB/T 19001-2016" as well as applicable laws and regulations that have a significant impact on the Group's health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. Guided by the regulations, we aim to safeguard consumers against any possible safety hazard during the use of our products.

Quality control

Following the guiding principle of "Do It Right at First Time", taking customer satisfaction as the goal and based on the ISO 9001 international quality standard, Ju Teng International formulated two whole process operation systems such as the "Process Inspection and Testing Procedure" and "Unqualified Product Control Procedure", as well as operational management systems including "Incoming Material Control Procedure" and "Corrective and Preventive Measures Control Procedure". Ju Teng International has updated "Calibration Procedures for Inspection, Measurement and Test Equipment", and strict control is carried out in the whole process of incoming materials, finished products in storage and delivery, thus forming a complete product management system.

At the operation level of the Production Plants, to ensure the quality of outputs and to prevent unqualified raw materials and products from entering the next stage, "Quality Control Personnel" (staffs of Quality Management Departments of all Production Plants) is responsible for conducting label management on the outputs of each production stage, and inspection and testing procedures. Outputs which fail to meet the Group's quality requirements are required to be inspected and labelled. Regarding the management of unqualified products, Ju Teng International has established a whole-process inspection system to manage and inspect unqualified products from five aspects: incoming material inspection, process inspection, finished product inspection, delivery inspection and customer return. It is not allowed to release or deliver unqualified products until these products are re-inspected by the Quality Control Personnel and become qualified to ensure the quality of products leaving the factory. During the Reporting Period, no products of the Group sold or shipped were recalled for safety and health reasons.



RESPONSIBILITIES OF THE OPERATION

To be responsible to the customers, suppliers, partners and employees, Ju Teng International adopts the “Product Identification and Traceability Procedure”, which enables all incoming materials, work in process and finished goods to be identified and tracked at any time, so as to fundamentally guarantee the quality of the finished products and raw materials at each stage.

Furthermore, the Group respects and protects intellectual property rights, enriching intellectual property rights while investing in research and development to protect our own intellectual property rights while also respecting the achievements of others. During the Reporting Period, Ju Teng International strictly complied with the applicable intellectual property laws, such as the “Patent Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China” and other laws and regulations on intellectual property rights in the jurisdictions we operate in. The Group is constantly revising and improving its intellectual property management system and any infringements discovered will be dealt with in a timely manner. This enhances our ability to create, register intellectual property rights and prevent and control related risks, thereby strengthening the ability, quality and efficiency of our innovative development.

Mutual success with customers

Customer opinions are vital to the development of Ju Teng International. The Group has established “Customer Complaint Handling”, “Customer Complaint Handling Procedure” and “Corrective and Preventive Measures Control Procedure” to standardise the handling process of customer complaints in each Production Plant, and has set up the Quality Assurance Centre under all Production Plants (hereinafter referred to the “Quality Assurance Centre”) for the back-end customers maintenance. The Quality Assurance Centre receives customer complaints mainly through phone, email, written quality complaint form, business department or other means. After receiving customer feedback, the Quality Assurance Centre is required to communicate with the customer as soon as possible to confirm the details of defective products, clarify the defective situation and defective rate of the products, or visit the customer for confirmation.

In order to improve customer service, optimise quality assurance management capabilities, ensure customer interests and enhance the Group’s image, the Group collects, summarises and analyses customer feedback on the Group’s product quality and service quality, and responds to them one by one according to the “Customer Complaint Handling” and “Customer Complaint Handling Procedure”.

	Unit	2021	2022	2023
Number of Product Complaints Received and Handled	Cases	721	377	648

In addition, the Group will invite customers to fill in the “Customer Satisfaction Survey” via email or fax every six months. By establishing customer communication and feedback channels, the Group obtains and understands customer satisfaction with our products and services on a regular basis. When the customer is dissatisfied or the rating is below the Group’s internal target, the relevant departments are required to submit an improvement plan within three days and implement the improvement measures.

Ensuring customer privacy is also the basic principle of Ju Teng International. We have always been committed to safeguard all confidential, personal information and intellectual property delivered by customers and other third-party companies to the Group, to ensure customers’ confidential information is compromised and maintained in a professional and ethical manner. During the Reporting Period, Ju Teng International complies with applicable laws regarding personal information protection, including the “Data Security Law of the People’s Republic of China”

RESPONSIBILITIES OF THE OPERATION

and “Personal Information Protection of the People’s Republic of China” and other laws and regulations relating to privacy matters in the jurisdictions we operate in. Employees only have limited access to customer codes or product codes, which fundamentally reduces the possibility of customer confidential information leakage. Besides, through the “Business Ethics Management Procedure”, the Group clarifies the management process of customer information and the standard process of collecting, storing, processing, and transmitting customer information, thus improving the confidentiality of customer privacy from the management system.

Mutual success with suppliers

Ju Teng International enhances the cooperation, communication, and management model with suppliers and potential suppliers at all stages through the “Supplier Management Procedure”. Through effective management of suppliers, Ju Teng International understands suppliers’ quality, price, delivery, coordination, labour, environmental protection, safety, ethics and other relevant information, and follows up and deals with supplier problems in a timely manner. For different types of suppliers, Ju Teng International has different management processes to manage them in a more targeted manner. For example, for the management of non-enclosure suppliers, Ju Teng International revised the relevant management requirements (on-site audit, production part approval process (PPAP) submission, quality technical agreement terms, etc.). In addition, after an abnormal problem occurs, the 8D or applicable problem solving procedures are initiated so that the abnormal problem can be solved in a timely and thorough manner.

In addition to the basic management of suppliers, in 2023, the Group has assisted suppliers in improving their quality and system management capabilities as soon as possible to better serve customers through continuous tracking management and supplier coaching mechanism for monthly evaluation of non-achievement of targets.

