



# CORPORATE SOCIAL RESPONSIBILITY REPORT 2007/2008

A company only survives over a hundred years if it has strong values, and being a good corporate citizen has been one of our values since the company's inception in 1895.

This Corporate Social Responsibility (CSR) Report is our first formal attempt at articulating the work we do in this area and it focusses on four key areas:

- Environment
- Staff Well-being
- Philanthropy
- External Stakeholders

## MESSAGE FROM GROUP MANAGING DIRECTOR

In each of these areas we attempt to identify the impact from our business operations, how this affects others and how we can create benefits for ourselves and the stakeholders involved.

As a family business, the strong bond we have forged with our staff has been evident from the outset and we have augmented this with the work done under the new Staff Well-Being initiatives. Similarly, our corporate sponsorship activities have been reviewed and this is reflected under Philanthropy. In addition, we understand that all operations will have an impact on the environment which we are constantly looking at ways to reduce or mitigate. Finally, we will work with our business partners to strike a common understanding on these issues and see how we can jointly address what is now a global agenda for modern businesses.

Our next challenge will be to maintain and improve upon our performance in all four key areas. We look forward to receiving your feedback and support to assist us in this goal.



Hans Helmuth Hennig  
Group Managing Director

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## Section A - About This Report

At Jebsen, we pride ourselves on doing our jobs well and taking an interest in our surrounding environment and communities, as well as making sure that our company is an employer of choice in Asia.

This is our first report on corporate social responsibility (CSR). In the following sections, you can read about what we have achieved over the past year and what we intend to do in the future.

### (a) What is CSR?

CSR is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

# 4 SECTION A ABOUT THIS REPORT

### (b) Why CSR is Important to Jebsen?

Most businesses traditionally compete on price, quality or service as their competitive advantage. Today, consumers, investors, governments and even employees have become more sophisticated in their outlook and are more aware of good corporate behaviour.

In this new business environment, a company's reputation and good corporate citizenship are valuable assets, and CSR has become a fundamental requirement for a high performance company like ours.

### (c) About this Report

This report serves as a self-evaluation for our company. It has been produced in a systematic way to diagnose what we need to

do to commit ourselves as a sustainable and socially responsible company and to identify the further steps to be taken to improve and maintain this position.

In our first CSR report, we highlight the diverse nature of our businesses; we further explain what we have done to protect the environment and how we behave to act as a socially responsible company while continuing to be economically viable.

The report focusses on how we manage the environmental issues affecting the company, how we undertake social responsibilities for our staff and community, and how we take the concerns of our external stakeholders into consideration from a business as well as a CSR perspective.

## **(d) CSR Reporting Guidelines**

We referred to the Global Reporting Initiative (GRI) for the sustainability reporting guidelines (G3) when compiling our CSR report.

The GRI G3 helped us identify key performance indicators (KPIs) that are relevant to our business. Although we are not able to use all the indicators provided by GRI - nor do we claim to be in full accordance with the requirements of the indicators - we nonetheless use them as benchmarks to compare our results with other companies across industry sectors.

For details of GRI G3 Guidance, please refer to the website [www.globalreporting.org](http://www.globalreporting.org).

Our GRI G3 reference is covered in page 30 of this report.

## **(e) Scope of the Report**

This report covers the business activities undertaken by Jebson & Company Ltd Hong Kong in 2007-2008. "Jebson" in this report refers to our business activities in Hong Kong.

Our China operations are not included in this report, but we will be reporting on CSR as it relates to our businesses in China in the future.

For more information on Jebson & Company Ltd, please visit our website at [www.jebson.com](http://www.jebson.com).

## **(f) Target Audience**

The target audience of this report includes the Group's internal stakeholders, in particular shareholders and employees, and all external parties.

## Section B - Policy and Governance

### (a) CSR Policy

The Jebsen Group is committed to sustaining business growth by distributing premium products and providing quality services to our customers.

We aim to create value for our shareholders with due consideration to environmental protection, staff well-being and enrichment of our communities in all aspects of our operations.

# 6 SECTION B POLICY AND GOVERNANCE

### (b) CSR Task Force and Task Areas

The CSR programme was launched in Jebsen in September 2007.

A CSR Task Force was formed to coordinate ideas, suggestions, contributions and implementation of CSR policy in each of our business units. Task Force members were appointed from different divisions.

Workshops were held to coordinate the implementation of the four key CSR areas: **environmental management; staff well-being; philanthropy; and external stakeholders.**

Each of these key areas is supported by a cross-business working team which is overseen by one of the Task Force members. Through this structure, we have formulated our CSR policy and implemented our initiatives in a robust manner.

CSR Areas	Areas of Interest
Environmental management	Compliance with legal requirements and, in addition, achieving cost savings through waste reduction and energy conservation.
Staff well-being	Ability to attract and retain high performance staff through providing the right work environment, taking into account the need to align life interests as well.
Philanthropy	Linking Jebsen's philanthropic activities in the community to generate positive internal and external messages to motivate company staff and demonstrate public goodwill.
External stakeholders	Working with external stakeholders to identify CSR-related value chain opportunities that affect customers and principals <sup>1</sup> , which the company can realise by developing new businesses or enhancing supply chain efficiencies to achieve cost savings.

<sup>1</sup> An Entity who authorises an agent to distribute their products and create legal relationships with third parties.

## **(c) Sustainable Development and Jebsen**

Based on our vision and commitment to CSR, the Group is committed to integrating economic, social and environmental considerations in all of our organisational strategies and operations.

Our main goals are to distribute high quality products and services to our customers, sustain our business growth, and, at the same time, improve the environment and well-being of the communities in which we operate.

We value people as important assets and, hence, pay much attention to our values, ethical behaviour and quality of life.

We believe CSR is an imperative for the sustainable growth of our Group as well as contributing to the quality of our environment and society.

