



Jebsen Group

28/F, Caroline Centre, 28 Yun Ping Road, Causeway Bay, Hong Kong
TEL: 852 2923 8777
FAX: 852 2882 1399
E-mail: feedbackonCSR@jebsen.com
www.jebsen.com



Stepping into a sustainable future



Table of Contents

Message from the Group Managing Director	01
Depictions of 2013 Social Responsibility Performance	03
<hr/>	
About Us	05
Strategic Business Units	06
History of the Century-Old Company	07
Sustainability Performance	10
Compliance Management	12
Risk Management	13
Information Security	14
<hr/>	
Social Responsibility Management	15
Social Responsibility Strategy	16
Social Responsibility Management System	17
Stakeholder Engagement	19
<hr/>	
Business Partnership	21
Partnership and Business Development	22
Developing Multi-Channel Distribution	25
<hr/>	
Environmental Conservation Commitment	27
Carbon Management	28
Green Marketing	32
Green Supply	37
Green Office	38
Supporting Environmental Protection NGOs	39
<hr/>	
Staff Development and Well-Being	41
Staff Welfare	42
Staff Communication	43
Staff Development	44
Staff Well-being	47
<hr/>	
Building a Harmonious Community	49
Philanthropic Activities	50
<hr/>	
Our Future	57
Awards and Recognition	59
GRI Indexes	61
<hr/>	

About This Report

Since 2009, Jebsen Group has been publishing annual Corporate Social Responsibility reports to reflect our commitment and effective practices in the area of sustainability. This report covers the relevant activities held in 2013, upon examining and verifying efforts and developments made in responsibility management, environmental conservation, staff well-being, and philanthropy across the diversified business units.

Jebsen Group hereunder may be referred to as "We", "Jebsen", or "the Group".

Report Scope

The report covers all the entities under Jebsen Group, including but not limited to, Industrial, Consumer, Luxury, Beverage Business Unit, as well as Group Services and Management. It covers the Group's operations in the Greater China area and its economic, environmental and social implications from January to December 2013. All data used in this report is collected from Jebsen official documents and reports.

For more information on the Jebsen group, please visit: www.jebsen.com.

Report Index

This report is based upon the Sustainability Reporting Guidelines (G3.1) set by the Global Reporting Initiative (GRI).

Report Publication

Following the 2012 report published in June 2013, this electronic report will be released in Simplified Chinese, Traditional Chinese, and English in July 2014. For online reading or downloads, please visit: www.jebsen.com.

Feedback

Jebsen continues to strive for even better performance for our environment and stakeholders. Your comments will enable us to refine the future CSR plans and are highly valued. Please contact us at feedbackonCSR@jebsen.com for any feedback and input. All correspondence will be processed in strict confidence.



Message from the Group Managing Director

Stepping into a sustainable future

The year 2013 proved to be more challenging than anticipated, nevertheless we still managed to achieve a respectable result. With the support of all stakeholders our business volume reached HK\$14.5 billion and it is pleasing to see that some of the business initiatives we started last year are becoming contributors in 2014.

Our work in CSR continued as well and with six years of foundation in CSR practices, Jebsen strengthened the CSR framework by establishing internal working teams to support the Group's CSR strategy: environmental conservation, staff well-being and philanthropy. CSR Ambassadors were elected in our main offices in 2013. Last year also marked the fifth year of our carbon audit and report, working with an independent third party management organisation in Hong Kong. Jebsen has now received certification of low carbon dioxide emissions for two consecutive years, reflecting a general recognition of our responsibility, towards the environment and our active response to climate change. Since the first Jebsen volunteer activities were launched in Mainland China in early 2013, more Jebsen staff was engaged in helping to improve the lives of people in places where we

do business, reinforcing our position as a responsible corporate citizen. I would like to thank every employee who supported CSR efforts in the past year, which reflect our core values of commitment, responsibility, trust, recognition and excellence.

As a long-established company that continues to evolve, we are not complacent. Challenges ahead which include fluctuations in the world economy, emerging e-commerce trends, ability to attract more committed partners and employees will not stop us from applying the concept of social responsibility in every part of our enterprise while continuing to drive growth in the Group's business. Each member of the organisation is instrumental in making this happen.

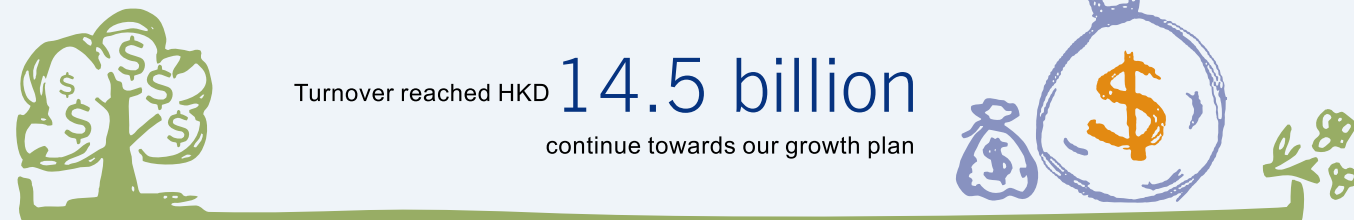
In the coming year, we will march on steadily, expanding our China business and putting innovative social responsibility management models into practice. We will also enhance our stakeholder communication and community engagement. At the same time, we will incorporate the concept of sustainability into every business unit and store, ensuring that it is instilled in the minds of every employee.

