



**Future Bright Mining Holdings Limited**

**高鵬礦業控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立的有限公司)*

**(Stock Code 股份代號：2212)**

**2018**

**Environmental, Social &  
Governance Report**

**環境、社會及管治報告**



# CONTENTS

|   | Pages |
|---|-------|
| ABOUT THIS REPORT   | 2     |
| RESPONSIBILITY AND GOVERNANCE   | 3     |
| Governance Structure  | 3     |
| Clean and Honest Practices  | 4     |
| Fair Competition  | 4     |
| ESG Governance  | 4     |
| Materiality Analysis  | 5     |
| GREEN OPERATIONS  | 7     |
| Discharge Compliance  | 7     |
| Use of Resources  | 8     |
| Ecological Conservation   | 9     |
| DRIVING QUALITY   | 10    |
| Win-win   | 10    |
| Quality Assurance   | 12    |
| Compliant Operation   | 13    |
| ATTENTION TO OUR EMPLOYEES  | 14    |
| Employment and Labour Rights  | 14    |
| Welfare and Care  | 15    |
| Training and Development  | 16    |
| Occupational Health and Safety  | 17    |
| CONTRIBUTION TO COMMUNITIES   | 21    |
| APPENDIX: INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE | 23    |





# ABOUT THIS REPORT

## OVERVIEW

This report is the third Environmental, Social and Governance (ESG) Report issued by Future Bright Mining Holdings Limited (hereinafter “**Future Bright**”, the “**Company**” or “**us**”). It is an annual report published regularly and focuses on the disclosure of the Company’s performance in respects of business integrity, green production, environmental protection, responsible production, employee development, teamwork, production safety and health, and giving back to society.

## REPORTING SCOPE

The policies and information in this report cover the Company and its wholly-owned and majority-owned subsidiaries. The disclosure covers the period from 1 January 2018 to 31 December 2018 (the “**Reporting Period**”). Some information is retrospective with respect to past years.

## BASIS OF PREPARATION

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (as amended) issued by the Hong Kong Stock Exchange (the “**Stock Exchange**”) in December 2015, as set out in Appendix 27 to the Listing Rules of the Stock Exchange. Identification and disclosure of information on the Company’s ESG performance is for reference by stakeholders and shareholders. The contents of this report has been determined in accordance with a set of established procedures, which include: identifying and prioritising key stakeholders, identifying and ranking key stakeholders, identifying and ranking material ESG issues, determining ESG reporting limits, collecting relevant materials, compiling ESG report based on data, and reviewing information contained in the report.

## SOURCE AND RELIABILITY ASSURANCE

The information and cases in this report are mainly from the statistic records and relevant documents of the Company. The Board of Directors of the Company undertakes that this report contains no false records or misleading statements, and assumes responsibility for the truthfulness, accuracy and completeness of its contents.

## CONFIRMATION AND APPROVAL

This report was approved by the Board on 21 June 2019 following confirmation by the management.



# RESPONSIBILITY AND GOVERNANCE

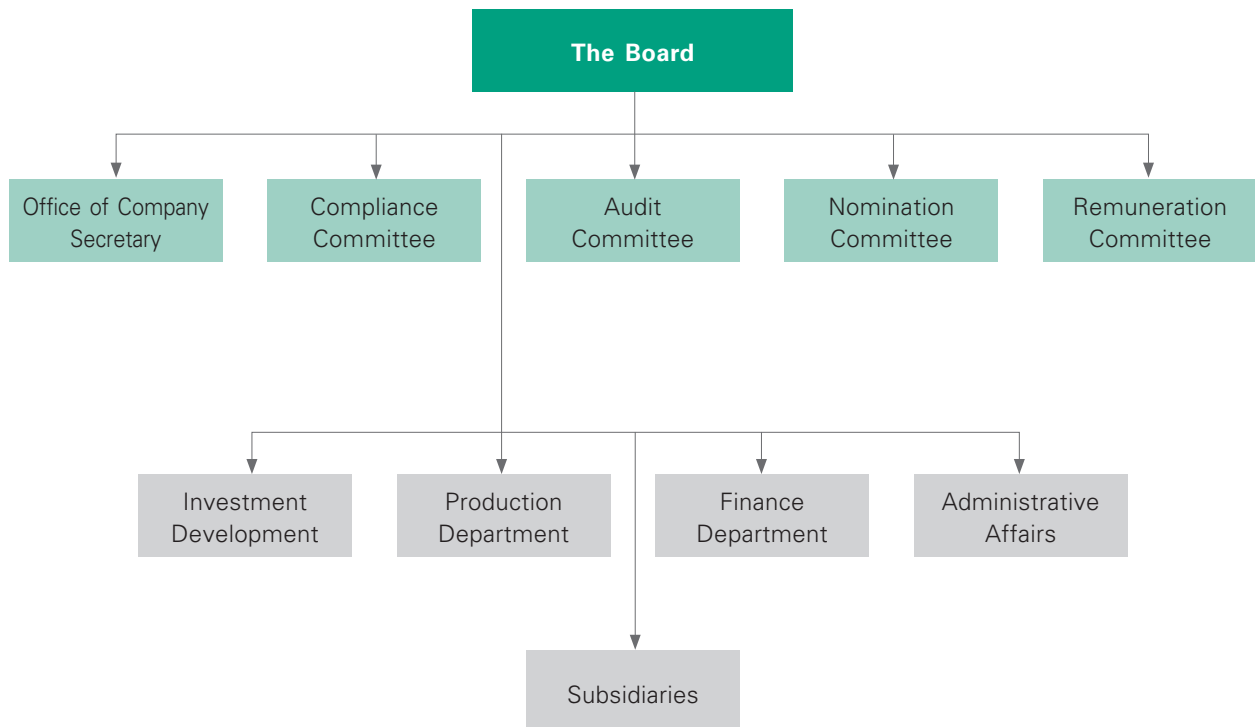
We have been focusing on developing the Yiduoyan Project, which is an open pit mine located in Hubei Province of the PRC. Meanwhile, the Company also engages in the trading of commodities business during the Reporting Period in addition to the sale of marble blocks, in order to diversify the existing business of the Company.

Through this ESG Report, Future Bright will make public and detailed disclosure and elaboration of ESG and other non-financial matters of the Company. We hope that the report disclosures will provide Future Bright with an opportunity to review our own ESG performance and governance achievements, as well as provide a platform for the public to understand Future Bright's social responsibility values and non-financial business achievements.

## GOVERNANCE STRUCTURE

A robust corporate governance system is the key to ensuring that the Company continues to maintain smooth, transparent operations, attract investment, safeguard shareholder rights and enhance company value. The Company honours its commitment to maintaining sound corporate governance standards and procedures, treating all stakeholders with fairness, transparency and responsibility, creating stakeholder value, protecting the environment, serving the community, and giving back to society.

The Board of Future Bright, which comprised of four committees (namely, the Compliance Committee, the Audit Committee, the Nomination Committee, and the Remuneration Committee) and the office of company secretary, takes direct responsibility for overseeing various corporate functions, such as corporate investment and development, production, finance, administration. Set out below are specific details regarding our governance structure:





### CLEAN AND HONEST PRACTICES

The Company has consistently promoted compliance and integrity in our operating environment. We comply strictly with the relevant local laws and regulations and ethical standards of our operations, including but not limited to the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Interim Provisions on Banning Commercial Bribery(《關於禁止商業賄賂行為的暫行規定》), and the Prevention of Bribery Ordinance of Hong Kong (Cap. 201 of the Laws of Hong Kong), in order to maintain a clean environment in the Company.

Future Bright stresses the importance of employee compliance with the code of professional conduct. To prevent corrupt practices, minimise risk exposure, and ensure the Company's sustainable, stable and robust growth, the Company has formulated and implemented the "Anti-corruption Policy and Processes" and "Whistleblowing Policy" while adding amendments relating to implementation, as well as providing a copy of provisions relating to anti-corruption in the "Employee Code of Conduct". The audit committee of the board of the Company is responsible for organising and executing interdepartmental anti-corruption work. Future Bright encourages all employees to report anti-corruption behaviour, providing definite whistleblowing methods and channels, and safeguards the privacy of whistleblowers. At the same time, we actively organise anti-corruption training courses to guide them in improving corporate governance capabilities and promote awareness of clean and honest practices.