Hold quality review meetings with outsourced suppliers on a regular basis

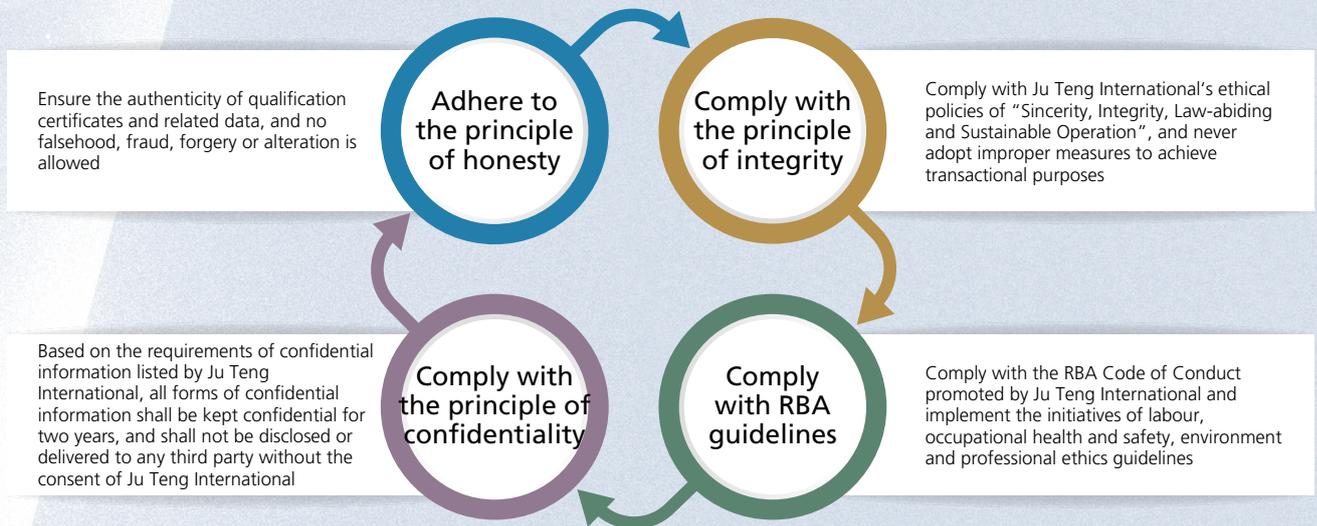
During the Reporting Period, to improve the quality of outsourced suppliers, Chongqing Production Plants required suppliers to conduct weekly meetings for review, arrange for off-site inspections, follow up abnormal improvement results, and conduct on-site audits of production lines from time to time.



Ju Teng International formulated and updated the “Environment-Related Substance Reduction Plan Form”, which imposes strict requirements on the suppliers to ban the use of heavy metals, formaldehyde, ozone hazardous substances, radioactive substances and so on. In order to restrict suppliers from using prohibited materials or chemical substances in the production process and on the products, parts and packaging materials provided to Ju Teng International, Ju Teng International has signed the “Environmental Protection Agreement” with suppliers. In addition, Ju Teng International performs due diligence on the source and chain of custody of the purchased minerals, and requires the suppliers to complete and sign the “Metal Mineral Origin Survey Form” and the “Commitment on the Non-use of Conflict Minerals” so that no conflict minerals are used in the production process and on the products. That is, whenever reasonably possible, the products manufactured do not contain minerals such as gold, tantalum, tin and tungsten from armed groups abusing human rights in the Democratic Republic of the Congo or its neighbouring countries or regions.

During the Reporting Period, 100% of Ju Teng International’s suppliers signed the Environmental Protection Agreement and the commitment. In addition to the environmental agreements, Ju Teng International also requires suppliers to sign the “Quality Agreement” and the “Commitment on Integrity and Confidentiality”, and to fill in the information required for RBA audits to further improve supplier management.

RESPONSIBILITIES OF THE OPERATION



Ju Teng International classifies all the suppliers into different levels (A/B/C/D) by the quality of the supplier's products and services and the degree of risk involved. Ju Teng International has conducted a risk assessment based on the risk items listed in the "Supplier's Basic Information Table". High-risk suppliers (scores below 80) are required to provide a rectification plan and make rectification, and if the rectification is not completed within the agreed period, the audit qualification of these suppliers will be cancelled. In addition, all Production Plants of Ju Teng International have introduced new procurement categories such as moulds, auxiliary materials, and equipment to strengthen centralised management of the procurement process.

Level-A Suppliers: Excellent suppliers (Total scores reach 90 marks or above)

Level-B Suppliers: Qualified suppliers (Improvement required, within 80-89 marks)

Level-C Suppliers: Suppliers who need to undergo on-site improvement and review (Within 70-79 marks)

Level-D Suppliers: Unqualified suppliers (69 marks and below)

Excellent and qualified suppliers will be included in Ju Teng International's "Qualified Suppliers List". During the Reporting Period, the number and percentage of Ju Teng International's qualified suppliers by location is as follows:

Percentage of Qualified Suppliers by Region	2021	2022	2023
Mainland China and Hong Kong	90.2%	98.9%	96.9%
Taiwan	9.2%	1.1%	2.6%
Other regions	0.6%	0.0%	0.4%

Number of Qualified Suppliers by Region	2023
Mainland China and Hong Kong	710
Taiwan	19
Other regions	3

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

- ✓ Actualising industrial waste minimisation and resource recycling;
- ✓ Minimising generation and emission of air pollutant, noise and hazardous waste;
- ✓ Using energy and resources efficiently and protecting the environment.

Attaching great importance to the environmental conservation, Ju Teng International strictly complies with the “Environmental Protection Law of the People’s Republic of China” as well as the environmental protection laws, regulations, and standards of the industry in the jurisdiction where we operate during the Reporting Period. Driven by management, we are concerned about energy and resource consumption during production and operation, and strictly control the emission of pollutants to reduce the burden on the ecological environment by promoting green operation and continuously optimising production technology. Ju Teng International promises to implement the concept of environmental protection into every production and manufacturing process by constantly improving the environmental management system and to promote a green office culture to integrate green environmental protection into every employee’s daily work.

In 2023, to achieve the following environmental targets, we implemented several measures to demonstrate our commitments to reduce carbon footprint and enhance environmental data disclosure. In combination with current targets, the Group plans to lay a foundation for setting more comprehensive environmental targets in the future.

