



Arts Optical International Holdings Limited  
(Incorporated in Bermuda with limited liability) Stock Code: 1120



# 2017 Environmental, Social & Governance Report



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## Chapter 1 About this Report

### 1.1 Introduction

As a responsible corporate citizen, Arts Optical International Holdings Limited and its subsidiaries (collectively, the "Group") are actively engaged in sustainable development work and attach great importance to corporate social responsibility. We are concerned about the impacts of our business on the economy, environment and society, and establish positive relations with stakeholders to build a sustainable future together.

As the world's leading optical product designer, manufacturer and distributor with a mission to protect the environment and social interests, the Group has developed action plans in the fields of environmental management, labour practices, product quality, corporate integrity and community engagement to carry out its corporate social responsibilities.

This report summarises the Group's efforts in carrying out its corporate social responsibilities in 2017 and demonstrates its ongoing commitment to creating a better future.

### 1.2 Report Preparation Basis

This report is prepared with reference to the Environmental, Social and Governance (ESG) Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The information disclosed in this report is derived from the Group's internal statistical results and the analysis of its internal management system.



## 1.3 Scope of Reporting

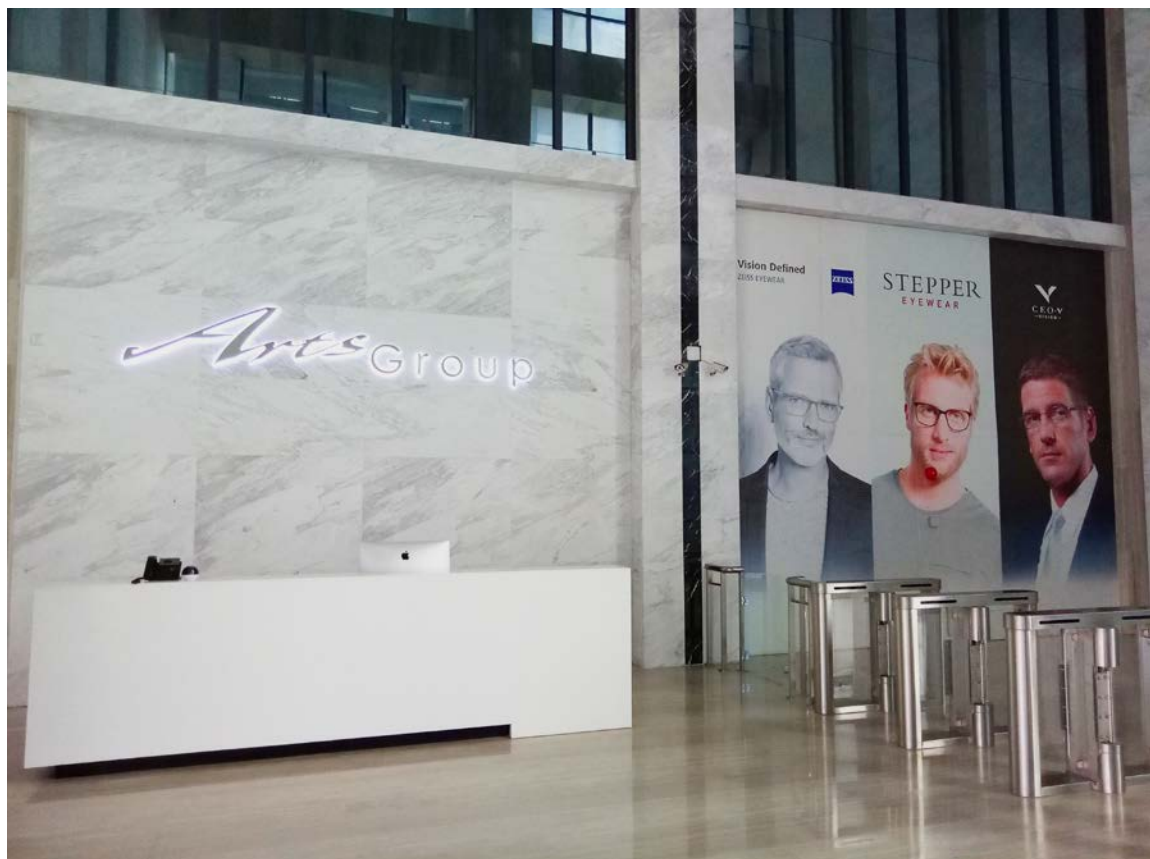
This is our second annual Environmental, Social and Governance Report, which sets out the Group's environmental, social and governance efforts and the implementation thereof. The reporting period is from 1st January, 2017 to 31st December, 2017.

