

WHAT IS JEBSEN'S COMMITMENT TO SUSTAINED VALUE?



CORPORATE
SOCIAL RESPONSIBILITY
REPORT 2008/2009





Corporate Responsibility Report 2008-2009

MESSAGE FROM GROUP MANAGING DIRECTOR 2



ABOUT THIS REPORT 3

What is CSR? | Why CSR is Important to Jepsen? | About this Report
Reporting Guidelines | Scope of the Report | Target Audience



POLICY AND GOVERNANCE 4-5

CSR Policy | CSRTask Force and Task Areas | Sustainable Development and Jepsen
Governance and Ethics | Awards and Recognition



OUR BUSINESS 6-8

Business Overview | Business Model



ENVIRONMENTAL CONSERVATION 9-14

Environmental Policy | Environmental Conservation Management Approach
Environmentally-Friendly Products | Environmental Management



STAFF WELL-BEING 15-22

Staff Well-Being Policy | Staff Well-Being Management Approach



PHILANTHROPY 23-28

Philanthropy Policy | Philanthropy Guidelines



EXTERNAL STAKEHOLDERS 29-32

External Stakeholders Policy | Stakeholders and Activities



FEEDBACK 33



GRI G3 CONTEXT INDEX 34-35



LIST OF PARTICIPATING COLLEAGUES 36



Helmut Hennig
Group Managing Director

MESSAGE FROM GROUP MANAGING DIRECTOR

2009 has been a tumultuous year for the global economy, with Asia possibly faring better than most other regions. As decisions on budgets, capital expenditure and other spending started to unfold during the first quarters of 2009, it would have been easy to question the necessity of our CSR programme, given the many other priorities that we as an organisation needed to deal with.

However, I am pleased to report that our commitments to the basic values embodied in our CSR policies are not something which we can choose to follow or not, but rather that we see these as imperatives. As such the work to become a better corporate citizen has continued throughout the reporting period.

In this report – a follow-up to our maiden attempt last year, we take a hard look at ourselves and go back to the basics: in each of our focus areas for CSR, what can we do, and what can we do more?

These are the same questions that go through our minds as we conduct our business. I am pleased to share some of the results we have experienced in the year-long period upon which this report is based. Although the improvements are moderate at best, we are building momentum. CSR has a long way to go in Jepsen and I believe we are moving in the right direction.

I hope through our ongoing CSR activities, we continue to inspire our stakeholders to take concrete actions in turning our community into a better workplace and home.

In today's business environment, it is as much about what is made as it is about what is saved. The Jebsen Group recognises the importance of taking a vested interest in the community to ensure that profitability and responsibility go hand in hand.



In legend, the "Four-Leaf Clover" was brought by Eve from Eden Garden to the earth being the symbol of "Luck/Bliss". In general, it only has three leaves instead of four. You couldn't find a four-leaf clover out of a million clovers.

In this design, each leaf has a different meaning. It is in "heart" shape to reflect Jebsen's care for staff, environment, stakeholders and community.



ABOUT THIS REPORT

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.

Why CSR is Important to Jebsen?

It is no longer enough to be only satisfied with business performances. Stakeholders like consumers, investors, governments and even employees have become more sophisticated in their outlook and are more aware of good corporate behaviour, which is expected from an established organisation like Jebsen. It will not take long before CSR becomes a key differentiator in doing business, if not already, as more choices emerge among preferred business partners or employers.

About This Report

This report serves as a self-evaluation for the organisation. It has been produced in a systematic way to diagnose what is needed for a sustainable future.

As usual, the diverse nature of the Group's business units is highlighted, as progress in CSR is sought on multiple fronts without compromise to economic viability.



Environmental Conservation



Philanthropy



Staff Well-Being



External Stakeholders

Reporting Guidelines

The Global Reporting Initiative (GRI) for the sustainability reporting guidelines (G3) serves as a reference when compiling this report.

The GRI G3 helps to identify key performance indicators (KPIs) that are relevant to Jebsen's business. Not all the indicators provided by GRI are used, but still act as benchmarks to compare across industry sectors.

For details of GRI G3 Guidance, please refer to the website www.globalreporting.org. GRI G3 references are covered in last section of this report.

Scope of This Report

This CSR report details the activities undertaken at Jebsen from July 2008-June 2009, the period subsequent to the 12 months that the inaugural report covers. Some of the CSR activities initiated in Hong Kong have made their way to mainland China and other parts of East Asia, which this report also reviews.

For more information on Jebsen, please visit www.jebesen.com.

Target Audience

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

CSR Policy

The Jebsen Group is committed to sustaining business growth by distributing premium products and providing quality services to customers. Value is created for shareholders with due consideration to environmental protection, staff well-being and enrichment of the communities in all aspects of business operations.



POLICY AND GOVERNANCE



CSR Taskforce and Task Areas

The CSR programme was launched in Jebsen in Sept 2007. A CSR Taskforce was formed to coordinate ideas, suggestions, contributions and implementation of the CSR policy in each of the business units. This year, new members from mainland China have been incorporated in the extended committee.