## **(d) Governance and Ethics**

### **Our General Business Principles**

Five core values are intrinsic to Jebsen - **commitment, responsibility, trust, recognition and excellence** – reflecting a common purpose that we all strive for.

### **Our Code of Conduct**

Jebsen's code of conduct is an essential component of our corporate governance framework. It represents commitment to our stakeholders in the form of written requirements and puts all employees and directors through stringent obligations.

We believe our staff members and their behaviour constitute to the image of the company.

Our staff members are required to treat principals, business associates, customers, the

general public and colleagues with courtesy, consideration and respect at all times.

## **(e) Awards and Recognition**

Jebsen received the Caring Company award issued by the Hong Kong Council of Social Service in 2007.

This award is used to acknowledge companies for their efforts in environmental protection and community development as well as being a socially responsible company.

# Section C - Our Business

## (a) Business Overview

Today, Jebsen is a leading marketing and distribution organisation, with a unique presence in China, Hong Kong, Macau, Taiwan and Korea. The Group offers local market access with a high degree of specialisation to partners from Europe and the rest of the world.

Business activities are categorised into the following major business units: **Consumer, Beverage, Industrial and Luxury.**

Emerging businesses including Building Products and Logistics are part of the Group’s operational investments.

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SECTION C  
OUR  
BUSINESS

### Business Structure

JEBSEN AND JESSEN FAMILY ENTERPRISE



JEBSEN

#### Consumer Business Unit

- Personal Entertainment Products Division
- Home Entertainment Products Division
- Digital Imaging Products Division

#### Beverage Business Unit

- Beer Division
- Wine Division

#### Industrial Business Unit

- China Trade Division
- Packaging & Projects Division
- Technical Division
- Specialty Chemicals Division

#### Luxury Business Unit

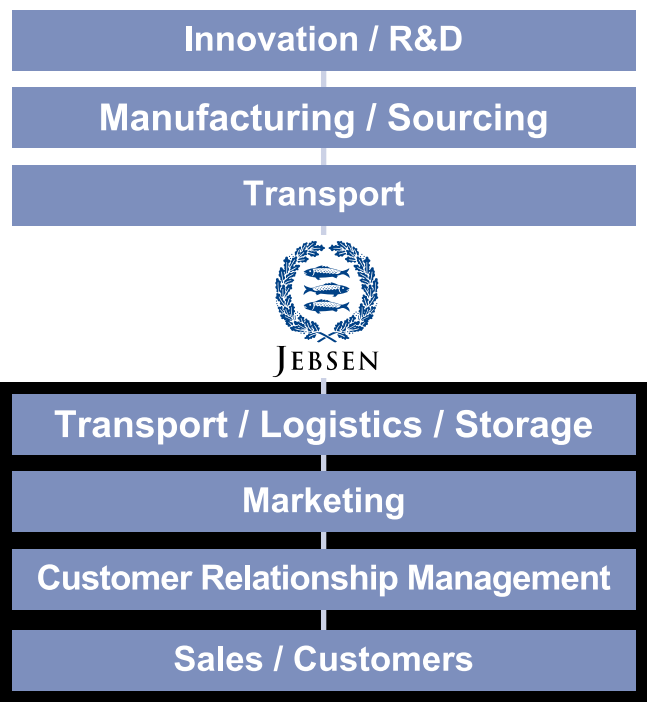
- Motors Division
- Watch Division
- Marine Division

#### Others

- Logistics Division
- Building Products Division
- Jebsen-Mazzucchelli\*
- Jebsen-Mitec\*

Business Units	Products and Activities
Consumer	The Consumer business unit has been growing at a steady pace from a photo-oriented business handling cameras and accessories, to a key player in the consumer electronics field overseeing the distribution of quality consumer electronics brands.
Beverage	Jebsen is the owner of Blue Girl and Sonderberg Beer brands. We are also the exclusive distributor for various wine and beer brands in Hong Kong.
Industrial	We provide diverse industrial products ranging from automotive parts to gas engines and machinery for paper, plastic, textile and metallurgical industries. In addition, we provide chemical food ingredients in the food, beverage and health sectors. Moreover, we offer different high-quality packaging solutions to a host of manufacturers.
Luxury	We have been the exclusive dealer for Porsche motor vehicles in Hong Kong for more than 50 years. We also operate Porsche dealerships in a number of major Chinese cities. Based on the total number of vehicles sold through Jebsen owned dealerships, we are one of the largest Porsche dealer groups in the world. In the luxury segment, we also distribute premium yacht and watch brands in the region.
<b>Other investments include:</b>	
JBM Building Products	We distribute a range of building material like sanitary fittings, ceramic tiles and flooring for various building projects.
Jebsen Logistics	We are an independent, third party logistics operator comprising a team of supply chain management specialists. Our services include freight and logistics services, supply chain solution consultancy and distribution centre management.
JEMA	Jebsen-Mazzucchelli is a joint venture distributing high quality cellulose acetate material. We provide raw material to the optical industry for frames and sunglasses.

## (b) Business Model



\*Jebsen can exert more influence to selected stakeholders in the shaded area.

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Jebsen focusses on the marketing and distribution of principals' products, acting as an agent and brand builder on behalf of our principals to build their brands in the local markets.

From a CSR perspective, we exert different levels of influence on our stakeholders through our business units.

It is possible to have larger impacts on some stakeholders - usually in downstream procedures - but not for others.

When end products are handed over from our principals, our operating departments market them to appropriate wholesalers, retailers or individual customers. This process involves understanding the characteristics of each product, proposing the best marketing plans for specific goods and control of stock logistics and storage.

We recognise the importance of maintaining good relationships with our customers.

