

# HI-P INTERNATIONAL LIMITED

SUSTAINABILITY  
REPORT 2017



Hi-P International Limited

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# Introduction



Figure 1: Hi-P International Limited (Singapore) Headquarter

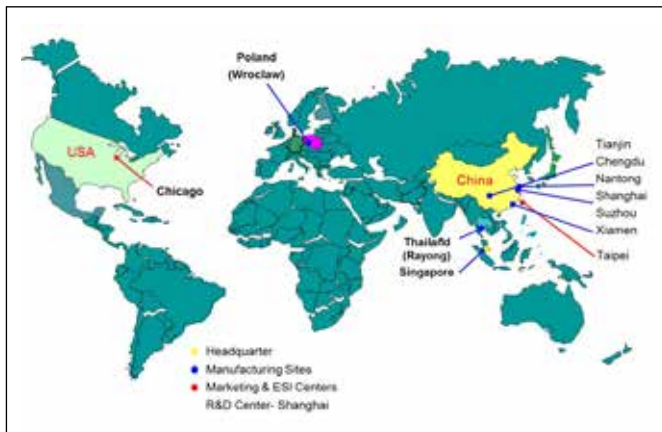


Figure 2: Business Locations













## ABOUT HI-P INTERNATIONAL LIMITED

Hi-P International Limited ("Hi-P") started out in 1980 as a tooling specialist in Singapore. We have since grown to be one of the region's largest and fastest growing integrated contract manufacturers.

We provide one stop solutions to customers in various industries – including consumer electronics, telecommunications, computing and peripherals, lifestyle, medical and industrial devices – ranging from design, electro-mechanical parts, and modules to complete product manufacturing services.

We have 13 manufacturing plants globally located across six locations in the People's Republic of China (Shanghai, Chengdu, Tianjin, Xiamen, Suzhou and Nantong), Poland, Singapore and Thailand. We have marketing and engineering support centres in China, Singapore, Taiwan and the United States of America.

Our customers include many of the world's biggest names in mobile phones, tablets, household and personal care appliances, computing and peripherals, lifestyle, medical devices and industrial devices.

|   |  Singapore   |  China |  Poland |  Thailand | Total        |
|---|---|---|--|--|--------------|
|  Permanent Employment  | 332   | 10,249  | 325  | 119  | 11,025 (86%) |
|  Subcontract Labour  | 20  | 1,760   | 42   | 22   | 1,844 (14%)  |
| Total number of employees by gender  6,582  6,287 | Total Number of Employees     12,869 |   |  |  |              |

## OUR BUSINESS SEGMENTS

Hi-P is constantly striving for future expansion of its business segments which is aligned with its entrepreneur spirit and will be looking towards expanding its business segments into the Internet of Things ("IoT") as well as accessories.





## OUR CORE SERVICES



### Tooling

Hi-P first started out as a tooling specialist and this area of expertise has continued to this day. Tooling is thus one of our core competencies where we take pride in providing services that are reliable and of exceptional quality.



### Moulding

From double & triple shot plastic injection to metal and glass insert moulding, Hi-P has constantly met and exceeded clients' expectations. The unique value proposition Hi-P offers is its exceptionally precise mould designs that are made with best-practice manufacturing techniques.

#### Moulding product scope:

- High Precision and Cavitation Moulding
- Double and Triple Shot Moulding
- Insert Moulding
- Glass Insert Moulding
- Thin Wall High Speed Moulding
- In Mould Decorative Moulding
- In Mould Labelling Moulding



### Stamping

Hi-P is able to deliver customised cosmetic and precision stamping components for a wide variety of products and industries. Combining our in-depth expertise in both areas of metal shaping and plastic moulding, Hi-P's value proposition is amongst the best in the industry.

#### Stamping product scope:

- Progressive Tool Making
- Various Components
- Thin Wall
- Precision Forming
- Deep Draw
- Spot and Laser Welding
- Chemical Etching
- Anodizing



### Metal CNC

Hi-P has been constantly investing in the latest CNC equipment over the years and it will continue its investment so as to increase efficiencies, meet short lead-time and improve our clients' bottom line.

Hi-P's 3-4 axis CNC equipment is also able to provide customised form drills, taps, and reamers to our clients' specifications and deliver service of value.

#### Metal CNC product scope:

- Aluminium
- Stainless Steel
- Copper
- Special Metal



### Surface Decoration

Hi-P is able to separate itself from other contract manufacturers in the industry with its extraordinary pallet of decorating options and leading edge design techniques that clients can incorporate into their final design.

#### Product Scope: Plastic Decoration

- Spray Painting
- Pad Painting
- Heat Transfer
- Laser Etching
- Electro Plating
- In mould Decoration
- In mould Labelling
- NCVM
- CNC

#### Product Scope: Metal Decoration

- Complex 3D Deep Draw Cosmetic Metal Stamping
- Cutting Edge Single and Multi-Colour Anodizing
- State-of-the-Art Surface Finishing with the Latest Materials
- Physical Vapour Deposition (PVD)
- Electrolytic Deposition (ED)
- Chemical Etching
- Digital Printing Over Complex Geometries and Multiple Materials
- NCVM/TNCVM
- Diamond Cutting
- Hairline Finishing
- Anodizing

### Electronic Manufacturing Services (EMS)

Hi-P's EMS site is located in Suzhou and is certified for ISO 9001:2008 and ISO 13485. For EMS solutions, Hi-P offers end-to-end production capabilities which include board level assemblies, modules assemblies and final product assemblies with test capabilities. The quality of final products is assured by a pre-delivery reliability test, customized to simulate actual use by a customers. Monitoring systems are installed on the assembly lines so as to allow for traceability and quality control.