While strengthening our internal controls, the Company actively promotes anti-corruption awareness to external stakeholders such as customers, suppliers, regulatory authorities and shareholders through communications on legal compliance and business integrity and ethics, particularly on stages with high risk of corrupt behaviour such as project tender and procurement.

### FAIR COMPETITION

Future Bright complies with the laws and regulations including the Anti-monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》), the Anti-unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Company Law of the People's Republic of China (《中華人民共和國公司法》) and the Competition Ordinance (Cap. 619 of the Laws of Hong Kong). We stand against activities that disrupt market order and industrial development, including unfair competition, malicious collusion, monopolies etc. During the Reporting Period, the Company did not discover any irregularities relating to conflict of interest, corruption and commercial bribery, nor was the subject of litigation due to unfair competition or breach of anti-monopoly laws.

### ESG GOVERNANCE

A robust ESG governance system is a vital guarantee of the company's long term sustainable development. The Company continuously improves the ESG governance standards and expands the depth and breadth of ESG responsibility management.

We have established a top-down ESG management system with the ESG executive committee mainly responsible for management and the ESG Working Group mainly responsible for its implementation work, and have clearly defined and execution and the overall coordination of our ESG management.

#### Board of Directors

- Responsible for assessing and determining the Company's ESG risks
- Ensure that Future Bright has in place an appropriate and effective risk management and internal control system relating to ESG matters
- Review and approve ESG policies
- Review and approve the ESG report

#### ESG Executive Committee

- Implement ESG risk management and internal control
- Guide the work of the ESG working group
- Review ESG policies
- Review the ESG report, and confirm the accuracy of information on performance indicators

#### ESG Working Group

- Promote each department to implement various ESG policies
- Report to the Executive Committee on the implementation of ESG projects
- Collect information on ESG performance indicators
- Compile ESG report

## MATERIALITY ANALYSIS

We are committed to building effective and diversified communications channels with various stakeholders. We believe that interactive, transparent and regular communications helps to build long term partnership and trust, building a steady foundation for Future Bright’s sustainable development. In compiling this report, we listened to feedback and expectations from stakeholders of various respects, including:

|                                 |                                  |
|---------------------------------|----------------------------------|
| • <b>Employees</b>              | • <b>Suppliers</b>               |
| • <b>Shareholders/investors</b> | • <b>Community/organisations</b> |
| • <b>Customers</b>              | • <b>Media</b>                   |
| • <b>Government authorities</b> |                                  |

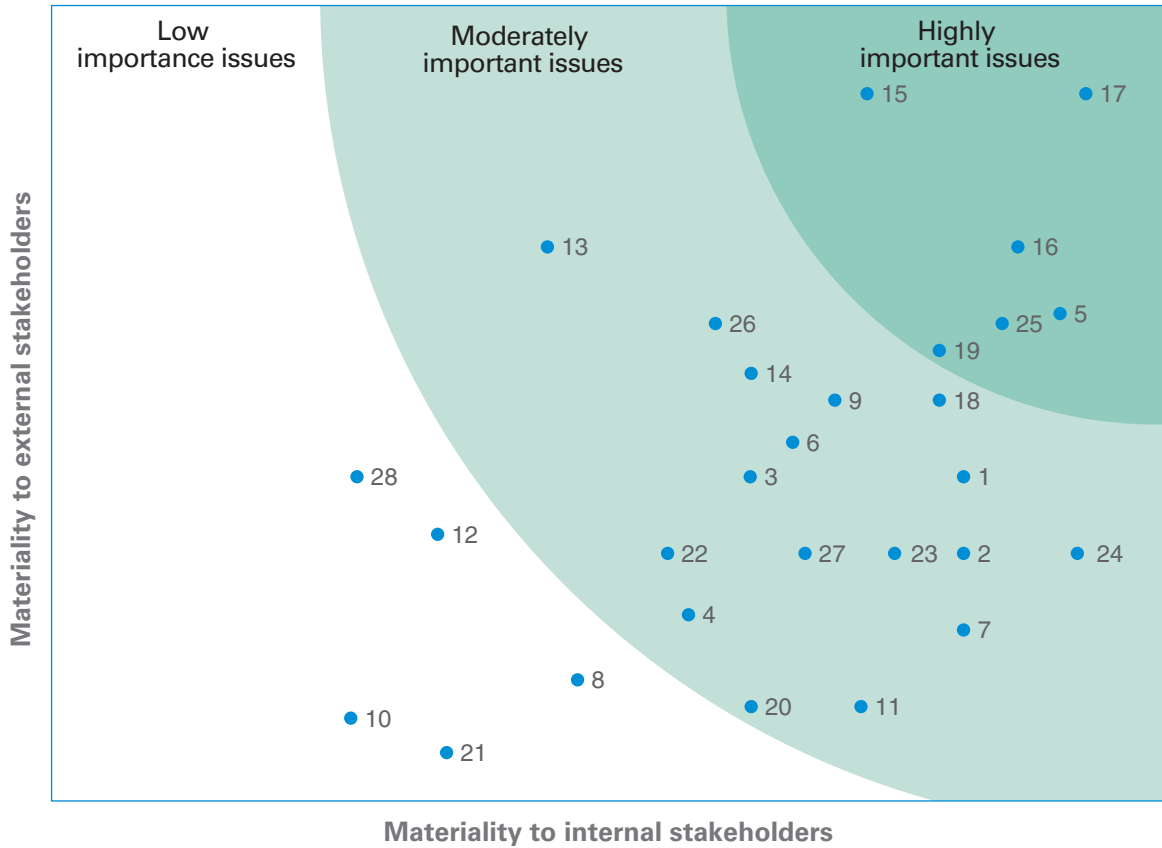
Through continuous improvement of communications channels, active engagement with various stakeholders, we are able to obtain a more objective, comprehensive assessment of the Company’s ESG performance. Our methods and channels of communication with stakeholders mainly include interviews, on-site inspections, online questionnaires, and meetings. Based on the feedback we received from stakeholders on our ESG performance, we have been able to explore ways to improve our ESG work.

| <b>Stakeholder Group</b>    | <b>Key Issues</b>  | <b>Communication channels/feedback methods</b>   | <b>Frequency/times</b>  |
|-----------------------------|--|--|---|
| Employees                   | Production safety<br>Staff remuneration and welfare<br>Occupational health | — Staff performance appraisal interview<br>— Internal email communications<br>— Instant communication software   | — Quarterly<br>— Quarterly<br>— From time to time   |
| Shareholders/<br>investors  | Anti-corruption<br>Operating results                                       | — General meetings/special general meetings<br>— Investor meetings<br>— Performance conferences<br>— Press releases/announcements<br>— On-site inspections | — Annually<br>— Annually<br>— Every half year<br>— From time to time<br>— From time to time |
| Customers                   | Product quality<br>Customer service and communications channels            | — On-site inspections<br>— Instant messaging software<br>— Official accounts of social media<br>— Tender   | — From time to time<br>— From time to time<br>— From time to time<br>— From time to time    |
| Government authorities      | Production safety<br>Environmental protection<br>Anti-corruption           | — On-site inspections<br>— Meetings  | — From time to time<br>— From time to time  |
| Suppliers                   | Supplier selection<br>Supplier evaluation<br>Product quality               | — On-site inspections<br>— Tender<br>— Meetings  | — From time to time<br>— From time to time<br>— From time to time                           |
| Community/<br>organisations | Community investment<br>Environmental protection                           | — On-site inspections<br>— Meetings  | — From time to time<br>— From time to time  |
| Media                       | Environmental protection<br>Production safety                              | — Press releases/announcements<br>— Social Media<br>— Meetings   | — From time to time<br>— From time to time<br>— From time to time                           |



We endeavour to provide a more comprehensive response to issues of concern for stakeholders through this report. During the reporting period, we rearranged the materiality matrix based on stakeholder communications over the past years, interview results, industrial comparative analysis and media landscape, in order to formulate a more effective future strategic plan.