Helmuth Hennig
Group Managing Director

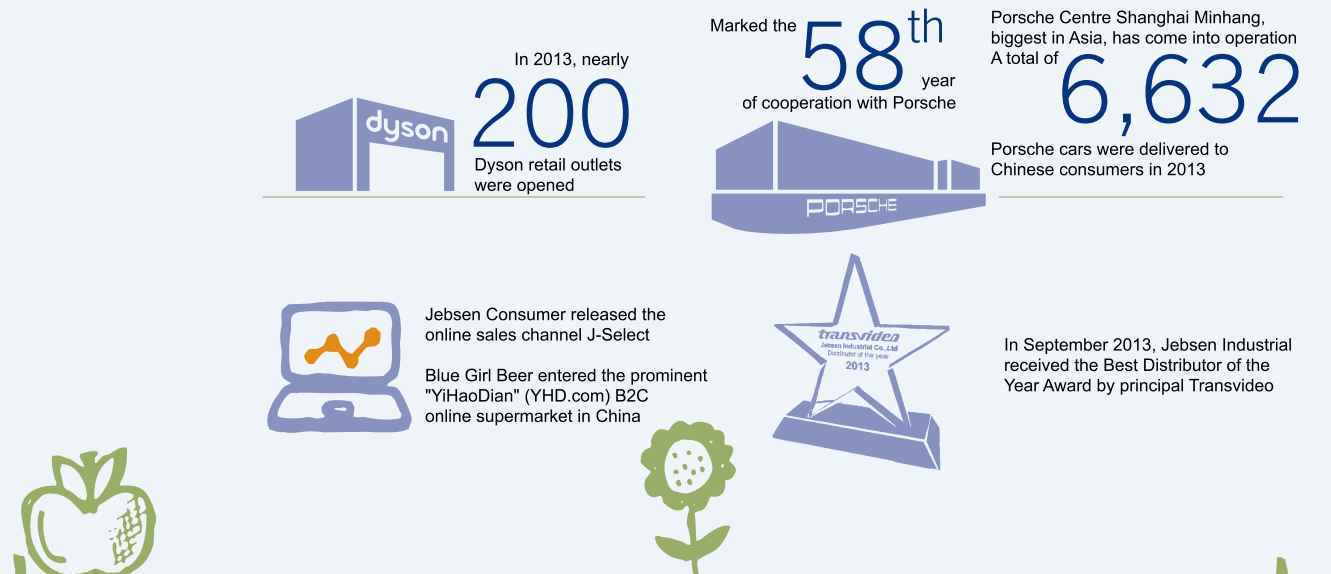
1st July, 2014

Depictions of 2013 Social Responsibility Performance

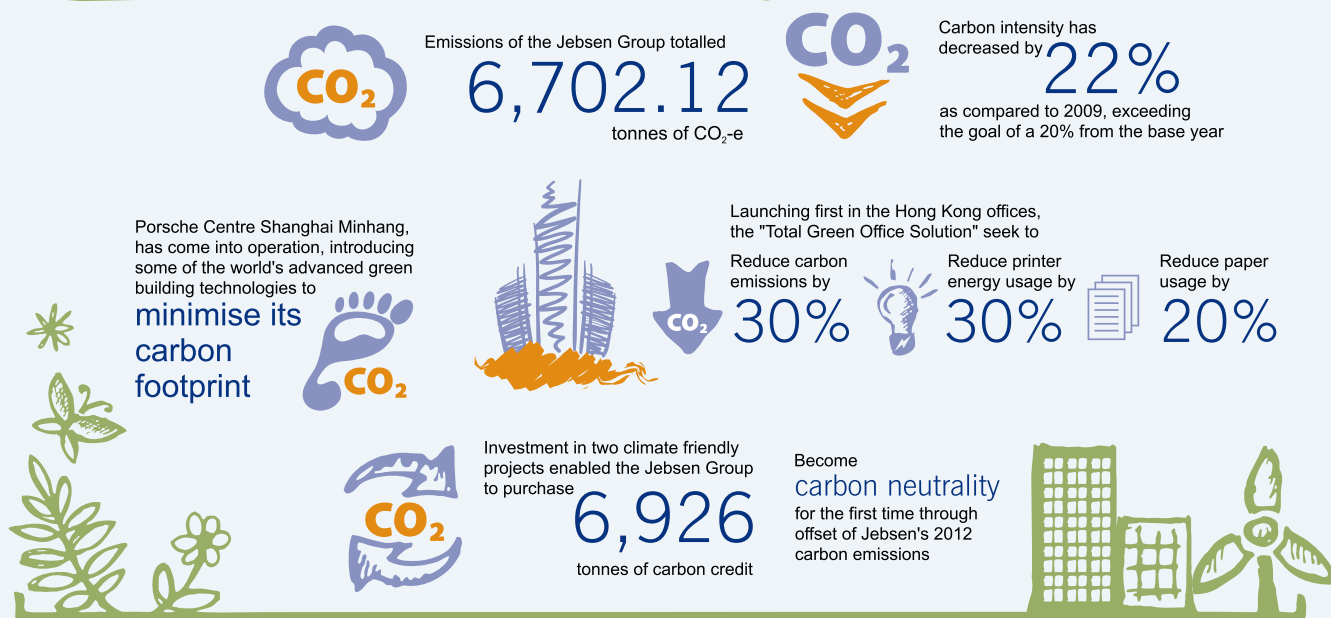
Business Development



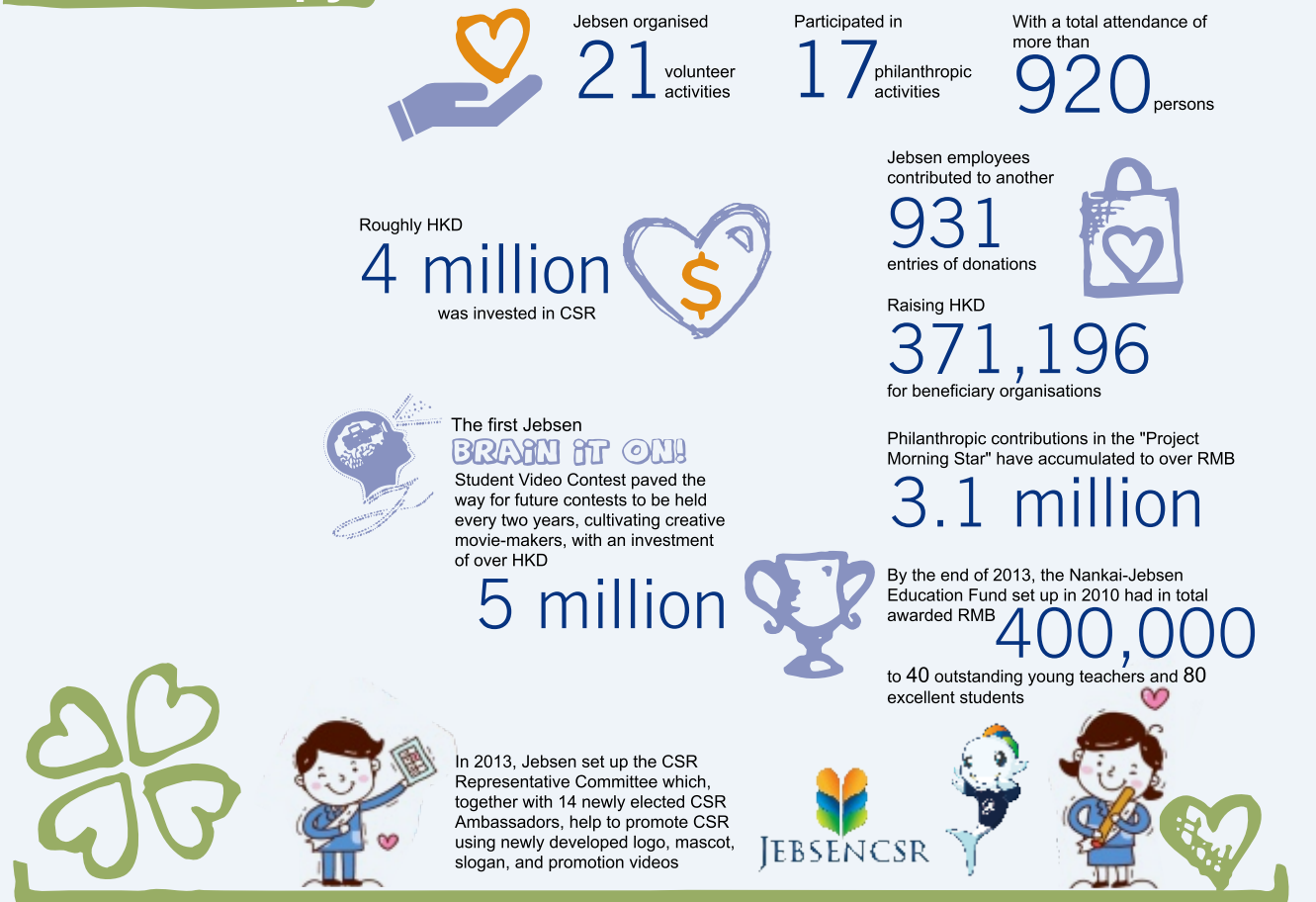
Business Partnership



Environmental Conservation



Philanthropy



Staff Well-being



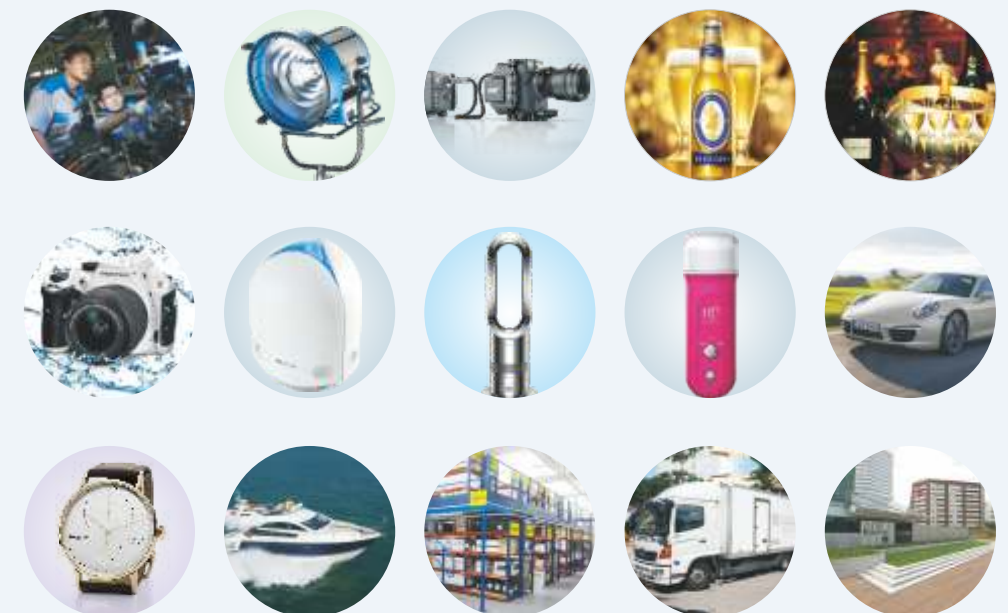
About Us

Founded in 1895, Jebsen is a Hong Kong-based company that takes a leading role in marketing and distribution for a wide array of premium products. The Group operates in Mainland China, Hong Kong, Macau, and Taiwan; with sister companies established across the world, covering Southeast Asia, Denmark, Germany and Australia. To provide superior service quality to our customers in Mainland China, Jebsen has set up subsidiary companies in Beijing, Shanghai and Guangzhou, and affiliate offices in Chengdu, Dalian, Hangzhou, Qingdao, Shenzhen, Tianjin, Wuhan and Xi'an.



Strategic Business Units

Jebsen Group's business consists of four strategic business units - Beverage, Consumer, Industrial, and Luxury. After two years of restructuring, the four business units are now operating as independent legal entities, aimed at improving operation effectiveness of each business. Other industry segments which Jebsen Group also operates in include logistics and building products distribution. Currently, more than 200 brands are represented by the Group.



History of the Century-Old Company



-1895

Jacob Jebsen and Heinrich Jessen co-founded Jebsen & Co.



-1903-1907

Offices set up in Shanghai and Guangzhou



-1930

Acting agent for Mercedes Benz in China market

-1939-1945

Weathered through the global economic downturn



-1955-1961

First Porsche car imported to Hong Kong; acting agency for Lufthansa

-1969

Jebsen became a Limited Company



-1986

Photo Scientific Optical Division becomes acting agent for Pentax in Hong Kong

-1994

Seven representative offices in Mainland China established



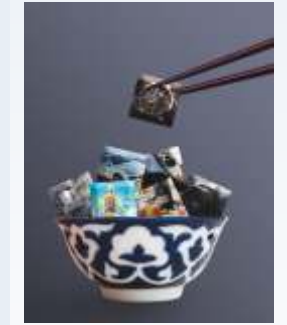
-1995

Celebration of our 100-year anniversary



-2004

Jebsen & Co (China) founded



-2009

Four strategic business units were set up

New Field

-1897

Trade agreement with BASF on indigo dye



-1906-1909

Acquisition of Blue Girl Beer



-1953

First Volkswagen Beetle car imported to Hong Kong by air



-1963

Temporary pull-out from Mainland China due to economic policy changes

-1970s

One of the first companies to return upon China beginning to open up for investment



Sailing Through

-2001

Enterprise management and operation efficiency improved as a result of the implementation of an ERP system throughout the Group



-2005

Marked the 50th year of cooperation with Porsche

-2007

Establishment of Mitec-Jebsen as the first foreign-owned company in China to produce balancer shafts for the premium automotive market

-2013

Business revenue reached HKD 14.5 billion; nearly 200 Dyson retail outlets were set up; 58 years of cooperation with Porsche culminated in the operation of Porsche's largest 4S flagship centre in Asia





Three Mackerels

Jebsen Group's logo depicts three mackerels side by side, which was adapted from the heraldic shield of the founders' home town, Aabenraa. In 1895, Jacob Jebsen and Heinrich Jessen established a new trading company with the logo of "Three Mackerels" on its business flag in Hong Kong, naming the company "Jebsen & Co". The "Three Mackerels" continues to serve as a symbol of the Group, as do the company principles of fair trade, equality, trust, and goodwill, driven by the respect for traditions and cultures as well as the commitment of the two families to their businesses, employees, and communities.

Core Values



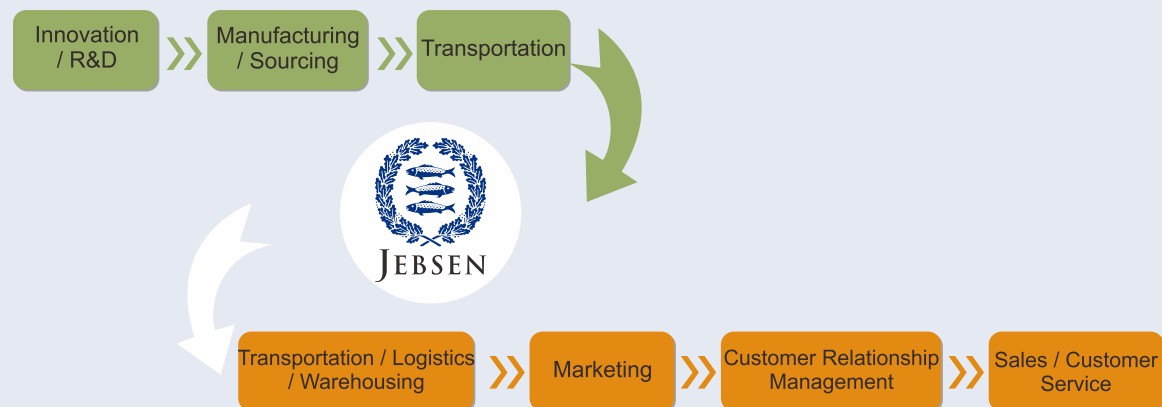
Core Purpose

"To enrich people's lives by providing a choice of quality products and services"

Jebsen Group enables some 200 of the world's leading companies and their brands to successfully market their products throughout the fast growing market of Greater China.

Business Model

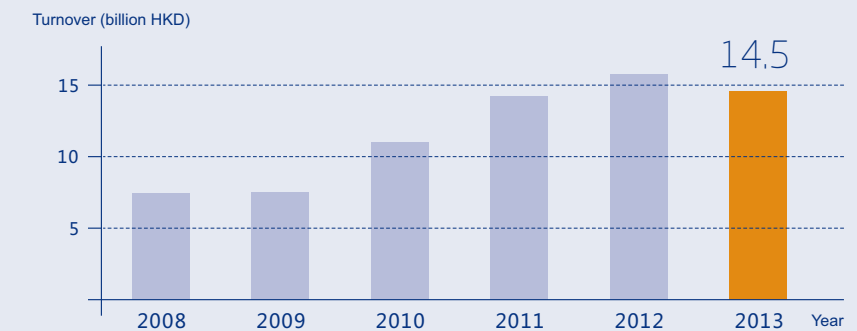
Jebsen Group focuses on the marketing and distribution of premium products. Acting as brand representative, the Group is capable of supporting our partner's value chain from import, logistics, brand building, marketing, and sales to distribution to suitable wholesalers, retailers or end consumers. The Group has built further in product development and manufacturing capabilities in the forms of investment and joint ventures. In addition, the Group provides premium products and services for consumers directly by setting up retail outlets, 4S centres, online selling points, etc.



Sustainability Performance

Despite a challenging environment for international trade, in 2013 Jebsen Group achieved solid performance in all main business segments. In addition, Jebsen is persistent in reducing greenhouse gas emissions for the past five years. The Group has reached the carbon reduction goal and became "carbon neutral" through carbon credit purchase. In the future, Jebsen will continue to increase the input of capital and human resources in social responsibility efforts.