### Product Scope:

- Experienced and strong SCM team to support turnkey solutions for industrial and consumer products
- Capability in Product Validation
- Capability in testing solution development
- Expanding into global direct deliveries and order fulfilment

### Flex

Hi-P's Flex operation offers a wide range of Flexible Printed Circuitry which includes single sided reverse bared, double sided, and impedance controlled, HDI, multi-layer flex and rigid-flex with SMT assembly. With a core group of management and engineering team consisting of individuals with over 15 years of experience in the industry, Hi-P's Flex operation can provide the support customers need from application, design and DFM to delivery of quality product on time, every time.

### Product Scope:

- Application, Design, DFM support
- HDI, Multilayer Flex and Rigid Flex
- Micro Via, Blind and Buried Via
- In-House SMT and BGA assembly
- ICT Testing
- VOC-Free no-clean process
- Lead Free Technology
- EL Dome Module
- Global Sales and Technical Support



## OUR CORE VALUES

The two main pillars of Hi-P culture are PEOPLE oriented and RESULTS oriented. At Hi-P, we believe that everyone plays a role in the success of the company and we seek to maximise each employee's potential and contribution.

Our shared values emphasise mutual respect, team spirit, integrity and discipline. We believe that these shared values not only create and promote a harmonious working environment for all but also create a unique and valuable team of people who will take Hi-P to new and greater heights.

Our employees are rewarded according to their contribution and performance as individuals and teams.

### Our Vision And Strategy

To make Hi-P a resilient, forward looking and fast growing global company through right strategy and supported by our unique culture, management philosophy and tools, for the benefit of individuals, families and society.

## OUR CULTURE AND SPIRIT

All leaders are required to perform exceptionally in their roles to be role models for employees and allow employees to work and comply with company's policies to achieve excellence. This will in turn foster a more focused team to accomplish our corporate goals.

### About this report

This sustainability report ("Report") of Hi-P International Limited ("Hi-P") has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option, the international standard for sustainability reporting unveiled by GRI in 2016. This report is developed with reference to the primary components set in Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Rule 711B on a 'comply or explain' basis. For further information on the relevant references, kindly refer to the GRI Content Index.

This report aims to provide you with a holistic overview of our initiatives and strategies related to sustainability and responsible business development that aims to address the key concerns and issues our stakeholders are facing. We have identified six material Environmental, Social and Governance ("ESG") aspects in regard to our business operations and we are committed to addressing these material aspects so as to achieve long-term value creation for all our stakeholders.

This report covers the sustainability performance of our operations for the financial year 2017. All data and activities reported were from 1 January 2017 to 31 December 2017, unless stated otherwise.

The content of this report was defined by the four reporting principles established by GRI Standards: (1) Stakeholder Inclusiveness; (2) Sustainability Context; (3) Materiality; (4) Completeness.

Stakeholder Inclusiveness principle was implemented in determining the report context through the stakeholder engagement and materiality assessment workshop conducted in October 2017 to understand the reasonable expectations as well as interests of stakeholders.

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### Sustainability at Hi-P

Hi-P manages its sustainability through relevant policies, programmes and standard operating procedures. We have established corporate policies and communicated the same to all employees at Hi-P. This is a risk-based management approach that is integral to our business and culture.

In the environmental aspect, we have adopted environmentally sound systems throughout our company that eliminate waste and emissions while maximise efficiency. Today, more than ever, manufacturers are under intense pressure to reduce their energy consumption. Hi-P embraces this challenge and welcomes its role as a leader in environmental responsibility.

In the social aspect, we value the importance of our employees and emphasis on continual training to drive staff performances and enhance professional skillsets. We conduct in-house training as well as appoint subject matter experts from well-known organisations to conduct training for our employees on some technical aspects. In addition, through the widespread use of our management tools and methods, we ensure that our staff comply with the necessary standards and requirements. By doing so, it enables us to reach Should-Be standard in all respects.

The Chief Executive Officer (“CEO”) and sustainability management committee, under the oversight of the Board, work together to manage sustainability matters within Hi-P.