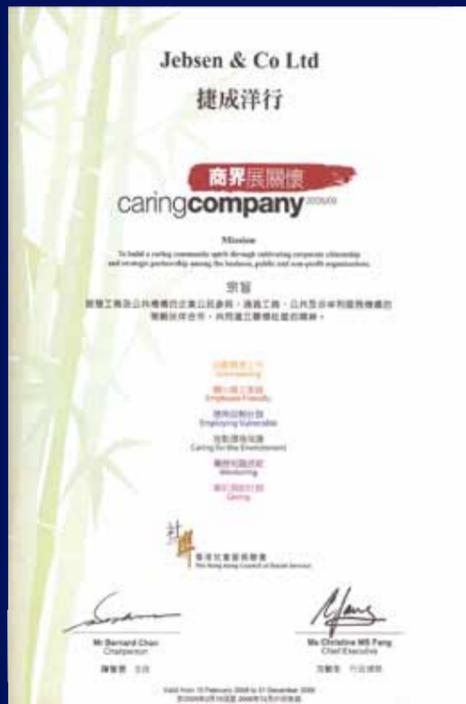
Workshops were held to coordinate the implementation of the four key CSR areas: environmental conservation; staff well-being; philanthropy; and external stakeholders.

 ENVIRONMENTAL CONSERVATION	 STAFF WELL-BEING	 PHILANTHROPY	 EXTERNAL STAKEHOLDERS
Compliance with legal requirements and, in addition, achieving cost savings through waste reduction and energy conservation.	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.	Linking Jebsen's philanthropic activities in the community to generate positive internal and external messages to motivate company staff and demonstrate public goodwill.	Working with external stakeholders to identify CSR-related value chain opportunities that affect customers and principals ¹ , which the company can realise by developing new businesses or enhancing supply chain efficiencies to achieve cost savings.

■ CSR FOCUS □ AREAS OF INTEREST

Each of these key focus areas is supported by a cross-business working team which is overseen by one of the CSR Taskforce members.

¹An entity who authorises an agent to distribute its products and create legal relationships with third parties.



Awards and Recognition

Jebsen again received the Caring Company award issued by the Hong Kong Council of Social Service in Feb 2009.

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

Sustainable Development and Jebsen

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

People are important assets and, hence much attention is paid to values, ethical behaviour and quality of life.

It is a belief shared internally that CSR is an imperative for the sustainable growth of the Group as well as contributing to the quality of the environment and society.

Governance and Ethics

General Business Principles

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

Code of Conduct

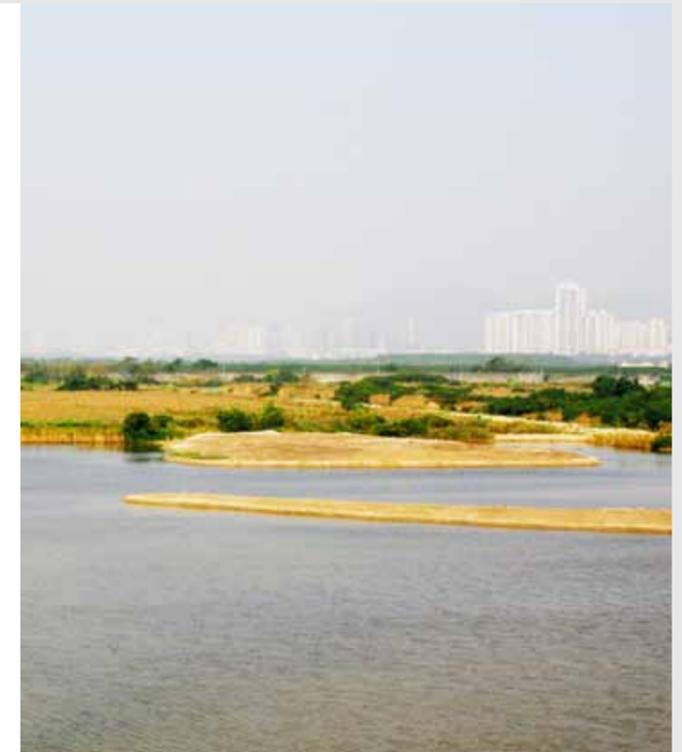
Jebsen's code of conduct is an essential component of the corporate governance framework. It represents commitment to stakeholders in the form of written requirements and puts all employees and directors through stringent obligations.

Staff members and their behaviour constitute to the image of the Group. They are required to treat principals, business associates, customers, the general public and colleagues with courtesy, consideration and respect at all times.

Today, Jebsen is a leading marketing and distribution organisation for a wide array of premium products and services, with a unique presence in mainland 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.