Targets	Purpose
Develop climate change policies	Summarise the methods to mitigate climate-related risks in business operations
Upgrade the lighting, HVAC systems and electrical appliances in all premises to energy-saving mode in stages	Improve the disclosure and transparency of environmental data
Disclose the quantity of hazardous and non-hazardous wastes recycled by all Production Plants of the Group	Improve the disclosure and transparency of environmental data
Promote paperless business operation	Reduce paper consumption and promote digital transformation
Facilitate all Production Plants to strengthen the recycling of water resources and the reuse of reclaimed water	Enhance water efficiency

Environmental management

Ju Teng International strictly complies with applicable environmental laws and regulations, on such basis, we established the internal management policies such as the “Administrative Provisions of Environmental Protection”, the “Accountability System on Environmental Protection”, the “Management of Environmental Incidents” and the “Environmental Factors and Hazardous Source Management Procedures” to manage possible negative environmental impacts in the production, maintenance, and service process in each Production Plant. All Production Plants of the Group have obtained the ISO 14001 Environmental Management Systems Certification and IECQ HSPM 080000 Hazardous Substance Process Management Systems Certification.

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

In addition, all Production Plants of the Group have regularly collected and updated environment-related regulations and local policies applicable to the production and operation process, identified environmental factors and potential risks that may be involved in the production and operation process, and formulated corresponding control measures. Neijiang Production Plant collected the “2023 Confirmation of Applicability of Laws, Regulations and Other Requirements” each quarter, including pollutant emission management regulations such as the “Limit Value of Volatile Organic Compounds Content in Cleaning Agents”, “Limit Value of Volatile Organic Compounds (VOCs) Content in Inks” and “Volatile Organic Compounds Unorganised Emission Control Standard (GB 37822-2019)” to further ensure the compliance of pollutant emission and control during the production and operation.

Resource conservation

In accordance with the “Energy Conservation Law of the People’s Republic of China” and other national and local laws and regulations in the region where we operate, Ju Teng International established and implemented the “Energy and Resource Management Procedures”, which outlines the roles and responsibilities of relevant departments in energy and resource management alongside offering detailed operational rules for energy and resource consumption in the production and operation process. Ju Teng International encourages all Production Plants to manage their targets according to their actual production and operation conditions. By setting specific targets on electricity, water, gas, and energy consumptions, the efficiency on use of natural resources is greatly increased, hence, minimising the negative environmental impacts brought by the Group.

During the Reporting Period, with the support and cooperation of the energy working group, all departments of Compal Production Plant have mobilised employees at all levels to participate in discussions on production energy use analysis. Starting from various aspects that affect energy consumption, such as personnel, machinery and equipment, material use, and process methods, and combining the process flow of production operations and the Company’s “Energy and Resource Management Procedure”, these departments have conducted a comprehensive analysis of the energy utilisation and consumption data and equipment operation records for the year 2023. Furthermore, Compal Production Plant has compared the energy efficiency limit of various equipment, economic operation standards of equipment, the design parameters of various energy-consuming equipment, and the advanced level of energy consumption in the industry, to understand the energy usage of the plant and strengthen management of energy consumption of the whole Production Plant.

Water resource management

Ju Teng International truly understands that water is an important source of production and life, and requires all Production Plants to use water resources in a responsible manner. To reduce water wastage, Ju Teng International defined the strategy of water resource management in the “Energy and Resource Management Procedure”, which requires our staff to turn off water sources after usage while consciously maintaining water facilities and equipment; and notify the management department immediately once a malfunction occurs to reduce the loss of water resources.

During the Reporting Period, Chongqing Production Plants have recycled and reused the treated sewage in the painting and spraying workshop, which is expected to save about 10,000 m³ of tap water in a year. There were no issues with sourcing water fit for purpose during the Reporting Period.

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Energy management

Purchased electricity, natural gas and diesel are the main types of energy consumed by Ju Teng International in the course of production and operation. Ju Teng International has systematically strengthened the management of energy use through the “Energy and Resource Management Procedure”. By adopting environmentally and socially friendly measures which are technically feasible and economically viable, we have actively updated our internal management regulations on energy use and strengthen all employees to save energy and reduce consumption. During the Reporting Period, Compal Production Plant has adopted scientific methods to formulate production quota assessment and fully motivate the staff to save energy and reduce consumption through the combination of assessment and reward and punishment system. According to the load change and operation condition of the equipment, the characteristics of frequency conversion control technology are used to carry out energy-saving technical transformation of some equipment running at low load, which has achieved a power saving rate of about 30%. Meanwhile, all plants adopt green lighting to reduce energy consumption.

Energy management measures

Purchased electricity

- Set temperature limit for use of air-conditioner: The air-conditioner can be turned on only when the room temperature is higher than 27°C or lower than 10°C; except for special circumstances.
- Close all windows and doors when the air-conditioner is on to avoid unnecessary power consumption.
- Turn off lighting in areas with sufficient luminance or unoccupied areas at all times and request close monitoring from responsible personnel.
- Turn off computers or monitors without any “Energy Star” logo that are left idling.
- The last employee leaving the office or plant and the security guards should ensure all lighting, air conditioners, computers, fans, and other electrical appliances are turned off.
- Pay attention to electricity saving for machinery and equipment not in use in the process of production and manufacturing.

Diesel

- Use of oil mainly includes diesel for forklift trucks. All departments are required to submit a Requisition Form if needed and ensure the full use of oil.

Natural gas

- Natural gas is mainly used for boiler preheating and “regenerative thermal oxidizer” (RTO). All Production Plants are required to completely document the natural gas usage to ensure the full use of it.

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

During the Reporting Period, the Production Plants have strengthened the energy efficiency through process optimisation and the use of new energy. In particular, Chongqing Production Plants have updated different equipment in the plants, which specifically includes:

- The residual heat from the air compressor and boiler is recovered, which is used to heat the tap water in the domestic area and for constant temperature and humidity in the painting and spraying workshop, respectively. It is estimated to save approximately 1,100 MWh of electricity and around 5,200 m³ of natural gas each year;
- The heat exchange efficiency of the cooling water is improved after a descaling instrument is provided in the cooling circulating water of the air-conditioner unit; it is estimated that approximately 3,000 MWh of electricity are saved each year;
- 10kV centrifugal air compressor is installed, which can save 20% of electricity compared with the old air compressor, and it is estimated that 3,940 MWh of electricity are saved each year;
- Temperature for the chilled water of the air conditioner is adjusted upward according to the actual usage; it is estimated that around 1,800 MWh of electricity are saved each year.

Air compressor residual heat – reduction of energy consumption of purchased electricity

During the Reporting Period, Neijiang Production Plant has taken equipment improvement and energy recovery measures for air compressors to reduce energy consumption. 12 old 75kW air compressors were replaced with 710kW centrifugal air compressors to save electricity. It is estimated that 1.31 million kWh of electricity are saved during the year. In addition, Neijiang Production Plant uses the heat emitted by the air compressor to heat the hot water required in the domestic area; it is estimated that 475,200 cubic meters of natural gas are saved for the whole year.