### Sustainability Management Hierarchy

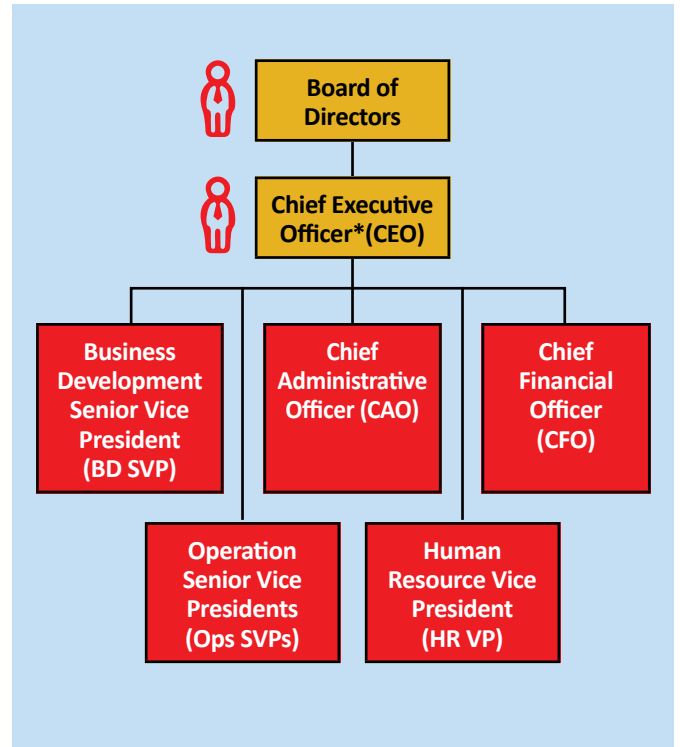


Figure 3: Sustainability Management Team





# Message from the board



**Yao Hsiao Tung**  
Executive Chairman and  
Chief Executive Officer

## BOARD STATEMENT

Hi-P International Limited proudly presents our 2017 Sustainability Report that highlights our sustainability initiatives, best practices and performance. This is aligned with the ever increasing importance and emphasis on sustainability across global financial markets. Hi-P views this increased emphasis on sustainability as an opportunity to further improve on its business operations and address material ESG issues relevant to its stakeholders.

Currently at Hi-P, we are working towards establishing a sustainability management team that will be under direct supervision of the Board to ensure that the integration of sustainable practices into our daily operations can be properly managed and leveraged upon to optimize performance.

Both our Board and Management are committed to ensuring long-term value creation for Hi-P's stakeholders and, over the course of years to come, our goal is to establish its foothold on sustainability that will make an impact across the Group.

All leaders in Hi-P are to embody the philosophies that form the cornerstone of Hi-P's foundation; Hi-P's Culture, Should-be Concept, Execution Foundation, Purpose-Oriented Approach, Matrix Concept, Self-Aspiration etc. In addition, Hi-P's vision and strategies are jointly set by all key management staff so as to align Hi-P as a whole. This will translate into establishing stronger foundations for team spirit amongst employees and allow for better execution of our business operation to better overcome any challenges so as to achieve our goals and maximize our total returns.

As a people-oriented organisation, Hi-P recognises the importance of attracting, retaining and developing individuals committed to take up new challenges and thrive in an entrepreneurial culture thus enabling Hi-P and its employees to prosper together.

Going forward, we will progressively establish more metrics and quantitative targets to measure our sustainability performance – with the ultimate goal to build a sustainable business for the future.

# Awards and recognition



## Certification and recognition

|               |   |
|---------------|---|
| IECQ QC 08000 | 2012 Hazardous Substance Management Requirements                  |
| IATF 16949    | 2009 Quality Management System in Automotive Industry             |
| ISO 9001      | 2008 Quality Management System                                    |
| OHSAS 18001   | 2007 Occupational Health and Safety Management System Requirement |
| ISO 14001     | 2004 Environmental Management System Requirement                  |
| ISO 13485     | 2003 Manufacture in Medical Device Requirement                    |



## Awards

|      |   |
|------|---|
| 2018 | Awarded Sustainability Award from KEURIG<br>Received the highest audit score and met the RBA's "Silver level" criteria of Top 100 Suppliers |
| 2015 | Mr. Yao won the honors "SG50 Outstanding Chinese Business Pioneers" by the Singapore Chinese Chamber of Commerce & Industry                 |
| 2012 | Ranked No. 31 Singapore enterprise in the Forbes Singapore  |
| 2012 | Top 50 Singapore enterprise for consecutive 5 years   |
| 2011 | Recognised as "Excellence in Mechanical Components award" by RIM  |
| 2009 | Mr. Yao won the honors "Entrepreneur of 2009 Asia Pacific Region" by Enterprise Asias   |
| 2007 | Ranked 658 in Global Top 1000 Chinese merchants ranking reveals   |
| 2005 | Outstanding results as the best OEM supplier for Motorola, Braun, Oral-B  |

# Corporate policies

## SUSTAINABILITY PRACTICES

- Hi-P Environmental Health and Safety (“EHS”) Policy
- Hi-P Labour Policy
- Hi-P Personal Data Protection (“PDP”) Policy
- Hi-P Security Policy
- Hi-P Whistle Blowing Policy
- Hi-P Conflict Minerals Policy

*(For further details, please refer to [www.hi-p.com](http://www.hi-p.com))*

# Stakeholder engagement and materiality review

## STAKEHOLDER ENGAGEMENT

We recognise that stakeholders play an important strategic role in maintaining company's long-term growth as well as responsible business development in ESG aspects.

Our business activities involve a diverse range of stakeholders, but we identify stakeholders who are instrumental to the success of our business and who also have their ability to influence our sustainability performance, including shareholders, suppliers, customers, regulators, employees and management.