JEBSEN'S BUSINESS



BUSINESS OVERVIEW

Our Business Structure

JEBSEN AND JESSEN FAMILY ENTERPRISE



CONSUMER BUSINESS UNIT	BEVERAGE BUSINESS UNIT	INDUSTRIAL BUSINESS UNIT	LUXURY BUSINESS UNIT	OTHERS
<ul style="list-style-type: none"> Personal Entertainment Products Division Home Entertainment Products Division Digital Imaging Products Division 	<ul style="list-style-type: none"> Beer Division Fine Wines Division 	<ul style="list-style-type: none"> China Trade Division Food, Beverage and Pharma Division Technical Division Specialty Chemicals Division 	<ul style="list-style-type: none"> Motors Division Watch Division Marine Division 	<ul style="list-style-type: none"> Logistics Division Building Products Division Jebsen-Mazzucchelli* Mitec-Jebsen*

China | Hong Kong | Macau | Taiwan | Korea

*Joint venture

Business activities are categorised into the following major business units: *Consumer, Industrial, Beverage* and *Luxury*. Emerging businesses including Building Products and Logistics are part of the Group's operational investments.



CONSUMER	INDUSTRIAL	BEVERAGE	LUXURY
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Jebsen Consumer distributes quality consumer electronic brands including Casio, Pentax and Rollei.

Jebsen Industrial is a provider of industrial, scientific and technological expertise and market know-how for a diverse range of industrial sectors.

Jebsen Beer markets and distributes a portfolio of beer brands including the hallmark Blue Girl Beer. Jebsen Fine Wines is one of the largest independent importer and distributor of premium wines and spirits in Greater China.

Jebsen Motors focusses on the legendary Porsche cars in the Hong Kong and mainland China markets, based on a relationship which goes back over fifty years. Jebsen Watch is an independent distributor of luxury watch brands such as Raymond Weil, Paul Picot, Cuervo y Sobrinos and Nomos. Jebsen Marine markets much sought after premium yachting brands including Riva in the fast growing Asian boating sector.

Other investments include:

BUILDING PRODUCTS	LOGISTICS
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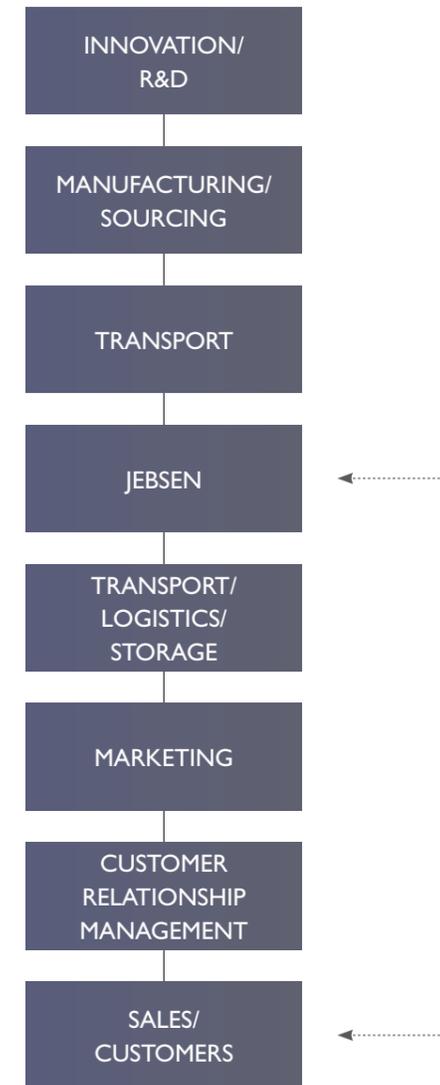
Jebsen Building Products markets and distributes a diverse range of high-quality finishing and decorative material for the building industry.

Jebsen Logistics is an independent, third-party logistics operator for worldwide customers.



■ BUSINESS UNITS □ PRODUCTS AND ACTIVITIES

B. BUSINESS MODEL



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

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

From a CSR perspective, different levels of influence are exerted on stakeholders through the various business units. It is possible to have a larger impact on some stakeholders - usually downstream - but not for others.

When end products are handed over from the principals, the 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.

ENVIROMENTAL CONSERVATION

CAN WE MAKE
TAKING CARE OF
THE PLANET
OUR BUSINESS?



Environmental Policy

The Jebsen 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.



ENVIRONMENTAL CONSERVATION

Environmental Conservation Management Approach

As an extension to previous practices, Jebsen's focus on the environment is now divided into two areas:



A systematic approach for environmental management has been developed in measuring efforts to achieve continuous improvement, taking into account the following areas.

- Energy consumption (direct/indirect)
- Waste and hazardous waste treatment
- Material consumption

Environmentally-Friendly Products

"Environmentally-Friendly Products" covers viable business streams to turn environmentally-friendly concepts into sustainable business opportunities. Jebsen represents companies worldwide to introduce their environmentally-friendly products to markets this part of the world.

Here are selected examples of the applications made possible by the environmentally-friendly products marketed during the 12-month period.

Enhancing fuel efficiency

Jebsen's work with principals, on product application, achievement and benefits to the environment.

1. Reducing waste emission

Jebsen Industrial delivered ENCON's boiler additive SP-Sotin at Qufu Paper Mill located in Shandong province, for the application at their coal-fired boiler; in order to reduce emission and up to four per cent fuel saving. Jebsen Industrial has also been working on similar projects for SP-Sotin at the ZouCheng Power Plant as well as Zibo XinSheng Heat Supply Power Station.