## Section D - Environmental Management

### (a) Environmental Policy

The Jebesen Group encourages environmentally responsible behaviour amongst staff and customers by promoting and supporting projects aimed at reducing energy consumption and waste production, thus ensuring compliance with environmental legislation and the overarching CSR policy statement.

# 10 SECTION D ENVIRONMENTAL MANAGEMENT

### (b) Environmental Management Approach

We have developed a systematic approach in measuring our efforts to achieve continuous improvement. Our environmental responsibilities are distributed across logistics, motors, office and administration, and other product groups. Our metrics take into account the variable nature of the different areas.

Our approach is given as follows:

- A. Energy consumption (direct/indirect)
- B. Waste and hazardous waste treatment
- C. Material consumption
- D. Data table (to quantify our efforts)

Since introducing various indicators for our report at the beginning of 2008 to refine our process of monitoring, we have increased awareness of environmental protection amongst our staff.

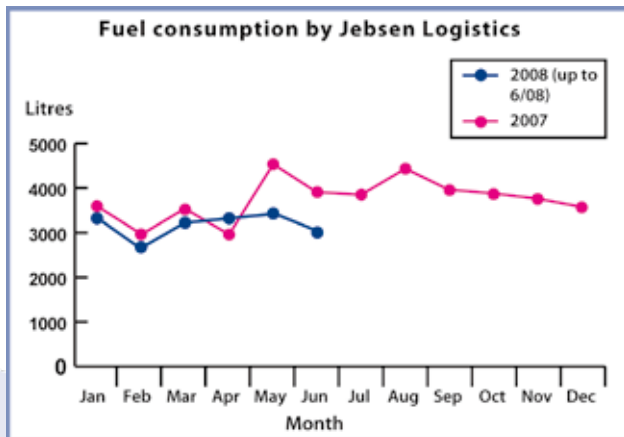
### Reduction in Energy Consumption

#### Direct energy

The Logistics business has formulated guidelines for drivers to follow the proposed ban on idling vehicle engines as suggested by the Environmental Protection Department of the HKSAR government. To ensure that the trucks used by the logistics business are running with reduced air pollution, we have also contracted our trucks to be maintained by garages and car maintenance companies certified to the environmental management standard ISO 14001. As a result of these initiatives, our vehicles have reduced fuel usage by 10 per cent during the first six months in 2008 compared to the same period last year<sup>2</sup>.

<sup>2</sup> Data collection period: January 2007 to June 2008.

## Fuel – fuel consumption in litres



## Indirect energy

We have implemented mitigation plans on energy consumption for each of our offices and we have been tracking the corresponding usage of electricity. Measures include adjusting the thermostat to a comfortable working temperature (i.e. between 23-25.5 degree C), replacement of incandescent lighting with energy saving fluorescent lighting, and many other initiatives.

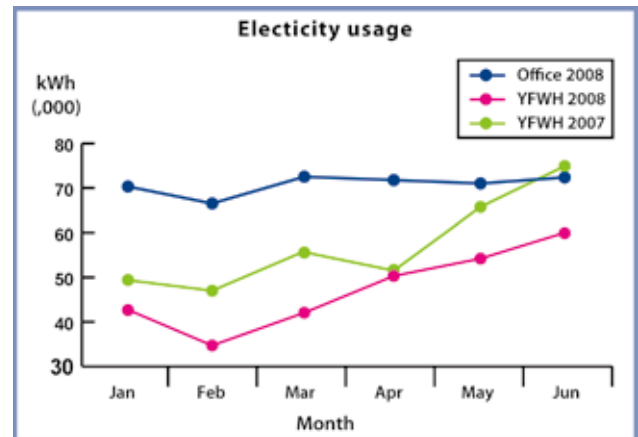


Workplace temperature will be maintained at a comfortable level.

Fluctuations of electricity usage have been recorded for the office<sup>3</sup> and Yuen Fat Warehouse (YFWH) during the first six months in 2008. However, when compared to the same period the previous year, we can see big savings of electricity for YFWH which amount to more than 20 per cent savings in electricity use and cost.

<sup>3</sup> Office locations include Caroline Centre and Grand Century Plaza. There have been relocation of offices during 2007 and we do not include electricity usage of these particular offices for more accurate comparison.

## Electricity – electricity usage<sup>4</sup>



On June 21, 2008, Jebson participated in the "6.21 Dim It, Lights Out!" activity organised by the Friends of the Earth. The lights out event on the day was a record in Hong Kong history where over 140 buildings on both sides of Victoria Harbour turned off their lights for one hour at 8.30pm. This was replicated in more than 70 cities across Asia including Japan, South Korea and Taiwan.

Jebson is proud to have participated in this event and, together with other participating companies and buildings, raised public attention on the waste of energy, emission of greenhouse gases and the issue of light pollution.

<sup>4</sup> Data collection period: January to June (2007 and 2008 figures).

## Energy saving pilot project

Our Porsche workshop, which opened in Kowloon Bay in July 2008, has been running an energy saving pilot project. The project comprises five major components: air conditioning, electrical installation, lift/elevator, lighting and workshop equipment.

### Air conditioning

Change of the workshop circulation from fan-based to centralised air-conditioning not only saves electricity but also provides a pleasant environment for technicians working in the service centre.



Before



After

### Electrical installation

Use of two-post hoists and four-post hoists in the new service centre only requires two 1.5KW rated Twin Motor models versus 3KW based on the old models. This will contribute considerable savings in our electricity bills.



Before



After

### Lift/Elevators

The relocation from a five-storey service centre in Cheung Sha Wan to two floors of a new service centre in Kowloon Bay will minimise the use of elevators and reduce energy consumption.



Before



After

### Lighting

The newly installed T5 fluorescent tubes have longer usage life and are installed with dome-shaped covers, which further enhance the brightness of the fluorescent tubes.