We communicate regularly with stakeholders by providing an open and transparent channels for their concerns, reviewing and considering those concerns and responding in a timely manner.

| Stakeholders | Mode of engagement  | Top sustainability concerns/issues  |
|--------------|---|---|
| Customers    | <ul style="list-style-type: none"> <li>• Customer Quarterly Review Meetings</li> <li>• Customer feedback surveys</li> </ul> | <ul style="list-style-type: none"> <li>• Non-compliance with environmental laws and regulations</li> </ul>  |
| Employees    | <ul style="list-style-type: none"> <li>• Performance appraisals</li> <li>• Staff meetings</li> </ul>                        | <ul style="list-style-type: none"> <li>• Direct economic value generated and distributed</li> <li>• Energy intensity</li> <li>• Water discharge by quality and destination</li> <li>• Non-compliance with environmental laws and regulations</li> <li>• Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</li> <li>• Average hours of training per year per employee</li> </ul>       |
| Management   | <ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Management meetings</li> </ul>                           | <ul style="list-style-type: none"> <li>• Direct economic value generated and distributed</li> <li>• Direct (Scope 1) GHG emissions</li> <li>• Energy indirect (Scope 2) GHG emissions</li> <li>• Water discharge by quality and destination</li> <li>• Non-compliance with environmental laws and regulations</li> <li>• Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</li> </ul> |
| Regulators   | <ul style="list-style-type: none"> <li>• Electronic communications</li> </ul>   | <ul style="list-style-type: none"> <li>• Non-compliance with environmental laws and regulations</li> <li>• Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</li> </ul>   |
| Shareholders | <ul style="list-style-type: none"> <li>• Annual General Meeting (AGM)</li> <li>• Quarterly Analyst Meetings</li> </ul>      | <ul style="list-style-type: none"> <li>• Direct economic value generated and distributed</li> <li>• Non-compliance with environmental laws and regulations</li> <li>• Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</li> </ul>  |
| Suppliers    | <ul style="list-style-type: none"> <li>• Supplier performance feedbacks</li> </ul>  | <ul style="list-style-type: none"> <li>• Direct economic value generated and distributed</li> <li>• Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</li> <li>• Average hours of training per year per employee</li> </ul>   |



### Results from materiality assessment

The materiality assessment process was conducted based on a three-step approach to identify the material ESG factors:

- (1) Identification of ESG factors;
- (2) Prioritisation of ESG factors;
- (3) Validation of ESG factors:

Step one: Identification of ESG factors was performed by distributing the ESG factors survey forms to the respective stakeholders to gather their concerns and inputs with regards to ESG aspects.

Step two: Prioritisation of ESG factors was performed during the Stakeholder Engagement and Materiality Assessment Workshop ("Workshop") conducted in October 2017. During the workshop, we reviewed the ESG factors raised by respective stakeholders by evaluating the importance of information for reflecting significant economic, environmental, and/or social impacts as well as for stakeholders' decision making.

Step three: Validation of ESG factors was performed by the management of Hi-P to review and endorse the results consolidated from the Workshop.

### Material aspects and indicators identified

| Top priorities      |   |
|---------------------|---|
| GRI 201-1           | Direct economic value generated and distributed   |
| GRI 302-3           | Energy intensity  |
| GRI 305-1           | Energy indirect (Scope 2) GHG emissions   |
| GRI 305-2           | Direct (Scope 1) GHG emissions  |
| GRI 403-2           | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities |
| GRI 404-1           | Average hours of training per year per employee   |
| Emerging priorities |   |
| GRI 306-1           | Water discharge by quality and destination  |
| GRI 307-1           | Non-compliance with environmental laws and regulations  |

### Reporting scope and boundaries

| Material Aspects               | List of ESG Indicators  | Aspect Boundary     |
|--------------------------------|---|---------------------|
| Economic Performance           | GRI 201-1: Direct economic value generated and distributed  | Within organisation |
| Energy                         | GRI 302-3: Energy intensity   | Within organisation |
| Emissions                      | GRI 305-1: Direct (Scope 1) GHG emissions<br>GRI 305-2: Energy indirect (Scope 2) GHG emissions   | Within organisation |
| Occupational Health and Safety | GRI 403-2 : Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Within organisation |
| Training and Education         | GRI 404-1: Average hours of training per year per employee  | Within organisation |

# Economic performance

## HIGHLIGHT ON ECONOMIC PERFORMANCE

Hi-P achieved S\$1.43 billion total revenue and profit after tax of S\$121.5 million for the year ended 31 December 2017. Total net profit after tax and minority interests (PATMI) was S\$121.5 million.

|  |                  |
|--|------------------|
| <b>Revenue</b>   | S\$1.43 billion  |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b> | S\$218.6 million |
| <b>Total net profit after tax</b>  | S\$121.5 million |

For a detailed breakdown of its 2017 financial results, please refer to the relevant section of Hi-P International Limited Annual Report 2017.

# People

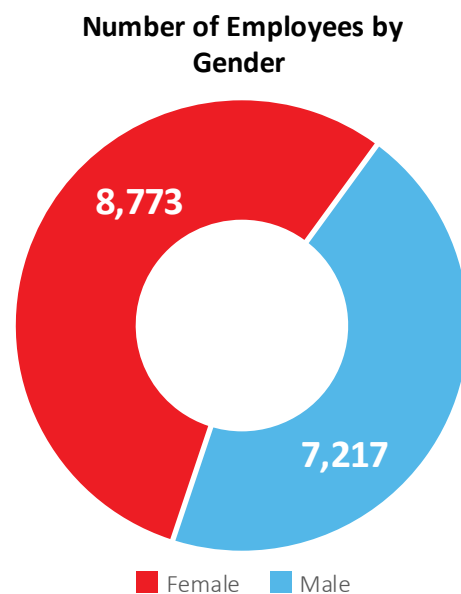
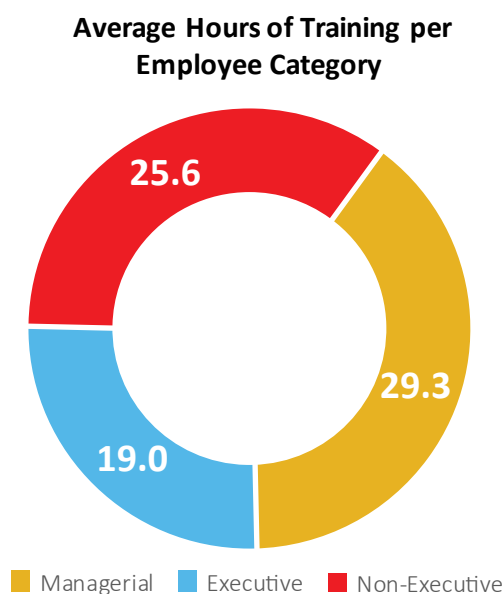
## OUR APPROACH