2. Optimising combustion efficiency

Jebsen Industrial has supplied Babcock Shanghai with three sets of M&W's coal sampling system which are for the optimisation of combustion efficiency at the coal-fired power plants built in Brazil.

3. Automating lighting switches

Presence sensors and systems from Theban for applications like automation of lighting system in buildings.

Harnessing green energy

1. Delivering Renewable Energy Solutions

The latest GE Jenbacher gas engines solution from Jebsen Industrial is turning chicken manure into electricity.

A major power plant, which commissioned earlier this year in Penglai city of northern China's Shandong Province uses manure from five million chickens to produce electricity for the grid.

In the showcase Shandong plant, chicken manure and waste water from farms are sent to a biomass anaerobic digester and storage facility, which first generates methane.

The gas is then used to generate power that is sent to the grid; the leftover manure and waste is used as organic fertiliser and given away to farmers.

The new plant of 3-megawatt-installed capacity can produce about 10 million cubic metres of biogas each year; generating about 20 million kWh and 0.3 million tons of organic fertiliser.

Other project examples include:

- Feb 2009: Supply of two GE Jenbacher biogas gas engines with a total power capacity of 2MW to the largest chicken farm in suburban Beijing. The gas engines produce 14 million kWh of green electricity for the grid realising emission reduction of 80 kilo tonnes of CO2 equivalent.
- May 2009: Supply and installation of a combined heat and power generating set at Tai Po Sewage Treatment Works in Hong Kong.
- Dec 2008-Feb 2009: Landfill projects at Dongling Shenzhen Xiaping Landfill and Beijing Anding Landfill, with testing and commissioning for the latter expected in 2010.

2. New Energy for Green Environment

- Armed with a suit of green energy products like solar panels, heat pipes, thermal system and wind turbines, Jebsen Industrial has been actively marketing the win-win value proposition of going green at a series of industry events.
- All this is to generate a deeper appreciation of how renewable energy solutions not only protect the environment but can be beneficial to businesses as well.





Using alternative products as building material

During the period of July 2008–June 2009, Jepsen Building Products added new business partners working on “environmentally-friendly products”, from which more environmentally-friendly building material like recycled plastic wood decking, FSC-certified sports flooring and natural solid surface are made available.

In the first half of 2009 alone, Jepsen Building Products has supplied the following in Hong Kong:

- 3,300 sqm of green flooring
- 700 units of green sanitaryware (including sensor products and dual flush cisterns)

These projects not only contribute to the conservation of the environment, they also champion the use of alternative building material as a modern and stylish direction.

Environmental Management

“Environmental Management” covers management systems and initiatives to address the impact of business operations on the environment.

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 government. To ensure that the trucks used by the logistics business are running with reduced air pollution, trucks are also contracted out to be maintained by garages and car maintenance companies certified to the environmental management standard ISO 14001. Fuel usage has been on the decline year on year since.

Fuel consumption by Jepsen Logistics

Fuel Usage (Litres)



To further this encouraging downward trend, which can be attributed to higher awareness of good practices like turning off idle engines, a three-month trial started in May 2009 where two goods vehicles were fitted with the ECO Auto Box, a Japanese technology that reduces carbon emissions and enhances fuel efficiency.

The trial studied the effectiveness of the device on the combustion cycle of a diesel engine. A 10-15 per cent improvement in fuel economy and corresponding reduction in greenhouse gas emission was registered.

Following the successful trial, Jepsen Logistics has installed the ECO Auto Box in all its vehicles and is monitoring the results for the full year.

Indirect energy

Following mitigation plans on energy consumption for each Jepsen office and the Yuen Fat Warehouse in Hong Kong, the corresponding usage of electricity has been tracked, showing a moderate reduction.

Electricity usage by Jepsen offices and warehouse

Electricity Usage (kwh)



* Projected 2007 figures based on 2008 half-year usage.

07/08 average	125,895 kWh
08/09 average	121,322 kWh

Contributing to the overall downward trend is the practice of switching off lights during lunch hours.

Meanwhile, Jepsen Motors is into its second year at its new service centre in Hong Kong where an energy saving pilot project is taking place. The pilot involves looking critically at air conditioning, electrical installation, lift operations, lighting and workshop equipment to bring about further energy reduction.

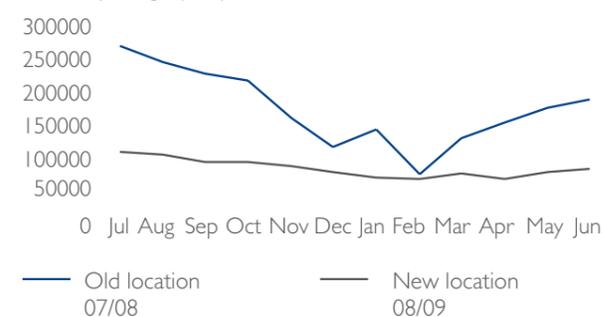
On top of the actual measures, educating staff on the effectiveness of simple gestures like maintaining the air-conditioning at a higher temperature and switching off equipment not in use has been key to Jepsen Motor’s success. Energy-saving labels on switches also helped as constant reminders to staff.