The scope of this report covers the Group's headquarters in Kwun Tong, Hong Kong, as well as its main operating entity Shenzhen Argent Optical Manufactory ("Argent").

Unless otherwise indicated, all numbers are absolute. Contractors are not considered to be employees of the Group. "Shareholders" refers to the holders of the Group's shares.

In order to be reader-friendly and increase transparency, a detailed content index of the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange is included at the end of this report. Other ESG information, including financial data and corporate governance information, is published in the Group's annual report.

This Report has been approved by the Group's senior management. The Group is grateful to all the personnel involved in preparing this report for their contributions and efforts.





## Chapter 2 Overview of Environmental, Social and Governance Performance

The Group's corporate social responsibility policies in 2017 are summarised as follows:

Category	Aspect	Policy/Compliance	Policy Overview
Environmental	Emissions	✓	Use low-pollution materials for production and reduce business trips in order to reduce carbon emissions caused by business trips
	Use of Resources	✓	Use energy-efficient products to reduce energy consumption
	Environment and Natural Resources	✓	Introduce green production technology
Social > Employment and Labour Practices	Employment	✓	Ensure that employees are treated equally in terms of recruitment, salaries, benefits, training opportunities, work arrangements, promotions, punishment and dismissal
	Health and Safety	✓	Provide a healthy and safe working environment
	Development and Training	✓	Provide good prospects for career advancement and improve employees' skills through training, lectures and workshops
	Labour Standards	✓	We undertake not to illegally employ child labour
Social > Operating Practices	Supply Chain Management	✓	Supplier review
	Product Responsibility	✓	All products are subject to quality inspections
	Anti-corruption	✓	Employees are required to sign an agreement requiring them to comply with a Code of Business Ethics
Social > Community	Community Investment	✓	Donate scholarships to support education and sports



## Chapter 3 Environmental

### 3.1 Emission Control and Management

With global economic and social development entering a new normal, environmental protection is of great importance for the sustainable business development of the Group under the trend of green development, circular development and low-carbon development. As such, since 2013, we have set up an environmental committee headed by the production manager and comprising 11 members to monitor environmental management issues during our operations and take a series of measures to reduce environmental impacts, including controlling emissions of exhaust gases and greenhouse gases and pollution discharge to waters and land, and reducing the generation of hazardous and non-hazardous wastes, so as to live up to our commitment to protecting the environment.

We adopt the following emission control and management methods for our operations:

- Waste classification and recycling;
- Water saving;
- Improving indoor air quality; and
- Carbon emission reduction.

Argent uses low-pollution materials and clean fuels for production; prior to the purchase of any equipment, Argent will first assess its environmental performance (including the equipment's energy consumption). If possible, we will choose equipment with low power consumption and ensure that its impact on the environment is minimal after putting it into use; when using materials, we strictly observe the operational rules and follow the principle of using a small amount of materials for more times. We also recycle and reuse solid waste after being treated; we use non-hazardous raw materials to reduce the generation of hazardous waste.

#### Total vehicle emissions

Pollutant	Sulphur oxides (SOx)
g	1,706.6

#### Total greenhouse gas emissions

Emissions	Scope 1	Scope 2	Total	Density (tonnes per unit of production volume)
Carbon dioxide equivalent (tonnes)	280.99	21,285.35	21,566.34	0.0022

#### Notes:

Scope 1 includes emissions from mobile combustion sources; Scope 2 includes energy-related indirect emissions; Scope 3 includes power consumption for sewage treatment and employees' business air travel, and the emissions in Scope 3 are insignificant and can be ignored in the calculation.