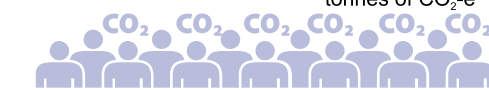
Financial Index



Environmental Index

Total Carbon Emissions of 2013

6,702.12
tonnes of CO₂-e



Carbon Intensity of 2013

563.03
tonnes of CO₂-e /billion HKD

Reduction Rate of Carbon Intensity

22%
CO₂

(based on 2009)

Carbon Emissions Per Capita

3.30
CO₂

tonnes of CO₂-e

Areal Carbon Emissions

0.059

tonnes of CO₂-e/square metre

Social Index

In 2013, Jebson's commitment to social responsibility is reflected by not only philanthropic contributions, but also active participation of employees in charitable fund raising activities and their charitable donation.



Compliance Management

Jebson Group strictly complies with laws and regulations in the countries and regions in which it operates and actively mitigates risks. In the past year, Jebson maintained its complete legal compliance, as well as further completed its corporate compliance management system.

Compliance Management System

Jebson group has established regulations and policies at all levels covering various disciplines, forming its compliance management system to standardise operation across the whole group.

Policies	Detailed Regulations	Scope
Employee Code of Conduct (PRC)	-	Anti-bribery, Privacy Protection, Elimination of Discrimination, Disciplinary Sanction
Human Resource Management Procedures (PRC)	Recruitment, Resignation, Retirement, Disciplinary & Dismissal Procedure, Staff Grievance Procedure, Performance Management System, Job Evaluation and Grading, Promotion, Demotion and Transfer (PRC), Internal Job Application (PRC), etc.	Labour
Compensation (PRC)	General Payroll Arrangement, Overtime Compensation, Sales Commission and Incentive Bonus, Annual Salary Review (PRC), Special Salary Adjustment (PRC)	Labour
Benefits (PRC)	Statutory Social Insurance Plans, Group Life Insurance, Personal Accident & Additional Medical Insurance, Group Business Travel Insurance, Gift Vouchers, Condolence Allowance, Long Service Award, Jebson Scholarship	Labour
Working Hours, Leave & Holiday Arrangements (PRC)	Term of Contract, Working Days & Hours, Annual Leave, Sick Leave, Maternity & Paternity Leave, Other Leave Arrangement	Labour
Reporting of Malpractices and Speaking Up	-	Anti-bribery

Employee Conduct and Compliance

Staff members and their behaviour constitute the reputation of the Company, thus our employee conduct compliance is an important part of the corporate management framework. To ensure reasonable control and governance is in place, the Group has set a series of policies such as the Employee Code of Conduct which require employees to treat business associates, customers, the general public, and colleagues with courtesy, consideration and respect at all times. Those breaching the Employee Code of Conduct will be subject to disciplinary action, including verbal warning, written warning and termination of employment, and, in some circumstances, legal prosecution.

In 2013, the Group further standardised the compliance management process through the enterprise risk management framework, which includes a quarterly compliance reporting on serious violations that may have significant impact on the Group. Meanwhile, the Group has upgraded the malpractice reporting procedures, setting up a hotline and a designated e-mail address to protect the anonymity of the whistleblower.

Risk Management

Jebsen values the importance to risk management and control. The Group sees risk management as a continuous improvement exercise, a culture, a way of addressing problems, developing procedures, and facilitating decisions. In practice, Jebsen formulated the "Jebsen Group Risk Management Manual" to manage risks for the whole Group effectively. Under the guidance of the Manual, Jebsen has built a firm and practical risk management framework to support the board of directors and all employees in understanding the risks faced by the Group at all organisation and operational levels. The framework infuses effective risk management into Jebsen's business operations in order to predict and reduce risks while creating opportunities, so as to attain operation and investment success, creating and maintaining sustainable value for the whole group.

The risk management process is an integral part of effective management practices and is embedded into Jebsen's planning, decision making and operating activities. The process comprises of five activities: Context Identification, Risk Assessment, Risk Treatment, Risk Monitoring and Risk Reporting. One in-depth as well as one cursory management process are undertaken annually and formally documented to embed risk management into the day-to-day decision making processes.



Information Security

Jebsen protects client information privacy through the establishment of Customer Relationship Management (CRM) system and operation regulations according to different users' requirements, in order to reduce the risk of illegitimate information disclosure.

Technical Infrastructure

The CRM System is maintained in our enterprise server hosted in an off-site data centre. To avoid unauthorised access to the core CRM database with sensitive customer data, a firewall has been set up to isolate the CRM database from any irrelevant access. The security of our CRM System is guaranteed though frequent update of security patches and the latest anti-virus signature.

Backup and Protection

The CRM system adopts a daily backup routine and properly files the backup tapes. To avoid unauthorised access to the core database and protect sensitive customer data, a firewall is set up to isolate system database from any irrelevant access. Meanwhile, security patches or the latest antivirus signatures are frequently updated to ensure CRM system security.

Users and Suppliers Access Control

Rules and authorisations are set up according to the users' job roles (e.g. data entry, sales, management, etc.) to restrict user access within the system. Special accounts are provided for suppliers to visit the system, and account passwords are properly maintained by the system managers.

Social Responsibility Management

Jebsen Group is committed to sustainable development in business by providing premium products and excellent services. Our three sustainable development pillars of environmental conservation, staff well-being and philanthropy are brought into every part of our corporate operation to create shared value for stakeholders.

Social Responsibility Strategy

Concept of Corporate Social Responsibility

In today's society, a good reputation and excellent corporate citizenship have become important assets of a company. Jebsen Group, like many other respected institutions, has made the integration of CSR into general operation a fundamental requirement. Jebsen's primary objective is to provide premium products and services for customers and maintain business growth, while improving the well-being of communities and reducing impact on the environment. Jebsen's CSR programme is established precisely to achieve this objective, as it imposes economic, social and environmental considerations in the organisation's strategy development and operation. We believe that CSR provides a win-win solution for both community and business. To promote sustainable development, we must undertake related efforts with urgency and commitment.

Every social responsibility initiative requires support from each and every Jebsen employee. We encourage our staff to make philanthropic contributions in their positions, as part of the Group's initiatives as well as on their own time. We hope that the slogan, "Enrich People's Life, Enrich Your Life" can serve as the starting point and a source of power for our staff to take part in CSR actions.

Key to Corporate Social Responsibility

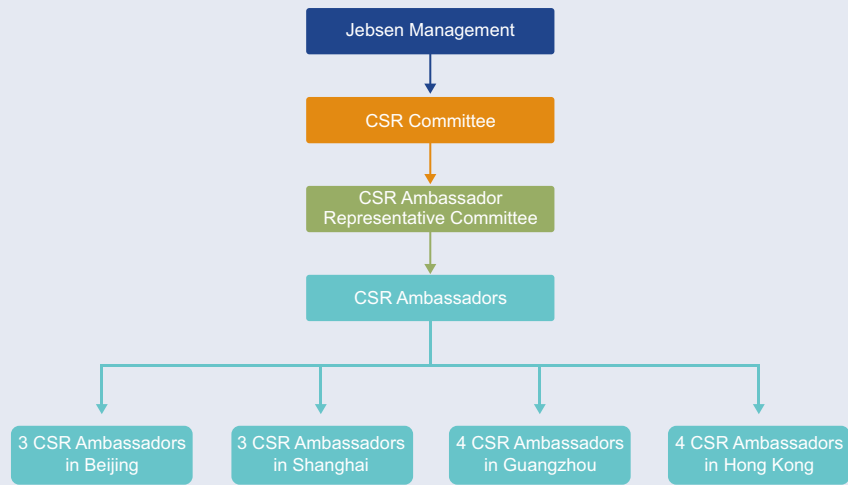
In 2013, the Group reorganised its CSR structure, focusing on environmental conservation, staff well-being and philanthropy. With pooled resources, the Group continues to carry out activities in these areas and encourage employee participation to maximise benefit to our stakeholders.



Social Responsibility Management System

In order to promote the Group's CSR systematically, the Group has built a comprehensive CSR management framework. Since the launch of the CSR programme in September 2007, the Group has established a CSR Committee responsible for coordinating and implementing CSR-related policies, supervising the Group's CSR management, and reporting directly to senior management. In 2013, a CSR Ambassador Representative Committee has been added as part of the CSR committee; with CSR programme promotion and CSR Ambassador management as its main area of responsibility. CSR Ambassadors, an important part of Jebsen's CSR system, will engage in planning and organising CSR activities, serve as a communication channel between the Group and employees, and are expected to become CSR role models to other employees.

CSR Management Structure of the Group



Through the CSR management framework, the Group carries out CSR activities from top-down and bottom-up. Quarterly communication meetings are held for ambassadors in all regions, as well as between CSR ambassador representatives and the CSR committee. In addition, the "Jebsen CSR Ambassador Handbook" and a "CSR Activity Application Form" were introduced to standardise corporate social responsibility management processes.

In 2014, Jebsen will focus on promoting the Group's CSR work internally. On one hand, Group-level CSR activities such as the "Wellness Week" and ORBIS activities will continue. On the other hand, regional CSR ambassador groups will initiate and organise further CSR projects and activities under the Jebsen CSR strategy framework in their respective regions. These regional activities will be designed to increase voluntary participation, motivation and satisfaction, and garner recognition and support for CSR activities from employee volunteers. Externally, the Group will actively publicise its CSR efforts through the media. Communication channels will be built to promote Jebsen's core philanthropic projects such as Project Morning Star, and to advocate environmental conservation and humanitarian efforts. In addition, more cooperation opportunities will be explored with our partner NGOs.

The 2011 Jebsen Trainees worked together to repackage Jebsen's CSR philosophy and launched the Group's new CSR logo, mascot, CSR slogan, video and the first group of CSR ambassadors, which were all introduced to staff during the CSR sharing luncheons held in Beijing, Shanghai, Guangzhou and Hong Kong in August 2013.



New CSR Logo



Jebby

CSR Mascot

Enrich People's Life,
Enrich Your Life

CSR Slogan

CSR Ambassadors

The first group of CSR Ambassadors consists of 14 Jebsen employees who were nominated by others or self and elected by more than 500 employees to serve for one year-long term.



CSR Ambassadors in Beijing



CSR Ambassadors in Hong Kong



CSR Ambassadors in Shanghai



CSR Ambassadors in Guangzhou

Stakeholder Engagement

Cooperation and support from stakeholders is crucial to any company's success. Our sustainable development is dependent upon close communications with different stakeholders. On the basis of our values and characteristics, Jebsen identifies stakeholders who are influential to the Group's development and commits to understanding their needs, responding to their concerns with actions, promoting stakeholder engagement and involving them in realising comprehensive and sustainable development.

Stakeholders	Subject Matter	Performance tracked and communicated in form of:
Government	Honesty and Adherence to the Laws and regulations Commercial Ethics Taxation Employment Protection	Compliance Honest operation Response to governmental policies Candidate attraction Positive communication with government departments
Clients	Product and Service Quality Business Procedure Convenience Information Security	Client satisfaction survey Client opinion collection Client caring Client activities Online communication Product innovation Service quality promotion
Partners	Brand Development Philanthropy Energy Saving and Emission Reduction	Providing broad distribution channels; Improving logistics network and reliable management Developing joint venture model and localised manufacturing Official Web Pages, online and offline communication channels of business units Quarterly publication "Moments" Partners' Management System
Investors	Corporate Operations Management Information Disclosure	Investor relationship management Board meetings Annual report Quarterly publication "Moments"
Employees	Rights Protection Salary and Welfare Education and Training Personal Development	Staff welfare and care Staff communication Staff discount activities Comprehensive training system Jebsen volunteer activities Quarterly publication "Moments"
Non-profit organisations	Resolving Social Issues	Philanthropic projects Environmental conservation Voluntary services
Environment	Energy Saving and Emission Reduction Green Office Green Products	Environmental conservation concept advocacy Carbon management Carbon neutrality "Total Green Office Solution" project Green decoration projects Green building projects
Universities	Professional Talents Training	Jebsen Education Funds Internship opportunities Student video contests

Stakeholder Communication Cases

Customer Feedback and Consultation

Each business unit of Jebsen Group conducts activities such as customer satisfaction surveys and customer consultation as a vehicle to obtain customers' feedback and improve service quality. For example, between December 2013 and the end of January 2014, Jebsen Industrial completed a series of customer surveys for more than 300 customers, collecting their opinions on many aspects such as products, service quality, and business processes.