Here is a table comparing the consumption levels between the old Jepsen Motors locations at Cheung Sha Wan and the new locations at Kowloon Bay and Tsing Yi. A significant reduction of 57 per cent has been registered.

Electricity usage by Jepsen Motors

Consumption in Old/New Locations

Electricity Usage (kwh)



07/08 average	194,957 kWh
08/09 average	83,688 kWh

The favourable outcome from the pilot has given Jepsen Motors more ground to next implement the same measures at the six other Jepsen-owned service centres in the region.

Summary Data Table

Here is a summary data table that compares Jepsen’s consumption 07/08 and 08/09 in fuel, paper and electricity.

CONSUMPTION		07/08	08/09
Fuel (litres)	Total	41,381	40,700
	Monthly average	3,448	3,392
Paper Use (sheets)	Total	4,087,500	3,320,000
	Monthly average	340,625	276,667
Office, Warehouse and Service Centre Electricity (kWh)	Total	1,510,739*	1,455,868
	Monthly average	125,895	121,322

* Office electricity consumption for July–Dec 07 projected.

Note that this does not include Jepsen offices in China and remote areas, but serves as a useful trend indicator.

Other programmes

Jepsen joined corporations worldwide in switching off lights during the global Earth Hour organised by WWF in Mar 2009.

In addition, Jepsen is participating in the Low-carbon Office Operation Programme (LOOP) introduced by Corporate Social Responsibility partner WWF to manage carbon footprint.

The programme is designed to assist office-based companies to measure their carbon footprint and design measures to reduce carbon emissions from their daily operations.

As a first step, Jepsen will use the regional head office at Caroline Centre as the pilot site starting Sept 2009. After the successful launch, LOOP will be rolled out to other office locations.

Waste and Hazardous Waste Treatment

As always, paper and toner recycling measures are in place. Government approved waste disposal collectors are engaged to collect our dangerous goods, such as waste lubricating oil and waste batteries. Staff members are educated on the potential hazards of handling scrap batteries, including proper ways of handling, usage and disposal.

Reduction in Material Consumption

The usage of paper is constantly being reviewed to avoid excessive consumption. Compared to the previous year paper consumption has decreased by about 19 per cent.

Paper consumption

	ACTUAL CONSUMPTION SHEETS	TONNES
07/08	4,087,500	40.87
08/09	3,320,000	33.2

*Estimated half-year 2007 figures based on full-year 2007 usage.

This represents a significant decrease as the Group benefits from the various recycling practices established in the previous year.

STAFF WELL-BEING

CAN WORK-LIFE
BE HEALTHY,
HAPPY AND SAFE?



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.



Staff Well-Being Management Approach

In addition to the staff well-being core team, which was set up last year in Hong Kong, this year a new extended team was arranged in mainland China to coordinate suggestions from colleagues and organise activities aimed at physical and mental healthiness.

Staff well-being activities in China formally commenced with a kick-off ceremony held in May 2009 in the main offices of Beijing, Shanghai and Guangzhou.

The activities were all designed to accommodate different aspects of well-being for staff (see full event list below).

They include:

- Seminars and talks about health and lifestyle
- "Health Service Booths" for employee health check with useful health information
- Day tours to improve work relationships among colleagues and supervisors

Activities to promote work-life balance

Staff well-being activities organised to promote work-life balance from July 2008–June 2009 are listed below.

In addition, a 24-hour external staff counselling hotline service is always available to provide professional counselling and consultation services for all staff and their family members in Hong Kong. The hotline service provides comprehensive coverage from handling stress at work to personal problems. It gives an outlet to employees and their immediate family members who may prefer third party support for confidentiality reasons.

Jebsen also participated in the first community-wide campaign in Hong Kong to promote the Work-Life Balance Day on Oct 17, 2008. To mark the occasion a healthy fruit and special gift were given to each staff member, with lunch talks held separately at the Group's offices. At the same time, staff members were encouraged to do some relaxation exercises whenever possible, and leave the office before 7pm on the day.

Organised Events

Selected seminars (July 2008–June 2009)

<p>June 2008: Brain Gym Location: Hong Kong</p>				
<p>July 2008: Handling Children's Emotions Effectively Location: Hong Kong</p>	<p>August 2008: Right Choice of Chinese Medicine and Health Location: Hong Kong</p>	<p>September 2008: Super Memory Skills Location: Hong Kong</p>	<p>October 2008: Aromatherapy Location: Hong Kong</p>	
<p>November 2008: Qigong Location: Hong Kong</p>			<p>December 2008: Photography Workshop-Christmas Location: Hong Kong</p>	<p>March 2009: Workshop on Mountaineering Location: Hong Kong</p>
<p>April 2009: Work-Life Balance Workshop Location: Hong Kong</p>			<p>May 2009: Healthy Life – Health Preservation Location: Beijing Guangzhou Shanghai</p>	
<p>June 2009: Constructive Ways to Develop Children's Personality Location: Beijing</p>	<p>June 2009: Photo Shooting Skills to Capture Joyful Moments Location: Guangzhou</p>	<p>June 2009: Building a Healthy Body Location: Shanghai</p>		