## Total waste

	Hazardous waste	Non-hazardous waste
Tonnes	0.056	0.213
Density (tonnes per employee)	0.0005	0.0021
Notes: The data is sourced from Argent		

For hazardous waste, we will first classify hazardous waste and non-hazardous waste, and then use garbage bags to pack the waste and attach labels thereto to distinguish hazardous waste and non-hazardous waste. In the end, we will arrange for a professional company to collect and recycle the waste.



During the reporting period, the Group complied with the environmental laws and regulations in Hong Kong and China in all major environmental aspects, including emissions of exhaust gases and greenhouse gases, discharge of pollutants into waters and land, and hazardous and non-hazardous waste. We were not subject to any punishment for violating applicable laws and regulations.



## 3.2 Efficient Use of Resources

The Group has developed stringent policies for the use of resources to control the use of energy, water and raw materials, in order to improve resource utilisation efficiency, reduce waste and promote recycling.

In terms of energy conservation, Argent has installed solar panels and uses energy-efficient products to strictly manage power-consuming production equipment. It conducts electrical inspections on a weekly basis and calculates monthly power consumption. In the case of abnormal increase in power consumption, it will analyse the reasons and take corrective actions immediately.



Solar panels installed

In terms of water conservation, Argent regularly checks the operational status of its water equipment and its operational status. Where water leak is found, the Water and Electrical Engineering Department will be notified immediately for maintenance so as to reduce waste.



Check the equipment and operating status regularly



In addition, to promote a green office policy, we implement paper conservation and green procurement, adopt computer archiving and double-sided printing, and reuse one-sided printed waste paper; reuse ink cartridges by replenishing powdered ink; and establish conservation rules for the use of office supplies and daily necessities by various departments.



Save paper



We always encourage various departments to implement energy-saving measures for air-conditioning, lighting, computers, photocopiers, printers and electricity use.

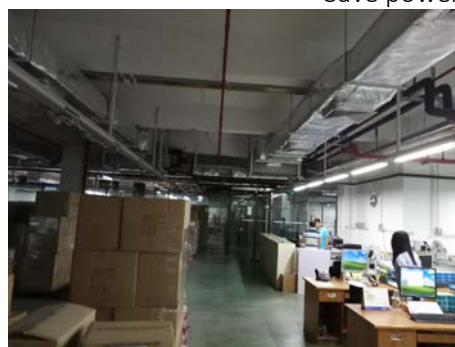
Below is a summary of the relevant measures and the results achieved:

- Set and maintain the indoor air conditioning temperature at 26 °C or the agreed temperature;
- Use low-energy lamps to save power;
- Clean the bulbs more frequently to increase the luminous efficiency;
- Turn off the computers after work or when leaving the workplace to reduce power consumption; and
- Purchase electrical appliances with energy-efficient labels.

26°C or agreed temperature



Save power



Advanced Air Conditioning Equipment (Cooling Water Machines)



Turn off computer when you leave your workplace



Save electricity





## Total energy consumption

Power ('000 KWh)	Density ( '000 KWh per employee)
24,860,610	6,843

We prioritise effective management of water resources for production, and adopt various water-saving and recycling measures to ensure the effective utilization and recycling of water. Such measures include:

- Supervise the immediate shut down of water valves after using them, thus reducing the habitual waste of water;
- Reuse packaging cleaning water for the vibration grinding process, which reduces wastewater discharge by 12 m<sup>3</sup> per day; and
- Reuse wastewater after advanced treatment for the cleaning process, with the amount of recycled water stood at approximately 260 m<sup>3</sup> per day.



## Total water consumption

Total water consumption (m <sup>3</sup> )	Density (m <sup>3</sup> per employee)
504,285.4	138.8



We choose simple packaging by using simple packaging materials for finished products without waste and cumbersomeness.



## Total consumption of packaging materials used in finished products

Materials	Total (tonnes)
Paper	38.4
Glue	1.36



## 3.3 Environment and Natural Resources

In order to reduce the impact of daily operations on the environment and natural resources, the Group identifies the sources of emissions and wastes generated in the operation process and assesses the degree of impact on the environment caused by the use of resources, and adopts targeted green management policies for various important environmental factors. Meanwhile, the Group's energy policy shows that the Group practices energy conservation and supports the purchase of energy-saving equipment, which will reduce greenhouse gas emissions caused by energy consumption.