### ESG materiality matrix of Future Bright



In the matrix, all issues are distributed in different locations according to the materiality of internal and external stakeholders which are listed below:

- |    |  |    |  |
|----|--|----|--|
| 1  | Energy management and response to climate change | 15 | <b>Compliance with labour employment regulations</b> |
| 2  | Sewage disposal                                  | 16 | <b>Occupational health</b>                           |
| 3  | Solid waste disposal management                  | 17 | <b>Production safety</b>                             |
| 4  | Noise  | 18 | Employee development and training                    |
| 5  | <b>Ecological conservation</b>                   | 19 | <b>Child labour and forced labour</b>                |
| 6  | Use of natural resources                         | 20 | Suppliers selection criteria                         |
| 7  | Hazardous waste management                       | 21 | Suppliers assessment                                 |
| 8  | Energy saving and pollutants reduction           | 22 | Customer service and communications channels         |
| 9  | Environmental compliance                         | 23 | Intellectual property                                |
| 10 | Use of packaging materials                       | 24 | Product quality                                      |
| 11 | Employee remuneration and benefits               | 25 | <b>Anti-corruption</b>                               |
| 12 | Employee diversity and equal opportunity         | 26 | Community investment                                 |
| 13 | Retention of employees                           | 27 | Community complaints                                 |
| 14 | Working environment                              | 28 | Charity and public welfare                           |

As a company specialised in marble mining and sales operations, Future Bright is in strict compliance with the requirements of laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Provision on the Protection of the Geologic Environment of Mines (《礦山地質環境保護規定》). We adopt advanced green mining techniques in the production process, and promote efficient low-carbon modes of work in administration. We closely follow environmental policies and trends. We are also concerned about challenges such as climate change, energy and resources shortages, environmental pollution, ecological destruction, and are committed to achieving green operations.

To minimise the impact of business operations on the environment, Future Bright has adopted the "5S" site management method in daily operations and administration, establishing a "5S Management Committee" comprising the Company's general manager, assistant general managers, head of general management and heads of various departments. By fully engaging senior management and employees and promoting good working and production habits, the Company's general green management standards have been raised.

## DISCHARGE COMPLIANCE

The pollutants generated in our production process are mainly sewage, solid waste and noise. The Company strictly complies with the relevant provisions of the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), and invests special funds for the installation of drains in the mining areas and sedimentation tanks to filter and settle sewage. We strictly implement the standard requirements of less than or equal to 1.0 mg/m<sup>3</sup> of suspended solids in the discharged sewage, regularly inviting third party agencies to conduct inspections of the mining area, including the sedimentation tanks, to ensure that the processed water quality meets our standards. Some of the processed production sewage will be recycled to be used in production or irrigation.

During the Reporting Period, further details of sewage discharge is as follows:

| Sewage discharge  | 2017  | 2018         |
|---|-------|--------------|
| Domestic sewage (ton)                                   | 94    | <b>105</b>   |
| Production sewage (ton)                                 | 1,377 | <b>1,666</b> |
| Total sewage discharge (ton)                            | 1,471 | <b>1,771</b> |
| Sewage discharge intensity in terms of output (ton/ton) | 0.11  | <b>0.12</b>  |

The Company strictly complies with the requirements of Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》). We conduct categorical management of solid waste produced, sorting, storing and disposing solid waste by nature. We utilise abandoned stone material produced during the mining process in road paving and building of transshipment centres. Kitchen waste collected is delivered to our business partner to be processed as fertiliser, while office waste collected is delivered to qualified waste management agencies to be processed.

During the Reporting Period, further details of solid waste production is as follows:

| Non-hazardous solid waste generated                                 | 2017      | 2018             |
|---|-----------|------------------|
| Abandoned stone material (ton)                                      | 26,565.44 | <b>29,883.80</b> |
| Kitchen waste (ton)   | 3.50      | <b>1.50</b>      |
| Office waste (ton)  | 0.22      | <b>0.44</b>      |
| Total amount of non-hazardous solid waste (ton)                     | 26,569.16 | <b>29,885.74</b> |
| Intensity of non-hazardous solid waste in terms of output (ton/ton) | 2.00      | <b>2.00</b>      |

<sup>1</sup> "5S" refers to: "SEIRI", "SEITON", "SEISO", "SEIKETSU" and "SHITSUKE".



## GREEN OPERATIONS

The Company strictly complies with the relevant requirements of the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》). During the mining process, we adopt wet drilling to reduce dust emission, while Future Bright also adopts a stringent application and review system for company vehicles to ensure that vehicle emissions are compliant. In addition, we pay close attention to control of noise pollution of the mining area by using low noise equipment to minimise impact on the surrounding environment.

### USE OF RESOURCES

Future Bright believes that slowing down global warming and natural resources exhaustion is every company's responsibility and obligation. We continuously optimise resource and energy management methods, formulating a target assessment system for energy and water consumption, monitoring and analysing energy consumption and water usage, evaluating the difference between actual and target figures, and incorporating energy and resource usage rates into their performance assessment scope.

The Company strictly complies with the relevant requirements of the Law of the People's Republic of China on Conserving Energy (《中華人民共和國節約能源法》), actively implementing energy saving measures. Besides adopting energy saving lighting in all our offices in the mining area, we also remind employees to save energy in daily administration and production processes with the implemented "5S" on site management method. During the production process, we also promote efficient use of energy, actively recording the distribution and consumption of energy and making it part of our energy savings assessment.

During the Reporting Period, energy consumption and greenhouse gas emission is as follows:

| Energy consumption and greenhouse gas emission  | 2017                | 2018           |
|---|---------------------|----------------|
| External purchased electricity power (kWh)  | 81,239 <sup>2</sup> | <b>115,559</b> |
| Gasoline (litre)  | 4,827               | <b>15,775</b>  |
| Diesel (litre)  | 29,958              | <b>36,548</b>  |
| Natural gas (cubic meter)   | 122                 | <b>93</b>      |
| Liquefied petroleum gas (kg)  | 312                 | <b>390</b>     |
| Total energy consumption (ton of standard coal equivalent)                                  | 52.48               | <b>76.55</b>   |
| Total energy consumption intensity in terms of output (ton of standard coal equivalent/ton) | 0.004               | <b>0.005</b>   |
| Greenhouse gas emission (category I and II, tCO <sub>2</sub> e)                             | 135.25              | <b>196.92</b>  |
| Greenhouse gas emission intensity in terms of output (tCO <sub>2</sub> e/ton)               | 0.010               | <b>0.013</b>   |

Note: Growth in gasoline and electricity consumption is due to two newly leased offices and acquisition of a motor vehicle for business related activities during the Reporting Period.

<sup>2</sup> Last year's report disclosed external purchased electricity power as 21,083kWh in 2017, which has been amended and restated here. Total energy consumption, total energy consumption intensity in terms of output, greenhouse gas emission and greenhouse gas emission intensity in terms of output has also been amended accordingly based on the change in external purchased electricity power.

The Company strictly carries out the provisions of the Water Law of the People's Republic of China (《中華人民共和國水法》) and Regulation on the Administration of the License for Water Drawing and the Levy of Water Resource Fees, using water resources in compliance with the law. Water used by Future Bright includes groundwater and tap water. Groundwater is mainly used in dust reduction and cooling processes during cutting of stone materials, while tap water is mainly used in our office. We have established a water resource management system, drawing groundwater according to the allocated volume under our "License for Water Drawing", maintaining production levels while reducing wastage of water. During the Reporting Period, the Company's water consumption is as follows:

| Water consumption  | 2017  | 2018         |
|--|-------|--------------|
| Groundwater (ton)  | 1,620 | <b>1,960</b> |
| Tap water (ton)  | 111   | <b>124</b>   |
| Total water consumption (ton)                            | 1,731 | <b>2,084</b> |
| Water consumption intensity in terms of output (ton/ton) | 0.13  | <b>0.14</b>  |

## ECOLOGICAL CONSERVATION

Future Bright hopes to minimise our impact on the natural environment in order to maintain the sustainable development of both Company and society. Taking an approach to be responsible to the ecological environment, we strictly comply with the relevant regulations of the Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》), the Regulation on the Implementation of the Water and Soil Conservation Law of the People's Republic of China (《中華人民共和國水土保持法》) and Regulation on Land Reclamation, performing a detailed assessment of the ecological impact during operational and non-operational periods of the mining area. Meanwhile, based on our approved soil and water conservation proposal, Future Bright actively adopts subregional prevention and control measures, implementing subsequent design, construction organisation and management work for soil and water conservation. In addition, Future Bright insists on reclamation as we mine. Not only do we conduct area clean up and priority reclamation of idle land during normal operational periods of the mine, but we also conduct timely reclamation work on damaged land after mining operations have ended.