Organised Events

Recreational activities (July 2008–June 2009)

July 2008:
Indoor
Basketball
Location:
Hong Kong

September 2008:
Windsurfing
Location:
Hong Kong



October 2008:
Walk for Nature
Location:
Hong Kong



November 2008:
Tennis
Location:
Hong Kong

December 2008:
Dairy Farm Tour
Location:
Hong Kong



December 2008:
Backpack
Travelling
Location:
Shanghai

January 2009:
Hiking
Location:
Hong Kong



Organised Events

Recreational activities (July 2008–June 2009)

February 2009:
Funky Jazz Class
Location:
Hong Kong

March 2009:
Celebration
of International
Woman's Day
Location:
Guangzhou

March 2009:
Football Match
Location:
Hong Kong



April 2009:
Marine
Ecology Tour
at Hoi Ha Wan
Location:
Hong Kong

May 2009:
Company
Outing to
Da Ming Mountain
Location:
Shanghai

May 2009:
Dragon Boat Race
Location:
Hong Kong



June 2009:
Boating Summer
Activity
Location:
Hong Kong





1.5 Responsibility rests with each employee who is hereby encouraged to contribute to the attainment of the objectives of this policy. With adequate safety precautions taken, accidents, human suffering, loss of time and damage to property and equipment can be avoided. Safety is everyone's concern and its achievement requires everybody's cooperation and commitment.

To facilitate healthier living, employees and their immediate families were offered vaccinations during the flu peak season.

Workplace improvement

Jebsen makes continuous efforts to bring enhancement to the workplace and encourage environmentally responsible behaviour.

Health and safety

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

Health and safety management approach

Jebsen has developed health and safety management systems within the business units where health and safety aspects are most applicable. The office safety and health at work policy was updated in Apr 2009.

Office safety and health at work policy

1.1 It is the policy of the Jebsen Group to provide a safe and healthy working environment for its employees, and to ensure that the conduct of its affairs is not harmful to the safety and health of its employees and the general community. This policy aims to secure a progressive improvement in environmental safety and health by safeguarding against hazards, and ensuring that working conditions conform to those required by relevant legislation and codes of practice.

1.2 It is important to recognise and understand that safety regulations and procedures are established and enforced primarily for the well-being of all personnel, and that safety maximises the productivity rate while reducing unnecessary expenditure, especially when the accident causes disruption to the works.

1.3 Safety is an important aspect and an integral part of daily operations and therefore should not be neglected or compromised for the sake of expediency. Jebsen's objectives can only be achieved with the joint and determined effort of both management and employees.

1.4 The Group Human Resources Director of the Jebsen Group is responsible for the setting of targets, implementation and monitoring of this policy. Each supervising director is responsible for its implementation in his/her Business Unit. At the general office, Depart Managers in each Business Unit have the responsibility to ensure that the environment is safe for all employees and visitors.

ACTIVITIES	LOCATION
SEPTEMBER 2008 Filler cleaning of Mongkok office	Hong Kong
All office locations are equipped with first-aid boxes	Hong Kong Shanghai
OCTOBER 2008 Paper tower supply at Causeway Bay office pantry	Hong Kong
NOVEMBER 2008 Installation of distilled water machine at Cheung Sha Wan office at Jebsen Logistics	Hong Kong
JUNE 2009 Installation of instant hand sanitisers	Shanghai Hangzhou



Learning and development

Training is considered to be a strategic investment for the future success of Jebsen. Different kinds of training courses are provided for staff to sharpen their skills and knowledge.

The Group Human Resources Development Department offers courses all year round including courses on presentation skills, Oracle and Microsoft applications

Staff orientation has been re-designed to incorporate "Corporate Social Responsibility", "Training and Development" and "Office Safety" for newcomers to enhance their awareness on these issues.

In addition, safety and health training programmes for designated personnel were arranged to prepare qualified competent persons for handling concerned provisions at all office locations:

1. Training in qualified first-aiders
2. Training in manual handling competency
3. Training in display screen equipment competency

Furthermore, Jebsen has in place since the start of 2009 a revamped Performance Management System (PMS), which is an on-going process for establishing shared understanding about what staff members are to achieve, and of enhancing the probability of achieving it through planning, coaching, reviewing and follow-up.

A series of PMS training was organised in Feb-Apr 2009 for all staff members in Hong Kong and mainland China offices.



Jebsen Scholarship for children of staff

Under a new scholarship programme introduced in late 2008, seven students whose parents work at Jebsen in Hong Kong and China received awards in aid of their studies.

The Jebsen Scholarship has been established to demonstrate the Group's care for employees in recognising their children's outstanding performance in academia. The scholarship amount varies, depending on location and educational level.

"I'm glad to receive this award, which is an endorsement of my hard work and an encouragement for entering the society in the future," said Du Zheng, one of the scholarship recipients and son of Jebsen Consumer's Service Manager Zhao Tongfang.