Hi-P is committed to ensuring employees are provided with a safe workplace where they are treated fairly, with dignity and respect. We invest in making the lives of our people better, including valuable training programs to educate and empower our employees, recruit and integrate people with physical disabilities and provide open communication environment between workers and management. We cultivate a culture of treating each other with respect. We also reward employees fairly for their contributions.

## TRAINING AND EDUCATION

Hi-P is equally committed to ensure all our employees receive on-the-job trainings, so that they could be equipped with the relevant employment skills. This is done through training tailored towards our employees' specific skill set and job type as well as through proper budgeting. The training thus ensures that employees are able to pick-up the necessary skill set relevant to their job scope and carry out their roles effectively.

Furthermore, technical training is not the only type of training received by employees as we understand that our employees are always seeking development opportunities and we have also in place management training as well as personal development training to better equip our employees for their next career development. Regardless of category, each employee, on average, has more than 20 hours of training annually.



**Average Training Hours per Employee for FY17**

24.9

## OCCUPATIONAL HEALTH AND SAFETY

Respecting human rights is one of Hi-P's principles. Therefore, giving full attention to our employees' health and safety at work is an important part of our principle. We promise to comply with relevant laws, control our environmental pollution, prevent industrial safety occupational diseases, improve our environmental health and safety (EHS) performance, as well as increase our employees' awareness of environmental health and safety.

We have formulated various systems for occupational health and safety (OHS). Although our company is a labour intensive organisation, the implementation of the OHS systems has kept the incidence of accidents at a low level. There are neither work fatalities reported for the past year, nor any occupational diseases made known to our organisation.





# Environment

## OUR APPROACH

Hi-P is fully aware of the increasing environmental consciousness within the manufacturing industry. We strive for manufacturing techniques which allow our facilities to be responsible corporate citizens without compromising business needs and development opportunities. We have adopted environmentally sound systems throughout our plants that eliminate waste and emissions while maximising efficiency. Today, more than ever, manufacturers are under intense pressure to reduce their energy consumption. Hi-P embraces this challenge and welcomes its role as a leader in environmental responsibility.

## ENERGY

As energy constitutes a large part of our operations, we have established an energy management policy to handle energy usage in our organisation. The roles and responsibilities are outlined in the policy to ensure compliance. At the same time, we are improving on ensuring that related data collected are accurate.

With our policy in place, we align to our corporate social responsibility by striving to reduce our energy consumption, as well as reducing our carbon emissions. In addition, we will also be looking into measures to tap on sources of renewable energy for our needs. All these measures will translate into lower operating costs and improved operational efficiency.

We have identified five manufacturing plants with annual electrical consumption exceeding 10 million kWh to be included in control of key energy consumption units.

To ensure that the whole organisation is aligned to the policy, the key energy users have clearly identified the leaders in energy management, with an overall department supervising all energy management activities within the organisation. At a working level, dedicated personnel in energy management have been appointed, with their duties, authorities and affiliation clearly specified in documents.

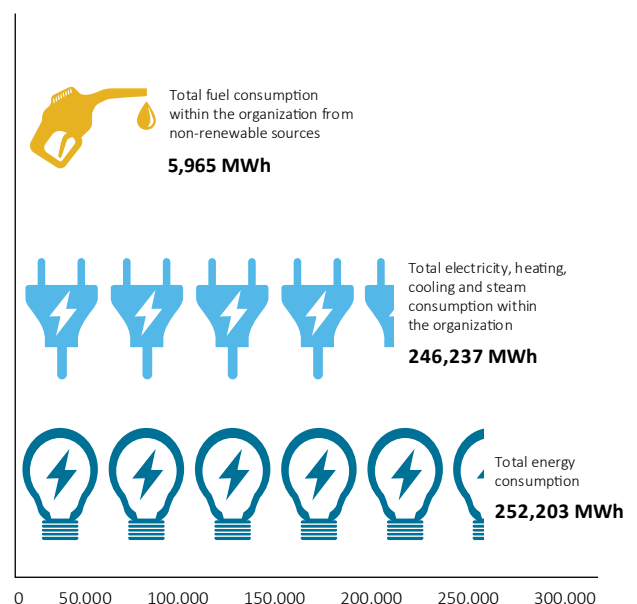
Our energy management policy starts from the management. Top management of the key energy consumption units has the overall responsibility of all energy management matters in their respective units. They establish goals and ensure effective allocation of resources needed to achieve these goals. At the same time, they advocate the importance of energy management and requirements of relevant laws or regulations to their respective units.