Air compressor residual heat recovery unit

Clean energy utilisation – photovoltaic power generation

Ju Teng International always encourages each Production Plant to fully utilise its own advantages and resources to develop and build new energy projects such as photovoltaic power generation. During the Reporting Period, Wujiang Production Plant completed the construction of photovoltaic power generation on the roof of workshops in the factory, and provided a total of 44.60 million kWh of electricity from January to December. At the same time, Chongqing Production Plants have installed 9 MW of photovoltaic power generation on the roof of the factory, which can provide approximately 12.38 million kWh of electricity each year; it is estimated that around 4.06 million tons of standard coal are saved each year.



Distributed photovoltaic power plant

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Material management

The main packaging materials used by Ju Teng International in its production and operation are cartons and plastics. Most of our customers sort and recycle their packaging materials through third parties. In addition, all departments of Ju Teng International are required to reuse paper printed on single side to reduce the cost while increasing the paper recycling rate.

The Group's use of resources and energy is as follows:

Category	Unit	2021	2022	2023	YoY Change ¹
Water					
Water consumption	m ³	7,524,755	6,270,225	4,103,811	-34.55% ²
Water intensity	m ³ /HK\$ million income	666.9	759.5	591.7	-22.10%
Energy					
Diesel consumption	L	171,475	107,310 ³	90,492	-15.67%
Purchased electricity consumption ⁴	MWh	758,557 ³	549,258 ³	401,753	-26.86%
Natural gas consumption	m ³	20,298,888	16,920,935	14,892,110	-11.99%
Purchased green electricity	MWh	5,088	15,370	55,093	+258.45%
Internally generated renewable energy	MWh	11,332	14,506	14,090	-2.87%
Total energy consumption	MWh	977,713	743,689 ³	646,776	-13.03%
Energy intensity	MWh/HK\$ million income	86.7	90.1 ³	93.3	+3.52%
Recycling of scrap materials					
Paper	Tons	1,936	1,412	1,509	+6.84%
Plastic	Tons	7,255	4,600	4,102	-10.82%
Metal	Tons	16,480	9,481	4,679	-50.65% ⁵
Total use of packaging materials					
Cardboard	Tons	7,723	4,309 ³	4,215	-2.18%
Plastic	Tons	3,337	2,667 ³	2,654	-0.49%

¹ Due to rounding of the data presented, there will be slight differences in year-to-year changes in actual data.

² During the Reporting Period, due to the decrease in the number of orders and repairment completed for the underground pipe network at Lian-Yi Production Plant, water consumption decreased accordingly.

³ The data has been restated mainly due to the reclassification of purchased electricity data and the restatement of diesel and packaging materials data.

⁴ Purchased electricity consumption does not include electricity generated from renewable source.

⁵ During the Reporting Period, due to the decrease in orders for magnesium and aluminium parts, the total amount of metal recycling was reduced.

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Emission reduction

Ju Teng International attaches importance to the treatment and discharge of the three wastes, and strictly complies with the “Laws and Regulations of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, the “Law of the People’s Republic of China on Water Pollution Control”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Noise Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” and other applicable laws, regulations and local policies relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Management measures of various types of pollutant emission

Sewage management

- Install sewage treatment facilities on the basis of the actual needs of different Production Plants to collect and treat sewage in a centralised manner
- It is strictly forbidden to directly discharge two kinds of effluent which can produce chemical reaction and contain flammable or explosive chemicals into the sewage pipelines
- Regularly monitor sewage discharge and keep complete sewage disposal records for regular tracking and inspection
- Enhance the reuse of reclaimed water

Waste gas management

- Reduce the harm of dust to human beings and emissions to the atmosphere by installing dust removal facilities
- Process industrial waste gas treatment to ensure compliance with emission standards
- Install desulfurisation and denitrification devices to reduce emissions of sulphur oxides and nitrogen oxides

Waste management

- Classify and store general solid wastes and hazardous wastes with appropriate labels, keep complete records and hand the wastes over to qualified third parties for centralised treatment
- Carry out recycling activities to improve the resources utilisation

Noise management

- Require all operating equipment to meet the standard outlined in the “Hygiene Standard of Noise for Industrial Enterprises”. Equipment exceeding the standard will be fixed as planned
- Designate operating zone and duration for noisy machines
- Conduct regular testing for monitoring noise pollution by third parties with appropriate professional qualifications

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

During the Reporting Period, according to the operation conditions and emissions of key pollutants in various regions, all Production Plants have optimised their own pollutant emission management with details as follows:

Waste gas management

The Group has reduced the harm of dust to human beings and emissions to the atmosphere by installing dust removal facilities. The Group has also processed industrial waste gas collected to ensure compliance with emission standards. During the Reporting Period, the Group has carried out the following improvement activities in each Production Plant to reduce the emission of waste gas during the Group's production and operation:

- The injection moulding waste gas treatment system of the plastic department in Chongqing Production Plants was upgraded from "unorganised emission" to "primary filtering and two-stage activated carbon box adsorption treatment process", which effectively reduced the concentration content of pollutants in the discharged injected moulding exhaust;
- During the Reporting Period, Wujiang Production Plant completed the RTO construction, which can more effectively handle "volatile organic compounds" (VOCs) and reduce the discharge of spray paint exhaust gas. At the same time, Wujiang Production Plant has also added water curtain cabinets, and with enhanced ventilation, to reduce the concentration of exhaust gas from grinding dust and improve the impact on the surrounding environment.



Injection moulding exhaust treatment system



RTO construction

To further reduce exhaust emissions, Neijiang Production Plant has also updated its internal equipment:

- Six gas boiler ordinary burners were upgraded to low-nitrogen burners to reduce the nitrogen oxide emission concentration from 80mg/m³ to 50mg/m³, thus alleviating environmental hazards caused by air pollutants;
- Seven sets of "ultraviolet" (UV) photo-oxidation VOCs treatment equipment were upgraded to two-stage activated carbon adsorption treatment equipment to reduce energy consumption and secondary pollution caused by UV photo-oxidation.