Equal opportunities at workplace

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

On May 13, 2009 a speaker from Equal Opportunity Commission held a seminar on "Introduction to Anti-discrimination Laws of Hong Kong" to help supervisors better understand anti-discrimination laws.

Staff well-being survey

A survey was conducted from June 22-30, 2009 to collect up-to-date information in order to help improve the quality of CSR Staff Well-Being activities in the future. More than 20 per cent of staff completed and returned the questionnaires.

In this survey, over 85 per cent of respondents consider the CSR staff well-being activities to be satisfactory. The survey also revealed that seminars and talks about "health" and "lifestyle" topics are most popular and appreciated among Jebsen staff.

To further ensure the well-being of staff members, Jebsen is committed to organising more diversified activities relevant to their daily working lives in the future and continue to solicit employee feedback.

PHILANTHROPY

CAN OUR CHARITY WORK AND GENEROSITY BENEFIT THE ENTIRE COMMUNITY?



Worthy projects are identified to benefit the community and at the same time help position Jebsen as a good company to work for and to do business with.



Philanthropy Policy

There are three basic premises for engaging in philanthropic activities remain:



Philanthropy Guidelines

The preferred approach, as before, is for:

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

Meanwhile the Group continued to donate to the Community Chest and Worldwide Fund for Nature (WWF) as its Double Diamond Member, as well as support the Jebsen Educational Foundation in aid of the academic development of tertiary students.

Selected list of donations (July 2008–June 2009)

October 2008: Changing Young Lives Foundation – Festival of Trees	October 2008: ORBIS Pin Campaign	November 2008: HK Red Cross – “Pass it on 2008” Charity Sales Campaign	November 2008: WWF “Markus Shaw Fund for Marine Conservation”
November 2008: WWF Mai Po Walk 2008		December 2008: The Community Chest – 40th anniversary “Celebrities Sing for the Chest II”	
December 2008: The Community Chest Charity Golf Day 2009	April 2009: Pok Oi Hospital – Pok Oi Cycle for Millions	April 2009: The Community Chest Walk for Millions	
April 2009: UNICEF Raffle Draw 2009	May 2009: Corporate Sponsorship for WWF Mai Po Nature Reserve	May 2009: WWF’s Big Bird Race 25th Anniversary Book	June 2009: WWF Mai Po Walk 2009
			June 2009: The Community Chest Green Day

Staff volunteering

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

Volunteer work activities

<p>November 2008: Farming Day Camp Beneficiary: St James Settlement</p>	<p>November 2008: Knit for a Good Cause Beneficiary: Sichuan Earthquake Victims</p>	<p>December 2008: Christmas Party with Elders Beneficiary: Helping Hand Association</p>	
<p>February 2009: Food Bank Beneficiary: St James Settlement</p>	<p>March 2009: SPCA Wag n Walk Animal Welfare Education for Pet Owners Beneficiary: Society for the Prevention of Cruelty to Animals</p>	<p>May 2009: Dumpling Making and Delivery to elderly's Home in Lai Wai Beneficiary: Neighbourhood Advice-Action Council</p>	
<p>May 2009: Cycling Fund Raising for Redevelopment of Sichuan Beneficiary: Stand Tall</p>			
<p>June 2009: Tuen Ng Festival Beneficiary: Neighbourhood Advice-Action Council</p>		<p>June 2009: Tuen Ng Festival Beneficiary: Neighbourhood Advice-Action Council</p>	

The Jebson Volunteers are a group of dedicated people who use their own spare time to play a part in the community's development. The home visit to Lai Wai in May 2009 is one of a series of activities organised during the year that highlights the kind of hard work put in to serve the less fortunate.

Tuen Ng is a time for enjoying glutinous rice dumplings and dragon boat races. In order that the elderly may also enjoy the festival, the Jebson Volunteers got down to making rice dumplings,

