

# Environmental, Social and Governance Report

## About the Report

### Scope

The ESG Report aims to provide investors and other stakeholders with disclosures regarding the efforts of Legend Holdings and some of its subsidiaries on corporate culture and management, employee development, supply chain management, environmental protection, social responsibility and social welfare initiatives in 2018. Given the fact that Legend Holdings has completed the acquisition of BIL on July 2, 2018, relevant information on BIL<sup>1</sup> is thus contained in the ESG Report for the year. For the purpose of presenting information on the subsidiaries that are considered to have significant environmental and social impacts on the Company, the ESG Report highlights Lenovo, Levima Advanced Materials, BIL and Raycom Property which manages Raycom Info Tech Park where Legend Holdings is headquartered.

Unless otherwise stated, the information contained in the ESG Report covers the period from January 1, 2018 to December 31, 2018. Please refer to pages 76 to 90 for detailed information on corporate governance.

### Directions

The Company complies with the applicable laws and regulations that have a significant impact on us. Detailed information is contained in Appendix I to this Report. Indexes to the content of the Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange are contained in Appendix II of this Report. Details on corporate governance and financial data are contained in other sections of the Report.

### References for Preparation

At Legend Holdings, the Board of Directors is generally responsible for developing the Company's sustainability strategy, assessing and identifying the risks associated with sustainability, and ensuring the improvement and implementation of an appropriate and effective risk management and internal monitoring system for environment, society and governance. The Management has submitted to the Board of Directors the affirmation that whether related system is effective. Under the leadership of the President, the Executive Committee of the Company ensures that the decision-making of Legend Holdings on any significant matter is always premised on the compliance with the legal and regulatory requirements of the region in which it operates. At the same time, Legend Holdings holds all the employees accountable to the implementation of international laws, regulations, standards and best practices and those in the regions where they operate in terms of formulating the articles of association, policies and procedures.

The ESG report was prepared in compliance with the disclosure requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to *The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* published by Hong Kong Stock Exchange.

### Source of Data and Information

The data and information disclosed in the ESG Report are extracted from the official documents and statistics reports of the Company. The ESG Report has been approved by the Board of Directors in March 2019.

### Corporate Culture and Management

Corporate culture has a profound and comprehensive implication for an enterprise. A well-aligned match between culture and strategy is key to the long-term development of an enterprise. As an investment company that views the employees as core assets, Legend Holdings regards it of vital importance to maintain a shared philosophy and vigorous morale within the Company.

Legend Holdings' cultural and managerial assets represent its core competitiveness and form the key foundation that empowers Legend Holdings to achieve sustainability and build ever more great enterprises.

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<sup>1</sup> The ESG information on BIL covers the period from July 2, 2018 to December 31, 2018.

The corporate culture of Legend Holdings has evolved in the course of development and consists of core values, methodology and manifestations. The core values and methodology of Legend Holdings are drawn from past successful practices, and have been proven to be effective and generally applicable in the course of development.

Core values are the key beliefs upheld by Legend Holdings over the long-term development, representing the essence of its culture.

- **Corporate interests first** – Realization of corporate interests is a prerequisite for realization of other interests; whenever there is a conflict of interests, corporate interests should always be prioritized over other interests, and personal interests should be aligned with those of the team while team interests with those of the Company as a whole.
- **Truth** – Be practical and realistic, be honest and accountable and walk the talk.
- **Ambition** – Aim high, go beyond immediate interests and past experience, be imaginative and creative, surpass one's limits and strive for challenging ambitions.
- **Employee-oriented** – Appreciate employees' efforts, respect employees' needs, and create opportunities for employees' development.

At Legend Holdings, the methodology refers to the ways its people think and solve problems under the guidance of its core values.

- **Purpose-driven** – Purpose always comes first, and one should figure out the reason in advance, so as to "aim accurately" instead of "shooting blindly". During the process, one needs to think in big-picture terms from time to time and figure out the role each individual task plays in the attainment of the final goal without deviating from the original aspiration.
- **Phased implementation** – Goals cannot be achieved overnight. One should not treat a marathon as a 100m dash, and has to figure out priorities, allocate resources, analyze boundaries and limits, set sub-goals and milestones and realize them in stages.
- **Review** – One should conduct work review and summary, keep examining and fine-tuning goals, analyze successes and failures and draw lessons therefrom. In essence, the review methodology of Legend Holdings is self-reflection embedded in its core values, which emphasizes "open-mindedness, frankness, truth, self-reflectiveness and collective wisdom".

In 2017, to adapt to the changes in strategy, business and personnel as a diversified investment holding company, Legend Holdings proposed the specific forms in which the corporate culture is revealed. The manifestations include "Accountable, Professional, Innovative and Collaborative". What's more, Legend Holdings also launched a culture-rebuilding campaign aimed at carrying out those cultural requirements among all the employees.

The manifestations of corporate culture are specific cultural requirements under the core values and the methodology, which are closely in line with the business characteristics of an investment company.

**Accountable** – Be highly-committed, self-motivated and responsible.

**Professional** – Pursue professional excellence and foster high-level professionalism.

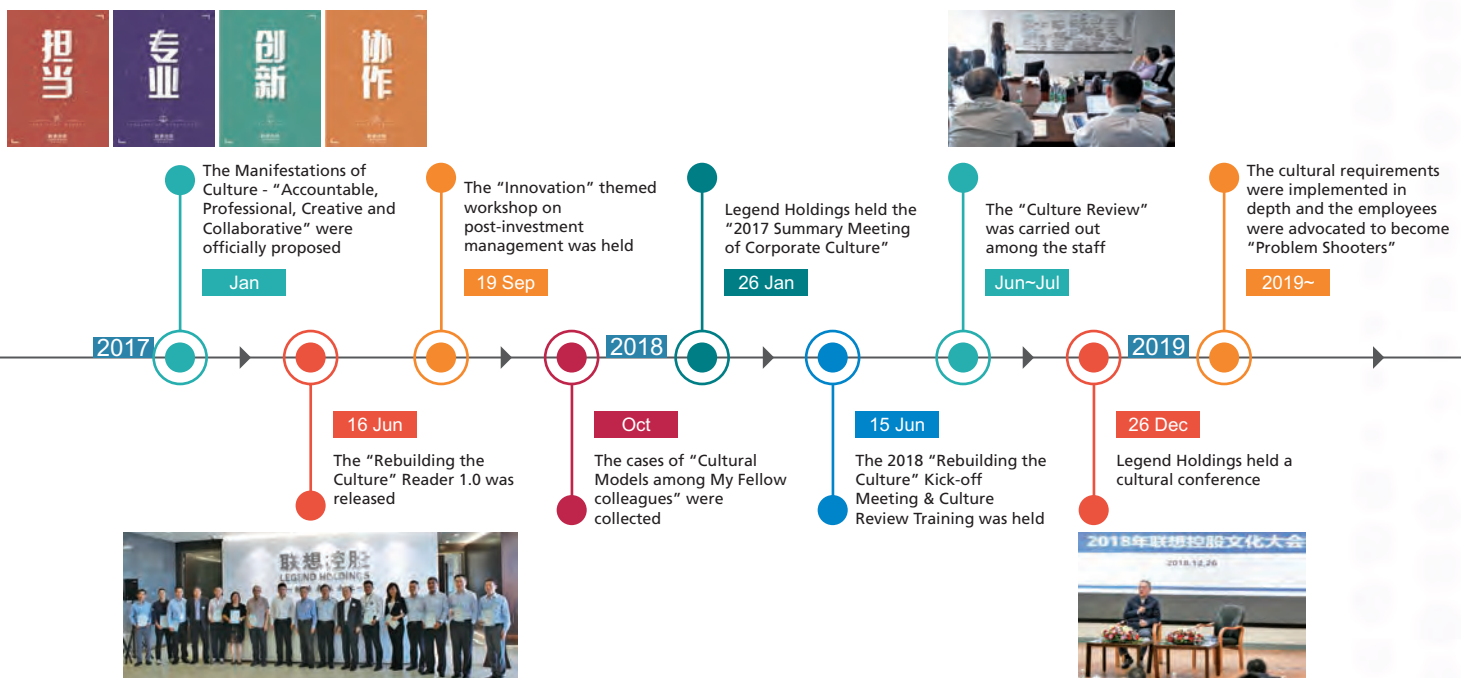
**Creative** – Embrace changes and work creatively.

**Collaborative** – Have team spirit and collaborative capability.

Following the general law of cognition for corporate cultural development, i.e. translating knowledge into action, the Company placed focus on communicating with all the employees on the connotation of and specific requirements on self-reflection, and made the new cultural requirements take firm root among the employees through a suite of measures in 2017, e.g. releasing the Corporate Culture Reader, organizing self-reflection among all the employees and collecting stories of role models, and incorporating cultural requirements into the annual performance assessment.

In 2018, to link the culture with the actual work of the Company and inform the actual work of the cultural requirements “Accountable, Professional, Creative and Collaborative”, all departments of Legend Holdings launched a culture review of specific cases in actual work to be consistent with the uniform requirements of the Company. Under the “review” guidance of Legend Holdings, they probed deeply into the causes and cultural motives of the problems, and worked out well-targeted remediation plans on the basis of the research findings. The “Culture Review” of each department was guided and participated by one member of the Company’s Executive Committee for topic selection and discussions.

The “Culture Review” unified the understanding of employees on the significance and specific requirements of the “Rebuilding the Culture” initiative. According to a questionnaire survey of 116 employees participating in the Culture Review at the end of 2018, nearly 85% of the respondents believed the Culture Review had enhanced their application and understanding of the corporate culture, and nearly 82% commented that all the action plans of the Culture Review had been implemented satisfactorily and effectively.



In 2019, the Company will take “continuously carrying out the accountable, professional, creative and collaborative cultural requirements and advocating development of employees into problem shooters” as its objective of culture building. It will keep exploring and improving the corporate culture that is compatible with the business of the investment holding company and the characteristics of the personnel.

Legend Holdings’ management framework is divided into two aspects: operational and fundamental. The fundamental aspect consists of mechanisms, systems, corporate culture and Legend Holdings’ “Three Elements of Leadership”.

**Three Elements of Leadership** – Legend Holdings’ management philosophy can be summed up as “leadership formation, strategy setting and team building.”

**Leadership formation** – to select competent and upright management officers into the leadership panel which adopts both vertical and horizontal division of work and encourages “frank” and “friendly” discussions. The leadership panel pools the wisdom and efforts of its members to ensure rational decision-making and efficient execution while forming checks and balances on chief executives, thus heightening the prestige of the leadership of the Company.

**Strategy setting** – to follow the “seven-step” approach in developing strategies – define vision, develop strategies, set tactics, analyze methods, select leaders, adjust organizational structure and provide assessment and incentives.

**Team building** – to motivate and inspire team members to work with passion and skills in a well-organized way, thereby ensuring strong execution of strategies.

### Lenovo

The culture of Lenovo unites the entire company tightly through joint commitment, sense of ownership and pioneering spirit. Integration of the unique culture and the supporting system of Lenovo helps it continuously realize breakthrough, innovation and delivery design for increasingly growing customers. Please refer to the *Lenovo 2017/18 Sustainability Report* published on the website of Hong Kong Stock Exchange for detailed information on its corporate culture.

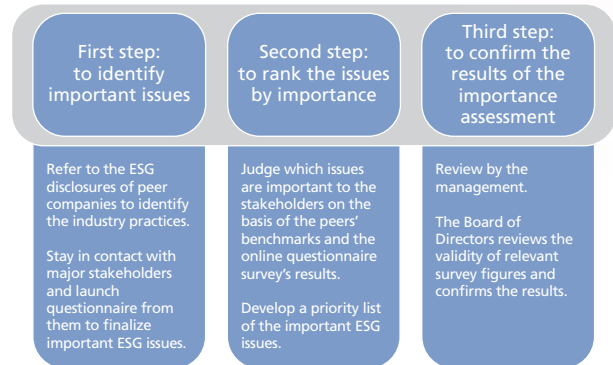
## Communication with Stakeholders and Importance Evaluation

Legend Holdings values communication with stakeholders. We understand that listening to the needs and suggestions of our stakeholders will help to identify important issues of concern and are key to the continued success of our ESG efforts.