- Green production: constantly explore and optimise green production processes;
- Green file management: one person one counter and classified management of files;
- Green staff training: new employees receive induction training on wastewater treatment, exhaust gas and hazardous waste management; and
- Green supply chain: communicate with suppliers, and develop and introduce clean and environment-friendly products.

Energy consumption during operations is identified by us as an activity major environmental impact. As such, we adopt an array of measures to reduce energy consumption, including the use of energy-saving lamps, automatic shutdown of office equipment and devices, and the use of renewable energy as much as possible.



## Chapter 4 Employment

### 4.1 Respect for Labour Rights

Employees are valuable assets of the Group and an important part of the Group's success. We have developed management policies in accordance with the relevant local laws and regulations in respect of employees' remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, benefits and welfare, so as to fully protect and respect employees' rights and create a favourable workplace.

Our culture favours recruitment of talents from different backgrounds, and we ensure that employees are treated fairly in terms of, among other things, recruitment, salaries, benefits, training opportunities and work arrangements and will not be discriminated against on the grounds of race, colour, social status, place of birth, nationality, religion, disability, gender, sexual orientation, trade union membership, political position or age.

We provide employees with competitive pay and benefits. The compensation package of our employees mainly includes salary, discretionary bonus and share option scheme. Our employees in Hong Kong are entitled to medical insurance, travel insurance, personal accident insurance, year-end double pay. Also, employees can choose to work at home if needed. We follow Hong Kong's Mandatory Provident Fund Schemes Ordinance to make monthly contributions for Hong Kong employees. In addition, we provide the "Severance Pay" program for the employees of Argent to protect employees' benefits. In addition, each employee may resign by giving a reasonable period's notice.

We understand the importance of work-life balance. As such, we regularly organise recreational activities for employees to relieve their work pressure. Employees are also entitled to paid leave, sick leave, maternity leave, paternity leave, funeral leave and marriage leave as stipulated in the employment contract. In addition, we strictly prohibit child labour and forced labour and are firmly against imposing any illegal or inhuman punishments on employees. We have comprehensive measures to review employment practices including those regarding child labour and forced labour, and to eliminate any defective practices once found.

Organize recreational activities regularly





During the reporting period, the Group complied with applicable local laws and regulations on compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, benefits and welfare, child labour and forced labour. And there were no major employee or labour disputes that disrupted our normal business operations, nor were we subject to any punishment for violating applicable laws and regulations.

## Total number of employees as at 31st December, 2017

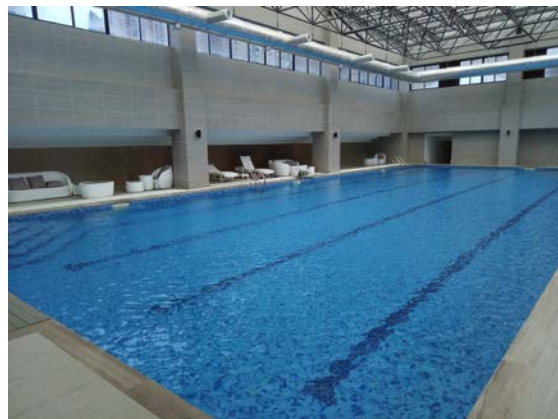
	Place of operation		Total
	Hong Kong Office	Argent	
<b>By gender</b>			
Male	55	2,051	2,106
Female	48	1,479	1,527
<b>By employment type</b>			
Full time	103	3,530	3,633
Part time	0	0	0
<b>By Age group</b>			
18 – 30	11	681	692
31 – 45	34	2,340	2,374
46 – 60	50	508	558
- 61 / >61	8	1	9

## Employee turnover rate

	Place of operation	
	Hong Kong Office	Argent
<b>By gender</b>		
Male	6.1%	53.4%
Female	20.4%	52.3%
<b>By Age group</b>		
18 – 30	23.5%	95.5%
31 – 45	13.2%	42.1%
46 – 60	11.5%	25.3%
- 61 / >61	0%	150%



Staff rest facilities





# Environmental, Social & Governance Report 2017





## 4.2 Health and Safety

The Group is committed to maintaining health and safety standards and complying with all applicable laws and regulations on occupational safety and health. Our occupational health and safety policy is to protect our employees from any work-related injuries at work and during the production process. To protect the safety of employees, we distribute protective equipment to them, use ergonomic office furniture and safety ladders, and provide training on health and safety to make employees aware of the high-risk areas in the workplace and our procedures and policies for health and safety.