Low-nitrogen burners



Two-stage activated carbon adsorption treatment equipment

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Sewage management

Ju Teng International regularly monitors sewage discharge and keeps complete sewage disposal records for regular tracking and inspection. According to the actual situation of each Production Plant, the Group installed sewage treatment facilities to collect and treat sewage in a centralised manner. During the Reporting Period, the Group has carried out the following improvement activities to optimise the Group's sewage discharge management:

- Taizhou Production Plants adopted the water reuse system, where surface treatment plant cleaning water is treated by the water reuse system within the plant, which reduces the discharge of sewage while reducing the generation of phosphorescent sludge;
- The sewage produced in Wujiang Production Plant is treated by sewage treatment facilities and reused for production, and will not be discharged to outside of the plant. At the same time, domestic sewage will be recycled to the Yundong Sewage Treatment Plant of Wujiang Economic and Technological Development Zone for treatment to reduce sewage discharge.

Waste management

Ju Teng International has classified and stored general solid waste and hazardous waste, kept complete records and handed the wastes over to qualified third parties for treatment. During the Reporting Period, the Group has carried out the following improvement activities to optimise the Group's waste discharge management:

- Taizhou Production Plants have added a set of clean treatment equipment to treat recycled water containing paint mist. The practice of manually refloating paint slag was upgraded to equipment's pressing and filtering of paint slag automatically. The equipment as upgraded can be recycled for a long time to reduce the moisture content of paint slag and reduce the generation of harmful odours.
- Paint residues generated at Neijiang Product Plant are squeezed by a filter and then disposed by a qualified third party.



Paint slag treatment system

- New sludge drying devices were installed in Chongqing Production Plants for the treatment of sludge from paint spraying waste water treatment and chemo-plastic waste water treatment. The amount of hazardous waste generated from paint sludge has been significantly reduced after treatment by the sludge drying devices.



Sludge drying device

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

- To meet customers' requirements for product quality, the cutting fluid generated from the computer numerical control machine needs to be replaced every month. To reduce the waste discharged, a new oil-water separation facility has been added to Compal Production Plant. The separated water will be used to prepare new cutting fluid, and the residual fluid will be disposed of as hazardous waste.



Oil-water separation facility

The Group's GHG, sewage and waste emissions are as follows:

Category	Unit	2021	2022	2023	YoY Change ¹
Effluent discharged	m ³	2,107,135	1,492,149	1,723,945	+15.53%
Effluent discharged intensity	m ³ /HK\$ million income	186.8	180.7	248.6	+37.52% ⁶
Hazardous waste					
Total hazardous waste disposed	Tons	3,339	2,167 ³	1,514	-30.13% ⁷
Intensity of total hazardous waste	Tons/HK\$ million income	0.40	0.43	0.40	-6.93%
Non-hazardous waste					
Total non-hazardous waste disposed	Tons	1,133	1,049	900	-14.20%
Intensity of total non-hazardous waste	Tons/HK\$ million income	0.10	0.13	0.11	-14.20%
GHG emission⁸					
Scope 1 GHG emissions	tCO ₂ equivalent	44,291	36,835 ³	32,406	-12.02%
Scope 2 GHG emissions	tCO ₂ equivalent	517,249 ³	338,379 ³	226,253	-29.98%
GHG emissions intensity	tCO ₂ equivalent/HK\$ million income	49.77 ³	45.45 ³	37.29	-17.95%

Climate change

We have engaged third-party consultants to assess the impact of climate change and identify significant climate issues influencing the Group's operations. Climate risks are typically classified into two categories: physical risks and transition risks. Physical risk refers to events such as extreme weather, water stress, floods, etc. Transition risks include strict government policies, market demands and supply chain impacts. Potential climate risks and opportunities related to our operations include:

⁶ During the Reporting Period, the amount of effluent increased because the effluent discharged from Lian-Yi Production Plant could not be reused.

⁷ During the Reporting Period, the total hazardous waste disposed decreased due to a corresponding increase in recycling.

⁸ GHGs include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Scope 1 covers direct GHG emissions from the businesses owned or controlled by the Company. Scope 2 covers indirect GHG emissions resulting from purchased or acquired electricity, heating, cooling and steam consumed within the Company.

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Potential climate risks and opportunities	Impact on the Group's operations
Water shortage	Water shortage may cause rise in water charges by the government, or in more extreme cases, limit water consumption, thus affecting our overall capacity.
Flooding	The high rainfall and rise in sea level caused by climate change will lead to flooding, which would result in the disruption of operation and damage to facilities located along the coast and rivers at high risk of flooding, thereby increasing the operating expenses for maintenance and the capital expenditure for strengthening the flood resistance of facilities.
Government policies and market demands	<p>Preparations should be made to address the increasingly stringent government policies and regulations, as well as evolving consumer preferences for low-carbon products.</p> <p>As sustainability issues are becoming increasingly important, many mechanical parts manufacturers have announced their sustainable development goals and commit to using more recyclable materials in their new products. To meet the needs of customers and the market demands, the Group will increase the use of recyclable materials in the process of production. Wujiang Production Plant also purchases green electricity and increases photovoltaic power generation to reduce carbon emissions.</p> <p>In addition, the Group will strictly abide by the relevant regulations on the disposal of electrical and electronic products across the production process to ensure full utilisation of resources and protection of environment and public health.</p>
Impact on supply chain	The procurement of raw materials may be affected by climate-related risks, thus affecting the supply and cost of raw materials. Therefore, Taizhou Production Plants have developed business continuity plan management procedures for issues such as interruption of raw and auxiliary materials supply and terminals for outsourced parts.
Technology innovation	New technologies are introduced in the process of transformation toward low-carbon economy to improve the resource efficiency of our operating facilities.

To mitigate and adapt to climate risks more effectively, the Group also plans to develop climate change policies in the future. According to past records, climate-related risks have not had a serious negative impact on the Group's business. To address climate risks in the future, Ju Teng International has implemented a series of operational measures to mitigate and respond to the climate risks to prevent identified climate-related risks, which include:

- Taking measures to improve water efficiency to strengthen the recycling of water resources in the production process;
- Compiling a GHG report every year;
- Formulating emergency response plans for natural disasters, including flood prevention plans, to provide guidelines for actions before, during and after the occurrence of a disaster;
- Certain Production Plants have entrusted a third-party safety evaluation agency to revise the comprehensive emergency plan, specific plan and on-site plan for production safety.