## DRIVING QUALITY

The Company highly values product and service quality, strictly carrying out national and local laws and regulations and industrial standards, ensuring product quality and timely and safe delivery. To provide quality products and sales services to our customers, we continuously raise our own management standards while driving improvements in capacity of our suppliers in achieving growth together.

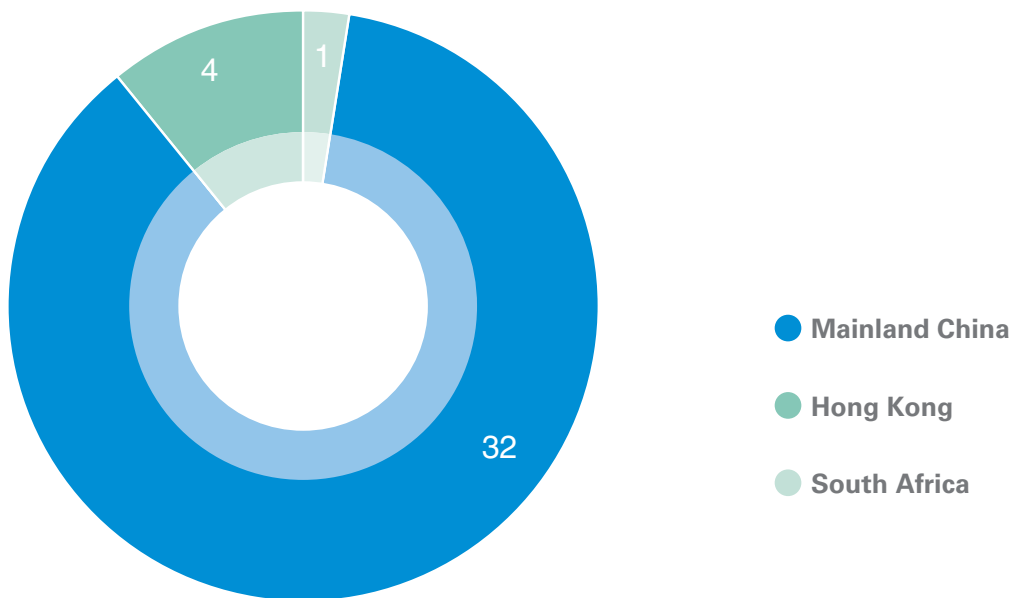
### WIN-WIN

Partners of every segment of our supply chain are vital parties to the assurance of the Company's products. Our development and growth relies on their support. The Company works with our business partners on an equal and mutually beneficial basis. We also actively promote improvement in ESG standards for our partners, driving the development of the entire value chain even as we realise our own sustainable development.

The Company's products are developed mainly through hiring contractors. In selecting contractors, the Company requires that contractors hold the required licenses and possess the appropriate qualifications. The Company may also require contractors to follow the applicable laws and regulations as well as safety and environmental regulations issued by relevant government agencies, while monitoring their performance through on-site inspections and supervision. During the Reporting Period, the Company did not have any material dispute with any major contractor.

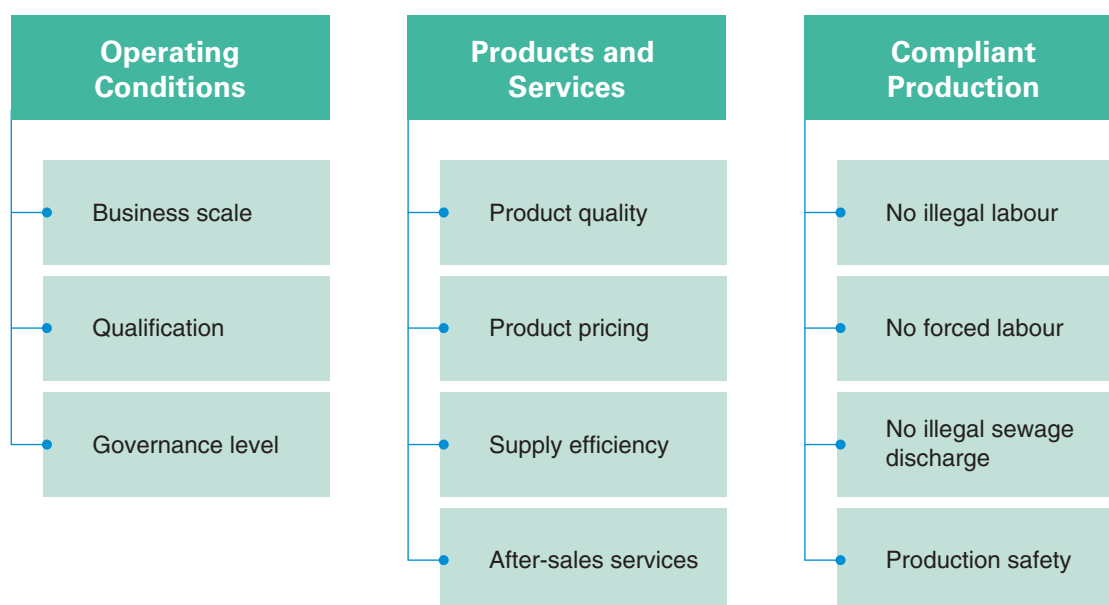
During our operations, Future Bright has to procure ore export companies and spare parts for machinery, equipment and the production process, such as diamond beaded wire lubricant, gasoline, drill rod, drill bits and equipment parts. During the Reporting Period, a total of 37 suppliers (mainly located in Hong Kong, South Africa and Mainland China) provided us with products.

### Suppliers by region



The quality of raw materials and equipment is the basis for ensuring the quality of final products. Future Bright guarantees the quality of the supplied products through the supplier selection and management system. Future Bright has formulated and implemented the “Procurement Management System” to standardise material procurement responsibilities and procedures for mining and non-mining areas, setting out review and stock inspection requirements. We select the best potential suppliers through conducting various on-site and off-site investigations of assessing their business operations, product and service quality, actual supply capacity and legal compliance.

### Key stages in assessing suppliers



Future Bright encourages suppliers to be self-compliant with partnership agreements through establishing a reasonable system of assessment. Each year, we conduct an assessment on existing suppliers. According to various key assessment processes, we classify existing suppliers into three categories, i.e. “preferred”, “general” and “to be removed”, eliminating unsatisfactory suppliers in a timely manner to maintain product quality and supply stability. Besides monitoring supplier performance through on-site inspections and supervision of suppliers, and also require suppliers to take appropriate measures to ensure the timely and proper implementation of the newly enforced laws and regulations as well as requirements of regulatory authorities.

Future Bright has been adhering to develop with suppliers and take advantages in market competition while reducing the impact of its business operations on society and the environment. We are committed to establishing long-term and stable partnership with our suppliers, communicating and cooperating closely to achieve a win-win and ensure that Future Bright’s supplier system maintains healthy development.

### QUALITY ASSURANCE

Our products are mainly marble blocks extracted from Yiduoyan Marble Mine at Xiaoyan Town, Nanzhang County. During the Reporting Period, the Company has produced 5,526 cubic metres of marble blocks. Our products are classified into three main categories, namely pattern, grain-free and twill, which are supplied to downstream customers (mainly including decoration companies and specifications stone processors) of the industry.

Our processed marble blocks are all sample-tested by the National Stone Quality Supervision and Testing Center and the National Test Center of Building Materials to ensure that they meet the quality standards. The Company stresses quality management and has set up a quality control team to maintain our goal of zero customer complaint record. With respect to internal quality control, our deputy chief engineers and technical consultants are responsible for the internal quality control of the products, and the mining head is responsible for on-site support. Our technicians, engineers and consultants have extensive industrial, technical, legal or management experience which ensures that all Future Bright products meet relevant quality control standards.