Before



After

### Workshop equipment

Air compressors for power tools in the new service centre use 17.6KW ratings instead of the previous 15KW in the old workshop facilities. Power tools can work longer before recharging each time and air compressors use less aggregate energy when compared with the ones in the old workshop.



Before



After

Electricity usage will be monitored in the new workshop and we anticipate that a further series of changes in the new workshop could reduce electricity usage in operations.

## Waste and Hazardous Waste Treatment

### Recycling paper and toners in the office

Paper recycling boxes as well as waste separation bins have been placed on each floor of the offices used by Jebson. Waste contractors collect used paper for recycling on a regular basis. Our main printer cartridge provider has initiated a recycling programme to ensure that all used ink and toner cartridges can be reused or recycled into production of other types of plastic used in our daily lives. Our contractors go through stringent procedures to recover, recycle, and reuse waste to minimise the company's impact to the environment.

### Disposal of dangerous goods in Motors Division

We are using government approved waste disposal collectors to collect our dangerous goods, such as waste lubricating oil and waste batteries. The new Porsche workshop will have special treatment facilities for storage and disposal of dangerous goods.

There are spill-proof devices to prevent spillage and centralised storage and labelling procedures are in place. There has not been any incident reported on oil spillage during the past few years and we strive to maintain a high level of safety performance.

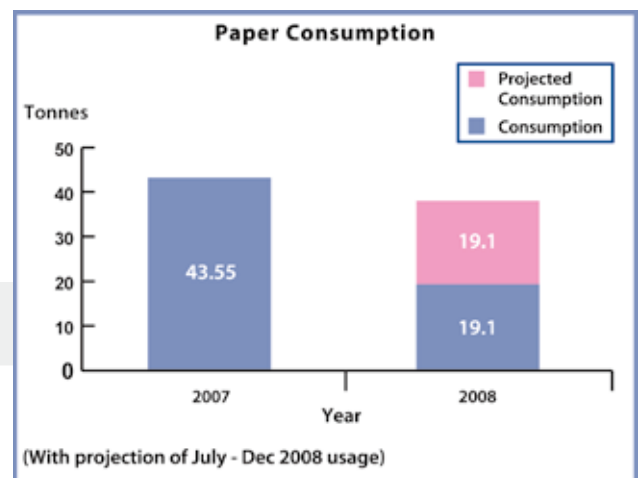
### Disposal of scrap batteries in Logistics

Our staff members are educated on the potential hazards of handling scrap batteries, including proper ways of handling, usage and disposal. In addition, we have shortened the disposal cycle from two months to less than two weeks in order to minimise the time needed to hold scrap batteries in our warehouse, thus reducing potential exposure to onsite employees.

## Reduction in Material Consumption

### Reduction of paper consumption in the office

We have set up a policy on using electronic review and circulation of documents in the office so as to reduce paper usage. We are constantly reviewing the usage of paper to avoid excessive consumption. During the latest six-month period, paper consumption has decreased by 12 per cent (projected to full-year usage) and we will continuously monitor our usage.



### Green purchasing

Apart from purchasing of recyclable printer cartridges and centralised purchasing of office supplies, we are trying to shift our practice of using only new toners towards adopting a portion of recyclable toners where possible. We are assessing the environmental and economic impacts and benefits before rolling out to all departments.

## Data Table

Data Table		2007 Jan - Jun	2008 Jan - Jun	2007 Jan - Jun	2008 Jan - Jun
Fuel (Litres)	Monthly Average	3,496	3,074		
Paper Consumption (Sheets)	Total	2,177,500 *	1,910,000		
	Monthly Consumption	362,917	318,333		
	Per Employee	269	207		
		Office		Yuen Fat Warehouse	
Electricity (KWh)	Total		419,286	340,909	278,081
	Average Usage		69,881	56,818	46,347
	Per sq. ft.		0.59	0.69	0.56

Note:

Assume January-June 2007 paper usage will be 50 percent of total 2007 paper consumption for comparison purpose

## (c) Environmental Objectives for 2008 – 2009

### Logistics

We will study the potential for further fuel consumption reduction within the vehicle fleet in Jebson Logistics through adopting a Transport Management System.



Jebson Logistics is studying the possibility of fuel consumption reduction.

### Motors Division

The pilot project at the workshop covers air conditioning, electrical installation, lift/elevators, lightings and workshop equipment. We will further target a decrease in average electricity consumption in consideration of more efficient use of energy.

### Industrial Business Unit

There have been ongoing trials in industrial boilers with additives to reduce emissions. Several of our distributors have been appointed to support our marketing efforts. The divisions will continuously seek and identify new suppliers and equipment beneficial to emission control and environmental concerns. For example, we have identified a company from Denmark supplying energy optimisation equipment for coal-fired power plants.

### Building Products Division

The Building Products division will conduct ongoing sourcing of green building products for the Hong Kong and China markets. We are finalising distributorship agreements

with principals of various identified green products such as sustainable bamboo and cork flooring, waterless urinals to save water consumption in 2008.

The business has comprehensive plans for promotion of green products including advertising in trade magazines and direct mailing to target groups in 2008.



Sustainable building material like bamboo could be used for durable green flooring.

### Office

Group Human Resources & Administration is continuously monitoring the usage of electricity, material consumption, etc. in the offices. The team will suggest the best options to users to maintain productivity while minimising the impact to the environment.

### Others

We will participate in relevant environmental award programmes to reinforce our advanced standards throughout the company.

## Section E - Staff Well-Being

### (a) Staff Well-Being Policy

Jebsen, as a caring company, is committed to the well-being of all members of staff through exercising legal and equitable employment practices, enrichment of knowledge and skills to perform, provision of learning and growth opportunities, promotion of positive work-life relationships, and encouraging volunteerism and care for the individual.

### (b) Staff Well-Being Management Approach

The theme of our staff well-being programme this year is "Healthy Life & Happy Work at Jebsen".