In terms of occupational health, Argent engages an external professional agency to conduct physical examinations for employees and make environmental assessments. In addition, given the need to dispatch Hong Kong employees to Argent sometimes, the Group has established the Accident Response Process for Hong Kong Employees to further improve the rescue and coordination in the case of accidents, so as to protect the safety of employees.

Since 1987, the Group has set up an occupational health and safety committee consisting of 124 members. The main functions of the committee are to monitor and facilitate the safety of all the operating units of the Group and to live up to our commitment to improving occupational health and safety for our employees, suppliers and customers.

## Statistics on work-related injuries

	Result
<b>Work-related deaths</b>	
Number of people	0
Percentage(%)	0
<b>Work injury</b>	
Lost days due to work injury	1,281

During the reporting period, the Group complied with the regulatory requirements for workplace safety in Hong Kong and the PRC. We did not suffer any accidents or complaints that had a material adverse effect on our operations, nor were we punished for violating applicable laws and regulations.



## 4.3 Education, Training and Career Development

The Group expands the professional knowledge, skills and qualifications of its staff through comprehensive staff development and training, thereby strengthening its foundation for sustainable development.

We are committed to providing adequate career development opportunities, including internal promotion opportunities for highly competent employees. We provide training, lectures and workshops to improve employees' leadership and organise employees in different positions to attend professional lectures to enhance their professional skills. Argent arranges its employees to receive training on business processes, including: materials management and inventory control, lean production, quality control, visitor reception etiquette, wastewater and environmental management rules, anti-terrorism, fire safety, packaging quality and safety.

We are committed to providing sufficient career development opportunities. To this end, we examine the work capability and performance of the employees meeting the conditions for promotion and longing for job transfer and then make reasonable job adjustments according to the Group's business development needs and the wishes of the employees, so as to help employees' career development.



### Full-time employees trained

	Percentage (%)
<b>By gender</b>	
Male	5.1%
Female	2.6%
<b>By employee category</b>	
Senior executives	38.4
Middle-level executives	64.8
Junior staff	1.8

### Average training hours completed per full-time employee

	Hours
<b>By gender</b>	
Male	0.32
Female	0.06
<b>By employee category</b>	
Senior executives	2.66
Middle-level executives	2.50
Junior staff	0.03



## Chapter 5 Operating Practices

### 5.1 Supply Chain Management

We have established long-term and stable business relations with our major suppliers, and maintain close communication and collaboration with them to strengthen the management of environmental and social risks in the supply chain. We believe that maintaining long-term and stable business relations with suppliers will help us to strengthen our business cooperation with customers, which will certainly enhance our competitiveness.

We have a code of conduct for suppliers and encourage them to strengthen environmental management and social risk prevention through quarterly supplier evaluation, such as adopting and complying with the social responsibility standard (SAI) SA8000. We require suppliers to meet the following conditions:

- Good product or service quality;
- Timely delivery;
- Complying with applicable standards, rules, laws, regulations and requirements, including those in environmental and social aspects;
- Continuous improvement;
- Competitive prices;
- Customer service; and
- Respect for intellectual property rights and patents.

Our procurement policy is that we only purchase products and services from approved suppliers to ensure the quality and safety of products and services, with a view to minimising the environmental and social risks in the supply chain. We require each supplier to submit technical files, test reports and technical drawings required by the laws and regulations relating to product quality, environmental protection and safety, including the signed Supplier Manual, a list of Substances of Very High Concern specified in the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, Chapter 101 and 108 of the Consumer Product Safety Improvement Act (CPSIA), Migration of Certain Elements EN71-3: 2013, restrictions on the use of nickel in European Parliament and Council Directive 94/27/EC and Commission Directive 2004/96/EC, material composition sheets and safety data sheets. We help suppliers understand our expectations through meetings and maintain close communication with them. We also carry out regular monitoring of suppliers in order to make timely adjustments.