We will test the quality, such as colours, patterns and spots of marble blocks before shipment to customers, in order to fully ensure that the products meet the required standards. The Company is committed to understanding the latest industrial trends, consolidating its businesses and achieving product recognition amongst industrial professionals and end users. During the Reporting Period, Future Bright did not receive complaints or initiate product recalls due to the quality of marble blocks.

### Product quality control measures



## COMPLIANT OPERATION

As a listed company, we adhere to the business value of trust, performing our obligations as a listed company and continuously improving our internal control system. The Company has established a compliance management system integrating daily compliance inquiry, material matters assessment, compliance training, compliance inspection, feedback and improvement. During the Reporting Period, we organised a training programme with the theme “Corporate governance by law and compliant operations”, raising compliance management awareness and capability, providing support for sustained healthy development of the Company.

To ensure compliance with laws and regulations significant to us, the Company has formulated a compliance management process, where relevant workers and operating units will receive timely notifications regarding changes in applicable laws and regulations. During the Reporting Period, the Company has complied with the applicable laws and regulations of their places of operation in all material aspects relating to its business operations, and has also obtained all vital approvals, permits and licenses necessary for our existing operations.

In the process of our business activities, we value confidentiality of trade information. Employees are not allowed to disclose customer information without authorisation in order to protect customer privacy.

As for intellectual property protection, we are opposed to any form of intellectual property infringement, and have incorporated such regulations into the Staff Handbook, which is strictly enforced through company policy, system and procedures. While we do not infringe on the intellectual property rights of others, we also use intellectual property regulations to safeguard our own interests. The Company’s logo and major product names (“銀狐灰” (silver fox grey) and “銀白玉” (silver white jade)) have been registered as trademarks, and the company logo has also done copyright registration.



**Company Logo which is a registered trademark and has copyright registration**



# ATTENTION TO OUR EMPLOYEES

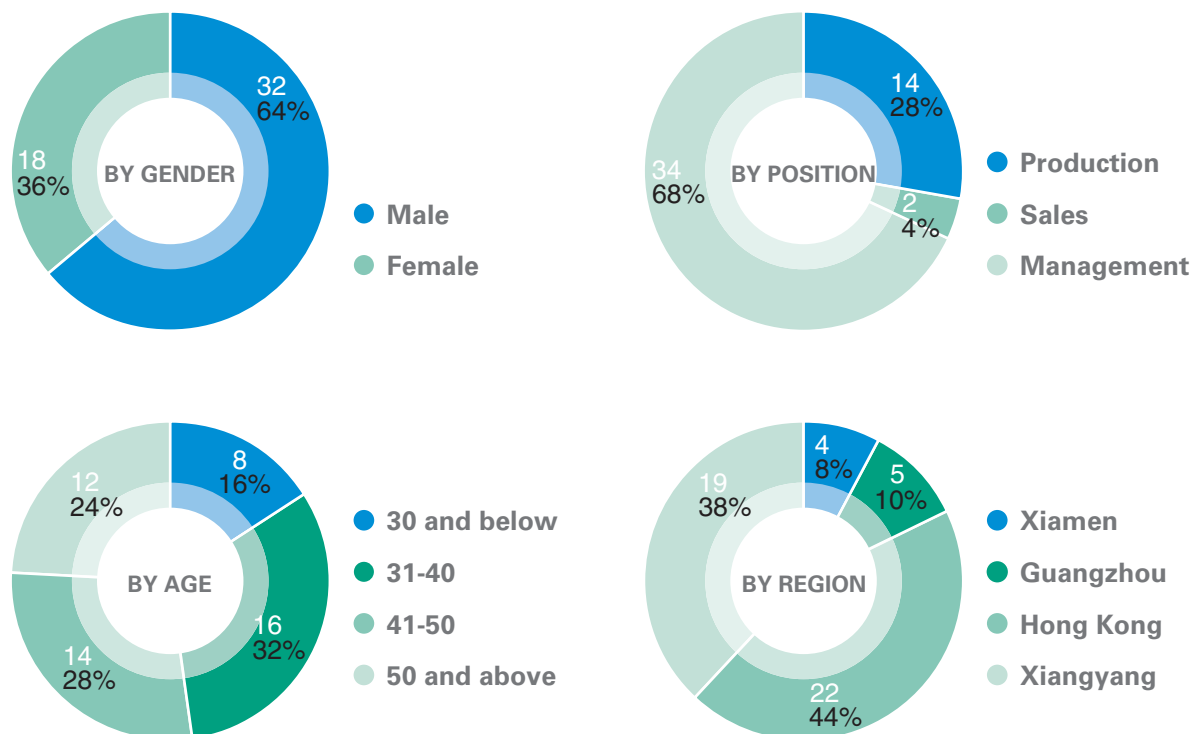
Future Bright considers human development as one of the most important factors of sustainable development. We strongly believe that the Company's development and improvement relies on the efforts and hard work of our employees, and have always dedicated efforts to growing together with our employees. Attracting and retaining talents and building a high quality work team has always been an issue of concern and deliberation. We hold steadfast to the human-first value, ensuring production safety with a high degree of responsibility and optimised workflow, assess and evaluate employees with a just and fair approach, and provide different types of training opportunities to employees, as we strive to create a harmonious, efficient and friendly working atmosphere.

## EMPLOYMENT AND LABOUR RIGHTS

The Company strictly complies with the laws and regulations including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Law of the People's Republic of China on Employment Contracts (《中華人民共和國勞動合同法》) and the Employment Ordinance (Cap.57 of the Laws of Hong Kong), the corresponding practices, and in accordance with our own developmental needs, have formulated the "Staff Handbook". As part of our employees' employment contract, the handbook explains in detail the Company's requirements in staff employment and basic rights protection. We oppose to any discriminatory behaviour with respect to gender, age, region, marital status and race, treating each and every employee with a just and fair approach.

The Company strictly complies with the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) and the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》). We undertake not to use child labour and forced labour, performing careful review of candidate information during the recruitment process to avoid incidents of recruiting underage candidates who use false identification. Once any instance of child labour is discovered, we will stop work and take remedies in a timely manner. During the Reporting Period, the Company has not found any breach relating to use of child labour.

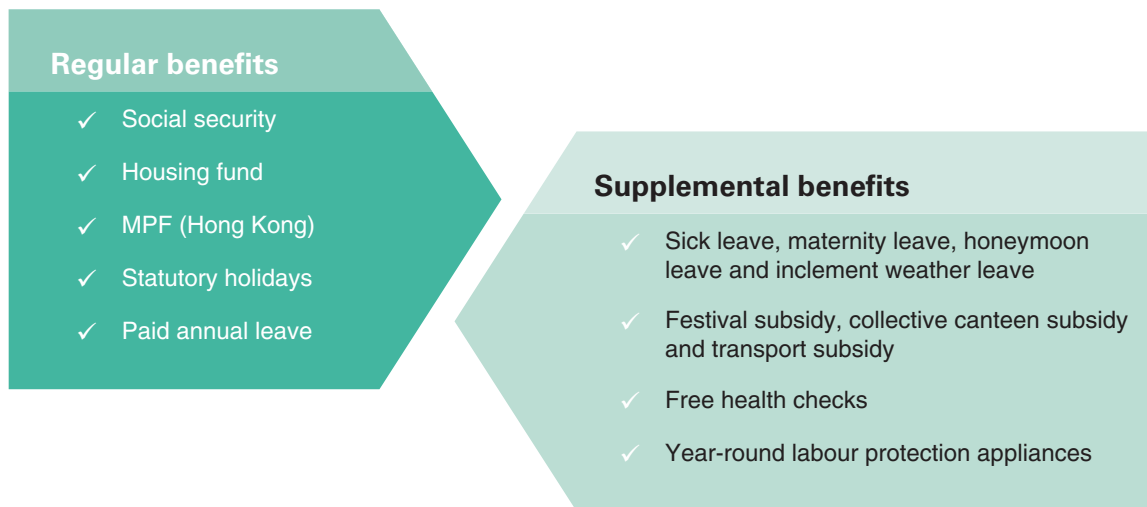
As of 31 December 2018, Future Bright has 50 full-time employees, who can be classified as follows:



