



Tech Pro Technology Development Limited  
德普科技發展有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 03823



# 2016

## Environmental, Social and Governance Report

商界展關懷

caringcompany<sup>2014-17</sup>®

Awarded by The Hong Kong Council of Social Service  
香港社會服務聯會頒發

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# Environmental, Social and Governance Report

This is the first environmental, social and governance (“ESG”) Report prepared by Tech Pro Technology Development Limited (hereinafter referred as “We”, “Tech Pro”, the “Company”), with reference to the ESG Guide in Appendix 27 published by Hong Kong Exchanges and Clearing Limited (“HKEx”) and solely refers to the general disclosures. The ESG report covers the financial year from 1 January 2016 to 31 December 2016 with the scope confined to its major business segment – manufacturing and sales of Light-emitting diode (“LED”) lighting products and accessories, for the office in Hong Kong and five production facilities in Shenzhen, Xiamen and Jiangxi of the People’s Republic of China (collectively the “Group”).

In the past few years, Tech Pro has successfully transformed from a declining electrolytic capacitor business to a potential LED lighting business. Recognising the importance of maintaining a sustainable development of the Company, we strive to deliver outstanding products that meet the needs of our customers and create long-term relationships with our employees, suppliers and communities. We were awarded as a Caring Company for 3 consecutive years by The Hong Kong Council of Social Service in recognition of our outstanding performance in corporate social responsibility.



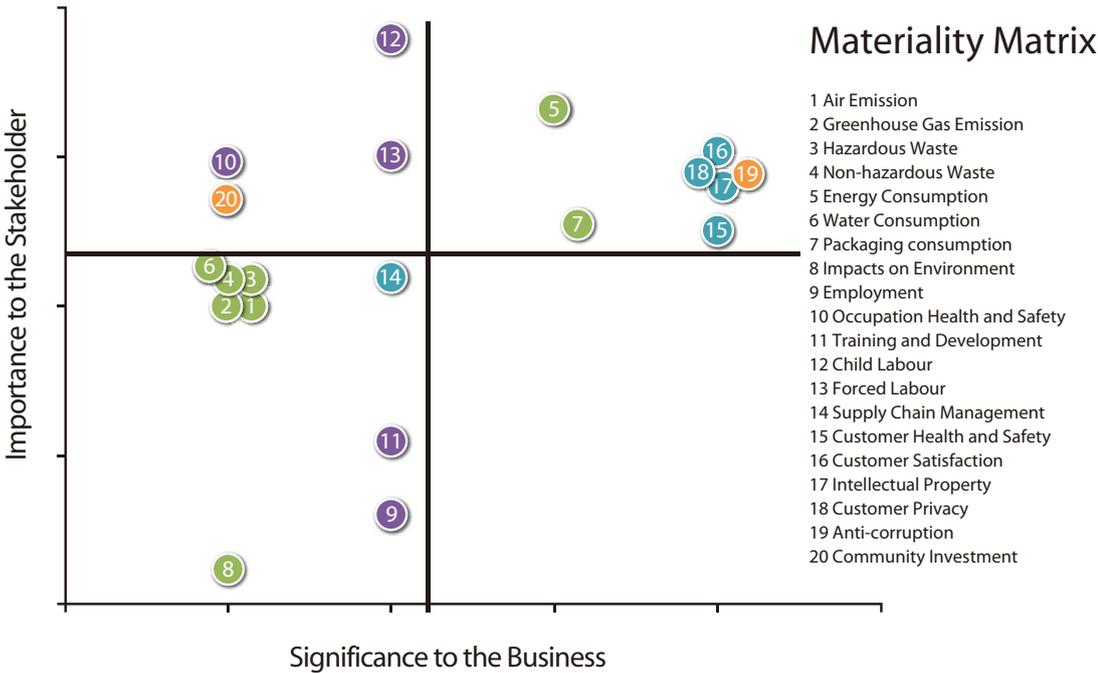
We would like to hear your feedback on our first report and help us continuously improve our performance on sustainability. Please feel free to contact us via:

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# Stakeholder Engagement and Materiality Assessment

To understand the views, interests and concerns of our key stakeholders, we engaged both internal and external stakeholders including board of director of the Company, employees, shareholders and suppliers through an online questionnaire. Thanks to their opinions, we performed a materiality assessment, as shown below, which enables us to determine the material ESG issues to the Company and supports the delivery of the upcoming sustainability initiatives.



The ESG issues at the top right corner represent the issues of high importance to the stakeholders and of high significance to our business operations. Details of our performance are presented in the later sections. This result will serve as a guidance for us to work towards sustainability and continuously enhance our sustainability efforts.