Through regular communication with stakeholders via questionnaires, performance evaluations, business exchanges and other communication channels, we have assessed the importance of different sustainability issues to stakeholders. This helps us to identify the major issues that need to be disclosed from the results of the surveys.

In 2018, we invited key stakeholders to participate in our online surveys to ensure that all important ESG issues of concern to all stakeholders were included in the ESG Report. The Company also entrusted an independent consultant to collect, count and quantify the data on key performance indicators.

Participating Stakeholders	Important Issues
<ul style="list-style-type: none"> <li>• Employees</li> <li>• Subsidiaries</li> <li>• Investors/ shareholders</li> <li>• Suppliers</li> <li>• Partners</li> </ul>	Corporate governance, compliance with laws and regulations, risk and crisis management, communication with stakeholders, investment return, privacy, labor standards and practice, talent management, on-the-job training, internal communication, energy efficiency, waste disposal and recycling, charity and public welfare and community work



## Mission Statement

Legend Holdings endeavors to put into practice its values, namely people-oriented and investing in people. The Company stresses on having a "Mutual Commitment" with the employees, incorporating individual employee's pursuit into its long-term development. Through sharing the growth with its employees, the Company turns the commitment into a joint undertaking.

## Employee Protection

Legend Holdings earnestly abides by various policy requirements on the protection of employee rights, practices equal employment, improves compensation and welfare, and strictly fulfills corporate responsibility for employees.

## Employees and Labor Rules

The specifics of the *Code of Conduct and the Code of Ethics for Employees* of Legend Holdings are embodied in the *Employee Handbook*, which specifies the professional ethics that employees shall observe in terms of corporate culture, corporate ordinances, requirements for work style and requirements for work process. While the *Employee Handbook* and the *Code of Ethics for Employees* are both released at the Company's website, newly recruited employees will receive a copy of the *Employee Handbook* and learn about the corporate culture and *code of conduct* that should be followed in the new employee orientation. Meanwhile, in line with the "Rebuilding the Culture" campaign of Legend Holdings, the cultural conference is held to enable employees to truly understand the value standard the Company pursues, realize self-discipline and self-confidence according to the Company's requirements and integrate the corporate value and concepts into personal professional conduct. Each employee shall understand their own responsibilities and take the initiative to abide by the professional ethics specified in the *Code of Ethics for Employees* at daily work.

## Compliance with Labor Laws

We strictly abide by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations of the regions where we operate. We have signed labor contracts with all of our employees.

Legend Holdings will guide its subsidiaries to lay down the *Code of Conduct and the Code of Ethics for Employees* adapted to themselves according to their respective industrial and professional characteristics.

## Equal Opportunity Employer

Adhering to open and equal employment, Legend Holdings follows an open and fair recruitment process and recruits employees based on job specifications and requirements, regardless of the age, gender or nationality of applicants or employees. In accordance with relevant laws and regulations of the regions where it operates, Legend Holdings has formulated internal policies and implemented rules such as the *Code of Conduct*, the *Code of Ethics for Employees*, the *Code of Ethics of BIL group*, and the *Remuneration Regulations of BIL group* for the purpose of regulating the salaries and dismissals, recruitments and promotions, working hours, holidays, equal opportunities, diversity, anti-discrimination as well as other entitlements and benefits for all job positions. Moreover, the Company strictly prohibits child and forced labor.

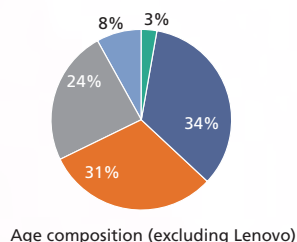
## Lenovo

Labor practices and human rights are the core of the commitments made by Lenovo. Lenovo assesses all the applicants and employees by qualifications, skills displayed and achievements, regardless of race, color, religion, sex, gender identity or expression, nationality, ethnic identity, sexual orientation, sexual characteristics, age, physical disability, military service status, marital status or any other characteristics protected by local laws. Please refer to the *Lenovo 2017/18 Sustainability Report* published on the website of Hong Kong Stock Exchange for detailed information.

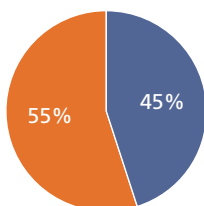
During the Reporting Period, the Company and its subsidiaries did not violate the laws and regulations related to the above. Please refer to Appendix I for the titles of relevant laws and regulations the Company complies with in respect to what is mentioned above and that has a significant impact on the Company.

As of December 31, 2018, Legend Holdings and its subsidiaries had a headcount of 75,000 (60,000 in 2017), of which 21,000 (18,000 in 2017) were overseas employees.

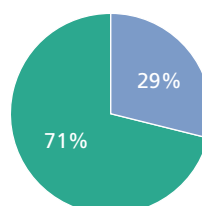
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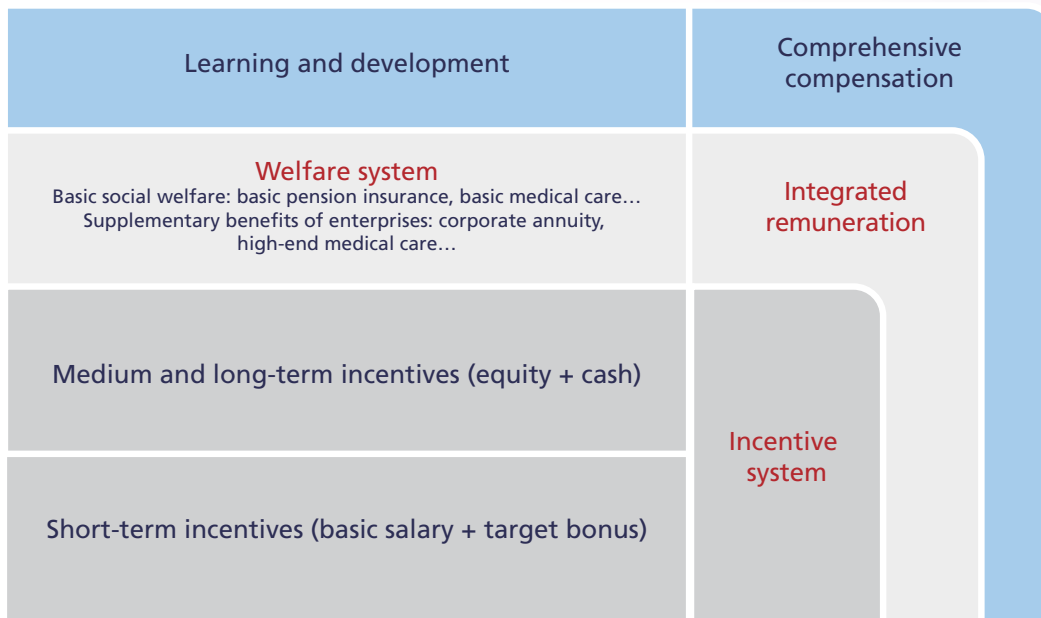
■ Male ■ Female





## Talent Retention

### Diversified Incentives



Legend Holdings has an all-round diversified incentive mechanism, comprising short-term incentives (basic salary plus target bonus) and middle and long-term incentives (including pre-IPO equity incentives). Short-term incentives: basic salary and annual target bonus, based on the relative value of job functions. Middle and long-term incentives: based on the accomplishment of middle and long-term strategic goals, ensuring that the value creators can gain an incentive growth comparable to the overall value growth of the Company through a combination of stock ownership incentives and middle and long-term performance-linked bonus.

In addition to monetary incentives, Legend Holdings also motivates the employees with moral incentives. For the purpose of praising excellent performance and creating a truth-seeking and aggressive organizational atmosphere, Legend Holdings has set up grants and awards, such as Legend Holdings Awards, Professional Contribution Awards, Tripartite Joint Action Awards and Excellent Subsidiary Awards to encourage those teams and individuals making important contributions to the growth of the Company, being dedicated to their work and good at executing, and standing out in practicing the corporate culture. The awards program is carried out once a year. Each department recommends the candidates, and the Human Resources Committee selects winners through evaluation.

### Diversified Welfare System

Legend Holdings has established a sound welfare system for the employees. In addition to the social insurance benefits such as basic pension, basic medical insurance, housing provident fund, unemployment insurance, work injury insurance and maternity insurance that are mandatory under relevant laws, employees are also entitled to medical leave in case of illnesses or non-work-related injuries. Employees who suffer from work-related injuries are entitled to benefits as mandatory under relevant national or local regulations.

Apart from the statutory welfare required under relevant PRC laws and regulations, Legend Holdings constantly enriches, improves and increases employee benefits and provides employees with diversified supplementary welfare benefits and commercial insurances including high-end medical insurance, supplementary medical insurance, critical illness insurance, accident injury insurance, life insurance and a medical care fund based on the business performance and the actual needs of employees. It is the Company's aim to ease the medical burden of employees and leave all their worries behind. In the meanwhile, Legend Holdings also sets up a competitive enterprise annuity plan for employees to ensure and enhance their basic living standard after retirement. The annuity fund is well managed to hedge against inflation and seek value appreciation.

Legend Holdings' welfare benefits also include various types of paid leaves, such as paid annual leave, paid sick leave and Spring Festival leave.

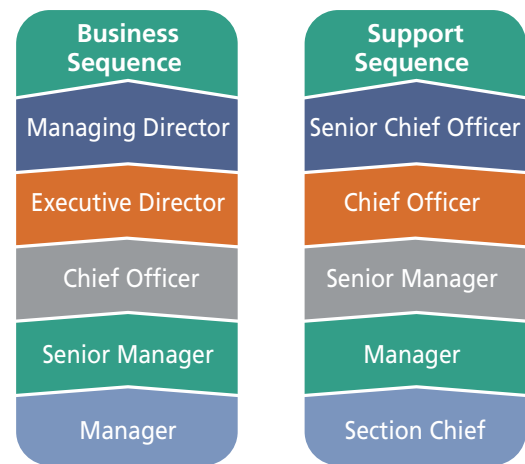
## Talent Development

### Career Development and Training

Legend Holdings recognizes the importance of employee development. We are committed to providing our employees with predictable career development paths and a sound training and development system so that employees can access to the development opportunities offered by the Company.

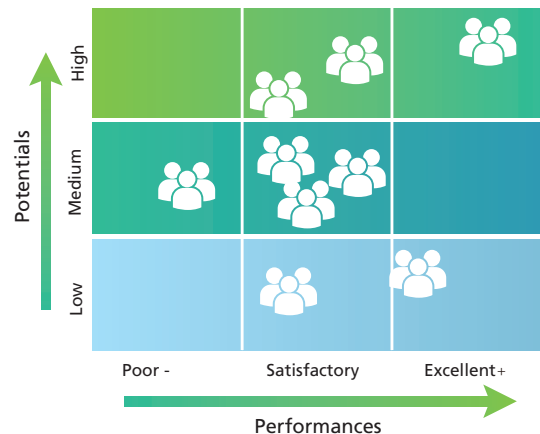
### Career Development Paths

Legend Holdings advocates professional improvement and designs multiple career development paths for the employees based on the characteristics of different positions. With various career development paths in place, we help employees identify their status quo and future development directions, so that they can take targeted capability-building measures and further incorporate individual growth into the long-term development of the Company.



### Talent Review

Through regular review on the quantity, quality and structure of employees, we discuss and analyze key aspects of talent management and collectively appraise the employees on the basis of their performance and potential. The results of the review not only offer the basis for formulation of talent development strategy, but also give clear guidance and help on future growth of employees.