## WELFARE AND CARE

### Remuneration and welfare

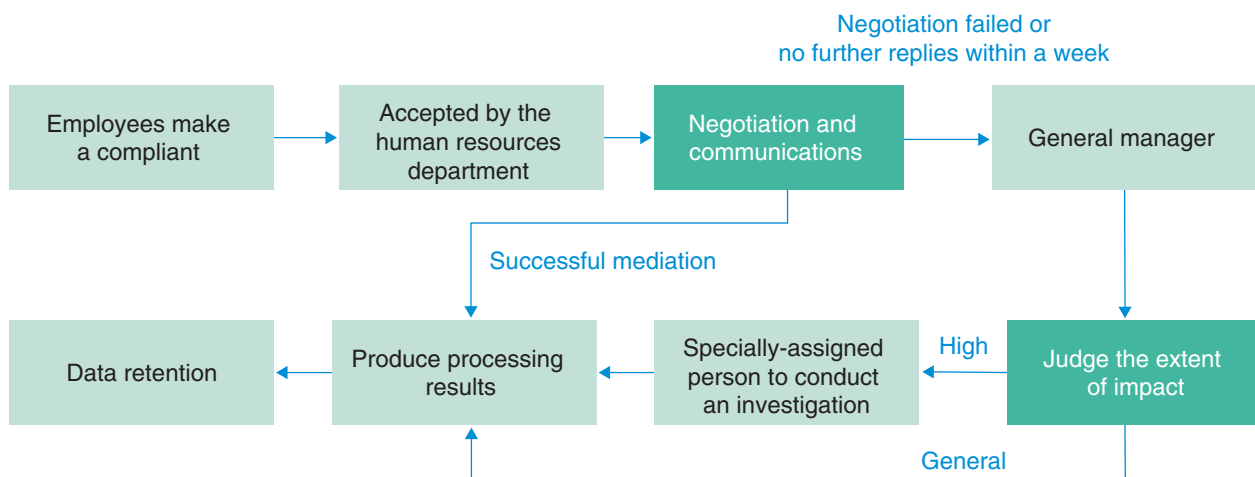
The Company is dedicated to providing reasonable remuneration and welfare to our employees, and regularly reviews employee salary packages based on regional and industrial salary changes and other reference factors, to ensure that our salary package is competitive. Our salary package include basic pay, employee regular benefits as well as supplemental benefits.



### Caring and interaction

Sound employee relations are the cornerstone of maintaining team operations. The Company has always valued its interaction with employees, doing our utmost to respond to reasonable requests from our employees, helping to resolve their problems both at work and in their daily life. We have established a comprehensive feedback and complaint communications system. If employees have suggestions on improving daily productivity, they may speak directly with the head of office, who will compile feedback and report to the management of Future Bright. If management determines that the suggestion is feasible after conducting a study, we will make improvements and adjustments in a timely manner. If employees feel that they have received unfair treatment or disagree with operational management, they may also make a complaint to the management through Future Bright's complaint communication mechanism, and we will investigate and account for the investigation results.

## Employee complaint communication mechanism



## ATTENTION TO OUR EMPLOYEES

In addition, in order to strengthen employee cohesiveness and enrich employees' leisure life, we hold an annual gala and themed meetup activities every year. We also care for employees facing difficulties. When we understand that an employee has difficulties or is afflicted with serious illness, the Company's management will make a personal visit to express our concerns for the employee with difficulties or illness.

## TRAINING AND DEVELOPMENT

Growth of our employees drives the Company's future development. We have always actively provided targeted trainings for employees of different positions, striving to continuously raise their personal abilities and professional skills. At the same time, Future Bright also encourages employees and directors to actively participate in various practical courses and industrial seminars to satisfy the needs of their positions, and provide reasonable training subsidies upon approval by department heads.

| Training for independent directors  | Training for financial staff  | Training for company secretary  | Training for administrative staff  | Training for production technicians  |
|---|---|---|--|--|
| <ul style="list-style-type: none"> <li>rights, obligations and liabilities of independent directors</li> <li>laws, regulations and policies in the securities market</li> <li>accounting standards and legal framework for the operation of listed companies</li> </ul> | <ul style="list-style-type: none"> <li>legal framework for the Company's operation</li> <li>latest accounting standards</li> <li>related transactions, mergers and acquisitions and other relevant policies of listed companies</li> <li>information disclosure rules for company securities issuance</li> <li>use of financial software</li> </ul> | <ul style="list-style-type: none"> <li>rights, obligations and liabilities of company secretary</li> <li>practices and operation of information disclosure standards of listed companies</li> <li>policies relating to refinance, mergers and acquisitions of listed companies</li> </ul> | <ul style="list-style-type: none"> <li>legal framework for the operation of listed companies</li> <li>basic information disclosure requirements for listed companies</li> <li>basic principles for governance of listed companies</li> </ul> | <ul style="list-style-type: none"> <li>production and operation training</li> <li>training of machinery and equipment operation such as vehicles and excavators</li> </ul> |

|  |             |
|--|-------------|
| Percentage of employees involved in the training (%)     | <b>96.0</b> |
| Total training hours (hour)                              | <b>224</b>  |
| Training hours of administrative staff (hour)            | <b>144</b>  |
| Training hours of production staff (hour)                | <b>80</b>   |
| Training hours of administrative staff per capita (hour) | <b>4.2</b>  |
| Training hours of production staff per capita (hour)     | <b>5.7</b>  |

## OCCUPATIONAL HEALTH AND SAFETY

Future Bright has always valued employee occupational health and safety. To safeguard the security of our own operations, reduce risk of accidents occurring, we have strengthened safe production management, and through improving production safety equipment and regular organisation of production safety training and rehearsals, further enhance the company's safe operations, helping employees foster a strong safety culture.

During the Reporting Period, Future Bright invested approximately RMB621,700 into safe production and occupational health, mainly used to procure and produce safe production direction boards, issue protective gear, organise regular safe production education training, sign safety rescue agreement, conduct occupational health education training, conduct occupational health screening, repair and maintain production facilities and machineries.

During the Reporting Period, we did not experience any work injury incidents, nor any fatalities caused by work injury and any safe production incidents that would have caused interruption to the Company's operations.

### Production and Administration Safety

Our production site, Xiangyang Yiduoyan Marble Mine, has the "Mining Safety" (before construction) and "Safety Acceptance Evaluation Report" (after completion) designed by a competent design department in place. In compliance with the relevant requirements of the "Safety Regulations for Metal and Nonmetal Mines" (《金屬非金屬礦山安全規程》) and the safety facilities of "Three Concurrences", our facilities, which were reviewed by an expert panel, passed the project review and the inspection and acceptance formalities with respect to safe production facilities by Xiangyang Administration of Work Safety (襄陽市安全生產監督管理局) and possesses the Safe Production License (《安全生產許可證》) applicable to the Reporting Period.

In daily production and operation activities, Future Bright strictly complied with the laws and regulations including the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Regulations on Production Safety Licence (《安全生產許可證條例》) and Measures on the Implementation of the Production Safety Permits of Non-coal Mine Enterprises (《非煤礦礦山企業安全生產許可證實施辦法》), as well as the requirements of local governments, minimising safety risk.