**Key Topics**

- 5 Energy Consumption
- 7 Packaging consumption
- 15 Customer Health and Safety
- 16 Customer Satisfaction
- 17 Intellectual Property
- 18 Customer Privacy
- 19 Anti-corruption

# Sustainable Products

As a product manufacturer with our brand “LEDUS”, apart from providing high quality and innovative technology in LED lighting products to our customers, we have a mission to “**Light up the world and make a better green life together**”. To do so, we strive to provide green lighting solutions to customers and reduce adverse environmental impacts within our operations. In 2016, we received the Bank of China (Hong Kong) Corporate Environmental Leadership Awards to recognise our achievement in protecting the environment.

## Creating Green Products

To create low-carbon societies, our LED lighting products come in a wide variety of designs ranging from residential LED bulbs, commercial down lights to street and tunnel lights. Compared with the traditional incandescent or fluorescent lighting, the LED lighting products can achieve higher energy efficiency by converting the electricity to light and can in turn cut down the unnecessary use of energy for heating up the light bulb filament. Apart from saving energy and reducing carbon emissions, the lifetime of LEDs is longer which can help conserve a great deal of resources such as raw materials used. Moreover, the use of toxic mercury chemical is eliminated in our LED design.

Although the manufacturing of LED lighting products does not bring significant adverse impacts to the environment, we understand that everyone has the responsibility to help create a better future. Guidelines are developed for effectively managing environmental issues such as air emissions, wastewater, solid waste, use of resources including energy and water, in addition to complying with all relevant environmental laws and regulations. For instance, for the treatment of both hazardous and non-hazardous waste, our people are guided by clear procedures on how to categorise, store and handle the waste in a proper way to minimise our environmental footprints. Employees are also encouraged to conserve the use of electricity and water in the workplace.

## Meeting Customers’ Expectations

Apart from creating sustainable products, we are dedicated to providing the best products that satisfy customer’s diversified needs and enhance their brand experience with us.

Driven by the commitment of providing superior green lighting solution around the world, we continue to develop innovative technologies and products that meet the high demands of our customers and drive new changes to create a better world. We have established our research and development (“R&D”) centres and LED-specialised manufacturing bases to lead our expertise for innovative technologies and products, which have earned us several nationally-recognised inventions and patents and successful projects worldwide. Fully aware of the notable achievement made by our R&D team, we respect and protect the intellectual property through patent registration to encourage creative ideas and make better products for our customers.



Product quality is always of utmost concern in our operation. Our factories have established the quality management system certified to international standards such as ISO 9001 and ISO/TS 16949. Under the system, we have set out strict inspection procedures, ensuring the products are of the highest standards to customer's hand. We also identify the opportunities for continuous improvement by analysing the root causes of product defects or customer complaints where possible, and implementing corrective action plans to mitigate and ultimately prevent the mistakes from happening again in the future. Customer satisfaction questionnaires are distributed to track our performance; consequently, help us identify how we can do better and continuously improve the way we work so that we can deliver products that best suits our customers. In addition, it is essential that our products are safe to create positive customer experience. We have our products gone through rigorous testing and obtain certifications to international safety standards such as CE marking and Restriction of Hazardous Substances (RoHS).

During the engagement with customers, we are exposed to sensitive information that is related to their privacy and personal data. We place extra efforts on safeguarding customers' information and other trade secrets from any unauthorised access, including data loss and leakage, in order to create and maintain relationships of mutual trust with our customers.



We provided support to the "Free Ride Day" organised by the Hong Kong General Chamber of Commerce to spread the positive message of building a better Hong Kong.

# Sustainable Relationships

Sustainability is not just about making green products at Tech Pro. Going beyond it, we collaborate with others to embed sustainability into our daily operations for more long-lasting impacts – through supporting our employees, building stronger relationship across the supply chain, and serving the communities.

## Our Employees

Employees are the key to our business success and we strive to establish a good working relationship with them.

**Building trust through transparency and fair practices:** We have set up clear standards including dismissal, working hours, benefits and welfare that are in strict compliance with relevant laws and regulations. During the recruitment or appraisal of employees, we place great consideration in providing equal opportunities at workplace where only the working performance and ability are considered under the assessment.

**Cultivating talents to reach their full potentials:** The training and development programmes are designed based on different needs of each employee and their job position. A wide range of modules, such as ISO, QC080000, codes of practices, safety and other industry-specific training, are provided to better equip employees with professional competencies and technical skills. To promote the self-learning culture, employees are encouraged to pursue new skills and knowledge in their spare time with our support of flexible working arrangement and financial subsidies.