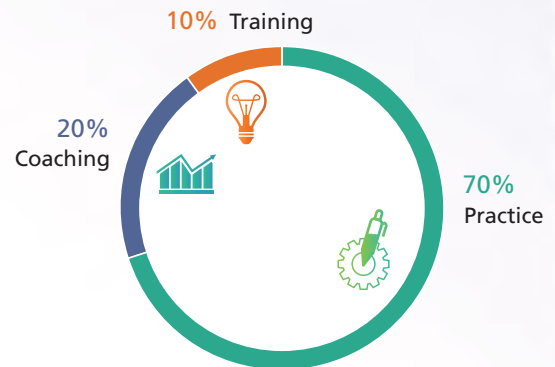
## "7-2-1" Principle for Talent Development

Legend Holdings emphasizes the cultivation of talents and facilitates their growth through a variety of internal training methods, e.g. real-world practice, coaching from professionals and classroom training. We also follow the "7-2-1" principle for talent development:

70% of employee capability enhancement arises from practice: Legend Holdings' strategic and business development provides employees with broad opportunities to practice. Heads of each business segment and department should assign challenging tasks, taking individual capabilities and characteristics into account, to the employees to enhance their capabilities.

20% from coaching: Legend Holdings has a coach system in place, in which experienced executives or senior employees act as coaches, and provide personalized guidance and experience sharing for employees in the course of career development.

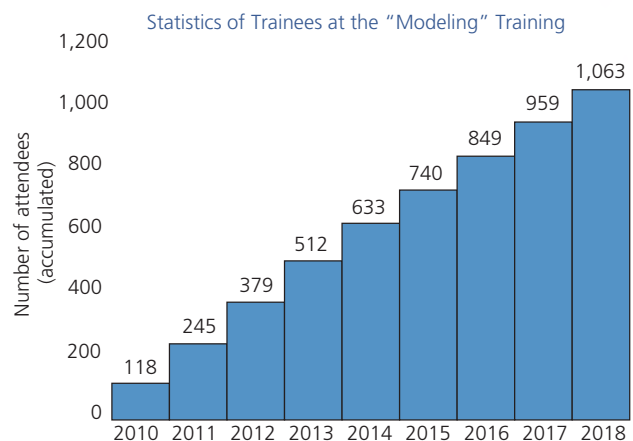
10% from training: In response to its business development and employee needs, Legend Holdings organizes and supports employees to attend all kinds of training programs so that they can improve competence and gain access to professional information.



## Subsidiaries

As a professional investment holding company, Legend Holdings also attaches importance to sharing the corporate culture, operation philosophy and management experience with our portfolio companies. To this end, the Company has established the "Legend Management Institute".

Legend Management Institute adopts the "Modeling" training program to present the development history, business status and management culture requirements of the Company for all new recruits. More than half of the trainees come from subsidiaries. Such program is of great significance for the employees to understand the strategic goals, business models and cultural requirements of Legend Holdings. In 2018, totally 107 people attended the "Modeling" training organized by the Legend Management Institute.



CEO CLUB is a platform for exchange and learning organized and implemented by Legend Management Institute for the heads of member companies of Legend Holdings. The CEOs of each company can fully exchange and enhance mutual understanding around specific topics and promote the "Tripartite Joint Action". In 2018, CEO CLUB attracted leaders of 12 member companies to participate in exchange and seminar with the theme "Capital Operations and Enterprise Development".

For the purpose of better helping the management of member companies to improve leadership and management skills and expanding the horizontal links among member companies, the Legend Management Institute launched "L Learning Union" leadership workshop for two consecutive years in 2017 and 2018. 37 senior executives from 21 enterprises, including Legend Holdings, have finished study on modularized courses of the training sessions.

The Legend Management Institute also proactively introduces the management experience of the Company to member companies and effectuates the "empowerment" concept in response to the business demands through all kinds of trainings. According to statistics, in 2018, over 1,200 participants from Legend Holdings and our subsidiaries spent a total of 31 working days in attending the learning activities of the Legend Management Institute.

Relevant programs were as follows: briefing Better Education with "Strategic and Cultural Discussion" in Legend management culture, introducing the "OKR Management Workshop" for Golden Wing Mau and Raycom Property to enhance their organizational and strategic capabilities, and co-developing "Review" courses with Lenovo. Legend Holdings also leveraged its own resource advantages to build a platform for learning and communication, and to enhance the capabilities of member companies' professional teams in human resource management and organizational development. In 2018, the Legend Management Institute invited human resource managers and corporate culture team members of member companies, totally 34 people, to participate in the "Corporate Culture Training Camp", which arranged six online & offline learning activities. This helped the subsidiaries to solve the practical problems in improving their culture and enhancing their professional research capabilities.



Group picture of L Learning Union Leadership Workshop



Corporate Culture Training Camp

## BIL

Talent development is at the core of the human resource policy of BIL, and it is also the foundation for forming its value creation and competitive advantages. To this end, BIL further strengthens the knowledge base of old and new employees through designing career plans and providing corresponding training for them. The Luxembourg Bankers' Association ("ABBL") has formulated the *Collective Bargaining Agreement for Bank Employees 2018-2020* for purposes of regulating the labor relationships between Luxembourg-based banks and their employees, maximizing the protection and enhancement of the interests of its members and supplementing the provisions of relevant laws and regulations. The "Employability and Training Program" of the Agreement aims to maintain and preserve the current knowledge and skills of employees, guide companies on how to assess and define the training needs of employees, and standardize the training resources provided by the ABBL members. Per this program, BIL provides customized training to employees and assists them in acquiring new knowledge and skills, thus optimizing the talent reserve, building and developing a highly-efficient workforce.

In 2018, BIL provided 54,000 hours of training for 1,840 employees.

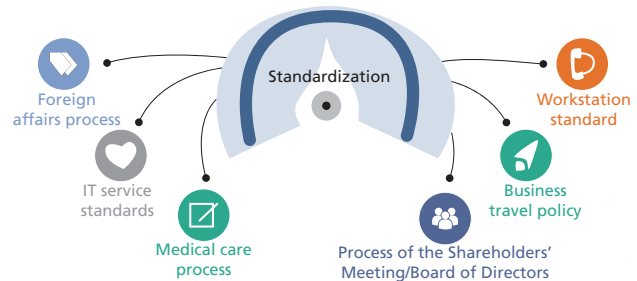
## Healthy Workplace

### Comprehensive Health-care Program

Each year, Legend Holdings organizes comprehensive physical examinations for employees. We have established a health service system to provide green channels for hospital visits, health and disease prevention consultation, and organize health-care events from time to time. We provide medical insurance for employees' underage children and spouses who have no medical insurance to ease their worries.

### Healthy and Safe Working Environment

Legend Holdings continued to strengthen administrative process management and to streamline the standards and models for optimizing employee services. At the same time, we paid further attention to the working environment health index, and increased air purifiers and the frequency of inspections in a bid to create a safe and healthy working environment. The annual air quality level (PM2.5) was below 35. Legend Holdings has spacious and bright tea rooms, providing employees with afternoon tea refreshments and snack food.



### Caring for the Employees

Legend Holdings is committed to passing on the Company's people-oriented care to all employees and creating a warm and happy working atmosphere through helping employees in difficulties and carrying out a variety of cultural and recreational activities.

## Caring for Female Employees

At Legend Holdings (excluding Lenovo), female employees accounted for 55% of the workforce, while female senior executives accounted for 29% of all the senior executives. We create an equal and good working environment for female employees in strict accordance with the *Special Provisions on Labor Protection of Female Employees*. We strictly provide the labor insurance, medical treatment and other benefits for female employees in pregnancy, maternity leave and breastfeeding. Female employees have 128 days of paid maternity leave, gift money for child birth and one-hour breastfeeding leave per day, and we have nursing rooms. Female employees have special-purpose screening items during physical examinations.

## Employment Care and Assistance Program

Legend Holdings provides employees with cash gift for their marriage, cash gift for giving birth, financial aid for their general injuries and diseases, and condolence money for their death or their immediate family members' death. In 2018, Legend Holdings issued the *Subsidy Measures for Employees in Difficulties*. Employees can apply for financial aid from the Company in case that employees, their spouses, children or parents have critical illnesses and their family cannot afford the medical expenses at their own expense, or their family is in serious difficulty due to material loss from natural disasters, accidents and other special causes. In this way, we can effectively address the urgent needs of employees in need, reflecting the care for employees.

## Colorful Cultural and Recreational Activities

Legend Holdings encourages employees to participate in colorful cultural and sporting activities so as to enrich their spare time and raise their sense of belonging and unity.

- Special interest activities like badminton and tennis events are organized regularly, while fun sports day is organized from time to time so that our employees can enjoy the happiness of working and living healthily.

### The Third Fun Sports Day (2018)

In order to increase the exchanges among colleagues, help new colleagues to integrate more quickly, enhance their sense of belonging and motivate the employees' "combat power", the Administration Department and the Trade Union jointly prepared and organized the Third Fun Sports Day event of Legend Holdings.





- Legend Holdings organizes the Family Day Event in the second half of each year. By the end of 2018, Legend Holdings has organized the event for 8 times. The Family Day provides both employees and their family members with a platform to understand the culture of Legend Holdings and come to know one another better.

### 2018 Family Day Activity

The “Code of Happiness”-themed 2018 family day event mainly took the form of carnival activities across a wide age group. Lots of employees participated in and spoke highly of the event.



- At the end of each year, Legend Holdings organizes a “New Year’s Banquet”. All employees at the headquarters of Legend Holdings, as well as management members and employee representatives from various member companies (as far as Europe and Australia) gather together to welcome the new year.



- In addition, at each holiday, Legend Holdings organizes themed activities, including the tree-planting activity, the Mid-Autumn Festival moon-cake baking activity, the book-donation on the Thanksgiving Day, the celebration of Children's Day and the gift-sending activity on the Christmas, sparing love and care to the employees



## Employees' Health and Safety

Legend Holdings attaches great importance to employees' health and safety and strives to create a workplace environment that believes "the first wealth is health". The specifics of employees' work process are reflected by the *Employee Handbook* and routine regulations, and the *Employee Handbook* includes content on information safety, office environment and resource and office rules. Legend Holdings also pays for traffic accident insurance for each employee. Each subsidiary, taking its business characteristics into consideration and observing relevant laws and regulations, sets up a series of working procedures and safety mechanisms to safeguard the personal and property safety of the employees. In 2018, neither the Company nor any of the subsidiaries violated laws and regulations related to providing a safe workplace and protecting employees from occupational hazards. Please refer to Appendix I for the titles of relevant laws and regulations that have a significant impact on the Company and the Company complies with.

### Levima Advanced Materials

Levima Advanced Materials, as a manufacturer of new chemical materials, insists on the policy of "Safety First, Prevention Foremost and Comprehensive Control" for its work safety management. It formulated the *Administration Measures on Safety Education and Training* to enhance employees' awareness about work safety, increase safety publicity and introduce knowledge about safety to more employees. This creates a work-safety supporting environment and allows the idea of safe development to fully permeate into the workforce.

Pursuant to the requirements of the safe production standard system and on the basis of its hierarchical risk control and hazard identification and management system, Levima Advanced Materials has formulated a number of work safety management rules, including the *Provisions on Potential Hazard Identification and Management*, the *Provisions on Safety Management of Special Operations and the Emergency Plan for Work Safety Accidents*, and also established a work safety management system and a long-term effective mechanism for identification and management of potential hazards in work safety, thus further strengthening the emergency-response ability. Levima Advanced Materials attaches great importance to the health of its employees. It follows the principles of "people first, prevention foremost, and a combination of prevention and control" to prevent, control and eliminate occupational hazards. With the focus on continuously improving workplace environment, Levima Advanced Materials seeks to constantly monitor occupational hazards in the workplace, contains and eliminates the triggers of occupational diseases through measures such as strengthening management, improving relevant rules, keeping employees' personal health records, and providing physical examinations to all employees in an effort to eliminate occupational diseases from the very beginning.