This is trickled down to leaders in their respective departments within the unit. They ensure that energy management systems are established and implemented as required by relevant laws or regulations. They organise periodical self-inspections to ensure proper implementation of the energy management, as well as offer any suggestions for improvement in energy efficiency.

The supervisors will subsequently implement the energy management work of the unit. They will analyse the energy management process and effectiveness of the unit to ensure compliance with the relevant regulatory requirements. They will implement self-inspections activities and improvement measures periodically.

The dedicated personnel are responsible for carrying out duties implemented for energy management. These include self-inspections, maintenance of measuring instruments, calibration and testing of meters, as well as statistical analysis of energy data.

The total energy consumption within Hi-P in FY17 was recorded at 252,203 MWh (or slightly less than 908 million MJ), which are mainly from electricity and fuel use. By measuring against Group revenue, the energy intensity was 0.13.



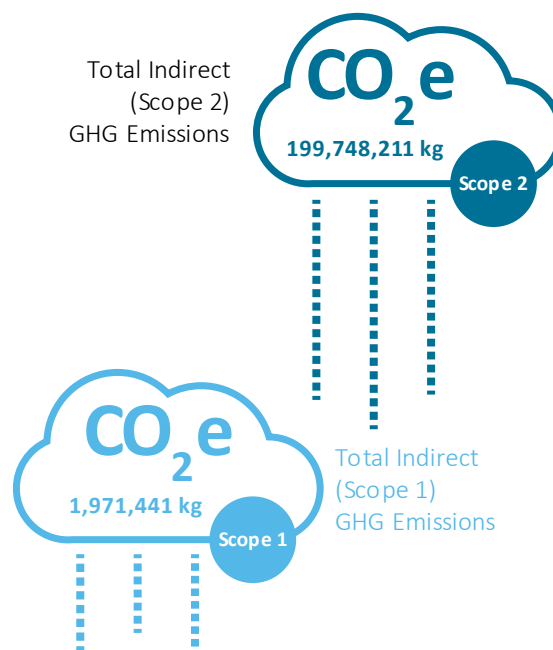
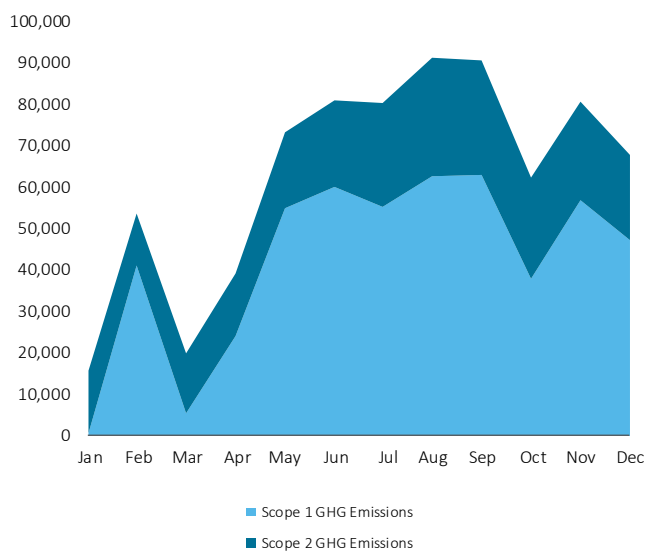
## EMISSIONS

At Hi-P, we understand that our extensive manufacturing activities contribute to the Green House Gas (“GHG”) emissions to the environment. As a socially-responsible organisation, we have taken a proactive approach to manage our GHG emissions.

We have taken a top-down approach on emission controls where we have an established management system for each factory exhaust emissions, and each responsible factory manager has to ensure that the emissions conform to the national standards.

There are also early warning systems, real-time monitoring and emissions mitigation measures in place within our factories. To support national initiatives, our exhaust emissions from factories have always been aligned with national standards.

The graph below shows the GHG emissions across the year from January 2017 to December 2017. The total scope 1 GHG emissions in 2017 was recorded to be 1,971,441 kg CO<sub>2</sub>e and for scope 2 GHG emissions, it was recorded to be 199,748,211 kg CO<sub>2</sub>e.



# Communities

## OUR APPROACH

Hi-P strives to give back to society through engaging the communities we operate in and helping them to overcome challenges. We proactively promote charitable giving, hiring of physically challenged employees, providing educational partnerships and support to our employees in their volunteering & community programmes.

In 2017, Hi-P conducted more than 20 of such corporate social responsibility activities. These activities have contributed to building strong community relationships. Below are some examples of the corporate social responsibilities activities that Hi-P has conducted to give back to the community.