RESPONSIBILITIES OF THE EMPLOYER

- ✓ Respecting basic labour rights of employees;
- ✓ Creating a fair working environment, and eradicating any forms of discrimination in the workplace;
- ✓ Providing safe and hygienic condition for working and living to ensure the safety and health of employees;
- ✓ Arranging appropriate working hours and leave;
- ✓ Providing reasonable compensation and benefits;
- ✓ Forbidding employment of child labour and any forms of forced labour.

Employment management

Adhering to its mission of “being people-oriented”, Ju Teng International respects and cares for all employees, provides reasonable compensation and benefits, and a fair and healthy working environment for employees. As the Group regards its employees as key assets, Ju Teng International strives to promote the mutual development of employees and the Group, which is the value that the Group has always maintained. The Group has strictly complied with the applicable laws and regulations in relation to the employment of staff and labour conditions, such as the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China”, the “Employment Promotion Law of the People’s Republic of China”, the “Social Insurance Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases” and other relevant laws and regulations.

Ju Teng International has formulated human resources policies such as “Personnel Recruitment Management Procedures”, “Employee Communication Management Procedures”, “Working Time and Remuneration Management Procedures” and “Employee Shared Benefits Management Procedures”, to protect the legitimate rights and interests of employees in relation to recruitment, resignation, promotion, compensation and benefits; in order to provide equal opportunities for employees and prevent employment discrimination, the Group has established the “Procedures for the Administration of Prohibited Discriminatory and Disciplinary Measures” and ensures that its employees are not discriminated in the workplace due to race, skin colour, gender, age, sexual orientation, religion, and other factors.

For child labour and forced labour, Ju Teng International strictly implements the “Management Procedures for the Prohibition of Using Child Labour”, “Procedures for the Protection of Underage and Female Workers”, “Law of the People’s Republic of China on the Protection of Minors” and “Special Protection of Minors Regulations” issued by the State Council and formulated the “Management Procedures of Prohibited Use of Child Labour and Minors” at the Group level. Employees will not be accepted until we confirm their identity by conducting identity check, observing the candidates’ characteristics in appearance, and conducting interviews. If instances of child or forced labour are discovered, management will make necessary reports to the relevant enforcement agencies and investigate internally the possible faults in the recruitment process which led to such incidents.

RESPONSIBILITIES OF THE EMPLOYER

Employee profile

Total number and percentage of Ju Teng International's employees by gender, age, employment category and region

	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023
Breakdown by gender			
Male	57.03%	56.02%	55.71%
Female	42.97%	43.98%	44.29%
Breakdown by age			
16-17	7.29%	0.59%	2.04%
18-25	22.19%	20.01%	17.71%
26-35	30.80%	37.35%	34.14%
36-50	37.06%	39.75%	43.55%
51 or above	2.66%	2.30%	2.56%
Breakdown by employee category			
Salaried employees (non-production workers)	14.23%	35.04%	21.31%
Hourly employees (general production workers)	85.77%	64.96%	78.69%

The number of employees

	As of 31 December 2023
Breakdown by gender	
Male	9,112
Female	7,245
Breakdown by age	
16-17	333
18-25	2,897
26-35	5,585
36-50	7,123
51 or above	419
Breakdown by employee category	
Salaried employees (non-production workers)	3,485
Hourly employees (general production workers)	12,872
Breakdown by region⁹	
China mainland	16,357

⁹ The scope covers all employees mentioned in "Reporting scope and boundary", together with employees of Gi-Li Co., Ltd., Lian-Yi (Far East) Ltd. and Hong Ya Technology Corp. within "Reporting scope and boundary".

RESPONSIBILITIES OF THE EMPLOYER

Employee turnover rate

Employee turnover rate of Ju Teng International's employees by gender and employment category

Employee turnover rate %	As of 31 December 2023
Breakdown by gender	
Male	209%
Female	164%
Breakdown by age group	
16-17	226%
18-25	427%
26-35	162%
36-50	115%
51 or above	130%
Breakdown by employee category	
Salaried employees (non-production workers)	36%
Hourly employees (general production workers)	231%
Breakdown by region	
China mainland	189%

Compensation and benefits

Ju Teng International strictly follows the "Labour Law of the People's Republic of China" and established internal policies and systems such as "Working Time and Remuneration Management Procedures" and "Personnel Administrative Systems and Related Norms", where employees are provided with reasonable and appropriate rest time during normal working hours. The Group persists in not forcing any employees to work overtime and adopts an appropriate rest system. According to the internal "Management Procedure for Employees' Shared Benefits", the Group provides annual leave, paid sick leave and other legal holidays for employees; female employees are entitled to paid maternity leave, male employees are entitled to paid paternity leave; employees in special jobs, such as smashers and grain pumpers, are entitled to special subsidies.

Ju Teng International established a legal and incentive-based salary and welfare system in accordance with laws and regulations to make distribution based on performance, provide equal pay for equal work, and ensure employees receive reasonable and legitimate remuneration. In addition, Ju Teng International has developed an employee share award plan. This is to reward eligible participants who have made outstanding contributions to the construction and development of the Group and to attract suitable talents to join the Group and promote its further development.

RESPONSIBILITIES OF THE EMPLOYER

Communication and care

Employee communication mechanisms create a harmonious work environment and serve as a bridge for internal collaboration. Ju Teng International established the “Employee Communication Management Procedures”, and employees can make requests to department heads or the Human Resources Department through SMS, phone, interview, company WeChat platform, company suggestion box and other channels. To protect whistleblowers, employees may voluntarily decide whether to disclose personal information during the complaint process, and the Group will protect the personal information of employees who file complaints to ensure their anonymity and promote the effective operation of the employee communication mechanisms.



Through diversified staff activities, Ju Teng International promotes communication among employees and builds harmonious and cooperative working relationship while conveying Ju Teng International's corporate culture. At the same time, Ju Teng International also organises a variety of recreational activities for employees to achieve work-life balance. This also reflects Ju Teng International's efforts to strengthen its corporate culture. During the Reporting Period, various employee activities were held in each Production Plant:

Neijiang Production Plant Delivery of Blessings on Women's Day

To celebrate Women's Day, Neijiang Production Plant held a “Women's Day Blessing” event, sending flowers to each female employee to recognize their hard work and contribution.



Wujiang Production Plant Strength Tug-of-war Competition

Wujiang Production Plant held a strength tug-of-war competition, in which a total of 12 departments participated. Through this team activity, team morale can be gathered, common achievements can be achieved, and tacit understanding of cooperation can be cultivated.