## BIL

BIL takes pride in creating a working environment that benefits employees and prevents occupational risks from affecting their health. The Director of Health and Safety cooperates with the Human Resources Department and the Security Department, etc. to jointly fight against risks and launch prevention activities. By formulating the *Occupational Health and Safety Policy*, BIL provides employees with regular health and safety training sessions to further deepen their awareness of potential risks. It also requires contractors to follow the in-house health and safety rules, works hard to prevent accidents from occurring to contractors and strengthens the safety management of contractors, pooling efforts to build a safe, healthy and comfortable working environment.

## Lenovo

At Lenovo, the safety and wellbeing of the workforce is an integral part of its long-term success. Lenovo strives to provide and continually improve company health and safety programs and processes throughout its global manufacturing locations. Its corporate policy – Responsibility for Employee Health and Safety – is the foundation for ensuring a safe and healthy work environment for all of its people worldwide. Please refer to the *Lenovo 2017/18 Sustainability Report* published on the website of Hong Kong Stock Exchange for detailed information.

## Operating Practices

### Supply Chain Management

Legend Holdings has established an equal, fair and effective long-term cooperative relationship with business partners with a sincere and responsible attitude, and actively boosts the sustainability of partners for common development and shared success.

### Raycom Info Tech Park

In order to manage the potential risks in the supply chain, Raycom Info Tech Park conducts annual review over fixed suppliers with suppliers' performance in abiding by laws and regulations, product quality and delivery timeliness as main evaluation factors and conducts routine work relating to supplier management according to the process stipulated in the *Administrative Measures for the Tenders and Bids*.

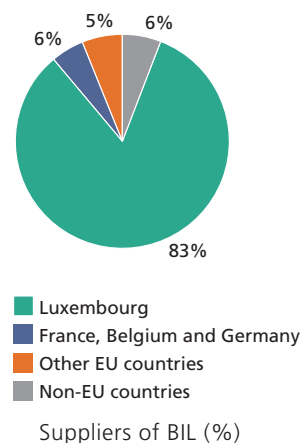
## Levima Advanced Materials

Levima Advanced Materials chooses suppliers that can offer reasonable prices, make timely deliveries and warrant the quality and quantity of products, through scientifically evaluating the suppliers' performance, maintaining moderate competition among suppliers and establishing strategic partnerships with suppliers. In addition to requiring its suppliers to be a legally operating company, Levima Advanced Materials also asks them to obey its management rules and accept its inspections. Besides, it keeps supplementing, revising and improving the procurement & supplier management rules such as the *Supplier Management Measures* and the New *Supplier Management Measures* to make them more realistic. Each year, Levima Advanced Materials organizes annual supplier ratings and invites important suppliers to pay site visits, and deletes unqualified suppliers from the *Qualified Supplier List*. Strictly according to the New *Supplier Management Measures*, it increases new suppliers through appraisal, creates the *Annual New Supplier Ledger*, updates and checks related qualification documents and suppliers' requests from time to time, and manages the *Qualified Supplier List* dynamically. Through the website of the National Enterprise Credit Information Publicity System, Levima Advanced Materials checks the suppliers' basic information, administrative penalty information and abnormal operation information, and updates its file data in time.

## BIL

BIL encourages suppliers to adopt the best practices in human rights, health and safety, and environmental protection. BIL will send guidelines on how to respect and comply with laws and regulations related to human rights, labor, health and safety, ethics and the environment to its suppliers, and include an audit article in the supplier agreement, specifying that an audit should be performed in the place where the supplier operates if necessary. In addition, in order to ensure that suppliers comply with regulatory requirements and reduce the risk of engaging suppliers, BIL has developed the Outsourcing Regulations, which explicitly prohibits the outsourcing of strategic functions related to its core business to any third party for the purpose of mitigating the operating risk.

BIL encourages its business offices to take the products of their local suppliers as the first choice, a move that will not only promote local employment and economic development, but also reduce the environmental impact of the procurement and transportation process. In 2018, most of the suppliers of BIL headquarters came from Luxembourg.



## Lenovo

Lenovo has strong supplier contractual requirements, a comprehensive supplier *code of conduct* and extensive supplier validation programs. This includes rigorous implementation of the *RBA Code of Conduct*, respect for human rights and maintaining robust environmental and conflict minerals programs. On several aspects Lenovo requires direct and independent validation of supplier compliance. Overall supplier sustainability performance is tracked and reported via an extensive report card program. Besides, education and capability building practices are in place to eliminate sustainability risk in the supply chain. Please refer to the Lenovo 2017/18 Sustainability Report published on the website of Hong Kong Stock Exchange for detailed information.

## Product Responsibility

Legend Holdings offers a consistent guarantee, for every industrial sector we participate in, that each operating procedure of our products (covering the entire life cycle from development, production, sale, utilization and recycling) is in full compliance with the requirements of laws and regulations of the regions where we operate. Meanwhile, the Company pays special attention to the energy efficiency, materials and packaging of products and devotes unremitting efforts to improving the environmental performance of products with a series of technological updates and practices, and strives to minimize the impacts of products on the environment. In 2018, neither the Company nor any of the subsidiaries recorded any event that constituted violation of the laws and regulations concerning providing and using products and services of the Company (including but not limited to information and labeling, promotional newsletters (such as advertising, promotional sales and sponsoring), customer privacy and intellectual rights relating to the products and services). Please refer to Appendix I for the titles of relevant laws and regulations that have a significant impact on the Company and the Company complies with.

## BIL

Adhering to the principles of integrity, responsibility, fairness, transparency and prudence, BIL is committed to providing customers with a broad range of service channels, including the around-the-clock BILnet platform which offers both online and mobile banking services, telephone banking and 41 branches. BIL tries its best to provide the disadvantaged groups with more convenient services, such as the barrier-free access for people who are wheelchair-bound and others with reduced mobility, and provision of presentations and learning courses on how to use electronic tools for people who are less familiar with such tools. In addition, to get more valuable comments and suggestions from customers, BIL analyzes the customer feedbacks received by the account managers and the opinions given by customers in the satisfaction surveys to tailor the services and products that meet the customers' demands. In order to regulate the handling of customer inquiries and complaints, BIL has developed a complaint handling policy which defines the duties of the complaint handlers and the matters to be monitored and reported so as to take effective remedial actions and respond quickly. In 2018, BIL received 278 complaints about products and services.

Together with the government of Luxembourg, BIL is also one of the founding members of the Forestry and Climate Change Fund ("FCCF"), launched in 2017. The "FCCF" is a pioneering impact fund aiming to prevent deforestation via a sustainable forestry model and finance for companies, communities and small farmers that manage secondary and degraded tropical forests in Central America. BIL is also one of the partners in the Luxembourg Microfinance Development Fund (LMDF), which was launched in 2009 on the initiative of the Appui au Développement Autonome (ADA), a non-profit organisation and the Luxembourg government. Finally, considering a growing demand for sustainable investment solutions, BIL stays proactive in developing client solutions complying with ESG standards.

## Lenovo

Lenovo delivers superior quality products and is committed to ensuring that its products are safe throughout their life cycle. Product Life Cycle Assessment principles guide Lenovo in ensuring that every stage of the product's life is taken into consideration, including manufacturing, transportation, installation, use, service and recycling. Lenovo's global Quality Management System has earned ISO 9001 (International Organization for Standardization) certification. Please refer to the Lenovo 2017/18 Sustainability Report published on the website of Hong Kong Stock Exchange for the information of Lenovo on product materials, packaging, environmental certification, logistics and recycling.

## Anti-Corruption

Legend Holdings requires the management members and all the employees to strictly comply with the laws and regulations of the PRC and other countries where our portfolio companies operate as well as the Anti-Corruption Management Policy, the *Code of Ethics for Employees* and other internal control rules of the Company. This is to guarantee the law-abiding and compliance operation of the Company and guard against individual corruption behaviors. In 2018, neither the Company nor any of the subsidiaries violated the laws and regulations related to the fight against bribery, extortion, fraud and money laundering. Please refer to Appendix I for the titles of relevant laws and regulations that have a significant impact on the Company and the Company complies with.

Besides, the Company sets an anti-corruption whistleblowing mailbox according to the Anti-Corruption Management Policy. If an employee finds any fraudulent or unethical practice in the business of the Company, or his/her interests are infringed upon due to the Company's violation of relevant laws and regulations and *code of conduct*, he/she is entitled to complain and report such misconduct via the anti-corruption whistleblowing mailbox. The Company will handle the complaint or report subject to the permission of laws and regulations and in compliance with effective investigation. The Company keeps strictly confidential the personal information and all the data provided by the informer, and prohibits any retaliation against the informer in any form. Relevant personnel will be held accountable in case of a retaliation.

The Company pays consistent attention to cultural development and employee education in an attempt to prepare in advance for any possible calamity. The Company has had "conclusive requirements" in place since 1990, which set forth certain unchallengeable bottom-lines for the employees including "strictly forbidden to take advantage of their work to seek personal gains". In addition, in order to raise the employees' sense of integrity, the Company requires all new recruits to attend the training course on the *Code of Ethics for Employees* and other on-boarding training, and further expands the training contents in the form of case studies on a regular basis.

### BIL

BIL upholds the strictest standards of transparency. BIL has been a signatory to the Charter of the International Capital Market Association. All its employees must abide by the *Code of Conduct* for BIL group, the Anti-Bribery and Corruption Regulations of BIL group, the *Code of Ethics for BIL group*, and the Financial Crime Prevention Regulations of BIL group. They are also subject to very strict procedures, whether it involves tax transparency, fight against money laundering, combating of terrorism financing, security and confidentiality, or anti-discrimination. In order to ensure that employees at all levels have a deep understanding of and comply with the procedures, BIL provides relevant training to employees and arranges regular reviews to ensure the applicability of the procedures.

### Lenovo

Lenovo has a global ethics and compliance program, which is guided by its *Code of Conduct*. The Ethics and Compliance Office of Lenovo oversees ethics and compliance across the organization. Each newly hired employee receives training and information about the ethics and compliance program of Lenovo, and all employees are required to participate in subsequent mandatory training sessions held on a regular basis to reinforce Lenovo's commitment to compliance and to conducting business with integrity. In keeping with best practices, Lenovo has developed and implemented an Anti-Bribery and Anti-Corruption Policy, which reinforces provisions in the *Code of Conduct*. Please refer to the Lenovo 2017/18 Sustainability Report published on the website of Hong Kong Stock Exchange for other information on ethics and compliance.

## Our Environment

### Environmental Policy

The Company and its subsidiaries are committed to environmental protection, energy conservation and emission reduction and reasonable and efficient utilization of resources and energy in day-to-day operational activities and ensure the observation of local environmental laws and regulations and relevant industry emission standards in different regions. We are committed to constantly practicing environmental management and improving corresponding measures, including establishing a complete environmental emergency response system for specific business, providing feasible support for prevention and control of environmental accidents, and improving factory production process and equipping resource recycling system to effectively reduce energy consumption. In the meantime, we attach great importance to the environmental management in the office area. We actively cultivate staff's awareness of protecting the environment and saving office resources and energy and actively promote greening layout in plant areas and green building rating of office buildings. The Company and its subsidiaries will continue to strictly abide by relevant regulations on environmental protection, develop sustainability policies and design and strive to strike a balance among economic, social and environmental benefit.



As Legend Holdings makes strategic investments on all fronts, the environmental impact of the Company's activities has also become an increasingly important factor considered by investors. Legend Holdings requires its subsidiaries in all strategic investment sectors to ensure their strict compliance with local environmental laws and regulations where they operate. During the reporting period, the Company and its subsidiaries did not violate any laws and regulations relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste. Please refer to Appendix I for relevant laws and regulations that have a significant impact on the Company and the Company complies with.