#### Number of suppliers as at 31st December, 2017

Region	Number
China	244
Hong Kong	93
Japan	9
USA	6
Other	35



During the reporting period, we did not experience any major difficulties in supply chain management and we do not expect any difficulties in this regard in the foreseeable future. During the same period, we did not have any major disputes with our suppliers, nor did we experience any interruption, shortage or delay in our service and product supply that may have a significant adverse impact on our operations.

The Group has fully considered the environmental and social risks in its supply chain. We believe that the existing measures for environmental and social risk control are adequate. During the reporting period, we saw no major environmental and social risk accidents in our supply chain management.

## 5.2 Product Responsibility

We consistently provide our customers with high-quality optical products to meet their needs. Our international brands have established long-term relationships with customers and are committed to providing the best services. In order to ensure the quality and safety of our products, all our products are subject to rigorous quality control and verification tests, with a view to ensuring compliance with relevant quality and safety requirements. Some of our products are covered by product liability insurance for product safety. During the reporting period, we did not have any major product quality problems that caused health and safety incidents or led to any fines, product recall orders or other penalties imposed by the Hong Kong or Chinese government or other regulatory authorities.

In addition, we provide design and production services according to customers' needs, continuously improve service quality, and promptly respond to customers' inquiries about delivery time, product quality and price. We have set up a customer service hotline for customers to express their opinions. Where a complaint is received, the staff at the customer service department shall give the customer a proper reply within a specified time limit. We will not use the customer information collected by us for other purposes without the customer's consent. The information technology department and the marketing department regularly supervise the use of customer information.

	Result
Percentage of products subject to recalls for health and safety reasons	0.08%
Number of complaints about products and services received at the operational level	11

With regard to intellectual property rights, we promise not to purchase any pirated software. All our office software is provided by copyright holders. The information technology department regularly supervises the operation of software.

During the reporting period, the Group complied with all applicable local laws and regulations on advertising, labelling, privacy and remedies regarding products and services.



### 5.3 Ethics and Anti-corruption

The Group is committed to ensuring that its business processes are in compliance with local and international laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering. To this end, it conducts regular review of operational procedures and guidelines to enhance internal control and compliance review.

All of our employees maintain business integrity in good faith, which is reflected in the following areas:

- Procurement personnel are required to sign an agreement requiring them to comply with the Code of Business Ethics and prohibiting any corruption or bribery;
- All business activities shall meet the highest standards of business ethics;
- Whistle-blowing procedures and channels have been set up;
- An independent auditor is engaged to audit the company's accounts; and
- An open tender policy has been established.

As far as reporting procedures are concerned, according to our code of conduct, any complaints against possible violations of this code can be made to the Board of Directors of the Group by confidential fax or letter and will be handled promptly and fairly. In the case of any suspected corruption or any other criminal offense, it should be reported to the competent authority.

During the reporting period, the Group abided by all relevant laws and regulations on the prevention of bribery, extortion, fraud and money laundering. None of the Group and its employees was prosecuted for or convicted of corruption.



## Chapter 6 Community Engagement

As a corporate citizen, the Group has always been keen to participate in community activities. The Group is one of the members of the Hong Kong Optical Manufacturers Association ("HKOMA"). Since becoming a member of the HKOMA in 1982, we have been actively involved in its activities to promote Hong Kong's optical industry, open up new overseas markets and promote mutual cooperation and common interests in the industry, so as to enhance the competitiveness of Hong Kong's optical industry in the international market.

In addition to its engagement in the eyewear market, the Group also spares no effort to participate in sports and educational activities. For example, it sponsored certain activities by donating sunglasses with a total value of HK\$269,500, including: Ironman Western Australia 2017, Shenzhen Nanshan International School, 4<sup>th</sup> Youth DreamMakers Selection and 2017 Co-Brand AustSports Eyewear X Mozacco Press Event.