Customer Interaction

Customer interaction activities at Jebsen Porsche Centres include not only advisory and follow-up services, greeting cards and transportation fee reimbursements to drivers when their cars are under repair, but also an official WeChat service account for online booking of test drives, maintenance service and activity registration. In addition, Jebsen Porsche Centres designed a car owners' workshop to educate new owners on properly using and maintaining their cars, and also to provide a communication platform where car owners can meet others through golf tournaments, driving outings, the Porsche Sport Driving School and the Porsche Travel Club.

As example, in 2013, the Porsche Centre Guangzhou organised 21 customer activities with 706 participants; while Porsche Centre Shanghai Minhang organised three car owners' activities within three months after its opening, benefiting 149 customers.

Fascination Porsche



Wines Tasting



Go-Kart Racing

Smile Programme



Sports Car Treasure Hunting



Customer Course

Business Partnership

Jebsen's principle of upholding trust and commitment in our cooperation with business partners has enabled Jebsen to become one of the leaders in the industry. This principle has allowed us to maintain good relationships with local governments and companies, and has granted us access to profound insights into markets both at home and abroad. The Group will continue to devote to this kind of win-win cooperation with our business partners.

Partnership and Business Development

Distribution and Agency

As a reliable agent and distributor, the Group is dedicated to helping partners in building and developing the Greater China market, through extensive distribution channels, robust logistics networks, and reliable management talents to meet their needs.

Placing consumers' interests as a priority, the Group chooses partnership brands very carefully. Since product quality and safety is first consideration by the consumers, the Group conducts comprehensive evaluation on a product to ascertain its merit before launch. This is followed by looking into the partner company's values. Jebsen is keen to engage in collaborations with companies that are committed to stable, long-term development, and at times work with partners on product development. Company's strength, not only financially but also in other areas of its business, ensures healthy collaborations. These guiding principles have enabled the Group to maintain sustainable cooperation with partners to grow the businesses in the market.

■ A Network of Dyson Retail Outlets Opened

After five years of cooperation in Hong Kong, Jebsen introduced Dyson products into Mainland China in November 2012. From ten Dyson retail outlets in the first half of 2013, 20 new retail outlets were opened every month in the following four months, and by the end of 2013, accumulating to nearly 200 retail outlets in the country.



Strategy of Dyson expansion is based on a complex evaluating system to ensure the stores are well operated, and sales strategies are adjusted to meet customer demands. In the process, Jebsen Consumer fully leverages its capability and in-depth understanding of the channels as well as consumer behaviours. The Dyson success is also enabled through product representative training and the development of a back-office IT system and after sales services network.

■ 58th Anniversary of Distribution for Porsche

Jebsen and Porsche's collaboration started in 1955 when it began distributing the Porsche cars in Hong Kong. After nearly 60 years of cooperation, Jebsen is one of the largest Porsche distributor in the world.

Through the years Jebsen has been evolving its strategies to satisfy market needs, constantly boosting Porsche brand awareness and customer service through customised brand positioning, cross-channel marketing, talent development, value-added services, and investment in new media platforms. Together with the Porsche brand, the Group has nurtured the market's growing demand for high quality lifestyles.

In 2013, a number of Porsche service technicians received Gold and Silver qualifications from the car manufacturer in recognition of their contribution to the Porsche brand. In the same year, the Group opened its eighth Porsche Centre in Shanghai Minhang.



■ Fine Wines Business Development with Multi-Brands and Multi-Channels

2013 marks the 22nd year of the Jebsen Fine Wines business in the region, recording a five-fold increase over the last decade. Addressing the intensifying competition, Jebsen Fine Wines has strengthened its portfolio by adding some of the world's leading wine brands, diversifying into spirits and water, and investing in vineyards.

To date, the Group owns seven wine brands across France, Italy, Australia, New Zealand, Chile and South Africa, which together account for about 25 percent of its wine sales.



Looking to the future, Jebsen Fine Wines will continue to expand its distribution capabilities and develop own brands. It is also investing into electronic platforms and promoting wine culture through experiential marketing like wine training and tasting, vineyard visits and crossover events with luxury brands.

■ Jebsen Industrial Awarded "Best Distributor of the Year"

Since partnership began in 2006, Jebsen Industrial has promoted Transvideo's fine electronic equipment by actively introducing them to the film industry in Mainland China and Hong Kong. Jebsen Industrial used its industry expertise, market knowledge and extensive distribution network to promote Transvideo's quality, advanced and user-friendly products. The relationship has brought positive business results for both partners over the years, and will continue to do so.

In September 2013, Jebsen Industrial received the Best Distributor of the Year award from Transvideo. This recognition not only acknowledges the company's efforts in promoting the Transvideo brand, but also its philosophy of nurturing long-term, trust-based relationships with its partners.



Joint Venture

Building on the traditional distribution model, the Group has leveraged its operation experience in China and established joint ventures with our partners localise their niche technology, bringing it closer to the target customers, and creating local production opportunities with manufacturers. This model is effective in satisfying the increasing demand of local markets and promoting long term business development.

Jebsen Industrial has successfully established three joint venture businesses based in Dalian, China: Mitec-Jebsen Dalian Co. System, Jebsen-TCG Automotive Systems (Dalian) and MSR-Jebsen Technologies. Further joint venture projects are expected in 2014.

■ Mitec-Jebsen Will Produce Key Component for Local Chinese Automobiles

With world-class technical solutions and a localised cost structure, in the second quarter of 2013, Mitec-Jebsen has secured new contracts to provide balancers to OEMs of two well-known Chinese automobile brands. It is the first time that a Mitec-Jebsen balancer was installed in a local Chinese car as a key component.

Supply Chain Centre

With own Logistics Centres in Hong Kong and Mainland China, Jebsen provides customers with comprehensive logistic solutions and complete supply chain management services. Jebsen Logistics uses its worldwide service network as well as highly effective electronic communication and data processing systems to provide real-time and value-added solutions. Logistics (China) owns one of the largest free trade warehouses in Northern China, and provides distribution services supported by advanced logistic software. It enjoys the superimposed policy of free trade zone and export processing zone, as well as direct port connections, and is able to provide integrated, professional and efficient logistics services.

Since May 2010, Jebsen Logistics in Hong Kong has held the Wine Storage Management System Certification (WSMS) and the Wine Storage Management System Certification-Transportation (Commercial Wine & Fine Wine) issued by HKQAA.

Developing Multi-Channel Distribution

Just as the business has diversified over the past century, the Group also continues to explore new distribution channels, such as e-commerce to complement traditional channels such as import trade, representative distribution and self-operated stores. Consumer online portals, Blue Girl Beer's presence in online supermarkets, and mobile applications are some examples of the Group's initiatives to bring more convenience to customers.

Opening J-Select Online Store

After the successful launch of the Dyson online shop within JD.com in China, the Group extended its digital presence by launching a J-Select online shop in Hong Kong. By blending the best of East and West, J-Select carries a variety of merchandise from the categories Home Enrichment, Consumer Electronics, Beauty & Health, Watches, and Fine Wines. Promising high standards of service, the online shop is dedicated to fast and reliable home delivery and a wide range of products. J-Select consumers can easily enjoy a one-stop and personalised shopping experience with just a click, as well as to obtain brand stories, new products and the latest promotion information through its Facebook page.



Blue Girl Beer Entering "YiHaoDian" (YHD.com)

Blue Girl Beer is now available on the nationwide B2C (business to consumer) e-platform Yihaodian.com. It is also pursuing additional distribution channels beyond restaurant and bars - including supermarkets, hypermarkets and convenience stores - as a means to reach more consumers in Mainland China.



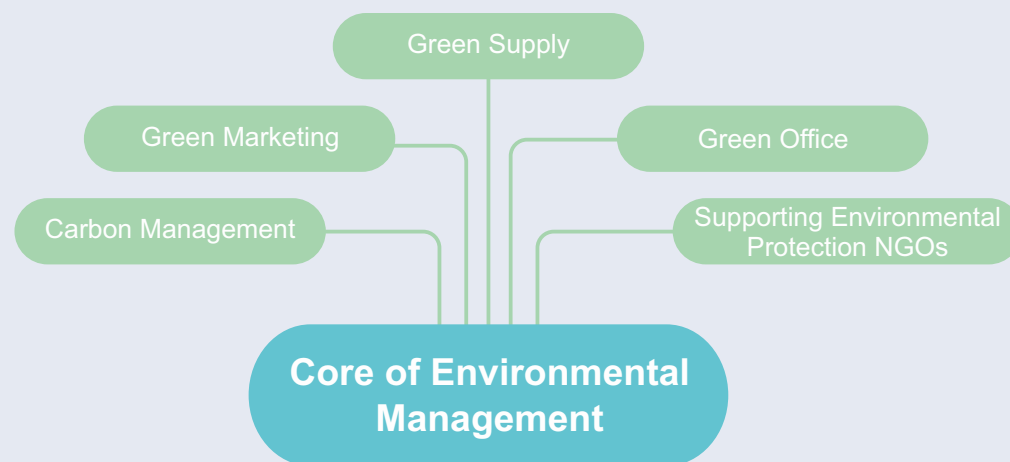
A Full Spectrum of Electronic Commerce Operations

Other Jebsen Group-own e-commerce business platforms include a B2B portal for Jebsen Industrial, Jebsen Fine Wines; the latter to be launched in Hong Kong in 2014. Furthermore, Jebsen Motors will launch a new mobile phone application to better serve its valued customers.



Environmental Conservation Commitment

As a responsible company toward our environment, Jebson works with our employees and partners to support energy-saving, reduce waste and ensure compliance to environmental laws. Since 2009, the Group has focused its environmental efforts in five areas: Carbon Management, Green Marketing, Green Supply, Green Office and Supporting Environmental Protection NGOs.



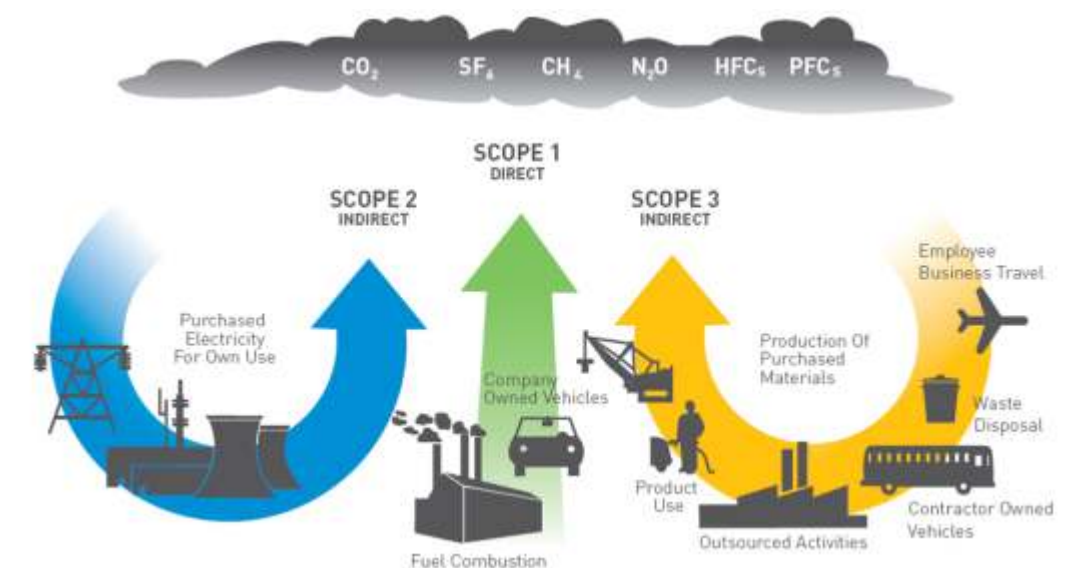
Carbon Management

Carbon Audit

As part of CSR, carbon emission objectives has been established to reduce carbon intensity (carbon emissions per unit revenue) by 20% by 2013 compared to the base year 2009, despite operating a growing company. To reach this goal, the Group set up a Carbon Audit Team to operate professional carbon management and supervise the Group's daily carbon emissions during operation. To ensure that Group's carbon performance meets emission objectives, Annual Carbon Report developed by the Carbon Audit Team is examined and verified by Carbon Care Asia, a Hong Kong third party carbon audit and management organisation.