In order to carry out environmental management and continuously improve relevant measures, Legend Holdings requires its subsidiaries in all strategic investment sectors to establish a sound environmental emergency system for specific businesses, provide solid support for prevention and control of environmental emergencies, and improve the factory processes and establish waste recycling system to reduce energy consumption. As for environmental management of office spaces, we have fostered employees' awareness of protecting the environment and saving office resources and energy, and vigorously promoted the landscaping of factory sites and the green building rating of office buildings. In addition, we also have formulated and implemented more detailed environmental protection policies in line with the local conditions of subsidiaries in all strategic investment, so as to achieve the harmony among economic, social and environmental benefits.



Green buildings



Illumination source replaced with an energy-saving LED light source

## Energy Conservation and Emission Reduction

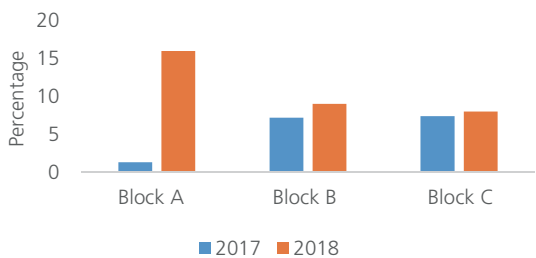
As climate change is increasingly affecting the world, Legend Holdings acts in an "environmentally responsible" manner and strongly supports diversified and effective energy conservation and emission reduction measures in various investment activities, in a bid to reduce the carbon footprint of operations. The environmental section of this ESG Report will primarily describe the performance of Legend Holdings' financial services (Banque Internationale à Luxembourg), investment property (Raycom Info Tech Park) and strategic investment (Levima Advanced Materials) in energy conservation and emission reduction.

## Raycom Info Tech Park

### Energy conservation and emission reduction measures

Raycom Info Tech Park, where Legend Holdings is headquartered, is managed by Raycom Property Investment. To reduce greenhouse gas emissions, Raycom Property Investment upgraded the public area lighting, restroom lighting and lobby lighting on all floors of Block C of Raycom Info Tech Park with energy-saving LED lighting. A total of 2,657 floor downlights, 2,278 meters of light strips and 448 elevator car spotlights were replaced. After the upgrade, the overall lighting power was reduced while illuminance was improved, resulting a substantial drop in electricity consumption in public areas. In order to cope with the increasingly serious climate problem and improve the ambient air quality, Raycom Property Investment added 10,010 square meters of green area near Raycom Info Tech Park in 2018. The total green area was 24,660 square meters, representing a 10.2% in green area relative to the total constructed floor area of Raycom Info Tech Park, and a 68.3% increase in total green area relative to 2017.

Greening area as % of gross floor area of Raycom Info Tech Park



### Measures to reduce waste

Raycom Property Investment has signed a solid waste disposal agreement with Beijing Eco-Island Science and Technology Co., Ltd. According to relevant notices, policies and guidelines such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste*, the *Notice on Strengthening the Management of Chemical Hazardous Substances*, the *Notice on Strengthening the Environmental Management of Waste Electrical and Electronic Equipment*, and the *Administrative Measures for the Prevention and Control of Environmental Pollution Caused by Electronic Waste*, hazardous waste is centrally collected and managed, and waste is regularly transferred for disposal. In 2018, Raycom Property Investment transferred and disposed 200 kg of mercury-containing lamps. In addition, Raycom Property Investment improved the waste sorting facilities on floors of Blocks A, B and C of Raycom Info Tech Park in 2018. The waste sorting criteria were further standardized and detailed, adjusted to three categories (non-recyclable, recyclable and hazardous waste) from two categories of waste in 2017, and more than 30 new sorting points were added.



Three categories of waste sorting criteria



## Increasing utilization rate of resources

Raycom Property Investment attaches great importance to environmental protection, energy conservation and emission reduction and reasonable and efficient use of resources and energy. In accordance with the *Circular of the State Council on Issuing the Comprehensive Work Plan for Energy Conservation and Emission Reduction for the 13th Five-Year Plan Period*, the *Water Law of the People's Republic of China and other relevant laws and regulations*, it formulated the *Environmental Energy Efficiency Plan*. Running water and water-consuming equipment was repaired and replaced in a timely manner through real-time monitoring of water consumption and inspection of sanitary ware. In addition, Raycom Property Investment also strengthened the staff training on awareness of water conservation and carried out energy conservation publicity to tenants to ensure the reasonable use of resources. In 2018, a total of 100 sets of water-saving faucets were installed in selected restrooms in Block C of Raycom Info Tech Park, an approximately 46.7% of water conserved compared before replacement.

The environmental performance data of Raycom Info Tech Park<sup>1</sup> are summarized as follows:

Emissions	Type	Unit	2018	2017
Greenhouse Gas Emissions	Scope 1 (Direct Emissions) <sup>2</sup>	t CO <sub>2</sub> e	107.66	106.32
		t CO <sub>2</sub> e/m <sup>2</sup> <sup>3</sup>	1.57 x 10 <sup>-3</sup>	1.18 x 10 <sup>-3</sup>
	Scope 2 (Indirect Emissions) <sup>4</sup>	t CO <sub>2</sub> e	24,533.30	23,690.84
Air Pollutant Emissions <sup>5</sup>	Nitrous Oxides (NO <sub>x</sub> )	t CO <sub>2</sub> e/m <sup>2</sup>	0.36	0.26
		kg	41.54	25.63
	Sulphur Oxides (SO <sub>x</sub> )	kg/m <sup>2</sup>	6.07 x 10 <sup>-4</sup>	2.85 x 10 <sup>-4</sup>
		kg	0.70	0.40
	Carbon Monoxide (CO)	kg/m <sup>2</sup>	1.03 x 10 <sup>-5</sup>	4.00 x 10 <sup>-6</sup>
		kg	304.60	142.44
	Particulate Matter (PM)	kg/m <sup>2</sup>	4.45 x 10 <sup>-3</sup>	1.59 x 10 <sup>-3</sup>
		kg	2.73	1.57
Non-hazardous Waste	Construction Waste	kg/m <sup>2</sup>	3.99 x 10 <sup>-5</sup>	1.80 x 10 <sup>-5</sup>
		t	6,000.00	6,700.00
	Domestic Waste	t	1,600.00	1,643.00
Hazardous Waste	Paper	sheets	620,500.00	600,000.00
	Discarded Tubes with Mercury	pieces	1,708.00	1,384.00
	Discarded Batteries	pieces	2,214.00	2,540.00
Resource used	Type	Unit	2018	2017
Energy	Purchased Electricity	MWh	34,873.20	33,675.68
		MWh/m <sup>2</sup>	0.51	0.38
	Petrol	L	45,369.00	34,511.00
		L/m <sup>2</sup>	0.66	0.38
	Diesel	L	1,200.00	1,200.00
Water	Tap Water <sup>6</sup>	L/m <sup>2</sup>	1.75 x 10 <sup>-2</sup>	1.33 x 10 <sup>-2</sup>
		m <sup>3</sup>	253,759.00	244,815.00
	Packaging Materials		m <sup>3</sup> /m <sup>2</sup>	3.71
Not Applicable <sup>7</sup>				

- <sup>1</sup> As the headquarters of Legend Holdings are located at Raycom Info Tech Park, the environmental performance key performance indicators of Legend Holdings' headquarters are included in that of Raycom Info Tech Park.
- <sup>2</sup> Requirements of the greenhouse gas emissions accounting and reporting – land transportation enterprise and Industrial greenhouse gas emissions accounting and reporting- other industries issued by the National Development and Reform Commission of the People's Republic of China; and Greenhouse gas inventory guidance – direct emissions from mobile combustion sources issued by the United States Environmental Protection Agency (USEPA). Scope 1 greenhouse gas emissions came from the operation of vehicles and diesel backup generators owned by Raycom Info Tech Park.
- <sup>3</sup> The calculation for m<sup>2</sup> is based upon Raycom Info Tech Park's area which excludes the area leased to tenants. This year's non-leased area was 21,473.19 m<sup>2</sup> less than the previous year, hence the change in intensity figures.
- <sup>4</sup> 2011-2012 Regional Power Grid Average CO<sub>2</sub> Emission Factors in China guidelines published by the National Development and Reform Commission of the People's Republic of China. Scope 2 emissions came from Raycom Info Tech Park's purchased electricity.
- <sup>5</sup> Non-road mobile source air pollutant emission inventory preparation technical guide and Road vehicles air pollutant emission inventory preparation technical guide issued by the National Development and Reform Commission of the People's Republic of China. NO<sub>x</sub>, SO<sub>x</sub>, CO and PM emissions came from the operation of vehicles and diesel backup generators owned by Raycom Info Tech Park.
- <sup>6</sup> Raycom Info Tech Park sources its water from the municipal pipeline, and has no issues in sourcing water that is fit for purpose.
- <sup>7</sup> Raycom Info Tech Park does not use packaging material for finished products, and thus, this is not applicable.

## Levima Advanced Materials

As a high-tech manufacturer of new materials, Levima Advanced Materials persistently upholds the philosophy of sustainable development. Levima Advanced Materials, through innovations in production process, industrial organization, industrial layout and management mode, leads the green industries with green technology and tries its best to maintain harmony with the environment. Levima Advanced Materials is dedicated to becoming a green, efficient and environmentally friendly corporate citizen and creating more valuable products and services for the society, its customers and partners.

### Environmental Monitoring System

Based on the actual demands in conducting environmental protection work, Levima Advanced Materials established an environmental monitoring and management body covering the whole plant and established the Health and Safety Executive (HSE) department. The department is in the charge of a senior vice president of Levima Advanced Materials and all the operation divisions are manned by environmental staff responsible for the operation of environmental facilities, environmental monitoring and wastewater discharge. In order to strengthen the wastewater management, Levima Advanced Materials established a wastewater treatment station with a treatment capacity of 300m<sup>3</sup>/h. The wastewater is not directly discharged after treatment, but goes through an in-depth treatment at wastewater treatment stations in the park before discharge.

Meanwhile, Levima Advanced Materials established a three-level emergency prevention and control system based on the production characteristics of chemical plants and relevant requirements, such as the 12,000 m<sup>3</sup> emergency catch basin and the 10,000 m<sup>3</sup> rainwater monitoring pool. Levima Advanced Materials regularly revises the Safety and Environmental Monitoring and Administration Policy, the Assessment Regulations on the Safety and Environmental Responsibility System and other special policies, including the Waste Gas Management Regulations, the Radiation Safety Management Regulations, the Solid Waste Management Regulations, the Environmental Facilities Management Regulations, the Environmental Monitoring Management Regulations, the Sewage Management Regulations and the Potential Environmental Risks and Hazardous Scrutiny Management Regulations. Levima Advanced Materials ensures that safety and environmental engineers or professional machinery and equipment administrators are responsible for managing and controlling environmental risks. Levima Advanced Materials further improved the management of environmental archives by establishing a reward and punishment system on environmental protection.



Reclaimed water treatment facilities



Authorizing a third party to carry out self-monitoring

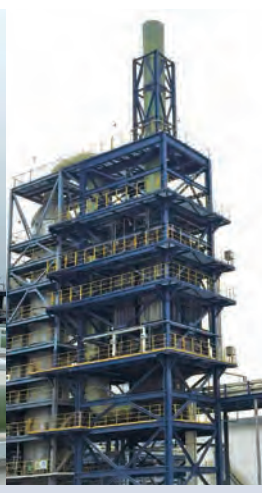
In addition, Levima Advanced Materials is also equipped with real-time online monitoring and various monitoring functions, including video surveillance, the Distributed Control System (DCS) centralized control system, the Laboratory Information Management System (LIMS) quality analysis and testing system, inflammables/toxics alarming monitors, online monitoring and sampling monitoring on environmental emissions as well as other routine management. Levima Advanced Materials conducts risk assessment on environmental emergencies and prepared, revised on an annual basis and filed the overall environmental emergency plan and the onsite preparedness plan of departments in an orderly way.