Some of the safe production measures include:

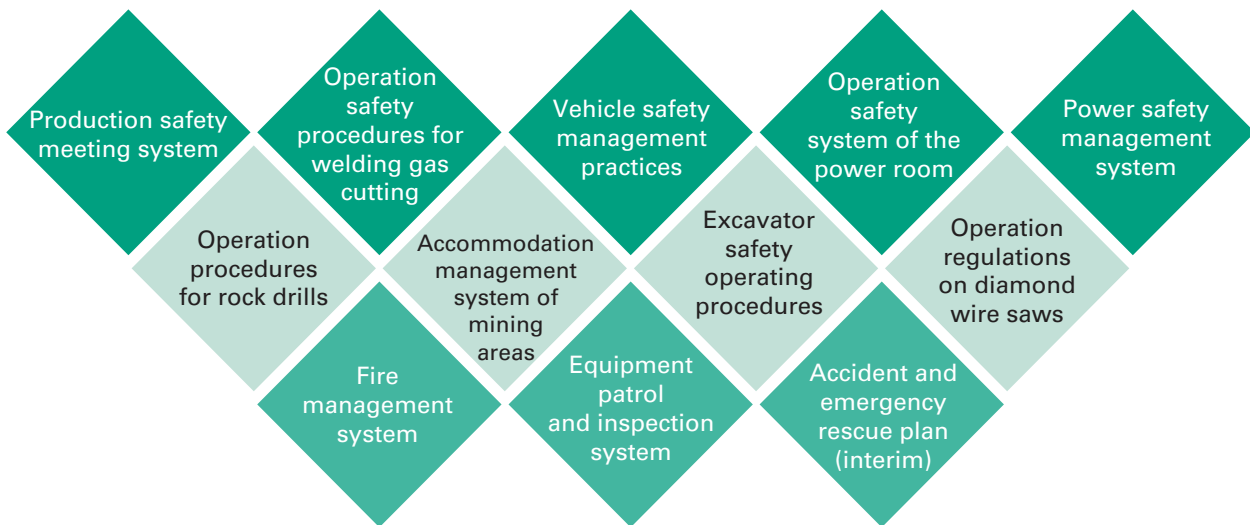
|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>Adopt the mining model of "stripping before picking", and start from the top-to-bottom mining process with the height between steps in compliance with the relevant requirements;</li> </ul> | <ul style="list-style-type: none"> <li>Build special road access to connect with the working platforms to reduce the potential safety hazards of transporting materials and machinery in mining areas;</li> </ul> |
| <ul style="list-style-type: none"> <li>Distribute worker protection supplies and personal protective equipment on a regular basis;</li> </ul>   | <ul style="list-style-type: none"> <li>Prohibit unauthorised personnel from entering the mine and erect fences and warning signs in dangerous areas;</li> </ul>   |
| <ul style="list-style-type: none"> <li>Forbid construction at night or in rainy, snowy, windy and other bad weather conditions;</li> </ul>  | <ul style="list-style-type: none"> <li>Signed mine rescue agreements with the Nanzhang mine rescue team for all-weather rescue;</li> </ul>  |
| <ul style="list-style-type: none"> <li>Engage qualified personnel and operators to carry out storage, transportation and demolition of blasting operations;</li> </ul>  | <ul style="list-style-type: none"> <li>Regularly adjust mining operating schedule to avoid overworking and concealed hazards of working during summer, nighttime and inclement weather conditions;</li> </ul>     |
| <ul style="list-style-type: none"> <li>Provide employees with annual physical examinations and only permit those who pass pre-employment physical examinations to carry out operations in dusty environment.</li> </ul>             |   |



Safety Signs and Protective Facilities



In order to further implement laws and regulations on production safety, we have formulated a series of internal operating procedures and systems on production safety in light of our actual production conditions, and regularly organise safety inspections.



| Safe production meeting   | Safety inspection   |
|---|---|
| <p>In order to timely understand production safety conditions within the mining areas, strengthen production safety management, and implement preventive measures for production safety, a production safety meeting system is implemented by Future Bright. Our production safety meetings are categorised into four types, including production safety meetings, regular production meetings, various professional safety meetings, and emergency meetings, and records are maintained for such meetings.</p> | <p>Safety inspection mainly comprises inspecting mentality, system, management, concealed hazards, improvements, incident handling, etc. In April 2018, we organised all staff to conduct a self examination of concealed hazards in the mining area, performing a thorough inspection and maintenance on all production equipment, to ensure the safe operations of the production process, and conducted selected checks, assessment and elimination of potential risks in the mining area.</p> |

Future Bright believes that a safe, healthy and comfortable indoors administration environment not only helps to promote work efficiency and attract talent, but also help to raise our brand image. We have established a series of indoor office work safety codes, setting out clear management methods for environmental hygiene and cleanliness, banning smoking and fire prevention, protective measures against typhoons and torrential rainfall as well as breaking incidents. We have formulated effective risk assessment and control measures, and require our employees to strictly comply.

### Safety Training

As the leading member of Nanzhang County Production Safety Association (南漳縣安全生產協會) and a member of the Production Safety Committee (安全生產委員會), we proactively communicate with our industry peers as members of the association with the support and assistance from the safety regulatory authorities at all levels, in order to raise employee self-awareness of health and safety and ensure sufficient protection of employee health and safety. During the Reporting Period, the Company's safety training coverage was 100%.

During the Reporting Period, Future Bright further improved employee training test files. We actively organise applicable safety training and examination targeted at employees of different positions, and arrange repeat training for employees who fail to pass the examination. The Company conducts safety education and training for all newly recruited employees, who may only report to their positions and perform operations after passing the examination. Besides internal safety training, we also participate regularly in safe production learning visits organised by Nanzhang County Production Safety Management Office (南漳縣安全生產管理辦公室).

|                          |                       |  |
|--------------------------|-----------------------|--|
| Internal safety training | New employee training | <ul style="list-style-type: none"> <li>• No less than 40 hours of safety education training (open mine operators)</li> <li>• No less than 72 hours of safety education training (underground mine operators)</li> </ul>  |
|                          | Specific training     | <ul style="list-style-type: none"> <li>• Resumption safety education training</li> <li>• Production safety promotion and training (professional hygiene management)</li> <li>• Fire safety lecture and rescue simulation</li> <li>• Class III safety education training (special operators)</li> </ul> |
| External safety training | Exchange visits       | <ul style="list-style-type: none"> <li>• Production safety learning visit</li> </ul>   |

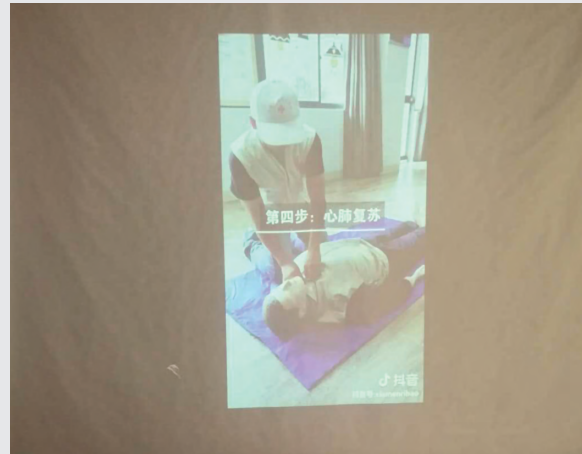
## ATTENTION TO OUR EMPLOYEES

### Safety Training

On 25 March 2018, the Company organised a safety training, and learnt about production safety in practice and theoretical lecture under the guidance of production safety experts.



During the Reporting Period, we invited Nanzhang County Mining Rescue experts to conduct several safety training sessions, conducting video lessons on self-rescue during breaking incidents in the mine and simulations on-site, to ensure that employees involved in mining operations understand timely rescue knowledge.



## CONTRIBUTION TO COMMUNITIES

As a corporate citizen, the Company has upheld the spirit of “Taking from and giving back to society” since its establishment. We are fully dedicated to caring for the community, helping vulnerable groups, working together with various charitable organisations and non-profit organisations and funds, incessantly contributing our strength to the creation of a beautiful social environment and promotion of social development. During the Reporting Period, the Company’s charity donations amount to approximately HK\$1.51 million.

### Charity Gala

Future Bright has consistently supported social welfare and charity, and adopted measures within our best abilities to contribute to the society. Hong Kong’s Po Leung Kuk services areas across Hong Kong, providing diversified and quality social, educational, recreational, cultural services as well as healthcare and general health services to citizens. During the Reporting Period, the Company actively participated in activities organised by Po Leung Kuk, such as A Night in Venice Charity Wine Gala Dinner and charity premieres. We donated HK\$520,000 in support of Po Leung Kuk for providing social, educational, recreational, cultural as well as healthcare services.