### *Ironman Western Australia 2017*





*International School of Nanshan Shenzhen*





*International School of Nanshan Shenzhen*





*4<sup>th</sup> Youth DreamMakers Selection*





*4<sup>th</sup> Youth DreamMakers Selection*





*2017 Co-Brand AustSports Eyewear X Mozacco Press Event*





## Appendix 1 Content Index of Environmental, Social and Governance Reporting Guide of the HKEX

Environmental, Social and Governance Reporting Guide of the HKEX	Description	Chapter
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.	3.1 Emission Control and Management Pages 6 and 7
KPI A1.1	The types of emissions and respective emissions data.	Page 6
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emission Control and Management Page 6
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emission Control and Management Page 7
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emission Control and Management Page 7
KPI A1.5	Description of measures to mitigate emissions and results achieved.	3.1 Emission Control and Management Page 6
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.1 Emission Control and Management Page 7



## Appendix 1 Content Index of Environmental, Social and Governance Reporting Guide of the HKEX

Environmental, Social and Governance Reporting Guide of the HKEX	Description	Chapter
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3.2 Efficient Use of Resources Page 9
KPI 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).	3.2 Efficient Use of Resources Page 11
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.2 Efficient Use of Resources Page 11
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	3.2 Efficient Use of Resources Page 10
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	3.2 Efficient Use of Resources Page 11
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	3.2 Efficient Use of Resources Page 12
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	3.3 Environment and Natural Resources Page 13
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.3 Environment and Natural Resources Page 13



## Appendix 1 Content Index of Environmental, Social and Governance Reporting Guide of the HKEX

Environmental, Social and Governance Reporting Guide of the HKEX	Description	Chapter
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.	4.1 Respect for Labour Rights Page 14
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Respect for Labour Rights Page 15
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.1 Respect for Labour Rights Page 15
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.	4.2 Health and Safety Pages 18 and 19
KPI B2.1	Number and rate of work-related fatalities.	4.2 Health and Safety Page 19
KPI B2.2	Lost days due to work injury.	4.2 Health and Safety Page 19
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.2 Health and Safety Page 19



## Appendix 1 Content Index of Environmental, Social and Governance Reporting Guide of the HKEX

Environmental, Social and Governance Reporting Guide of the HKEX	Description	Chapter
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.3 Education, Training and Career Development Page 20
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). Note: The relevant data is unavailable for the time being.	4.3 Education, Training and Career Development Page 20
KPI B3.2	The average training hours completed per employee by gender and employee category. Note: The relevant data is unavailable for the time being.	4.3 Education, Training and Career Development Page 20
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 labor.	4.1 Respect for Labour Rights Page 14
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1 Respect for Labour Rights Page 14
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Respect for Labour Rights Page 14



## Appendix 1 Content Index of Environmental, Social and Governance Reporting Guide of the HKEX

Environmental, Social and Governance Reporting Guide of the HKEX	Description	Chapter
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.1 Supply Chain Management Pages 21 and 22
KPI B5.1	Number of suppliers by geographical region.	5.1 Supply Chain Management Page 21
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.1 Supply Chain Management Page 21
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, labeling and privacy matters relating to products and services provided and methods of redress.	5.2 Product Responsibility Page 22
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.2 Product Responsibility Page 22
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.2 Product Responsibility Page 22
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.2 Product Responsibility Page 22
KPI B6.4	Description of quality assurance process and recall procedures.	5.2 Product Responsibility Page 22
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.2 Product Responsibility Page 22



## Appendix 1 Content Index of Environmental, Social and Governance Reporting Guide of the HKEX

Environmental, Social and Governance Reporting Guide of the HKEX	Description	Chapter
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.	5.3 Ethics and Anti-corruption Page 23
KPI 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.	5.3 Ethics and Anti-corruption Page 23
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5.3 Ethics and Anti-corruption Page 23
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.	6 Community Engagement Page 24
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Community Engagement Page 24
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6 Community Engagement Page 24



### **Please share your feedback with us!**

We value your feedback on this Environmental, Social and Governance Report 2017. Your comments will help us achieve our vision of a sustainable future. We invite you to share your comments through the following channels:

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