### Measures to reduce emissions of air pollutants and discharge of wastewater

Levima Advanced Material has completed its boiler upgrades for ultra-low flue-gas emissions in accordance with the seven notices of standard revisions, including the General Standards for Water Pollutants Discharge along the South-to-North Water Diversion Line in Shandong Province approved and issued by Shandong Provincial Environmental Protection Department and Shandong Provincial Bureau of Quality and Technical Supervision, and the Shandong Provincial Standards for Boiler Air Pollutants Emissions (L.Z.J.B.F. (2016) No. 46). In 2018, the emissions of sulfur dioxide, nitrogen oxides and dusts from boiler flue gas decreased by 68.8%, 14.3% and 54.2% respectively compared with 2017. In addition, Levima Advanced Materials continued to carry out the factory-wide Leak Detection and Repair (LDAR) work, achieving an emission reduction of Volatile Organic Compounds by 4,780 kg/year. With a reconstruction of reclaimed water treatment facilities, the reclaimed water of Levima Advanced Material increased by 48.16% from 2017, and the COD and ammonia nitrogen emissions fell by 23.63% and 15.39% respectively compared with 2017. During the reporting period, Levima Advanced Materials added flocculation, sterilization, multi-media filtration and other treatment equipment to the wastewater treatment station to improve the effectiveness of wastewater treatment, cutting annual waste discharge by about 1.2 million tons.



Sewage treatment plant



Boiler ultra low  
emission device



DMTO device exhaust  
dust removal facility



## Waste disposal

Levima Advanced Materials conducted the identification, storage, plan application and handling measures on hazardous waste to ensure they were all legally and appropriately handled. The sludge from the treatment of wastewater is categorized as general waste according to the environmental assessment. It is temporarily placed at the sludge depository at the wastewater treatment station and is taken to boilers for incineration once a month. There is a special temporary storage site for hazardous wastes in the south of the plant area, covering an area of about 400 square meters. Levima Advanced Materials entrusts qualified agencies with the disposal and comprehensive utilization of boiler slag and flue-gas gypsum. Domestic wastes are placed at a designated place and are collected together. Local environmental authorities will clear and conduct harmless treatment in time and regularly sterilize and clear the waste storage place to prevent the breeding of bacteria and the transmission of diseases.

## Improving the efficiency of resource use

Levima Advanced Materials continuously examines feasible strategies and measures to save energy and seeks opportunities to improve resource efficiency. In 2018, a new crossover line was added to the inlet and outlet pipelines of ethylene compressors through technical revamp, saving about 160,000 kWh of power consumption in one year. In addition, the company improved the effluent discharge process of quench water clear liquid in the Dimethyl Ether/Methanol to Olefins (DMTO) unit and reduced the feeds to the sewage stripper, reducing the steam consumption at the bottom of the tower to 7 tons per hour, and cutting the monthly steam consumption by more than 5,000 tons. The environmental performance data of Levima Advanced Materials are summarized as follows:

Emissions	Type	Unit	2018	2017
Greenhouse Gas Emissions	Scope 1	t CO <sub>2</sub> e	<b>432,867.00</b>	591,859.52
	(Direct Emissions) <sup>1</sup>	t CO <sub>2</sub> e/revenue (millions of RMB) <sup>2</sup>	<b>72.81</b>	121.38
	Scope 2 (Indirect Emissions) <sup>3</sup>	t CO <sub>2</sub> e	<b>645,215.00</b>	405,324.92
Air Pollutant Emissions <sup>4</sup>		t CO <sub>2</sub> e/revenue (millions of RMB)	<b>108.53</b>	83.13
	Nitrous Oxides (NO <sub>x</sub> )	t	<b>144.38</b>	166.35
		t/revenue (millions of RMB)	<b>2.43 x 10<sup>-2</sup></b>	3.41 x 10 <sup>-2</sup>
	Sulphur Oxides (SO <sub>x</sub> )	t	<b>23.91</b>	77.56
		t/revenue (millions of RMB)	<b>4.02 x 10<sup>-3</sup></b>	1.59 x 10 <sup>-2</sup>
	Carbon Monoxide (CO)	kg	<b>625.37</b>	666.15
		kg/revenue (millions of RMB)	<b>0.11</b>	0.14
	Dust (PM <sub>7.5</sub> ) <sup>5</sup>	t	<b>5.64</b>	13.61
		t/revenue (millions of RMB)	<b>9.49 x 10<sup>-4</sup></b>	2.79 x 10 <sup>-3</sup>
	Dust (PM <sub>10</sub> )	kg	<b>34.36</b>	36.82
Wastewater Discharge and Emissions from Other Pollutants		kg/revenue (millions of RMB)	<b>5.78 x 10<sup>-3</sup></b>	7.55 x 10 <sup>-3</sup>
	Wastewater Discharge	t	<b>2,229,284.00</b>	2,094,778.00
		t/revenue (millions of RMB)	<b>374.98</b>	429.61
	Chemical Oxygen Demand (COD)	t	<b>309.54</b>	394.75
		t/revenue (millions of RMB)	<b>5.21 x 10<sup>-2</sup></b>	8.10 x 10 <sup>-2</sup>
	Ammonia Nitrogen	t	<b>3.16</b>	2.20
		t/revenue (millions of RMB)	<b>5.32 x 10<sup>-4</sup></b>	4.51 x 10 <sup>-4</sup>

Emissions	Type	Unit	2018	2017
Non-hazardous Waste	Not Applicable <sup>6</sup>			
General Waste	Wastewater Treatment	t	<b>686.00</b>	875.00
	Sludge	t/revenue (millions of RMB)	<b>0.12</b>	0.18
Hazardous Waste	VA Refined Residual Liquid,	t	<b>1,706.54</b>	1,401.91
	Waste Lubricating Oil, Waste Initiator, Waste Packaging, etc.	t/revenue (millions of RMB)	<b>0.29</b>	0.29
Use of resources	Type	Unit	2018	2017
Energy	Purchased Electricity	MWh	<b>492,357.00</b>	458,356.00
		MWh/revenue (millions of RMB)	<b>82.82</b>	94.00
	Coal	t	<b>246,426.00</b>	225,084.00
		t/revenue (millions of RMB)	<b>41.45</b>	46.16
	Diesel	L	<b>23,977.00</b>	21,004.00
		L/revenue (millions of RMB)	<b>4.03</b>	4.31
	Petrol	L	<b>20,969.00</b>	24,579.00
		L/revenue (millions of RMB)	<b>3.53</b>	5.04
Water	Tap Water <sup>7</sup>	m <sup>3</sup>	<b>4,611,066.00</b>	3,892,639.00
		m <sup>3</sup> /revenue (millions of RMB)	<b>775.62</b>	798.33
Packaging Materials	FFS Film	t	<b>628.00</b>	728.42

<sup>1</sup> *Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions of China's Petrochemical Enterprises (Trial), Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions of China's Power Generation Enterprises (Trial) and the National MRV Question and Answer Platform Questions and Answers – Power Generation Industry Issues (2016 Edition)* issued by the National Development and Reform Commission of the People's Republic of China. Scope 1 greenhouse gas emissions came from Levima Advanced Material's fuel combustion (coal, diesel (diesel generators, vehicles), liquefied petroleum gas (forklifts), DMTO units that produce fuel gas and torch emissions) and emissions from industrial processes (continuous burnt flue gas emissions from DMTO units, emissions from EO units, desulphurized calcium carbonate emissions). The 2017 greenhouse gas emissions have been appropriately adjusted based on third-party audited greenhouse gas emission figures published in *Levima Advanced Materials Carbon Emissions Report 2016-2017* on May 28, 2018.

<sup>2</sup> This figure is the 2018 revenue of Levima Advanced Materials.

<sup>3</sup> *2011-2012 Regional Power Grid Average CO<sub>2</sub> Emission Factors in China Guidelines and the Requirements of the greenhouse gas emissions accounting and reporting – industrial enterprises in other industries (trial)* published by the National Development and Reform Commission of the People's Republic of China. Scope 2 emissions came from Levima Advanced Material's purchased heat/electricity. The 2017 greenhouse gas emissions have been appropriately adjusted based on third-party audited greenhouse gas emission figures published in *Levima Advanced Materials Carbon Emissions Report 2016-2017* on May 28, 2018.

<sup>4</sup> *Road vehicles air pollutant emission inventory preparation technical guide* published by the National Development and Reform Commission of the People's Republic of China. NO<sub>x</sub>, SO<sub>x</sub>, CO and PM<sub>10</sub> emissions came from the operation of production facilities and vehicles owned by Levima Advanced Materials. Levima Advanced Materials uses a Continuous Emissions Monitoring System (CEMS) to track air pollutant emissions from production facilities on a real-time basis.

<sup>5</sup> The scope of this data covers dust (PM<sub>7.5</sub>) generated by production facilities, and dust (PM<sub>10</sub>) generated by vehicles owned by Levima Advanced Materials during the reporting period of this environmental, social and governance report.

<sup>6</sup> Non-hazardous waste generated during the reporting period was less material compared to generated hazardous waste and pollutant emissions, hence this has not been disclosed.

<sup>7</sup> Levima Advanced Material's water is sourced from the municipal pipeline network, and has no problems in sourcing water fit for purpose.

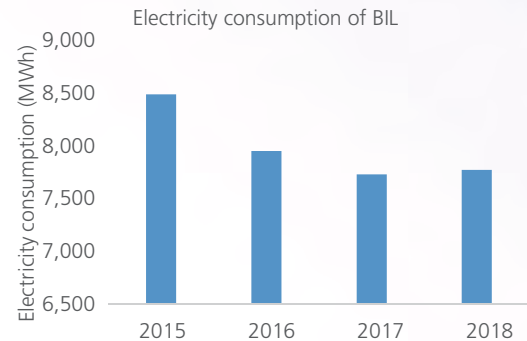


## BIL

BIL attaches great importance to environmental management and strives to take measures to reduce electricity consumption and waste generation, thereby fulfilling its environmental responsibilities.

### Energy conservation and emission reduction measures

Energy consumed at the headquarters of BIL is mainly electricity. During the Reporting Period, the headquarters of BIL replaced 90% of the traditional halogen lamps with LED lamps to reduce power consumption. In addition, BIL has updated the motors of the headquarters' HVAC system and optimized the cooling, heating and dehumidification processes to reduce the consumption of electricity and natural gas. The *Commercial Transportation Policy* prepared by BIL encourages employees to use teleconferencing or video conferencing to reduce their frequency of air, train or car travels. In addition, BIL also subsidizes employees' annual public transportation to encourage them to use public transportation.



### Measures to reduce waste

Since 2008, BIL has adopted the *SuperDrecksKëscht Fir Betriber* labeling method for waste management. According to this method, wastes are sorted into 43 types for storage and disposal, thereby increasing the amount of recycled waste and minimizing the amount of waste. BIL examines and verifies whether the measures under this method have been fully implemented each year to correct mistakes and omissions in a timely manner, giving full play to its role in waste reduction.

### Improving the efficiency of resource use

For higher power efficiency of air conditioners in summer, we remind employees to keep windows closed where possible through our internal network information system. In addition, the windows are also equipped with automatic sunshade curtains to isolate the office from solar heat and keep the temperature stable in offices. Since 2008, BIL has installed 110 measurement points to monitor the consumption of electricity, natural gas and water resources on an ongoing basis. It prepares monthly monitoring data reports and compare them with past data to better identify and correct abnormalities, thus using resources more efficiently.