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## SECTION E STAFF WELL BEING

A staff well-being core team has been set up to coordinate suggestions from our colleagues and organise activities aimed at physical and mental health.

The staff well-being activities were all-rounded to accommodate differences in demand. They include:

- Outdoor dragon boat race and indoor seminars to simultaneously build teamwork and improve work relationships between colleagues and supervisors.
- Courses on Chinese herbal medicine to enrich knowledge on general health.
- Tennis and yoga classes to ensure that "plans for healthiness" are "on the move".

The staff well-being team commenced the rollout of activities with a kick-off ceremony held on March 4, 2008 marking the beginning of this year's programme.



Francis Mok, Chairman of the Group's CSR project, addressed colleagues in the Staff Well-Being kick-off session.

### Staff Well-Being Kick-Off Ceremony

Building on the theme of "Healthy Life and Happy Work at Jebsen", health exhibitions and service booth sessions were arranged at the kick-off ceremony. Simple health check-up and nutrition consultation services were offered to employees; in addition, posters demonstrating

healthy lifestyles and relaxation exercises in the workplace presented useful health information to employees. It was subsequently followed by two road shows on March 10 and 11 respectively at different office locations.



A colleague underwent an instant cholesterol test.

## Activities to Promote Work Life Balance

A series of staff well-being activities have been organised to promote work life balance (activities from March - June 2008 are listed below).

An external staff counselling hotline service has been launched to provide professional counselling and consultation services for all staff and their immediate family members. The hotline service provides comprehensive coverage from stress at work to personal problems. This service gives assistance to employees and their immediate family members who may prefer third party support for confidentiality reasons.

## Organised activities/seminars/competitions

March

Kick-off ceremony



Staff Well-Being kick-off session at Caroline Centre.

### Seminars: (March - June, 2008)

March	IQ,EQ,AQ : 3Qs to overcome adversity "Bossology" - Working Happily with Your Boss & Colleagues
April	Get to know Influenza from Chinese Herbal Medicine Doctor Increase children's capability in handling adversity & stress Work-life Balance
May	Chi Kung Get to know Hypertension & its preventive measures Introduction to common Chinese Herbs
June	Brain Gym Fit office - Relaxation Exercise in the Workplace

### Selected recreational activities / competitions (2007 - June 2008)

October 2007	Raleigh Convoy Challenge - Wilson Trail 2007
January 2008	Community Chest - Million Walk
March 2008	Outward Bound Adventure Race 2008 Green Power Hike

April 2008

WWF - Glass Bottom Boat  
Tour at Hoi Ha Wan Marine  
Centre



WWF - Glass Bottom Boat Tour at Hoi Ha Wan Marine Centre.

June 2008

Dragon Boat Race and  
Training



Jebesen emerged among over 100 teams as the overall 6th runners-up in the 2008 dragon boat competition.

June 2008

Day Camp at Sai Kung  
Outdoor Recreation Centre

Throughout  
the year

Training classes and activity  
sessions on Tennis, Yoga,  
Football, Basketball,  
Cycling, Hiking, etc.



Our football team.

## Health and Safety

Health and safety considerations are integrated into our business processes and operations. Also, our health and safety policies and performance standards comply with all legal requirements in health and safety.

## Health & Safety Management Approach

Jebesen has developed its health and safety management within the divisions where health and safety aspects are most applicable.

Jebesen Building Products has developed health and safety policy as follows:

Jebesen Building Products is committed to provide and maintain safe and healthy work environments and work systems for its employees and sub-contractors; duty of care is exercised to customers and the general public in all of its business activities.

To ensure all reasonably practicable actions are taken, the following procedures are implemented within Jebesen Building products:

1. Compliance with our policy and periodic review of performance against it.
2. Identification and reduction of the risk of all types of work activities that may result in personal injury or illness.
3. Identification, quantifying and control to safe levels, of any chemical and physical agents in the work environment capable of causing ill health.
4. Provision of information, instruction, training and supervision to increase personal understanding of workplace hazards, including safe working practices and emergency preparedness.
5. Assurance that people under their supervision understand and commit to implement this policy, and comply with appropriate standards and rules to protect their own health and that of others, and ensure safety at work.
6. Allocation of appropriate personnel and financial resources to implement this policy.



Details on health and safety were posted at noticeable areas in our motor workshop.

The Motors Division has an even more stringent Health and Safety Policy for its office and workshop. The division understands that the working environment in the workshop requires special attention and the health and safety policy emphasises safe usage of various tools, chemicals and dangerous goods. By maintaining a higher level of health and safety standards, accidents can be avoided.

## Learning and Development

Training is considered to be a strategic investment for our future success at Jebsen. The company offers different kinds of training courses to our staff to sharpen their skills and knowledge.

Our Group Human Resources Development Department offers courses all year round and recently organised courses on presentation skills, Oracle and Microsoft applications, etc. These courses served to enhance staff communication skills and knowledge of computer applications. The company continuously evaluates training needs for different aspects and organises corresponding programmes for staff.

As an example, the motor service centres store dangerous goods which may compromise the health and safety of our employees if left unchecked. Training sessions have been conducted on how to handle

hazardous goods and minimise the potential risk to employees.

During orientation sessions, all new staff members have to attend a briefing on "Prevention of Bribery Ordinance and Code of Conduct" presented by the ICAC<sup>5</sup>. The briefing is carried out to remind staff members of Jebsen's corruption-free practices.

## Appraisal

Jebsen assesses employees based on competencies and job performance results regardless of gender, age, or other demographic attributes. Employee appraisals are performed annually to evaluate staff performance, seek feedback and concerns, and set up career development plans.

## Equal Opportunities

We provide equal opportunities to employees in promotion and training regardless of age, gender, marital status, pregnancy, disability, family status or race.