RESPONSIBILITIES OF THE EMPLOYER

Neijiang Production Plant Propaganda on Heatstroke Prevention Knowledge

Neijiang Production Plant is committed to creating a cool and pleasant working environment for employees and enhance employee health. A heatstroke prevention knowledge campaign with the theme of “Coolness in Summer” was held to increase employees’ knowledge of heatstroke prevention. 1,100 employees were provided with refreshing drinks, heatstroke prevention medicine “Essential Balm” and water cups.



Chongqing Production Plants Mid-Autumn Festival Party

Chongqing Production Plants held an annual Mid-Autumn Festival party for employees. It not only allows employees to share the festivities, but also strengthens the connection and cohesion among employees, and takes this opportunity to express gratitude and care for employees.



Development and training

Ju Teng International understands that its development depends on the cultivation of talent, and improvement in the management level of our talents and teams is a top priority for the corporate development. The Group attaches great importance to staff development, establishes an effective training system, and formulates annual training plans based on the “Education and Training Management Procedures”. The Group promotes staff development and implements training systems by conducting skills training, product quality training, system implementation and management training.

In 2023, to provide excellent frontline workers with training courses, improve quality management and control and enhance management level, the Group has regularly provided “Training Camp for Excellent Production Workers at Frontline”, Advanced Qualification Program (AQP) for suppliers and cadre training for different trainee groups.

During the Reporting Period, all Production Plants of Ju Teng International have completed trainings in accordance with the annual training plan:

The percentage of employees trained by gender and employee category of Ju Teng International

	As of 31 December 2023
Breakdown by gender	
Male	57%
Female	43%
Breakdown by employee category	
Salaried employees (non-production workers)	23%
Hourly employees (general production workers)	77%

RESPONSIBILITIES OF THE EMPLOYER

Average training hours per employee of Ju Teng International by gender and employee category (Hour)

	As of 31 December 2023
Breakdown by gender	
Male	13.85
Female	11.97
Breakdown by employee category	
Salaried employees (non-production workers)	18.91
Hourly employees (general production workers)	11.42

Evaluation and Quality Assurance Platform Training

Neijiang Production Plant provided training on the evaluation and quality assurance platform for employees, aiming to familiarise and master the tools and processes of the evaluation and quality assurance platform, to ensure that products meet quality standards.



Automotive Quality Related Course Training

Neijiang Production Plant conducted IATF16949 training for internal auditors of the automotive industry quality management system to enhance employees' professional knowledge and skills in automotive quality management.



Production process training

Taizhou Production Plants held a series of production process trainings, including teaching process knowledge to staffs, explaining the steps, relevant requirements and standards of the work process. Through these trainings, employees can effectively understand the work process and improve efficiency. In addition, Taizhou Production Plants also provided product knowledge training for employees, to ensure that operators understand product requirements, improve operational skills, and ensure that products meet quality standards.



RESPONSIBILITIES OF THE EMPLOYER

Promotion training of the Group's cadres

Chongqing Production Plants and Wujiang Production Plant carried out cadre training to enhance the management skills and increase understanding among various departments. During the Reporting Period, Chongqing Production Plants carried out 9 cadre trainings, with a total of 152 entry-level cadres and employees participating in, which not only allowed various departments to encourage entry-level cadres, but also provided them with appropriate development platforms. Wujiang Production Plant also held 3 trainings for more than 100 employees, effectively improving the competence of entry-level cadres.



Supervisor training

Chongqing Production Plants provided trainings for 26 supervisors, including enhancing supervisors' awareness of safety production, management experience, skills, and book sharing.



Employee stress relief course

Wujiang Production Plant held psychological mediation and stress relief course for employees, with a total of 42 employees from each department participating in this course. By improving mental health, employees can effectively deal with work pressure and promote overall work performance and employees' sense of well-being.



Employee quality improvement training

Wujiang Production Plant provided employees with quality improvement training, which promoted their personal and professional growth by enhancing employees' professional knowledge, skills and competencies.



RESPONSIBILITIES OF THE EMPLOYER

Health and safety

Ju Teng International adheres to applicable national and local laws and regulations and standards on occupational health and safety such as the “People’s Republic of China’s Work Safety Law” and the “Law of the People’s Republic of China on Occupational Disease Prevention and Control”. On this basis, we formulated safety and occupational health systems such as the “Comprehensive Emergency Response and Rescue Plan for Production Safety Accidents”, the “Fire Safety Management System” and the “Occupational Disease Prevention and Control Plan and Implementation Plan” and required each Production Plant to strictly implement relevant laws and regulations to safeguard the occupational health and safety of employees and provide a sound working environment for employees.

In the daily operation, the Group and each Production Plant utilise and upload identified problems to WeChat in a timely manner and constantly update the treatment progress, where security departments of the Production Plants follow up the information from WeChat, thus ensuring that problems are dealt with in a close end cycle from discovery to resolution. In addition to the basic health and safety regulations and systems, Ju Teng International has also formulated the “Risk Assessment and Control Management Procedures”, “Hazardous Chemicals Safety Management Procedures” and “Production Safety Accident Emergency Management System” according to its own industry characteristics. Regarding the management of hazardous chemicals, we strictly control the whole process (transportation, storage and custody, entry and exit, use and post-processing) of hazardous products in accordance with the “Hazardous Chemicals Safety Management Regulations” and internal management procedures. In addition, the various safety systems enable the Group to identify the risk sources in the process of production, services and activities, control the risks in all links, and take measures to protect against the possible hazards, so that the risks can be controlled effectively to achieve the policy of “Safety First, Prevention First, and Comprehensive Management”.

For emergency management work, to protect the safety of employees and the public, and to reduce environmental damage and social impact, Ju Teng International and its Production Plants have formulated the “Comprehensive Emergency Response and Rescue Plan for Production Safety Accidents”. Chongqing Production Plants also compiled the “Comprehensive Emergency Response Plan for Production Safety Accidents” in 2023, requiring employees to strictly manage daily work in accordance with the requirements of the plan and conducted regular emergency drills to improve safety accident prevention and emergency response capabilities. In 2023, each Production Plant carried out fire drills and education training, first-aid knowledge training and relevant activities to increase employees’ fire-fighting awareness and enhance their knowledge of first aid as a precautionary measure.