For the convenience of management, Jebson classifies carbon emissions into the following three "Scopes"* according to carbon emission sources: Scope 1 meaning direct emissions resulting from activities within Jebson's control; Scope 2 meaning indirect emissions from electricity, heat or steam purchased and consumed by the Group and Scope 3 to include all other indirect emissions of greenhouse gases. The carbon audit report reflects Jebson's direct and indirect controlled carbon emissions in Hong Kong, Macau and Mainland China. Scope 3 emissions were excluded from Jebson's carbon audit.

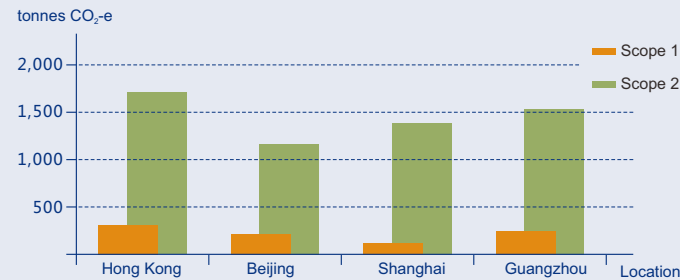
* According to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and ISO14064-1.



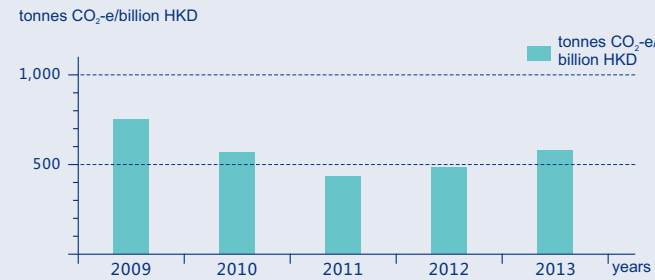
Carbon Performance

According to the Carbon Audit Report, the total carbon emissions of Jebsen Group in 2013 was 6,702.12 tonnes of CO₂-e, with an increase compared to 5,341.48 in the base year 2009 obviously caused by the growth of business activities. However, the carbon intensity has decreased by 22% to 563.03 tonnes of CO₂-e/billion HKD compared to 2009, reaching the emission reduction objective.

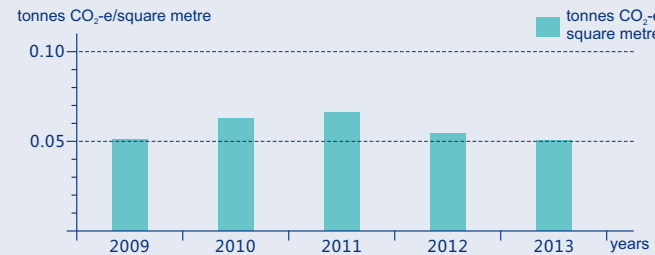
2013 Jebsen Group Carbon Emissions of Scope 1 & Scope 2 by Locations



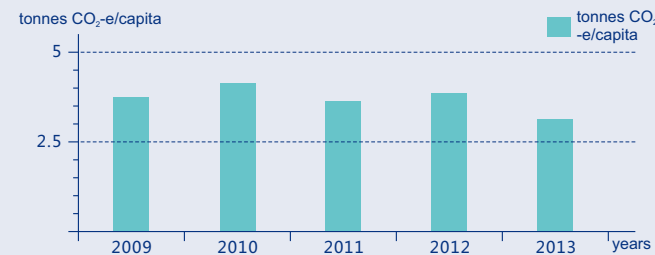
2009-2013 Jebsen Group Carbon Intensity



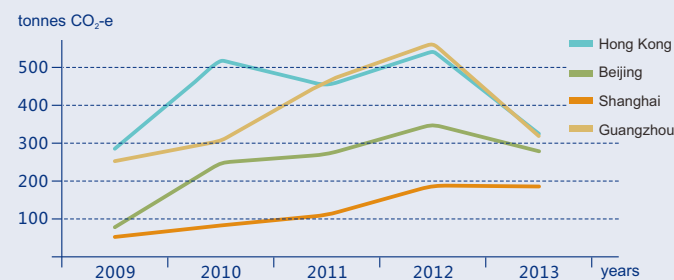
2009-2013 Jebsen Group Carbon Emissions per Gross Floor Area



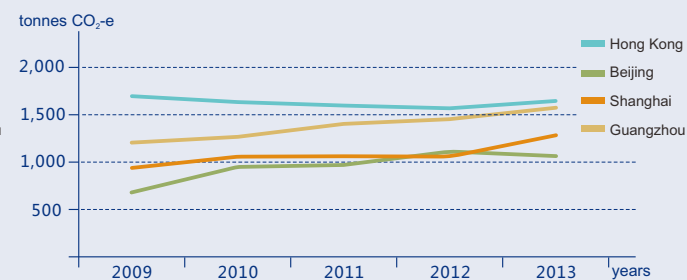
2009-2013 Jebsen Group Carbon Emissions per Capita



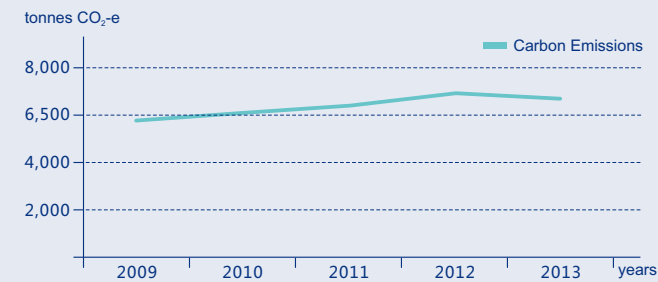
2009-2013 Jebsen Group Carbon Emissions of Scope 1 by Locations



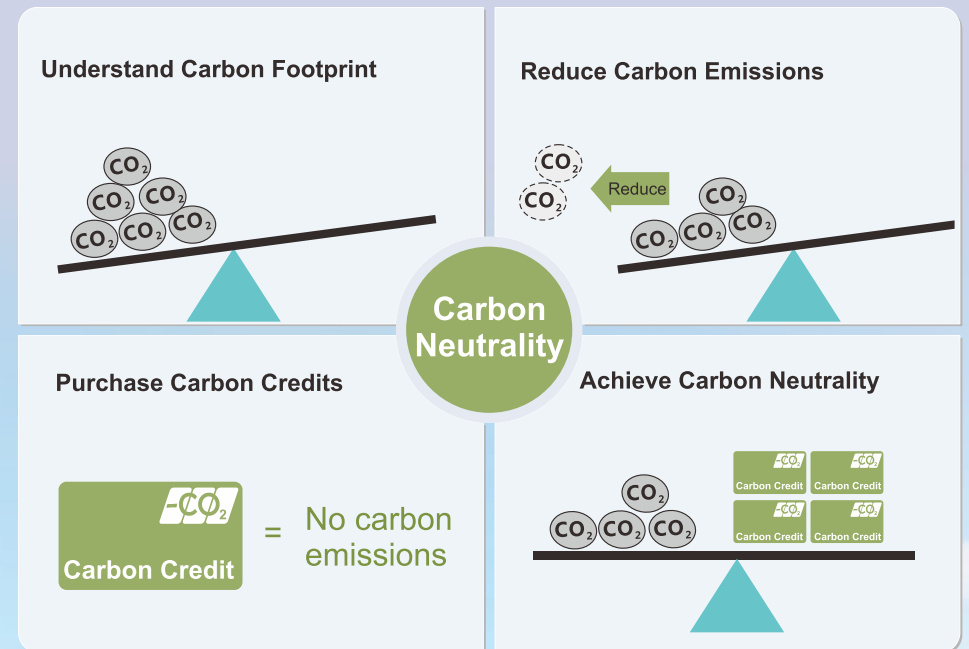
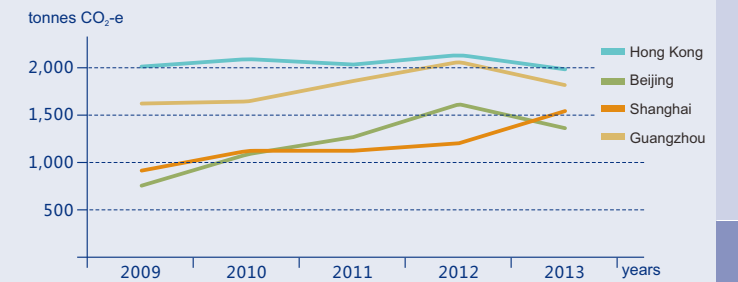
2009-2013 Jebsen Group Carbon Emissions of Scope 2 by Locations



2009-2013 Jebsen Group Carbon Emissions



2009-2013 Jebsen Group Carbon Emissions by Locations



Carbon Neutrality

Jebsen considers carbon neutrality a key performance indicator of environmental conservation. As energy consumption is inevitable during corporate operations, further actions are needed besides reducing carbon emissions. Since 2012, in an effort to achieve carbon neutrality, the Group contracted Climate Friendly, an Australian-based carbon trading company, to purchase carbon credits to offset its carbon emissions. Through this partnership, Jebsen invested in two carbon-offsetting projects to equalise emissions produced by the Group's operations in 2012 by purchasing 6,926 tonnes of carbon credit. In 2014, the Group will continue to cooperate with Climate Friendly to invest in green projects in Asia, and intend to purchase 6,703 tonnes of carbon credit to offset its carbon emissions in 2013 and again achieve carbon neutrality.

For more information about Climate Friendly and the project, please visit: <http://www.climatefriendly.com/>

■ Siam Cement Biogas Project

The Siam Cement Biogas Project in Thailand is designed to help five cement-manufacturing plants replace the use of harmful fossil fuel with renewable biomass fuel. The project aims to substantially reduce detrimental gas emissions, lightening the environmental burden in the area and bringing potential socio-economic benefits. This project can prevent 600,000 tonnes of carbon emissions from entering the atmosphere every year.



■ Chongli Qingsanying Wind Power Project

The Chongli Qingsanying Wind Project operates a wind power station with 58 windmills, supplying approximately 109 GWh of clean electricity through renewable energy, and preventing 108,000 tonnes of greenhouse gases from entering the atmosphere each year.



Green Marketing

All Jebsen business units work together to meet carbon emissions requirements and realise a Low Carbon Jebsen.

Industrial

■ Jebsen Industrial Introduces an Innovative Methodology to Reuse Lubrication Oil up to Four Times Before Replacement

Jebsen Industrial and Germany's IMT Recycling und Dialyse GmbH have recently presented the Hong Kong market with an innovative solution "Oil Dialysis". Used lube oil can now be cleaned up to four times before replacement, offering dramatic cost savings and an ecologically sustainable solution to reduce waste oil. Designed specifically for industrial and transport companies, the IMT Oil Dialysis solution can be used for various kinds of oils including industrial oil, hydraulic oil and gear oil.