### (c) Staff-Well-Being Objectives for 2008 – 2009

Feedback will be collected from participants of past programmes and seminars to finetune future events that accommodate the needs of the target audiences.

The Facilities and Administration department, together with Group Human Resources Development Department, is collating information and formulating a health and safety policy at the corporate level, to provide our employees with clear guidelines on health and safety in the workplace.

The Group Human Resources Development Department will continue to organise courses and trainings to employees that suit their business needs.

<sup>5</sup>ICAC: Independent Commission Against Corruption

## Section F - Philanthropy

### (a) Philanthropy Policy

Jebsen acknowledges the wider role it plays as a corporate citizen in the sustainable development of the communities within which it operates. To meet the needs of the community, Jebsen will abide by strong ethical and moral guidelines in supporting charitable causes that are in line with the company's corporate values.

There are three basic premises for this:

- **Company values:** commitment, responsibility, trust, recognition and excellence – any cause that we support should resonate with some or all of these values;
- **Corporate branding:** where the charitable causes align with the positive image of what we do at Jebsen;
- **Effective philanthropy:** where the funding allocated maximises the value created for the whole community.

## SECTION F PHILANTHROPY

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Sharing our happiness with the elderly.

### (b) Philanthropy Guidelines

Our Company Philanthropy Guide provides detailed information on our philanthropy directions, the selection process for sponsorship and monitoring of the policy.

Jebsen is a keen supporter of the communities it operates within, through its many charitable acts and voluntary participation. We target to sponsor worthy projects that benefit the community and at the same time help position Jebsen as a good company to work for and to do business with. In order to maximise the positive impacts brought about by a Jebsen sponsorship, it is necessary to support the right projects.

The preferred approach is for:

- Meaningful amounts that make a positive impact;
- Staff involvement; and
- Sustainability of the sponsored project.

### Application, selection, approval, monitoring and reporting

Apart from organisations with which Jebsen has established relationships, the company will also consider projects suggested by staff and external applicants.

In screening the applications, the following criteria will be used:

1. The proposed project must be consistent with Jebsen's values. There must be demonstrable benefits as well as a business case for the application.
2. The proposed project has to address specific themes such as education, environment and rural China, all of which must have a connection with Jebsen in some form.
3. The applicant must have the demonstrated capability of delivering the project. The applicant must have the management competence and commitment to see the project through.

Successful projects will be passed to our Branding & Communications Department for reporting in the media and other suitable channels. Projects will be showcased at the annual Jebson dinner and applicants will be invited to present their stories.

Our strategies towards philanthropy will involve monetary contributions as well as staff participation in various charitable projects. We target to increase our impact in the sponsored organisations and encourage feedback from society.

Looking forward to the future years, our philanthropic activities will flourish with company's growth and we will continuously focus on environmental protection, education and rural China projects.

### **Charitable Donations**

Jebson cares about our community and environment. A substantial amount is contributed to various charitable organisations and selected tertiary institutions every year. Our company anticipates that our continuous effort on philanthropy will benefit the community and create positive impacts.

One of our focus areas is environmental protection. We have been a Diamond member of the World Wide Fund for Nature (WWF) since 2000 and Double Diamond member since 2004 when WWF established this new category of membership.

Scholarships provided by the Jebson Educational Fund are used to support students from tertiary institutions; we believe that it is important to support the academic development of young people so that they can contribute to society in future.

### **Staff volunteering**

Apart from monetary contributions, our staff members are actively involved in volunteering activities organised by the Jebson Volunteers (JV).

During the year, our volunteers participated in events like fundraising, elderly visits and public seminars like employment preparation in The Bridge to Competence Project. Over 10 per cent of staff members in Hong Kong have participated in at least one volunteer event during the year.





For instance, one of our focus areas is visiting elders in Lai Wai, Tuen Mun. During our previous visits, we have held Chinese New Year gatherings at local restaurants. We have also prepared dumplings and mooncakes during Tuen Ng and Mid-Autumn festivals. All participating volunteers treasure memorable moments with the group of senior citizens in Lai Wai.



Participating elders are motivated by our cheerful smiles.

Here is the list of voluntary activities that we have joined in 2007-2008:

## Volunteer work activities

Date	Description	Beneficiary	
17/03/07	Sprint lunch with Lai Wai Elderly at Tai Wing Wah Restaurant	NAAC	 <p>Caring for the elderly in Lai Wai, Tuen Mun.</p>
05/05/07	Sales training for women	HK Family Welfare Society	
09/06/07	Dumpling-making, delivery and Visits to the elderly in Lai Wai	NAAC – Tuen Mun	
07/07/07	Needlework for the elderly home	Po Ching Elderly Nursing Home	 <p>Having fun with children.</p>
25/08/07	Baking Cookies with children	Against Child Abuse Society	
22/09/07	Lai Wai – visit and gifts to elderly in Mid-Autumn	NAAC, Lai Wai Elderly Lam Ping Yim Primary School	 <p>Donation to Food Bank.</p>
17/11/07	Moonwalker – night walk fund raising	Orbis	
15/12/07	X'mas party with elders	Siu Sai Wan Elderly Centre	
Feb 2008	Donation to Food Bank	St. James Settlement	 <p>Kids fun day.</p>
12/04/08	Kids Fun Day	St. Rosa Kindergarten	
07/06/08	Dumpling – making and delivery and Visits to the elderly in Lai Wai	NAAC – Tuen Mun	

## **Sichuan Earthquake**

On May 12, 2008, Sichuan Province in Mainland China was hit by a 7.9 Richter scale earthquake. It was the most serious catastrophe in 30 years to hit the nation.

To support victim relief, Jebson Volunteers urged colleagues to make donations for the earthquake victims. Apart from RMB 500,000 donated to Red Cross China, the company's management matched staff donations dollar-for-dollar with the result of an additional HK\$560,000 raised and transferred to the Hong Kong Red Cross on the same week of the disaster.