	Unit	2023
Number of work-related incidents	Case	121
Lost days due to work-related accidents	Day	2,059
Incident rate per one million work hours ¹⁰	/	3.29
Lost day rate per one million work hours ¹¹	/	56

	Unit	2021	2022	2023
Number of work-related fatalities (Percentage)	Person	1 (0.000039%)	0 (0%)	0 (0%)

¹⁰ The formula of incident rate per one million work hours is: number of injuries ÷ total working hours x 1,000,000.

¹¹ The formula of lost day rate per one million work hours is: number of lost days ÷ total working hours x 1,000,000.

RESPONSIBILITIES OF THE EMPLOYER

During the Reporting Period, our Production Plants adopted the following four initiatives to further enhance employee safety:

We set up a special environmental safety and health audit team to audit and evaluate the entire plant on safety, occupational health, environmental protection and other aspects every week

We carried out various forms of safety knowledge promotion activities and used the Company's WeChat public account to host online safety prize-winning quizzes

We carried out testing and evaluation work of occupational disease hazards in workplace at least once a year to identify and evaluate potential risks. We recorded the results in the Company's occupational health file, reported regularly to the local health administrative unit and published to employees

Professional external third-party occupational health medical check-up agents were hired to arrange special medical check-up

Four initiatives to enhance employee safety

Fire drills

Each Production Plant of the Group conducted fire drills and emergency drills successively, and actively engaged employees to participate in. During which, employees were guided to extinguish initial fires through demonstrating and teaching, so as to prevent potential dangers. Neijiang Production Plant conducted quarterly emergency rescue ability training for volunteer firefighters and held semi-annual evacuation, firefighting, and first aid drills. In addition, Neijiang Production Plant also provided training on fire-fighting facilities in November to cultivate employees' emergency response capabilities and improve their safety skills.



Prevention on occupational hazards

Wujiang Production Plant added iron powder dust collectors in grinding machines for grinding iron parts. This can reduce unorganised dust emissions and collect dust in a timely and centralised manner, reducing associated occupational hazards.



RESPONSIBILITIES OF THE EMPLOYER

Training on the use of occupational disease prevention equipment

Each of Production Plants provided training on the application of protective equipment. For example, Taizhou Production Plants provided employees with safe operation explanation of eye washers and strengthened their first aid treatments for eye injuries. At the same time, Neijiang Production Plant provided employees with training on the use of occupational disease protective equipment, which can ensure that employees use protective equipment correctly and avoid occupational disease hazards during production.



Ju Teng International has established the “Contractor Safety Management Measures”, which provides health and safety related management systems for our employees, but also establishes same requirements for contractors to formulate detailed safety management regulations for their employees. We supervise and inspect the contractors’ activities on site to ensure that they are fulfilling their social responsibilities.

RESPONSIBILITIES TO THE COMMUNITY

- ✓ Promoting the well-being of the community;
- ✓ Participating in charity activities and supporting vulnerable groups in the community;
- ✓ Involving in community building and contributing to community development.

Ju Teng International is committed to practice corporate social responsibility and focus on community health and safety. During the Reporting Period, we carried out employee blood donation activities in different Production Plants. Neijiang Production Plant held a blood donation campaign with the theme of “Love Blood Donation, Contributing Strength”, with a total of 88 employees participating in the blood donation activity. Wujiang Production Plant also held a blood donation activity with the theme of “ Voluntary Blood Donation, Starting from Me”, with a total of 123 employees joining the blood donation team, encouraging them to help the community with their practical actions.



Wujiang Production Plant held an welfare home visitation activity with the theme of “Sending Warmth, Offering Love, Entering the Welfare Home”, which was attended by representatives from the Labour Union, Party Branch, and senior executives of Ju Teng International. During the activity, the total amount of donated materials from Wujiang Production Plant reached RMB20,000, providing assistance and support for the residents in the welfare home.



RESPONSIBILITIES TO THE COMMUNITY

Neijiang Production Plant held a “Comfort and Warmth Activity for the Elderly” and provided daily necessities and supplies for the elderly, and provided warmth to the elderly by taking care of their physical and mental needs.



To strengthen the security awareness of preventing fraud and countering fraud among all employees, Chongqing Production Plants launched online and offline promotional activities on anti-fraud knowledge to improve employees' awareness and vigilance against telecommunication fraud.



During the Reporting Period, Ju Teng International donated approximately RMB130,000 for community investment. In the future, Ju Teng International will continue to focus on community development and expand its community investment, emphasizing the mutual development between the Company and its local community.

APPENDIX: HKEX ESG REPORTING GUIDE INDEX

Key Performance Indicators		Report Content Index
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Responsibilities for environmental protection
A1.1	The types of emissions and respective emissions data.	Emission reduction
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission reduction
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission reduction
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission reduction
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emission reduction
A1.6	Description of how hazardous and non-hazardous wastes are handled, a description of reduction targets and steps taken to achieve them.	Emission reduction
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	Resource conservation
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).	Resource conservation
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource conservation
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource conservation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource conservation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resource conservation

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Key Performance Indicators		Report Content Index
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Responsibilities for environmental protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Responsibilities for environmental protection
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responsibilities for environmental protection
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Responsibilities for environmental protection
B. Social		
Employment and Labour Practices		
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment management
B1.1	Total workforce by gender, employment type (for example, full-or part- time), age group and geographical region.	Employment management
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment management
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and safety
B2.2	Lost days due to work injury.	Health and safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and safety

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Key Performance Indicators		Report Content Index
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and training
B3.2	The average training hours completed per employee by gender and employee category.	Development and training
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment management
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment management
B4.2	Description of steps taken to eliminate such practices when discovered.	Employment management
Operating Practices		
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Mutual success with suppliers
B5.1	Number of suppliers by geographical region.	Mutual success with suppliers
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Mutual success with suppliers
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Mutual success with suppliers
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Mutual success with suppliers

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Key Performance Indicators		Report Content Index
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality control
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality control
B6.2	Number of products and service related complaints received and how they are dealt with.	Quality control
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality control
B6.4	Description of quality assurance process and recall procedures.	Quality control Mutual success with customers
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Mutual success with customers
Aspect B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption management
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.	Anti-corruption management
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption management
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption management
Community		
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Responsibilities to the community
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Responsibilities to the community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Responsibilities to the community