■ Dealership of NGR Plastic Recycling Machines

Jebsen Industrial is the sole agent of the Austrian NGR Company's NGR plastic recycling machines in Greater China. The NGR plastic recycling granulator adopts a unique patented technology and can be used for recycling and granulation processing for all kinds of thermoplastic materials. With low energy consumption, the process is safe and efficient, and complies with ecological standards.



■ Dealership of Environmental Protection Diesel Engines

John Deere industrial diesel engines (30 kW to 448 kW) and marine diesel engines (56 kW to 559 kW) are represented by Jebsen Industrial in Greater China. Already compliant with stringent emissions regulations, John Deere products are certified for Tier 3, EU Stage 2 and MSHA (Mine certificate).



■ Joint Ventures Develop Low Emission Engine Spare Components to Reduce Carbon Emissions

Products distributed by Jebsen joint venture businesses take into account the importance of environmental conservation. The Mitec-Jebsen balancer shafts installed to prevent engine vibrations and noise during the vehicle operation, which effectively create a six-cylinder driving experience with a four-cylinder engine thus reducing fuel consumption. Made from advanced composite material and high precision components, Jebsen-TCG oil pumps have proved to increase fuel efficiency, reduce carbon emissions and extend engine life. MSR-Jebsen is dedicated to importing new fuel oil technology and manufacturing effective fuel oil system spare components.

■ Launch of Waste Unhazardous Disposal Project

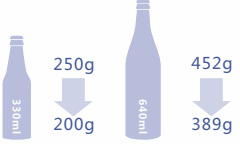

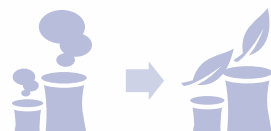


This project aims at helping local governments and companies around seriously polluted areas import equipment for waste disposal in an unhazardous manner, and providing comprehensive solutions for the users.

Beverage

■ Brewery of Blue Girl Beer - "Cleaner Production"

Brewery of Blue Girl Beer has implemented "Cleaner Production" since 2006, as part of its CSR efforts to be a responsible alcoholic manufacturer.



2006		Light weight bottles used for BG 330ml bottle (250g decreased to 200g) and 640ml bottles (452 to 389g)
2009		Light weight 6 cluster (360g to 320g)
2009		Steam boiler fuel changed from bunker-C oil to LNG (liquefied natural gas) to reduce air pollution
2010		One way plastic pallets (made from 100% recycled poly-propylene) for 330ml bottles and canned products
2011		One way plastic pallets (made from 100% recycled poly-propylene) for 640ml bottles
2013	Energy consumption rate reduced by 5.8% through introduction of highly energy efficient equipment	



Luxury

■ "Lowest Carbon Footprint" Porsche Centre Shanghai Minhang

The 20,000 square-metre Porsche Centre Shanghai Minhang, the largest in Asia, was opened in October 2013. In order to put Jebsen's environmental protection philosophy into practice, the centre has introduced advanced green technology and has extensively applied efficient and energy-saving equipment and building materials. Many environmental protection and low carbon systems were installed, including systems for rainwater reclaim, waste gas collection, geothermal heating, central oil and waste oil collection, efficient heating and ventilation, etc. The building is designed to be one with minimal carbon footprint.

In 2014, Porsche Centre Shanghai Minhang will partner with social enterprise Greennovate to implement the "Green Workplace" project. The key objective is to inspire and motivate all our staff to make a positive contribution to the environment and the community starting from everyday work. The project consists of three main components: green office, co-creation workshops, and training lectures. In the meantime, Porsche Centre Shanghai Minhang will organise a series of green events, such as "Organic Kitchen Waste Composting," "Electrical Waste for Gift," or "Cycling for Environmental Protection" each month.

Building Products

Jebsen Building Products is dedicated to sourcing quality building products and supplying outstanding services to enhance the quality of people's lives, with focus on three major areas: Environmental Protection, Healthcare, and Safety and Security. For Environmental Protection, sustainability concepts are embedded into business practices. In order to provide the full spectrum of sustainable building solutions, we have brought together a range of products with eco-friendly features and international green accreditation.

Distribution for High-end Environmentally Friendly Building Materials

Following the trend of previous years, 2013 saw ever increasing varieties of green products on the market. The vinyl flooring Amtico (England), which is easy to clean, requires less water and chemical cleanser, has low VOC emissions and has an average of 40 percent recycled content, has been certified with BREEAM, DGBN, LEED, FloorScore and ISO14001, among other accreditations. The concrete treatment Deflecta (Australia) kills bacteria and seals concrete, preventing mould, mildew and fungus on concrete surfaces. It is 100% biodegradable, VOC & CFC free, water based & non-toxic to humans and animals, and has been approved by HACCP & the Australian Water Quality Centre.

Amtico



Deflecta

Engagement in Green Building Projects

Jebsen is committed to providing high quality green building products. So far, we have provided building products for hospitals, universities, and many other green building projects which have gained overall positive public recognition. Green building projects that has begun or completed in 2013 include:

Green Products	Project Title	Area of Application	Eco-friendly Features
Twyford dual flush WC	Redevelopment of Victoria Park Swimming Pool Complex, Hong Kong, Kellett School, Kowloon Bay Campus, Hong Kong, Joint-user Complex at Bailey Street, Hong Kong, OUHK Jubilee College, Hong Kong	Restroom	Water saving feature which eliminates wasted flow and cuts water consumption
Iqua sensor tap	Cruise Terminal, Hong Kong, Redevelopment of Victoria Park Swimming Pool Complex, Hong Kong, Kellett School, Kowloon Bay Campus, Hong Kong, OUHK Jubilee College, Hong Kong	Restroom	Water saving feature which eliminates wasted flow and cuts water consumption
Dyson hand dryer	One, Two & Three Exchange Square Renovation, Hong Kong	Restroom	Reduced use of paper towels
DVS dual flush cistern & urinal sensor flush valve	Kellett School, Kowloon Bay Campus, Hong Kong, OUHK Jubilee College, Hong Kong	Restroom	Water saving feature which eliminates wasted flow and cuts water consumption
Biowood decking & cladding	New International Mail Centre, Hong Kong, Dunbar Place, Residential Project, Hong Kong	Landscape area	100% recyclable and PEFC certified
Buzon composite parquet flooring	Cruise Terminal, Hong Kong, the Chinese University of Hong Kong Yasumoto International Academic Park & Integrated Teaching Building, Hong Kong, New International Mail Centre, Hong Kong, Hong Kong Science Park Phase 3, Hong Kong, Dunbar Place, Residential Project, Hong Kong, Shanghai Arch, Shanghai (Residential Project), World Fuzhou China, Fujian (Commercial Complex)	Landscape area	Flooring made from 100% recycled material
Exterpark hardwood decking system	Pet Garden at New Central Harbourfront, Hong Kong	Landscape area	FSC certified timber floor covering



Redevelopment of Victoria Park Swimming Pool Complex, Hong Kong



OUHK Jubilee College, Hong Kong



Pet Garden at New Central Harbourfront, Hong Kong



Kellett School, Kowloon Bay Campus, Hong Kong



New International Mail Centre, Hong Kong



Joint-user Complex at Bailey Street, Hong Kong

Green Supply

Green Packaging

Jebsen focuses on reduction and recycling of packaging material for sales outlets and warehouses. Promotional items and price lists at sales outlets are made from environmentally friendly materials; packaging and the volume of the promotional items have been reduced and recycled; promotional items like outdoor advertising and shop decorations are recycled; original product packaging is preferred for storage; and proper processing procedures are used for discarding plastic foam, air pockets, layer boards, and other packaging materials.



Green Logistics

Jebsen Logistics set its focus on energy conservation in the automobile fleet, and on improving the drivers' consciousness about energy conservation and environmental protection. To help improve air quality and to respond to a call by the Hong Kong government to eliminate commercial vehicles below the Euro IV standard, new European Union IV diesel trucks were purchased also leveraging the government's special subsidy scheme. Jebsen has also strictly complied with the government's proposal to ask lorry drivers to turn off the engine when loading or unloading goods.



Green Office

"Total Green Office Solution" Project in Hong Kong Office

As part of the Group's commitment to further reduce its carbon footprint, the "Total Green Office Solution" project kicked off in 2013 with pilot in Hong Kong. The project, executed in partnership with Ricoh, is scheduled to be completed in Hong Kong by the end of the first quarter in 2014. By the end of this project, the Hong Kong office's carbon emissions and related costs are expected to reduce noticeably, and employees' working efficiency and quality are expected to improve. An example of the project particulars is the new central printing solution, designed by Ricoh, which enables all printing requests from the Jebsen Logistic office in Hong Kong to be handled by just three central printing machines.

The project aims to reduce around 30 percent of electricity consumption and 30 percent of CO₂ emissions by printing machines, equal to a reduction of approximately 11 tonnes of CO₂ per year. By setting duplex printing as the default option, paper consumption is expected to reduce by over 20 percent. The project is expected to effectively reduce office costs and environmental impact.

Green Actions in Mainland China Offices

Since 2009, the Group has advocated green concepts and implemented green solutions. There have been many actions to create greener offices in Mainland China, such as promotion to adjust office work habits, distributing green stickers, classifying waste with recycling boxes, renting plants, renting all-in-one printers, conducting environmentally-friendly meetings and activities, and incorporating green concepts in office renovation and decoration.



■ Jebsen Group Green Renovation Projects

Location	Duration	Green Actions	Effect/Advantages
Beijing Office	2010-2011	T5 fluorescent light tubes replace T8	15%-20% of electricity consumption reduced
Guangzhou, Shanghai and Beijing Offices	2012-2013	Waldmann sensor lights made in Germany applied	20%-30% of electricity consumption reduced compared to T5 fluorescent light tubes and re-useable
Guangzhou Office, Beijing Office and Jebsen Consumer Shanghai Office	2013-2014	LED lights replace spot lights	60% of electricity consumption reduced compared to T8 fluorescent light tubes
Chengdu Office	2012-2013	Energy saving lights provided by property management and T5 fluorescent light tubes applied	T5 fluorescent light tubes can reduce 20%-30% of electricity consumption

Supporting Environmental NGOs

Environmental Conservation with China Exploration and Research Society (CERS)

As the Group's partner since 2012, CERS is active in China's remote regions and implements projects that seek to conserve nature and culture in a sensitive and equitable manner. Jebsen and CERS share the mission to enrich understanding of our cultural and natural heritage through exploration, research, and conservation.

To promote employees' knowledge about our cultural and natural heritage, in March 2013, Jebsen invited Paul Buzzard, a leading researcher of CERS, to conduct an internal workshop to share the existing situation of the yak. Mr How Man Wong, founder of CERS, joined the 2013 annual dinner in Hong Kong to deliver a keynote speech to depict the work of CERS in the field of culture and nature protection.

For more information on CERS, please visit: <http://www.cers.org.hk/index.php/zh-CN/>



Activities with World Wildlife Fund (WWF)

Jebsen joined WWF in 2000, and is among the founding members and active Diamond Members of its Corporate Membership Programme (CMP) in Hong Kong. The CMP is a versatile platform that lets businesses get involved in both global and local conservation efforts.

On 23rd March, 2013, Jebsen participated for the fifth time in the worldwide Earth Hour campaign. Together with other campaign participants, we switched off our lights for an hour, including unnecessary indoor lighting, outdoor neon signs and billboard lights in Hong Kong and Mainland China offices.



Staff Development and Well-Being

Employees are Jebsen's most valuable assets. Dedication from our staff has helped drive the brand's success and development over the last century. By the end of 2013, Jebsen has over 2,300 employees in Greater China, with about 900 in Hong Kong and 1,400 in Mainland China. Around 46.6 percent of employees and 38.1 percent of management staff are female. We care about our employees' growth and career development as well as their well-being, striving for recognition as a desirable employer.