## CONTRIBUTION TO COMMUNITIES

### Charity Auction

According to the 2017 Hong Kong Poverty Situation Report, low income families are unable to provide sufficient resources and good education opportunities to their children, reducing their upward mobility opportunities and extending poverty problems to the next generation, creating a poverty trap. Through supporting the Ten Percent Donation Scheme Foundation, the Company participated in the charity auction held during the 12th Charity Ball on 24 August 2018 to support school children in escaping poverty through education, helping them to enjoy a more comprehensive learning environment, increasing their development space and opportunity, improving the issue of generational poverty transmission. Future Bright cares about and supports education and development of students in poverty. Other projects of the foundation that we participated in include the "College Dream Project", the "Ten Percent Hope Community in Lengquan Estate", the establishment of "MPR Read and Fun Centres" in five kindergartens, as well as the "Ten Percent Learning Scheme" targeted at low income families.



**十分關愛基金會**  
Ten Percent Donation Scheme Foundation  
非牟利 非宗教 非政治 慈善機構



Ten Percent Donation Scheme Foundation Charity Ball 2018

### Care for elderly

Through supporting various activities, Future Bright promotes a society that cares for the elderly. We collaborate with the Evangelical Lutheran Church Sha Tin Multi-Service Centre for the Elderly, a charitable organisation recognized by the Hong Kong government, lending strong support to the organisation's elderly care services and activities, including development of community education services, counselling, care, support and outreach services, socialising and recreational activities, community information technology education, canteen food, laundry and bath lending services, local elderly care and religious services. On 5 January 2018, Future Bright donated HK\$150,000 to support its development for 2018 and 2019.

### Community Chest

Since its listing, Future Bright has been strongly supportive of charity activities of the Community Chest, making efforts to provide to people in need with high quality elderly care, child and youth, family and children welfare, healthcare, rehabilitation and counselling, as well as community development. In January 2018, the Company donated HK\$400,000 to support its charity auction.

## APPENDIX: INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

| Subject Areas, Aspects, General Disclosures and KPIs |  | 2018 ESG Report  |
|--|--|--|
| <b>A. Environmental</b>                              |  |  |
| <b>Aspect A1</b>                                     | <b>Emissions</b>   |  |
| General Disclosure                                   | Information on<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Discharge Compliance   |
| Key Performance Indicators A1.1                      | The types of emissions and respective emissions data.  | Discharge Compliance   |
| Key Performance Indicators A1.2                      | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Discharge Compliance   |
| Key Performance Indicators A1.3                      | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Minimal hazardous waste produced in operation                  |
| Key Performance Indicators A1.4                      | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Discharge Compliance   |
| Key Performance Indicators A1.5                      | Description of measures to mitigate emissions and results achieved.  | Discharge Compliance   |
| Key Performance Indicators A1.6                      | Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved.  | Discharge Compliance   |
| <b>Aspect A2</b>                                     | <b>Use of Resources</b>  |  |
| General Disclosure                                   | Policies on the efficient use of resources, including energy, water and other raw materials.<br><br>Resources can be used for production, storage, transportation, buildings, electronic equipment.  | Use of Resources   |
| Key Performance Indicators 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).   | Use of Resources   |
| Key Performance Indicators A2.2                      | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Use of Resources   |
| Key Performance Indicators A2.3                      | Description of energy use efficiency initiatives and results achieved.   | Use of Resources   |
| Key Performance Indicators A2.4                      | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.  | Use of Resources   |
| Key Performance Indicators A2.5                      | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Not applicable, packaging materials not applicable to business |

## APPENDIX: INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

| Subject Areas, Aspects, General Disclosures and KPIs |  | 2018 ESG Report                |
|--|--|--------------------------------|
| <b>Aspect A3</b>                                     | <b>Environment and Natural Resources</b>   |                                |
| General Disclosure                                   | Policies on minimising the issuer's significant impact on the environment and natural resources.   | Ecological Conservation        |
| Key Performance Indicators A3.1                      | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  | Ecological Conservation        |
| <b>B. Social</b>                                     |  |                                |
| <b>Employment and labour practices</b>               |  |                                |
| <b>Aspect B1</b>                                     | <b>Employment</b>  |                                |
| General Disclosure                                   | Information on<br><br>(a) the policies; and<br><br>(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. | Attention to our Employees     |
| Key Performance Indicators B1.1                      | Total workforce by gender, employment type, age group and geographical region.   | Employment and Labour Rights   |
| Key Performance Indicators B1.2                      | Employee turnover rate by gender, age group and geographical region.   | —                              |
| <b>Aspect B2</b>                                     | <b>Health and Safety</b>   |                                |
| General Disclosure                                   | Information on:<br><br>(a) the policies; and<br><br>(b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.  | Occupational Health and Safety |
| Key Performance Indicators B2.1                      | Number and rate of work-related fatalities.  | Occupational Health and Safety |
| Key Performance Indicators B2.2                      | Lost days due to work injury.  | Occupational Health and Safety |
| Key Performance Indicators B2.3                      | Description of occupational health and safety measures adopted, how they are implemented and monitored.  | Occupational Health and Safety |

## APPENDIX: INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

| Subject Areas, Aspects, General Disclosures and KPIs |   | 2018 ESG Report  |
|--|---|--|
| <b>Aspect B3</b>                                     | <b>Development and Training</b>   |  |
| General Disclosure                                   | <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Training refers to occupational training, including internal and external courses paid by the employer.</p> | Training and Development                               |
| Key Performance Indicators B3.1                      | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | Training and Development                               |
| Key Performance Indicators B3.2                      | The average training hours completed per employee by gender and employee category.  | Training and Development                               |
| <b>Aspect B4</b>                                     | <b>Labour Standards</b>   |  |
| General Disclosure                                   | <p>Information on</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>  | Employment and Labour Rights                           |
| Key Performance Indicators B4.1                      | Description of measures to review employment practices to avoid child and forced labour.  | Employment and Labour Rights                           |
| Key Performance Indicators B4.2                      | Description of steps taken to eliminate such practices when discovered.   | No such practices happened during the Reporting Period |
| <b>Operating Practices</b>                           |   |  |
| <b>Aspect B5</b>                                     | <b>Supply Chain Management</b>  |  |
| General Disclosure                                   | Policies on managing environmental and social risks of the supply chain.  | Win-win  |
| Key Performance Indicators B5.1                      | Number of suppliers by geographical region.   | Win-win  |
| Key Performance Indicators B5.2                      | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.   | Win-win  |



## APPENDIX: INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

| Subject Areas, Aspects, General Disclosures and KPIs |  | 2018 ESG Report                                |
|--|--|--|
| <b>Aspect B6</b>                                     | <b>Product Responsibility</b>  |  |
| General Disclosure                                   | Information on<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Quality Assurance                              |
| Key Performance Indicators B6.1                      | Percentage of total products sold or shipped subject to recalls for safety and health reasons.   | Quality Assurance                              |
| Key Performance Indicators B6.2                      | Number of products and service related complaints received and how they are dealt with.  | Quality Assurance                              |
| Key Performance Indicators B6.3                      | Description of practices relating to observing and protecting intellectual property rights.  | Compliant Operation                            |
| Key Performance Indicators B6.4                      | Description of quality assurance process and recall procedures.  | Quality Assurance                              |
| Key Performance Indicators B6.5                      | Description of consumer data protection and privacy policies, how they are implemented and monitored.  | Compliant Operation                            |
| <b>Aspect B7</b>                                     | <b>Anti-corruption</b>   |  |
| General Disclosure                                   | Information on<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.  | Clean and Honest Practices<br>Fair Competition |
| <b>Fair competition</b>                              |  |  |
| Key Performance Indicators B7.1                      | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.   | Clean and Honest Practices<br>Fair Competition |
| Key Performance Indicators B7.2                      | Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.  | Clean and Honest Practices                     |
| <b>Aspect B8</b>                                     | <b>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.   | Contribution to Communities                    |
| Key Performance Indicators B8.1                      | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | Contribution to Communities                    |
| Key Performance Indicators B8.2                      | Resources contributed (e.g. money or time) to the focus area.  | Contribution to Communities                    |