We acknowledge the efforts and contributions from all of our colleagues and JV for its quick response to the tragedy in such a short period of time.

## **List of Awards**

Throughout the year, we have participated in various voluntary events and our company, through the JV, has been recognised with the following awards:

- Caring Company 2007/08 – The Hong Kong Council of Social Service
- Best organised volunteer group – Tuen Mun District promoting volunteer service committee (Social Welfare Department)

## **(c) Philanthropy Objectives for 2008 – 2009**

The company will follow the philanthropy guidelines in selection of beneficiaries. In addition, future charity projects will initiate staff involvement in sourcing, planning and organising.

Jebson will continue to support WWF and Community Chest.

In addition, the company will sponsor the establishment of a school in rural China, which contributes to the cost of the physical building, learning material, facilities or student necessities.

# SECTION G EXTERNAL STAKEHOLDERS

### (a) External Stakeholders Policy

Jebsen is committed to prioritising and addressing external stakeholder concerns regarding the company's operations and the social and environmental impacts along the supply chain.

External stakeholders include Jebsen's consumers who are using or consuming our products every day, principals who are providing unique products for distribution, suppliers like logistics and marketing services who facilitate the processing of selling as well as customers who are purchasing our products for self-consumption or selling to end-users downstream. Governmental agencies and non-governmental organisations (NGOs) are also the stakeholders for our company.

When products are manufactured and

distributed to our customers, there are processes and various parties that are directly or indirectly involved. Some influences may originate from different stakeholders and we categorise these impacts according to three main areas: **social, environmental and economic**.

In this section, we will share how Jebsen influences different stakeholders.

## (b) Our Stakeholders

### Wine Division

In the Wine Division, our main external stakeholders are our business partners. They include brand principals, other suppliers (for advertising and event management, point of sale material (POSM) production and printing), and third-party logistics. Also, we have on-trade and off-trade customers. Bars, restaurants, and hotels are our on-trade customers while retail chains, wine shops, wholesalers and duty-free shops are our off-trade customers.

We promote our green and socially responsible concepts to our business partners. We also advise our logistics partners to use environmentally compliant trucks to save fuel usage while minimising air pollution. Feedback is generally positive and our logistics partners are in turn considering changes to their operations as a result.

The recent exemption on the duties on wine and beer will lead to an increase in consumption of these products by the general public. As a responsible distributor for alcoholic products, we believe that we have an obligation to promote "Responsible Drinking" to trade and consumers. We invited our principals to get involved in activities such as the "Responsible Use" programme organised in June 2008. We believe that this will continue to foster a positive image in marketing our

brands of beer and wine.

We furthermore work closely with our marketing agencies to use more environmentally friendly material (including recycled paper) with POSM. In addition, we will further reduce the quantity and size of POSM packaging used.

<sup>6</sup> In general it is universally accepted that alcohol should not be sold to minors and under aged drinkers. Secondly, alcohol should not be drunk if the person is likely to be undertaking physically or mentally challenging work afterwards or to be in control of potentially dangerous equipment. Consumers should also be advised that excessive drinking can lead to anti-social behavior and can disrupt families and workplaces if taken to extremes as well as potentially posing health-related problems.

### Beer Division

Major external stakeholders for the Beer Division are similar to those in the Wine Division. They include brand principals, warehouse and transportation companies, premium and point of sale material (POSM) suppliers. Like the Wine Division, the Beer Division has more influence on premium and POSM suppliers, warehouse and logistics companies.

We ensure logistics service providers maximise truck loadings in order to reduce the number of trips and hence save fuel costs. We also work with the logistics companies to comply with the government suggestion to stop idling engines on the road while waiting to load and unload the goods. In the long run, we will see that the logistics companies use fuel and engines that generate less pollution

### Euro 3 and 4 Diesel Commercial Vehicles for Beer Division



Jebsen has taken the initiative on air quality improvement by replacing most of the company's trucks in Beer Division to Euro 3 and Euro 4 diesel commercial vehicles, the highest standards available at the moment.

to the environment in accordance with international emission standards.

Yuen Fat Warehouse is used to store beer and stock from other divisions. We have agreed with our warehouse staff to develop procedures in handling the disposal of foam board, air bags, pallets and other packaging materials to ensure they are properly managed. We also encourage the use of electric fork lift vehicles (instead of diesel powered appliances) to eliminate air pollution and improve the work environment.

### Consumer Business Unit

Consumer's business partners include principals, logistics companies and advertising agencies who are also their major stakeholders. In addition, Consumer cooperates with banks and marketing agencies for product promotions.

Our marketing team liaises with production companies on using recycled paper products for advertising and marketing material. We also reuse exhibition booth materials for dealers' shop decorations.

We ensure our principals use recycled paper products for catalogue printing. We have also suggested the use of bio-degradable plastics and recyclable products for packing.

### Building Products Division

During the promotion of our products, the Building Products Division provides professional advice to customers like main contractors and specifiers like architects and designers on the selection of building material.

We offer greater selections of green building products for customers together with detailed explanations to influence final material selections for projects in Hong Kong. These include sustainable bamboo and cork flooring, and waterless urinals to save water consumption. We believe our promotion of these concepts will in the longer run gain recognition from the general public.

We prioritise the promotion of green building material to architects and designers where they are in charge of the product specifications of the project. In addition to the provision of updated information on changes in technology and products, Building Products Division offers alternative products with explanations on product details. We hope that our range of green products can provide realistic and practical solutions to the specifiers.

### Saving the Polar Bears



Global warming is affecting lives of the polar bears in the Arctic region. One of our principals of the Consumer Business Unit is cooperating

with Polar Bears International, a charitable organisation concerned with this issue, and contributing 10 per cent sales of specific camera bag models to the organisation to support their efforts in saving the polar bears.