Staff Welfare

As a people-oriented company, Jebsen is heavily focused on employee welfare. Apart from statutory Social Insurance Plans, the Group provides supplementary benefits such as Group Life, Personal Accident & Additional Medical, and Group Business Travel Insurances, Gift Vouchers, Condolence Allowance, Long Service Awards, Jebsen Scholarships, "Sales Alliance Awards" etc. Furthermore, Jebsen regularly provides staff discount on selected products for employees.

Jebsen Scholarship

The Group set up the Jebsen Scholarship in 2008 to reward employees' children for academic and extracurricular achievements. All full-time Jebsen employees in Hong Kong, Mainland China, Macau and Taiwan can apply for the scholarship for their children undergoing secondary school and university education. By 2013, RMB 267,000 in Jebsen Scholarships had been awarded to 40 students.

Sales Alliance Award at Jebsen Industrial

In order to commend the contributions and accomplishments of the sales team, Jebsen Industrial launched the "Sales Alliance Award" in 2012. This award aims to reward the best performing salespersons, and through the sharing of successful experiences, motivate the whole sales team. In 2013, 12 salespersons were awarded for their excellent performance in the first two quarters of the year.



Staff Communication

Jebsen understands the importance of communicating with the employees and has adopted a variety of channels to facilitate communication with, and among, them. More convenient and innovative communication channels were constantly introduced to foster more effective sharing between our management and employees.

Intranet Morus & Moments

Jebsen intranet Morus is the most convenient channel for employees to communicate and to obtain internal Group information. Launched in 2009, *Moments* is a quarterly publication that features a different theme every issue and publishes information about each business unit.

Town Hall Meeting

Jebsen Group regularly holds town hall meetings to discuss development issues with employees. At the two town hall meetings also participated by upper management in 2013, Group Managing Director directly shared the Group's development with all G1-4 level management team members from Hong Kong, Mainland China, Taiwan and Macau and answered questions from the audience.

Employee Insight Survey

In an effort to understand employees' thought of the company as a workplace, the Group launched the Employee Insight Survey (EIS) in September 2013. An encouraging response was received with 80 percent participation rate. According to the EIS, employees recognise Jebsen as a socially responsible organisation and as a place that emphasises workplace safety and relationships, particularly with customers and among coworkers. At the same time, surveyed employees suggested improvements in the areas of employee communication, work processes, compensation and career opportunities. The survey provided the management with representative reference suggestions. In 2014, the Group will implement a series of action programmes and improvement measures according to the EIS results.



Staff Development

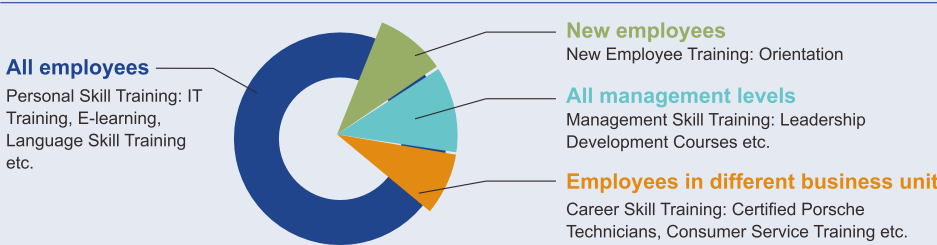
Enriching employees' knowledge and skills of our employees is key to the Group's sustainable development. As such Jebsen provides its employees a range of learning and development opportunities to help them enhance their skills and develop their potential for growth.

Training System

Jebsen Group has established a comprehensive training system to develop skills and knowledge for employees. The curriculum covers the entire organisation from new employees, to first and senior level management.



Training System



2013 Employee Training Performance



■ Orientation Programme

All new employees complete an orientation programme conducted by human resources within the first month of employment. The programme content includes company history & businesses, culture and core values, employee code of conduct, key policies, compensation and benefit, staff relations, and the performance management system.



■ Consumer Goods Sales and Service Training

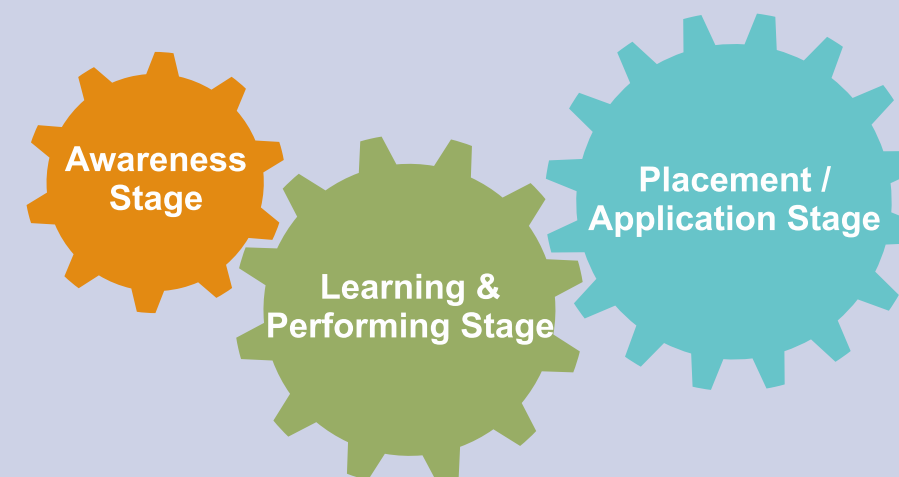
To strengthen the Group's leadership in the marketplace, Group Human Resources and Jebsen Consumer jointly defined the front-line service strategies aimed to maximise customer satisfaction and to differentiate us from its competitors. Service strategies for the three brands-based on the established sales and service behavioural standards for three brands, namely NutriGreen, YA-MAN and Dyson, "Achieving Sales & Service Excellence" training workshop were designed to enhance client engagement, complaint management and consultative selling capabilities. The unique "GREATER" Sales & Service Model was developed to help front line teams achieve the following: delivering end-to-end premium quality service in particular greeting, relating and farewell behaviour; client counselling through structured questioning, product demo and try-use techniques; and recommending perfect-fit beauty, health and home enrichment products for individual consumers.

"Achieving Sales and Service Excellence" was piloted in March 2013. Health Advisers, Beauty Advisers and Product Specialists were nominated to attend this one-day intensive workshop to learn and practice the new sales and service model. Another workshop, "Coaching for Higher Sales Performance," was also launched in early April 2013 to enhance the capability of sales supervisors to coach their respective beauty or health advisors in applying the skills taught in the training. To support increasing business in PRC, Jebsen Consumer and Group Human Resources jointly implemented a train-the-trainer workshop to certify selected retail supervisors and internal trainers to conduct on-going training. This helps to drive the service culture and sustain service training in the long term by means of internal resources.

Jebsen Trainee Programme

Jebsen believes that a great organisation is made up of great people, and therefore commits itself to developing young graduates with great potential to become future leaders at the Group. In 2011 the Group launched its Jebsen Trainee Programme which is a two-year Programme with three stages: Awareness Stage (Corporate), Learning & Performing Stage (Business Unit Specific) and Placement/Application Stage. The Jebsen Trainee Programme is designed to provide trainees with a clear line of sight for career development, offering them challenging job assignments and customised learning opportunities.

After two years' training and job rotation, seven trainees of the 2011 Jebsen Trainee Programme settled into their respective positions in different business units in May 2013. In July 2013, nine new trainees started their training in their respective business units. They will receive systematic on-the-job training while rotating to different positions at various locations within the business units. Moreover, the new trainees will receive additional support from their "buddies" - the previous generation of trainees. The "buddy" system has been created to allow previous and current trainees to share their experiences, cultivating an environment where they can grow and learn from one another.



Staff Well-being

The Group advocates a positive work and life attitude, guiding the employees to maintain physical and mental well-being and ensure work-life balance.

Caring for Staffs' Physical Health

To promote greater health consciousness among employees, the Group hosted a "Wellness Week" in Hong Kong in September, and in Mainland China and Taiwan in October of 2013, respectively. A series of free health services were delivered to the offices including massages, blood fat tests, transcranial Doppler test, and Chinese medical consultation. In addition, the Group launched the Employee Assistance Programme during the Wellness Week, offering aid to applicable psychological or material support, on strict confidential basis, to employees when coping with various challenges in life.

The end of the Wellness Week also coincided with Jebsen's Work Life Balance Day on 23rd October. The event featured fruit giveaways, exercise activities and lunch seminars to encourage a better-balanced work, social and family life.



Abundant Staff Activities

Jebsen Group holds a variety of staff activities in Hong Kong, Mainland China and Taiwan every year to enrich the lives of employees. In 2013, 56 staff activities offered 952 opportunities for participation.

The Group held regular lunch seminars in 2013, hosting a total of 735 participants at 36 lunch seminars that focused on physical and mental health topics.



Caring for Staffs' Mental Health

Employee Abundance Programme is a systematic and long-term welfare project provided by the Group. It offers a professional 24-hour hotline to assist Jebsen staff prevent, identify and resolve personal, psychological, social, family or work-related concerns, including but not limited to stress, emotional, mental, marital, family, financial, health, alcohol, drug, legal or other issues that may affect personal and/or professional performance.



Building a Harmonious Community

Jebsen acknowledges the role it plays as a corporate citizen in the communities in which it operates. To promote sustainable development in these communities, Jebsen will abide by strong ethical and moral guidelines and support charitable causes in line with the company's corporate values.

Basic principles of Jebsen philanthropy:

Company core values: commitment, responsibility, trust, recognition and excellence-any cause supported should resonate with some or all of these values;
Corporate reputation: where the charitable is credible and aligns with the Jebsen's reputation;
Effective philanthropy: where the funding allocated maximises the value created for the whole community with clear transparency.

Guide for Jebsen philanthropy:

Positive impact through donations;
Staff involvement;
Sustainability of the sponsored project.

Philanthropic Activities

In 2013, the Group put HKD 4 million into social responsibility and initiated or participated in a number of philanthropic activities. Jebsen organised 21 voluntary activities and took part in 17 philanthropic activities involving more than 920 participants. A total of HKD 371,196 charitable donations were raised from 931 entries from our employees through fund raising or charitable giving activities.



Jebsen spent about HKD

4 million

in social responsibility

Jebsen organised

21

voluntary activities

took part in

17

philanthropic activities

involving more than

920

participants

A total of HKD

371,196

charitable donations

were raised from



931

entries from our employees through fund raising or charitable giving activities

Initiation of Philanthropic Activities

■ Project Morning Star with ORBIS

Jebsen announced on Children's Day, 2011 that it would join hands with ORBIS on Project Morning Star, a five-year sight saving project throughout Mainland China. The Group committed to donate RMB 5 million over five years to indigent rural areas in Gansu, Heilongjiang, Guangdong, Sichuan, Yunnan etc., to provide professional training for local doctors and eye disease treatment for children and the elderly, protecting them from avoidable blindness caused by inadequate medical service, ignorance about eye health, and financial difficulties.

In the past three years, philanthropic contributions in the "Project Morning Star" have accumulated to over RMB 3.1 million. "Project Morning Star" has recorded encouraging results. At project sites established in Gansu, Heilongjiang, Guangdong, Sichuan and Yunnan Province, more than 400,000 outpatients attended visual examinations, and as a result 150,000 patients with eye diseases received medical treatment. Meanwhile, more than 12,000 patients received free eye surgery benefited from the Project. The project site in Heilongjiang Province, where Jebsen is the main sponsor, was established in April 2013 and has now established four branch centres in the Second Hospital of Qiqihaer, Chinese Medicine Hospital of Yi'an, Red Cross Hospital of Hegang and Chinese Medicine Hospital of Shangzhi.