### Charity



**Old Folks Home Activity**  
January 2017



**Orphan and Disabled Children Centre Activity**  
June 2017



**Parent-Child Activity**  
July 2017



**Welfare Centre Activity**  
September 2017



**Cleaning of Old Folks Home**  
November 2017



**Charity Sale**  
December 2017

## Festive Celebration



**Lunar New Year Celebration**  
February 2017



**Mid Autumn Festival**  
October 2017



**Christmas**  
December 2017

## Sport Activities



**Basketball Friendly Match**  
June 2017



**Inter-company Badminton Competition**  
November 2017



**Football League**  
November 2017



**Inter-company Tug-of-war Competition**  
December 2017



**Bowling Competition**  
December 2017



**Inter-company Ping Pong Competition**  
December 2017



## Team Building Activities



**Birthday Celebration**  
March 2017



**Flower Arrangement Activity**  
March 2017



**Company Outing to Kukup**  
July 2017



**Corporate Outing Day**  
September 2017



**"METAL" Got Talent**  
October 2017



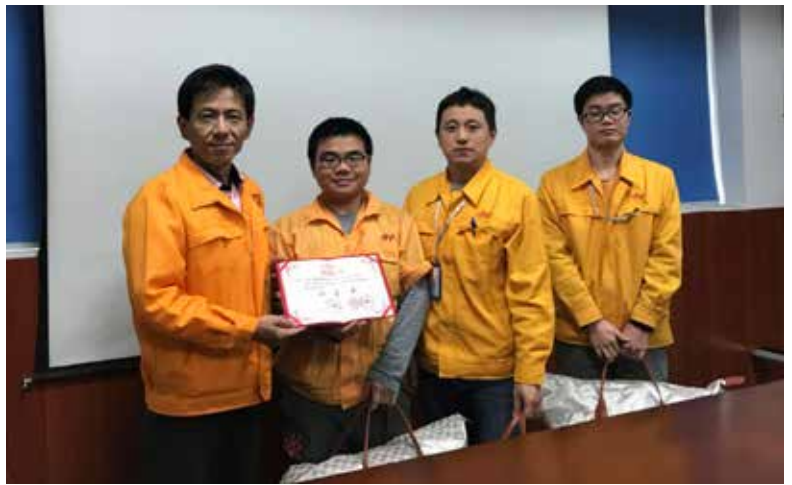
**Group Photo Shooting**  
December 2017

# Highlight of achievements

Listed below are some of the highlights of technical achievements through the financial year 2017.

## 2017 JINQIAO TRADE UNION SKILL CONTEST

Hi-P has actively promoted and participated in the 2017 8th Jinqiao Development Zone CNC machining center and CAD professional skills competition, which demonstrated the dedication of our moulding factory technicians. 7 Hi-P employees received a total of 3 awards, and another Hi-P team received the “Excellent Team” award from the Union of Pudong New Area, demonstrating the strength and elegance of our employees from the moulding department.



## WUHAN DISTRICT WORKERS PIONEER TITLE

29 members from the SMT workshop of Hi-P Suzhou won the 2017 “Wuhan District Workers Pioneer title”. It is a honourable title that recognises “first-rate work, first-rate service, first-rate performance, first-class team” issued by All-China Federation of Trade Union (AFTU).



### SUZHOU MODEL WORKERS' HOME

The creation of a “workers home” helps to foster closer relationship between employees, so that employees can work harmoniously together. In December 2016, Hi-P Suzhou Joint Trade Union Committee has been awarded the honorary title of “Suzhou Model Workers Home” by Suzhou Federation of trade unions.



### 2017 PUDONG NEW AREA PIONEER

In June 2017 Hi-P Shanghai Metal team won the honorary title of “2017 Pudong New Area Pioneer”, awarded by the Pudong Federation of trade unions. The title is awarded based on “first class work, first-class service, first class performance and first-class team”, which aims to commend and motivate teams with outstanding achievements in order to achieve greater achievements.



# GRI content index

| General Disclosure                        |   |   |                        |
|---|---|---|------------------------|
| General Standard                          | Disclosure  | Page number(s) and/or URL(s)                                  | Omission               |
| <b>Organisational profile</b>             |   |   |                        |
| <b>GRI 102 : General Disclosures 2016</b> | 102-1 Name of the organisation                                  | <a href="#">Introduction</a>                                  |                        |
|   | 102-2 Activities, brands, products and services                 | <a href="#">Introduction</a>                                  |                        |
|   | 102-3 Location of headquarters                                  | <a href="#">Introduction</a>                                  |                        |
|   | 102-4 Location of operations                                    | <a href="#">Introduction</a>                                  |                        |
|   | 102-5 Ownership and legal form                                  | <a href="#">Introduction</a>                                  |                        |
|   | 102-6 Markets served  | <a href="#">Introduction</a>                                  |                        |
|   | 102-7 Scale of the organisation                                 | <a href="#">Introduction</a>                                  |                        |
|   | 102-8 Information on employees and other workers                | <a href="#">Introduction</a>                                  |                        |
|   | 102-9 Supply Chain  | <a href="#">Introduction</a>                                  |                        |
|   | 102-10 Significant changes to organisation and its supply chain | Not Applicable  | No Significant Changes |
|   | 102-11 Precautionary principle or approach                      | <a href="#">Introduction</a>                                  |                        |
|   | 102-12 External Initiatives                                     | <a href="#">Introduction</a>                                  |                        |
|   | 102-13 Membership of associations                               | <a href="#">Introduction</a>                                  |                        |
| <b>Strategy</b>                           |   |   |                        |
| <b>GRI 102 : General Disclosures 2016</b> | 102-14 Statement from senior decision-maker                     | <a href="#">Message from Board</a>                            |                        |
| <b>Ethics and integrity</b>               |   |   |                        |
| <b>GRI 102 : General Disclosures 2016</b> | 102-16 Values, principles, standards, and norms of behaviour    | <a href="#">Introduction</a>                                  |                        |
| <b>Governance</b>                         |   |   |                        |
| <b>GRI 102 : General Disclosures 2016</b> | 102-18 Governance structure                                     | <a href="#">Annual Report – Corporate Governance Report</a>   |                        |
| <b>Stakeholder engagement</b>             |   |   |                        |
| <b>GRI 102 : General Disclosures 2016</b> | 102-40 List of stakeholder groups                               | <a href="#">Stakeholder Engagement And Materiality Review</a> |                        |
|   | 102-41 Collective bargaining agreements                         | <a href="#">Introduction</a>                                  |                        |
|   | 102-42 Identifying and selecting stakeholders                   | <a href="#">Stakeholder Engagement And Materiality Review</a> |                        |
|   | 102-43 Approach to stakeholder engagement                       | <a href="#">Stakeholder Engagement And Materiality Review</a> |                        |
|   | 102-44 Key topics and concerns raised                           | <a href="#">Stakeholder Engagement And Materiality Review</a> |                        |