Jebsen as the main distributor in Hong Kong is supporting this action by helping to pass on this message to the public. We hope that both the principal's initiatives and ours will generate a positive response from society and our customers.

## Industrial Business Unit - ARRI Lighting



The Industrial business offers many varied environmentally friendly products. ARRI Lighting is one such example.

The ARRI Group ([www.arri.com](http://www.arri.com)) is the world's largest manufacturer and distributor of motion picture cameras, lighting and digital intermediate equipment.

Founded in 1917 in Munich, ARRI has been a constant innovator, introducing revolutionary technology to support the growth and development of film and broadcast industries.

As a technological innovator in their industry, ARRI has been a leader in providing lighting solutions that help conserve electricity.

Traditional halogen lights may be less expensive, but their use is highly inefficient: they produce much more heat, are less stable and need a much higher level of maintenance.

ARRI developed a new type of lighting fixtures for studio application using "Ceramic" technology. By using Ceramic lighting, rated at, say, 250W, customers can get a light output equivalent to 1,000W from traditional halogen lighting, i.e. four times as much.

The extremely high efficiency (85 lumens/W) of ceramic lighting brings advantages of reduced power consumption, lower air-conditioning costs for the studio and lower maintenance costs as well as operational advantages achieved through wide tolerances for voltage fluctuations between 90-265V.

## Luxury Watches



The luxury watch business is a special division in Jebesen. The products tend to occupy more storage space and cost more for delivery when they are put inside bulky wooden boxes for distribution. Bulky packaging has become fashionable for luxury products.

However, we have found that some dealers prefer arrangements for separate delivery of watches and wooden boxes especially when some of the customers do not want bulky packaging. Our offer of delivery of wooden boxes on request helps reduce dealers' storage requirements thus providing additional saving on their operating costs.

### **(c) Cooperation of CSR Initiatives with our Principals**

As part of the company's CSR initiatives, we are engaging with our external stakeholders on CSR aspects. As Jebsen further implements our CSR policy, we hope that like-minded principals will better communicate their specific efforts, so that we can support their brands within the markets where we represent them.

In May-June 2008, we have sought the views of selected principals and business partners from various divisions through questionnaires on initiatives on corporate social responsibility. Their responses will help facilitate better working arrangements in line with our CSR initiatives.

We are delighted that our principals and business partners are expressing their concerns about CSR issues. One of the key successes was a liaison with one of our wine principals in May-June this year to implement a "Responsible Use" programme, which serves as a launching pad for working with other partners to promote CSR initiatives to the wider public.

### **(d) External Stakeholder Objectives for 2008 – 2009**

#### **Logistics**

Beverage and Consumer business units will cooperate with our logistics service providers to seek greener alternatives in handling of our products.

#### **Marketing**

Currently it is still necessary for divisions to publish marketing material for promotion of our products. However, we will investigate the possibility of environmental friendly alternatives to promote our products to potential customers.

#### **Stakeholder relationships**

With the feedback received from the response to our questionnaires submitted by our clients, we understand that quite a few external stakeholders do have CSR policies as well as CSR programmes like ours in place. We will support our principals' CSR initiatives through the 2008-2009 period, communicate with our external stakeholders and collaborate on more opportunities in CSR and related areas. Also, we have targeted to develop a stakeholder map to include our China operations in the coming future.



# SECTION H FEEDBACK

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### **Feedback and opinion**

#### **Your Feedback Matters**

This first CSR report prepared by Jebsen illustrates our efforts towards the betterment of the environment, and internal and external stakeholders. However, your comments are important to refine our future plans in the respective areas.

Please send us your opinions by email to [feedbackonCSR@jebsen.com](mailto:feedbackonCSR@jebsen.com). Your collective inputs will undoubtedly provide some excellent suggestions that we can incorporate in our future CSR reports.

Please be assured that your feedback and opinions will be processed in a confidential manner.

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\* indicators in brackets () are only partially covered.

## Appendix A. - List of participating colleagues

### CSR Task Force

Francis Mok – Group Human Resources & Administration (Chairman)  
Francis Lau – Industrial  
Frank Kwok – Group Human Resources & Administration  
Leo Chow – Logistics  
Jimmy Yeung – Jebsen-Mazzucchelli  
Michael Glover – Beer  
Vincent So – Jebsen Building Products  
Mimi Lok – Group Human Resources & Administration  
Lillian Choi – Corporate Strategy and Development  
Charlotte Yu – Corporate Strategy and Development

### Environment

Leo Chow – Logistics (Convener)  
Francis Lau – Industrial  
Vincent So – Jebsen Building Products  
John Yang – Motor  
Clan Hung – Jebsen Building Products  
Stella Lo – Group Human Resources & Administration  
Ricky Chan – Logistics

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### Staff Well-Being

Frank Kwok – Group Human Resources & Administration (Convener)  
Brian Eng – Motor  
Caroline Leung – Beer  
Marcos Shea – Wine  
Chak Ming Ng – Consumer  
Wendy Lam – Technical  
Suky Li – Group Human Resources & Administration  
Ivy Yeung – Group Human Resources & Administration  
Mimi Lok – Group Human Resources & Administration

### External Stakeholders

Michael Glover – Beer (Convener)  
Edwin Lai – Jebsen Building Products  
Jack Yu – Watch  
Kelvin Ho – Beer  
Kevin Chan – Wine  
Peter So – Consumer  
June Fung – Industrial  
Raymond Chiu – Industrial

All staff who have made contributions to our CSR report.

### Philanthropy

Trevor Yang – Management  
Francis Mok – Group Human Resources & Administration

### Other contributors:

Consulting organization: Business Environment Council  
Staff Well-Being Hotline service provider: Vital Employee Service Consultancy



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