The environmental performance data of BIL's headquarters are summarized as follows:

Emissions	Type	Unit	2018
Greenhouse Gas Emissions	Scope of Emissions (Direct Emissions) <sup>1</sup>	t CO <sub>2</sub> e	19.02
		t CO <sub>2</sub> e/m <sup>2</sup>	5.35 x 10 <sup>-4</sup>
	Scope 2 (Indirect Emissions) <sup>3</sup>	t CO <sub>2</sub> e	5,880.35
		t CO <sub>2</sub> e/m <sup>2</sup>	0.17
Air pollutant Emissions <sup>4</sup>	Nitrogen Oxides (NO <sub>x</sub> )	kg	48.15
		kg/m <sup>2</sup>	2.58 x 10 <sup>-4</sup>
	Sulphur Dioxides (SO <sub>x</sub> )	kg	0.12
		kg/m <sup>2</sup>	1.36 x 10 <sup>-3</sup>
	Carbon Monoxide (CO)	kg	9.16
		kg/m <sup>2</sup>	2.78 x 10 <sup>-5</sup>
	Dust (PM)	kg	0.99
		kg/m <sup>2</sup>	3.30 x 10 <sup>-6</sup>

Emissions	Type	Unit	2018
Non-hazardous Waste	Paper and Cardboard Boxes	kg	90,520.00
	Paper and Cardboard Boxes Recycled		
	Domestic Waste		85,580.00
	Food Residue		29,771.00
	Recycled Food Residue		
	Glass		13,360.00
	Recycled Glass		
	Mixed Packaging		4,549.00
Hazardous Waste	Recycled Mixed Packaging	pieces	
	Waste Bulbs and Lamps		72.00
Use of resources	Type	Unit	2018
Energy	Purchased Electricity	MWh	7,772.80
		MWh/m <sup>2</sup>	0.22
	Natural Gas	m <sup>3</sup>	304,396.00
		m <sup>3</sup> /m <sup>2</sup>	23.30
	Coal Gas	m <sup>3</sup>	178.00
		m <sup>3</sup> /m <sup>2</sup>	2.15 x 10 <sup>-3</sup>
Water	Tap Water <sup>5</sup>	L	7,051.00
		L/m <sup>2</sup>	0.20
		m <sup>3</sup>	39,895.00
		m <sup>3</sup> /m <sup>2</sup>	1.12
Packaging Materials	Not Applicable <sup>6</sup>		

<sup>1</sup> EMEP/EEA air pollutant emission inventory guidebook 2016 issued by the European Monitoring and Evaluation Programme (EMEP) and the European Environment Agency (EEA). Scope 1 greenhouse gas emissions came from vehicles owned and operated by BIL.

<sup>2</sup> m<sup>2</sup> calculations are based on the net internal floor area of BIL's headquarter offices. This year's net internal floor area was 35,530 m<sup>2</sup>.

<sup>3</sup> A report (*Bilan énergétique*) on BIL's energy consumption and energy-savings plans published by a third-party consultant, within which emission factors for BIL's headquarters were included. This report has been provided to the Luxembourg Ministry of Environment. Scope 2 greenhouse gas emissions came from BIL headquarters' purchased electricity, natural gas and coal gas.

<sup>4</sup> EMEP/EEA air pollutant emission inventory guidebook 2016 issued by the EMEP and EEA. NO<sub>x</sub>, SO<sub>x</sub>, CO and PM emission came from the operation of vehicles owned by BIL's headquarters.

<sup>5</sup> BIL has no issues in sourcing water that is fit for purpose.

<sup>6</sup> BIL does not use packaging material for finished products, and thus, this is not applicable.

## Lenovo

As a global enterprise, Lenovo attaches great importance to its environmental performance. It fully monitors the environmental management, ranging from manufacturing sites and offices to the design and recycling of products and to the end of product lifecycle. Environmental KPIs affecting Lenovo are disclosed in its annual sustainability report. For details and KPIs, please refer to the “Lenovo 2017/18 Sustainability Report” published on the website of Hong Kong Stock Exchange.

## Environment and natural resources

As Legend Holdings is mainly engaged in investment business, businesses under its direct operation barely have any impact on the environment and natural resources. Nonetheless, the Company actively supports the green and sustainable development projects. Raycom Info Tech Park and BIL have adopted energy-efficient LED lights and introduced a waste sorting system aiming to reduce impacts on the environment and natural resources. Levima Advanced Materials, in addition to improving its productivity, has also effected the sustainable development concept featuring energy conservation and emission reduction. Levima Advanced Materials aims at sharing a win-win result through its technological innovation practice.



## Assuming Social Responsibility

### Legend Holdings has remained deeply engaged in public welfare activities for 15 years through systematic designs

Legend Holdings has incorporated public welfare work into its overarching corporate strategy, focusing its public welfare undertakings on “supporting education”, “fostering startups” and “promoting social integrity”. 2018 marked the 40th anniversary of China’s reform and opening-up. Over the past 40 years, China’s pro-development environment, the historic opportunities of reform and opening-up and the stable social environment nurtured a large number of outstanding enterprises. Growing big from a small start, these enterprises have always cherished the concept of family and country, actively participated in public welfare undertakings in various fields and jointly promoted social advancement.

Legend Holdings is exactly such an enterprise. For more than 30 years, it has adhered to the spirit of “being a good person that does the right things and sets a good example for the society”. While running its business well, Legend Holdings has also actively explored the pathway to public welfare. In 2004 marking its 20th anniversary, Legend Holdings incorporated public welfare work into its overarching corporate strategy, focusing its public welfare undertakings on “supporting education”, “fostering startups” and “promoting social integrity”.

## Helping children with their dreams

On October 26, 2018, Ningxia Liupanshan Senior High School held the opening ceremony for the first Legend Progress Class. It was the 14th year the Legend Progress Class has passed. Ningxia Liupanshan Senior High School joined the Legend Progress Class family as a new member.



Ningxia Liupanshan Senior High School is a full-time boarding school sponsored by Ningxia Autonomous Region and the Ministry of Education. It is a model school sourcing students from extremely poor areas (all national poor counties) of Liupanshan in southern Ningxia. The school is located in Yinchuan City. Since its establishment in 2003, the school has enrolled 27,000 students in the extremely poor mountainous areas in southern Ningxia (including 9 national poor counties such as Xiji County, Jingyuan County and Haiyuan County). The enrollment rate for second-tier universities has remained above 70% for 15 consecutive years, and exceeded 60% for key universities every year. A total of 39 students have entered Peking University and Tsinghua University. The school plays an important role in “alleviating poverty through education” in poor areas in Ningxia.



Registration of high school freshmen from Ningxia Liupanshan Senior High School





Given the school's solid foundation, coupled with the Company's experience in successfully running the Legend Progress Class over the past 14 years, we have reason to believe that the Legend Progress Class at Ningxia Liupanshan Senior High School will definitely give us more surprises in the future. While helping these children change their fate, we are also contributing to alleviating poverty through education.

Since 2004, Legend Holdings has decided to focus its dedication to public education on the senior secondary education stage. The Company set up the Legend Progress Class in many extremely poor areas to help financially stressed but academically excellent students to realize their dreams. Over the past 14 years, Legend Holdings set up Legend Progress Classes in Beijing Yanqing No.2 Middle School, Guizhou Duyun No.2 Middle School, Gansu Huining No.2 Middle School, Sichuan Beichuan Middle School, and Ningxia Liupanshan High School successively, with a total investment of over RMB30 million. The Company has funded all tuition and living expenses of over 2,000 students in poverty from the freshman year to the junior year, helping these children receive senior secondary education at zero financial cost without worries. Furthermore, as Chairman of the Board of Legend Holdings and founder of Lenovo Mr. LIU Chuanzhi said, he hoped to make a little contribution at the critical stage of junior secondary school, "(if we) hold them up and help them take the first step, their limit will be the blue sky".

Education is an important cornerstone for national rejuvenation and social advancement. In particular, senior secondary school is a critical stage for forming one's values and fostering one's qualities. In addition to financial support, the Legend Progress Class also provides students with a variety of realistic "value-added services" to help students enhance their moral quality, acquire knowledge and skills and broaden their horizon.

Legend Holdings' charity team goes to Guizhou, Gansu and Ningxia every year to show Legend's care and support for these children. In 2012, the charity team invited Olympic champion boxer ZOU Shiming from Guizhou Province to visit the Legend Progress Class and share his story about "progress". In 2014, an American teacher, White Jesse, was invited to Duyun, Guizhou Province, to teach children how to study English like native speakers. In 2016, Dale Carnegie Training's top-ranking teachers Mr. HOU and Mr. GE and volunteers from Legend Holdings together taught students how to express themselves confidently and how to deal with interpersonal relationships, helping them build self-confidence. In 2017, Legend Holdings invited Madam WANG Xiulan, a nationally reputed senior high school career planner and college admission consultant to give face-to-face guidance to the students and advisers of Legend Progress Class for the three grades. To build a platform for the Legend employees to give to charity directly, the Company organized the "Legend Progress Class Crowd-funding" program in 2018 for the fourth consecutive year, with RMB400,000 raised in the year and donated to students in extreme poverty. Volunteers from Legend Holdings directly participated in the opening ceremony for the first Legend Progress Class and the Thanksgiving Day event of Ningxia Liupanshan Senior High School, passing their care directly to the school children.



Employee volunteers interact with students of the Legend Progress Class

Broadening horizon is also a necessary part of children's growth. Legend Holdings' employee volunteers led the children and local teachers to the Great Wall, Tiananmen Square and flag-raising ceremonies once seen only in books. These children were also organized to watch the Olympics, participate in discussions at Peking University and visit the offices of Lenovo and Sina, so as to enrich their extracurricular life. On June 30, 2018, a "Legend Progress Class" symposium was held at the headquarters of Legend Holdings in Zhongguancun. The meeting was full of joy and laughter. Mr. LIU Chuanzhi talked with children affectionately and encouraged them to work hard and be upright, patriotic and open-minded.



Letters from children receiving support

My parents want me to fly away from the poverty-stricken mountainous areas like Kun Peng (an enormous legendary bird). Now what the Legend Progress Class does is just like giving me wings to fly. I can fly higher, and higher.

- TIAN Peng, Year 2016,  
Huining No.2 Middle School

Poverty is not a stumbling block to excellence. I will make excellence a habit. I want to make it the slogan of our Legend Progress Class.

- TIAN Wenhai, Year 2017,  
Duyun No.2 Middle School

"Legend Progress Class is a responsibility, and also a pride. We will repay the society with a grateful heart and pass on the spirit of progressing."

- Letter from a sophomore of Legend Progress Class, Year 2017,  
Duyun No.2 Middle School





Mr. LIU Chuanzhi with students of the Legend Progress Class

The students were quite reserved in their freshmen year, but when they graduated from high school, they talked confidently and behaved calmly, demonstrating excellence in college entrance examination, quality of character and vision of values. In the 14 years from 2005 to 2018, a total of 1,551 students graduated from the Legend Progress Class of Duyun No.2 Middle School and Huining No.2 Middle School, with a university enrollment rate staying above 98% and a first-tier university enrollment rate of 96.2%. In particular, over 20 students were admitted to Tsinghua University and Peking University. 696 ethnic minority students graduated from the Legend Progress Class of Duyun No.2 Middle School, accounting for 76.5% of its total graduates.

Sunny and optimistic children bravely pursue the future, but also sincerely care for the society. After entering their universities, many students sponsored the "Association of College Students from Legend Progress Class". Since its formal establishment in April 2012, with the financial support from Legend Holdings and donations from students, the association carried out 10 teaching support events during winter and summer vacations, benefiting 3,000 primary school students in 40 schools in remote and poor areas. The association endeavors to bring strength and hope to more children deep in the mountains, and to establish a firm belief that "knowledge changes fate, and progress makes the future".



College students from the “Association of College Students from Legend Progress Class” who volunteer to teach children in least developed areas and the children they teach

The excellent school performance and students’ strong sense of progressing have made Legend Progress Class a reputed brand among local senior high schools. “The Legend Progress Class in No.2 Middle School and the Hongzhi Class in No.1 Middle School are as reputed as Tsinghua University and Peking University among our people in Huining”, said, Mr. CHANG Shouyuan, former head of the Huining County’s CPC Committee.