In addition to cash donation, Jebsen employees are deeply involved in Project Morning Star. Every year, as many as 20 Jebsen employees go on field trips to meet and work hands-on with the health workers who have received training. They undertook sustainable voluntary work such as eye screening for local residents and children and visits to beneficiaries who have had their eyesight restored by the project. By the end of 2013, Jebsen had conducted four ORBIS Field Trips.

Furthermore, Jebsen volunteers participated in the ORBIS Hospital Based Programme to provide a variety of voluntary services, such as recording onsite material for sight tests, doctors training, operations, and lectures.



"Among the many enterprises that support ORBIS projects, Jebsen Group stands out as partner because it not only provides philanthropic support, but also encourages employees to participate in the projects as volunteers, which is admirable."

--- Marie Wang,
ORBIS Development Manager

"I support and recognise the Project Morning Star because it enables more rural medical staff to be involved in blindness prevention and rescue work. Knowledge changes fate, and I believe this programme will enable more people to regain their eyesight."

--- Bianca Wong,
Group Human Resources and Corporate Communications Director



"Project Morning Star not only supports to heal eyes of the beneficiary, but also brings them new light and hope. I am very proud to be a volunteer in Project Morning Star."

--- Sen Sheng,
Jebsen Beverage



■ "BRAiN iT ON!" Student Video Contest

In May 2013, Jebsen Industrial launched the inaugural "BRAiN iT ON!" Student Video Contest to support and encourage young filmmakers in Greater China. This activity lasted over five months, and bestowed ten awards, including the crowning of film and television design champions, etc.

The competition is held every two years, and offers a platform for knowledge sharing and exchange within the Greater China film and media industry. For students, it is a valuable opportunity to showcase their creativity and talent as well as interact with peers from other regions. Competition entries are judged by industry professionals whose commentary helps students improve their technical skills. Including the top three winners, there are a total of nine award categories in the competition.

As a leading supplier to the film and broadcast industry in the region, Jebsen Industrial has earmarked more than HKD 5 million to foster creative talent through the biennial competition over the next six years.



■ Education Fund and Scholarship Projects

Jebsen Group supports education in various ways. For years, Jebsen has set up education fund and scholarship projects in universities of Hong Kong and Mainland China to nurture young talent.

Nankai-Jebsen Education Fund and Internship Programme

The five-year Nankai-Jebsen Education Fund and Internship Programme started in 2010. Each year, RMB 100,000 is awarded to excellent teachers in advancement of their expertise and to outstanding students in encouraging them to give back to the society. The Nankai-Jebsen Education Fund, setting up to also provide a platform for internship practice, shows that Jebsen attaches great importance to talent nurturing in Mainland China.



Voluntary Service

Jebsen encourages employees and their families to participate in voluntary activities held in major cities of Greater China. Every quarter, more than 100 volunteers take part in activities targeting vulnerable groups, the elderly, children, patients and/or stray animals. Participation of more than 361 person-times was recorded across 21 voluntary activities in 2013.



Supporting Philanthropic Activities

In 2013 the Group recorded 931 person-times in participation of charity sales and fundraising activities, raising HKD 371,196 for philanthropic activities



■ Donation to Sichuan Earthquake

After the Sichuan Ya'an Earthquake, the Group immediately mobilised our employees and raised HKD 200,000 from Hong Kong and RMB 120,000 from Mainland China. All donated funds were given to Oxfam and One Foundation, respectively, to support their disaster relief efforts.

■ The "Pick up the Pearl" Project

At the end of 2013, Jebsen Watch participated in the "Pick up the Pearl" Project, which was initiated by Taiwan entrepreneur Mr Zhang Junda in 2007 to raise monetary donations for disadvantaged high school students for continuous education. Besides charitable auctions to raise funds for the project, the Group also donated RMB 30,000 at the "Pick up the Pearl" charity dinner held in early 2014.



■ ORBIS "Trough Your Eyes" Charity Gala

The ORBIS third "Through Your Eyes" Charity Gala was held in Shanghai on 15th December, 2013, gathering a number of enterprise sponsors, including Jebsen Group, celebrities and benefactors. The event raised a total of RMB 948,900 in donations. The Group sponsored RMB 100,000 at the Gala to ORBIS.



■ Community Chest Walk for Millions

Each spring, Jebsen participates in the Community Chest Walk for Millions, where employees and their family members can take part in the 3-hour, 10km walk. In 2013, Jebsen employees raised a total of HKD 13,667 and the company gave more than HKD 60,000 in matched funds, all to be allocated to 23 social welfare organisations under the umbrella of Community Chest.



Our Future

Jebsen continues to have confidence in the Greater China market. In the future, the Group will abide by our commitment to the region, our employees, and our different business partners. On one hand, we will continue investing in the Consumer, Industrial, Beverage and Luxury Business Units and provide better products and services for our customers and partners. On the other hand, we will strengthen the capacity building of social responsibility in the coming three years, and advance our CSR process by focusing on three aspects:

First, the Group will further improve and enrich its CSR management system, aiming at further integrating social responsibility practices in business operations and daily practices.

Second, more diverse social responsibility Programmes will be organised to encourage employees with different interests to participate. Through increased employee engagement and interactions across different functions and businesses, we aim to cascade further the Group's CSR principles to all levels of staff in the organisation.

Lastly, the Group will implement more motivational schemes to incentivise employees to integrate social responsibility in their daily work, truly developing an organic system to sustain CSR efforts in the Group. In turn, we will together generate new opportunities to realise a harmonised and environmentally sustainable society.



Awards and Recognition



Jebsen Awarded CarbonCare® Label 2013

In May 2013, Jebsen received the CarbonCare® Label 2013 award from Carbon Care Asia, a Hong Kong-based carbon management and sustainability innovation organisation. This is in recognition of Jebsen's success in offsetting carbon emissions in 2012 and achieving full carbon neutrality for the first year.



Jebsen Awarded as Caring Company

In recognition of Jebsen's efforts in caring for the employees, community and the environment in 2013, Jebsen was recognised as a "Caring Company" by the Hong Kong Council of Social Services in 2014. This is the fifth consecutive year that the Group has been awarded as a Caring Company.



Jebsen Received CSR Award

In January 2013, Jebsen received the CSR Silver Award from the Hong Kong Productivity Council for its CSR efforts and commitment to Project Morning Star.

Jebsen Awarded 2012-2014 "Manpower Developers 1st" by ERB

Jebsen was awarded a second time as "Manpower Developer 1st" by the Employees Retraining Board (ERB) in 2012. The "ERB Manpower Developer Award Scheme" is the first award scheme to assess the maturity of manpower training and development strategies and practices among organisations in Hong Kong. The Scheme aims to promote a corporate culture that focuses on manpower training and development, as well as increasing employers and employees' awareness and participation of the importance of continuous growth. Companies that are recognised are those who recognise who commit to these endeavours.



GRI Indexes

No.	GRI G3.1	Disclosure Location
1.Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability of the organisation and its strategy	P2
1.2	Description of key impacts, risks, and opportunities	P2、 P57-P58
2.Organnisational Profile		
2.1	Name of the organisation	P5
2.2	Primary brands, products, and/or services	P6
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	P5
2.4	Location of organisation's headquarters	P5
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	P5
2.6	Nature of ownership and legal form	P5
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	P5
2.8	Scale of the reporting organisation (including number of employees and operations, net sales, total capitalisation broken down in terms of debt and equity, and quantity of products or services provided)	P5-P6、 P10、 P41
2.9	Significant changes during the reporting period regarding size, structure, or ownership	No significant changes
2.10	Awards received in the reporting period	P59-P60
3.Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	About This Report
3.2	Date of most recent previous report (if any)	About This Report
3.3	Reporting cycle (annual, biennial, etc.)	About This Report
3.4	Contact point for questions regarding the report or its contents	About This Report
3.5	Process for defining report content	-
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	About This Report
3.7	State any specific limitations on the scope or boundary of the report	About This Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations	About This Report
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	About This Report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement(e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	Not Applicable
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods in the report	No relevant changes
3.12	Table identifying the location of the Standard Disclosures in the report	GRI Indexes
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s)	Not Applicable
4. Governance, Commitments, and Engagement		
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	P17
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement)	-
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	-
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	P19、 P43
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executive (including departure arrangements), and the organisation's performance (including social and environmental performance)	-

No.	GRI G3.1	Disclosure Location
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	-
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	-
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	P9、 P10-P11、 P12、 P15-P16、 P27、 P49
4.9	Procedure of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	P13
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	P28
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	P13
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	P49
4.13	Memberships and roles in associations (such as industry associations) and/or national/international advocacy organisations	P39-P40
4.14	List of stakeholder groups engaged by the organisation	P19
4.15	Basis for identification and selection of stakeholders with whom to engage	P19
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	P19-P20
4.17	Key topics and concerns that have been raised through stakeholders engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	P19

5.Management Approach and Performance Indicators		
Economic		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	P10-P11
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	-
EC3	Coverage of the organisation's defined benefit plan obligations	-
EC4	Significant financial assistance received from government	-
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	-
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	P22-P26
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	-
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	P50-P56
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	-
Environmental		
EN1	Materials used by weight or volume	-
EN2	Percentage of materials used that are recycled input materials	-
EN3	Direct energy consumption by primary energy source	-
EN4	Indirect energy consumption by primary source	-
EN5	Energy saved due to conservation and efficiency improvements	P38
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	-
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	-
EN8	Total water withdrawal by source	-
EN9	Water sources significantly affected by withdrawal of water	-
EN10	Percentage and total volume of water recycled and reused	-
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-

GRI Indexes

No.	GRI G3.1	Disclosure Location
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	-
EN13	Habitats protected or restored	-
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	-
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-
EN16	Total direct and indirect greenhouse gas emissions by weight	P29
EN17	Other relevant indirect greenhouse gas emissions by weight	-
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	P28-P30 P38
EN19	Emissions of ozone-depleting substances by weight	-
EN20	NO, SO, and other significant air emissions by type and weight	-
EN21	Total water discharge by quality and destination	-
EN22	Total weight of waste by type and disposal method	-
EN23	Total number and volume of significant spills	No spills
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex ȳ, ȳ, ȳ and ȳ, and percentage of transported waste shipped internationally	-
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	-
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	P32-P37
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	-
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No relevant fines or non-monetary sanctions
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	-
EN30	Total environmental protection expenditures and investments by type	-
Labor Practices and Decent Work		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	P41
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	-
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	P42
LA4	Percentage of employees covered by collective bargaining agreements	-
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	-
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	-
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	-
LA8	Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	P47-P48
LA9	Health and safety topics covered in formal agreements with trade unions	-
LA10	Average hours of training per year per employee by gender, and by employee category	P44
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	P44-P46
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	-
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	-
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	-
LA15	Return to work and retention rates after parental leave, by gender	-
Human Rights		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human right screening	-

No.	GRI G3.1	Disclosure Location
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and action taken	-
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	-
HR4	Total number of incidents of discrimination and corrective actions taken	No relevant incidents
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	No relevant operations or suppliers
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	No relevant operations or suppliers
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	No relevant operations or suppliers
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	-
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	No relevant incidents
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	-
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	No relevant grievances
Society		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	-
SO2	Percentage and total number of business units analysed for risk related to corruption	-
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	-
SO4	Actions taken in response to incidents of corruption	-
SO5	Public policy positions and participation in public policy development and lobbying	-
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	-
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No relevant legal actions
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No relevant fines or non-monetary sanctions
SO9	Operations with significant potential or actual negative impacts on local communities	No relevant operations
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Not Applicable
Product Responsibility		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	-
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	No relevant non-compliance
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	-
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No relevant non-compliance
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	P20
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	-
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	No relevant non-compliance
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No relevant complaints
PR 9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No relevant non-compliance and fines