**Creating a safe workplace to protect employees:** We encourage our employees to take up the safety-first attitude across the operations in order to safeguard the property and, most importantly, their wellbeing. Among all industrial safety risks, we place particular attention on fire safety that is seen as common hazard across our operations. To minimise potential risk and get well prepared, we carry out various awareness initiatives such as safety training, conducting regular monitoring and equipment maintenance, and developing fire emergency plan.

**Taking care of their well-being:** We promote work-life balance to our employees for their healthy lifestyles. In 2016, a number of social activities such as Spring Luncheon and Annual Dinner were organised to get our employees together on a casual basis and appreciate the dedication they have made over the years.



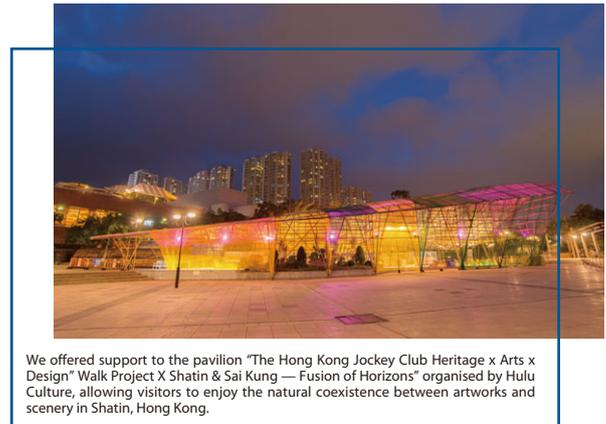
**Maintaining an ethical workplace:** Corruption and bribery are prohibited. We encourage employees to report any unethical behaviour and any confirmed cases will lead to penalties such as dismissal. Our staff in Hong Kong also need to sign the code of conduct to show their commitment on anti-bribery and anti-corruption.

### Our Supply Chain

Suppliers are our long-term business partners whom we have close collaboration with to secure product quality. To effectively manage the supply chain, we have strict assessment procedures in place to score both potential and existing suppliers against a wide range of criteria, such as price, quality, delivery time and service. Suppliers are assessed through various methods including desktop review, onsite visit and samples inspection. Through conducting regular evaluation, we identify poorly performing suppliers who are required to implement corrective action plans for improvement. We will discontinue the business relationship with those suppliers who fail to make progress within certain period of time.

### Our Communities

As a responsible corporation, we are dedicated to contributing to activities which can benefit the community and create positive changes to improve people's lives. In the financial year of 2016, we sponsored to different social and cultural activities through the collaboration with social welfare organisations and non-governmental organisations in Hong Kong. We also encourage our employees to actively participate in community investment activities.



# HKEx ESG Reporting Guide Index

HKEx ESG Reporting Guide General Disclosures	Policy/Procedure	Reference Section
<b>A. Environment</b>		
<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance and material non-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, generation of hazardous and non-hazardous wastes, etc.</p> <p><b>A1 Emission</b></p>	<p>Air Emission Guidelines and Waste Management Guidelines</p>	<p>Sustainable Products – Creating Green Products</p>
<p><b>A2 Use of Resource</b></p>	<p>Use of Energy Guidelines and Use of Water Guidelines</p>	<p>Sustainable Products – Creating Green Products</p>
<p><b>A3 The Environment and Natural Resources</b></p>	<p>Not applicable – the Group’s operations do not have significant impacts on the environment and natural resources.</p>	<p>–</p>
<b>B. Social</b>		
<p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p> <p><b>B1 Employment</b></p>	<p>Staff Handbook</p>	<p>Sustainable Relationships – Our Employees</p>

HKEx ESG Reporting Guide General Disclosures	Policy/Procedure	Reference Section
<b>B2 Health and Safety</b>	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.	Staff Handbook Sustainable Relationships – Our Employees
<b>B3 Development and Training</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Staff Handbook and Training Management Procedures Sustainable Relationships – Our Employees
<b>B4 Labor Standard</b>	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labour.	We strictly comply with all the laws and regulations related to labour standard. –
<b>B5 Supply Chain Management</b>	Policies on managing environmental and social risks of supply chain.	Staff Handbook and Supplier Management Guidelines Sustainable Relationships – Our Supply Chain
<b>B6 Product Responsibility</b>	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Staff Handbook and ISO 9001 Procedures Sustainable Products – Meeting Customers' Expectations
<b>B7 Anti-corruption</b>	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering.	Staff Handbook and Code of Conduct Sustainable Relationships – Our Employees
<b>B8 Community Investment</b>	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests.	We are in the process of considering to set up community investment policy. Sustainable Relationships – Our Communities