| General Disclosure                 |   |   |          |
|------------------------------------|---|---|----------|
| General Standard                   | Disclosure  | Page number(s) and/or URL(s)                                  | Omission |
| Reporting practice                 |   |   |          |
| GRI 102 : General Disclosures 2016 | 102-45 Entities included in the consolidated financial statements | <a href="#">Introduction</a>                                  |          |
|                                    | 102-46 Defining report content and topic Boundaries               | <a href="#">Introduction</a>                                  |          |
|                                    | 102-47 List of material topics                                    | <a href="#">Stakeholder Engagement And Materiality Review</a> |          |
|                                    | 102-48 Restatements of information                                | Not Applicable  |          |
|                                    | 102-49 Changes in reporting                                       | <a href="#">Introduction</a>                                  |          |
|                                    | 102-50 Reporting period   | <a href="#">Introduction</a>                                  |          |
|                                    | 102-51 Date of most recent report                                 | Not Applicable  |          |
|                                    | 102-52 Reporting cycle  | <a href="#">Introduction</a>                                  |          |
|                                    | 102-53 Contact point for questions regarding the report           | <a href="#">Introduction</a>                                  |          |
|                                    | 102-54 Claims of reporting in accordance with the GRI Standards   | <a href="#">Introduction</a>                                  |          |
|                                    | 102-55 Content Index  | <a href="#">GRI Content Index</a>                             |          |
|                                    | 102-56 External assurance   | Not Applicable  |          |
| Category: Economic                 |   |   |          |
| Economic Performance               |   |   |          |
| GRI 103 : Management Approach 2016 | 103-1 Explanation of the material topic and its boundary          | <a href="#">Economic performance</a>                          |          |
|                                    | 103-2 The management approach and its components                  | <a href="#">Economic performance</a>                          |          |
|                                    | 103-3 Evaluation of the management approach                       | <a href="#">Economic performance</a>                          |          |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed             | <a href="#">Economic Performance</a>                          |          |
| Category: Environment              |   |   |          |
| Energy                             |   |   |          |
| GRI 103 : Management Approach 2016 | 103-1 Explanation of the material topic and its boundary          | <a href="#">Environment</a>                                   |          |
|                                    | 103-2 The management approach and its components                  | <a href="#">Environment</a>                                   |          |
|                                    | 103-3 Evaluation of the management approach                       | <a href="#">Environment</a>                                   |          |
| GRI 302: Energy 2016               | 302-3 Energy intensity  | <a href="#">Environment</a>                                   |          |

| General Standard                            | Disclosure  | Page number(s) and/or URL(s) | Omission |
|---|---|------------------------------|----------|
| <b>Category: Environment</b>                |   |                              |          |
| <b>Emissions</b>                            |   |                              |          |
| <b>GRI 103 : Management Approach 2016</b>   | 103-1 Explanation of the material topic and its boundary  | <a href="#">Environment</a>  |          |
|   | 103-2 The management approach and its components  | <a href="#">Environment</a>  |          |
|   | 103-3 Evaluation of the management approach   | <a href="#">Environment</a>  |          |
| <b>GRI 302: Emissions 2016</b>              | 305-1 Direct (Scope 1) GHG emissions  | <a href="#">Environment</a>  |          |
|   | 305-2 Energy indirect (Scope 2) GHG emissions   | <a href="#">Environment</a>  |          |
| <b>Category: Social</b>                     |   |                              |          |
| <b>Occupational health and safety</b>       |   |                              |          |
| <b>GRI 103 : Management Approach 2016</b>   | 103-1 Explanation of the material topic and its boundary  | <a href="#">People</a>       |          |
|   | 103-2 The management approach and its components  | <a href="#">People</a>       |          |
|   | 103-3 Evaluation of the management approach   | <a href="#">People</a>       |          |
| <b>GRI 403: Emissions 2016</b>              | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | <a href="#">People</a>       |          |
| <b>Training and education</b>               |   |                              |          |
| <b>GRI 103 : Management Approach 2016</b>   | 103-1 Explanation of the material topic and its boundary  | <a href="#">People</a>       |          |
|   | 103-2 The management approach and its components  | <a href="#">People</a>       |          |
|   | 103-3 Evaluation of the management approach   | <a href="#">People</a>       |          |
| <b>GRI 404: Training and Education 2016</b> | 404-1 Average hours of training per year per employee   | <a href="#">People</a>       |          |





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