At the Central Conference on Poverty Alleviation, President Xi Jinping pointed out that “we should alleviate poverty by eliminating the illiteracy and enhancing the skills of the impoverished population” and that “none of the ethnic minorities should be left behind in the building of a moderately prosperous society in all respects”. When the Legend Progress Class helps a poverty-stricken student in an ethnic minority area or western region to accomplish senior high school, it plants a seed for poverty alleviation. In the past more than ten years, over 2,000 Legend Progress Class students have entered universities or started their career, and some of them have lifted their families out of poverty. Some have passed on love and care to more people. Some have used their expertise to build their hometowns after graduation from college, which will have a far-reaching influence. These “seeds” come together to spur infinite hope in barren land and to strengthen the confidence in eradicating poverty imperceptibly across the entire local area.

## Exploring new paths of poverty alleviation and helping re-employment

Legend Holdings, as the sponsor and director of Leping Social Entrepreneur Foundation, also keeps an eye on the entrepreneurship of the poor. In 2018, Legend Holdings Charity Foundation donated another RMB1 million to Leping Social Entrepreneur Foundation, raising the cumulative donation to nearly RMB10 million. Leping Social Entrepreneur Foundation aims to help the poverty-stricken population to improve their job and entrepreneurship capabilities, promote public welfare innovation and build a harmonious society. It focuses on the development of rural micro loans, education of kids from low-income households, training of migrant workers, training of innovative talents and “Ecological and Trusty Agriculture (ETA)”. Its principal activities include entrepreneurship education and vocational education for low-income population, poverty-related research and exchange, cultivation of public welfare talents and the building of harmonious communities.



Leping Social Entrepreneur Foundation provides skill training to migrant women workers

### Legend Holdings – Maternal Entrepreneurship Revolving Fund

To further help more people to shake off poverty on their own, Legend Holdings Charity Foundation invested RMB2 million to set up the Legend Maternal Entrepreneurship Revolving Fund in cooperation with China Women's Development Foundation in July 2018. The fund provides interest-free micro loans to rural women in poor areas helping them start their own micro business and shake off poverty as soon as possible. Pengshui County, a national poverty-stricken county in Chongqing, and Shuangjiang Lahu-Va-Blang-Dai Autonomous County, a national poverty-stricken county in Lincang City, Yunnan Province are the first two counties supported by Legend Holding's "Maternal Entrepreneurship Revolving Fund" program, benefiting 120 poverty-stricken families and nearly 500 people.





## Be good persons, do right things and deliver positive energy

In addition to its charity practice under the philosophy of “being a good person that does the right things and sets a good example for the society”, Legend Holdings has also noticed, and persistently cared for and supported, the ordinary people who are “good persons doing the right things”. Legend Holdings firmly believes that if they feel the true love and warmth of the society, they will subtly nourish the social soil and deliver positive energy.

### Legend Capital Heroic Models and Good Samaritans Fund

In 2004, Legend Holdings and Mr. LIU Chuanzhi jointly established the “Legend Capital Heroic Models and Good Samaritans Fund” as its sponsors. As of December 2018, the total size of the fund exceeded RMB17 million. The fund aims to inherit the Chinese nation’s good tradition of honoring the heroic models, to uphold their spirit of selfless dedication, and to enhance the public awareness of caring for heroic survivors and the good Samaritans.

### Moist Initiative

Furthermore, Legend Holdings looks broadly at the general public. Since 2013, Legend Holdings has carried out the “Moist Initiative” eyeing and supporting those who are typically courageous and full of love. Of these supported people, some help others regardless of their own safety. Some are financially stressed but still insist on subsidizing the vulnerable populations, bringing hope to others. Some are brave enough to fight knife-wielding gangsters and safeguard social justice. They are the typical of “good persons doing the right things”, and they are also ordinary people. Legend Holdings encourages, supports and calls for more attention to these courageous acts, contributing to the social justice.



Visits to the good Samaritans

In 2018, Legend Holdings remained dedicated to public welfare in a down-to-earth manner. No small streams, no seas. Legend Holdings has made its contribution to ethical advancement and harmony of the entire society.

## Social investment from subsidiaries

### Legend Star CEO Special Training Program

The Company holds the Legend Star CEO Special Training Program to implement China's innovation and entrepreneurship strategy for business development. Legend Star CEO Special Training Program is a free public program co-sponsored by the Chinese Academy of Sciences and Legend Holdings in 2008. This free program is committed to bringing up technological entrepreneurial leaders and in turn promoting the industrialization of technological achievements by free training and entrepreneurship alliance.

On October 19, 2018, a total of 53 applicants registered for Legend Star membership, starting their journey in the 11th session of Legend Star CEO Special Training Program. The lecturer team for entrepreneurship trainings, led by LIU Chuanzhi, the Chairman of Legend Holdings, is comprised of a group of field-specific and experienced entrepreneurs and executives. In the past over ten years, Legend Star trained more than 900 business starters. Trainers have received free training related to business startup and management through various platforms and events.

As of December 2018, the trainees of the Legend Star CEO Special Training Program raised a total of RMB46.6 billion from investors, up 160% from the previous year, with the financing concentrated in TMT, artificial intelligence and medical industry.



The 11th session of Legend Star CEO Special Training Program



## Legend Star Entrepreneurship Alliance

The “Entrepreneurship Alliance” sponsored by Legend Star in 2011 is a platform to provide business starters with services and shared resources. The alliance carries out a variety of startup counseling activities to facilitate the growth and development of numerous startups. As of December 31, 2018, the “Entrepreneurial Alliance” had brought up 13 listed companies, more than 50 NEEQS-listed enterprises and over 190 enterprises with a valuation of more than USD100 million. The aggregate valuation of all supported enterprises exceeded RMB630 billion. Having brought forth social financing capital of over RMB150 billion, the program has built up a sustainable entrepreneurial ecosphere that provides in-depth services and products for business startups.

Since 2008, the Legend Star Entrepreneurial Training Program has had investments of RMB104.48 million in aggregate, of which investment in 2018 amounted to RMB15.32 million (2017: RMB10.65 million).



“Legend Star Entrepreneurship Alliance Zhenjiang Tour” Conference

## BIL

BIL’s CSR policy focuses on four main areas: arts and culture, education, innovation and health care. In terms of arts and culture, BIL established the Fondation Indépendance in 1999 and regularly held free and open art exhibitions in the foundation’s galleries. In terms of education, BIL believes that education is the pillar of personal achievement and, more broadly, a crucial prerequisite for social, human and economic development. In 2018, BIL made a charitable donation to SOS Kannerduerf Lëtzebuerg, an organization that provides fair and quality education for children from financially disadvantaged households. In terms of innovation, BIL aims to provide services that can bring value and practicality to customers and actively promote local economic development and innovation through cooperation with Luxembourg-based enterprises in incubation. In terms of health care, BIL believes that health and well-being are fundamental to human advancement. While encouraging employees to take measures, it also supports non-governmental organizations working in this field, such as the World Medical Association and the World Cancer Research Fund International. In 2018, the CSR team of BIL donated money, drugs and hygiene supplies to the World Medical Association to help it provide patients with the supplies they need.

## Lenovo

Lenovo actively partners with charitable organizations, educational institutions and civic organizations to amplify the influence of Lenovo’s social investments around education, connecting employee expertise and talent with students and community members who will benefit from exposure to tech talent and providing resources to enhance education and the advancement of technology to enlighten the next generation of tech talent and community leaders. Please refer to “Lenovo 2017/18 Sustainability Report” published on the website of Hong Kong Stock Exchange for more details.

# Appendix I: Compliance with Relevant Laws and Regulations Having a Significant Impact on the Company

Aspect	Region	Title of law/regulation having a significant impact on the Company
Relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non hazardous waste	PRC	Law of the People's Republic of China on Prevention and Control of Air Pollution
		Law of the People's Republic of China on Prevention and Control of Water Pollution
		National Ambient Air Quality Standards of the People's Republic of China
		National Hazardous Waste List
		Law of the People's Republic of China on Prevention and Control of Environmental Pollution Caused by Solid Waste
	Luxembourg	Environmental Protection Law of the People's Republic of China
		Environmental Protection Tax Law of the People's Republic of China
		Limitation of Emissions of Volatile Organic Compounds
		Law A-105 of the Grand Duchy of Luxembourg, Regulation (EU) No 525/2013 of the European Parliament and of the Council
		Law ITM-SST1505.2 of the Grand Duchy of Luxembourg
Relating to :1) compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare; and 2) preventing child and forced labor	PRC	Labor Law of the People's Republic of China
		Labor Contract Law of the People's Republic of China
		Regulation on the Implementation of the Labor Contract Law of the People's Republic of China
	Luxembourg	Luxembourg Labor Law – L.124-1 s, L.124-7
		Law of the Grand Duchy of Luxembourg A-10, A-11, L.241-1 s
		Labor Code of Luxembourg – L.251-1 s, L.342-1 s
		Criminal Code of Luxembourg, Para. 1, 382-1
	PRC	Criminal Law of the People's Republic of China
		Work Safety Law of the People's Republic of China
		Law on Prevention and Control of Occupational Diseases Measures for the Supervision and Administration of Occupational Health in Workplaces
Relating to providing a safe working environment and protecting employees from occupational hazards	Luxembourg	Luxembourg Labor Law, Volume III, Chapters I and II
		Grand-ducal regulation of 27 June 2008
		Luxembourg Labor Law Volume IV, Chapter I.
		Collective Bargaining Agreement (Chapters 33, 34 and 35)
	PRC	Advertising Law of the People's Republic of China
		Product Quality Law of the People's Republic of China
		Directive 2014/65/EU of the European Parliament and of the Council
		Regulation (EU) 2016/679 of the European Parliament and of the Council
		Luxembourg's Data Protection Regulation of August 1, 2018
Relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress	PRC	Criminal Law of the People's Republic of China
		Company Law of the People's Republic of China
		Anti-Money Laundering Law of the People's Republic of China
	Luxembourg	Criminal Code of Luxembourg – 13 February 2011
		Directive (EU) 2015/849 of the European Parliament and of the Council
Relating to bribery, extortion, fraud and money laundering	PRC	Criminal Law of the People's Republic of China
		Company Law of the People's Republic of China
		Anti-Money Laundering Law of the People's Republic of China
	Luxembourg	Criminal Code of Luxembourg – 13 February 2011
		Directive (EU) 2015/849 of the European Parliament and of the Council

# Appendix II: KPIs in Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange

General Disclosures and KPIs	Description	Relevant Page No.
<b>Environmental</b>		
<b>Aspect A1: Emissions</b>		
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.	108-118, 307
KPI A1.1	The types of emissions and respective emissions data.	111-112, 115-116, 117-118
KPI A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	111-112, 115-116, 117-118
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	111-112, 115-116, 117-118
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	111-112, 115-116, 117-118
KPI A1.5	Description of measures to mitigate emissions and results achieved.	108-110, 113-114, 117, 119
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	110, 115, 117-118
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	108-109, 111, 115, 117-118
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).	111-112, 116, 118
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	111-112, 116, 118
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	110-111, 115, 117
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	111-112, 116-118
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	111-112, 116, 118
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	108-109, 119
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	119
<b>Social</b>		
<b>Employment and Labor Practices</b>		
<b>Aspect B1: Employment</b>		
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.	95-98, 307
<b>Aspect B2: Health and Safety</b>		
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.	104-105, 307
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	98-101
<b>Aspect B4: Labor Standards</b>		
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.	96, 307
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	105-106
<b>Aspect B6: Product Responsibility</b>		
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.	107, 307
<b>Aspect B7: Anti-Corruption</b>		
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.	107-108, 307
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
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.	119, 128