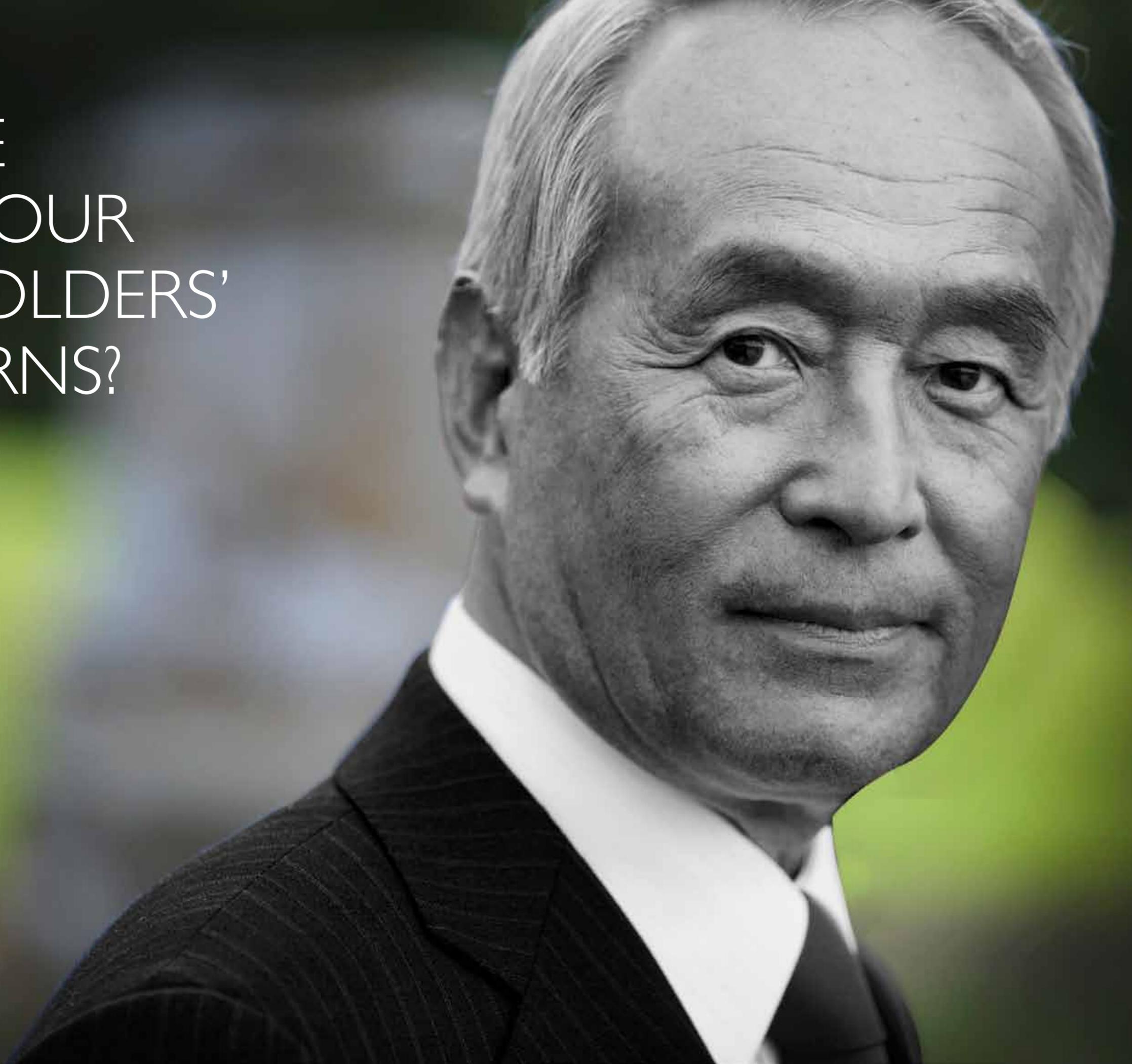
which they distributed to 250 solitary elderly people living in Lai Wai, a less glamorous address in town.

For their relentless efforts all year round, about 20 volunteers were recognised with special awards presented by the Group's Chairman during the annual dinner in 2009.



EXTERNAL STAKEHOLDERS

CAN WE SATISFY OUR STAKEHOLDERS' CONCERNS?



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.

This section illustrates how Jebsen influences different stakeholders of the various Business Units.



EXTERNAL STAKEHOLDERS



Stakeholders and Activities

Consumer Business Unit

The business partners of the Group's Consumer Business Unit include principals, logistics companies and advertising agencies.

1. Reducing product packaging

Working with key principal Casio, Jebsen Consumer has helped further reduce the thickness of the paper box and box insert of the camera product packaging. The size of the camera manuals has also been reduced for the new models.

2. Managing POSM production

Printing of collateral has been reduced to only what is needed. Point of sales material (POSM) such as counter standees, posters, camera display stands and exhibition decoration are reused on roadshows and shop decorations.

3. Promoting online communities

The increased use of Pentax Fan Club, managed by Jebsen Consumer, promotes online press release and photo sharing via dedicated galleries.

4. Reviewing manufacturing input

Other principals like National Geographic are working with Jebsen Consumer on new products that use natural fibres for their bags and related accessories.

Industrial Business Unit

The Industrial Business Unit works with socially responsible principals like Arri, the world's largest manufacturer of motion picture cameras, lighting and digital intermediate equipment.

This year, Arri has developed another energy saving fixture with LED broadcast lighting – the Caster series. It is a competitively priced and efficient solution, its total lumen output easily exceeding a standard tungsten fresnel with 150w. This adds to the range of environmentally-friendly products that Jebsen Industrial already markets.

Beverage Business Unit

Beer Division

Major external stakeholders for the Beer Division include brand principals, warehouse and transportations companies, premium and POSM suppliers. Across the Beer Division in Hong Kong and mainland China, various efforts are being carried out to promote the responsible use of beer.

Jebsen Beer is a major supporter of the beverage industry that has teamed with the government, via the Road Safety Council, to launch a safe driving programme, with reinforcing the need to refrain from driving if consuming alcohol as part of the message.

This industry-funded initiative aims to place stickers in bars and restaurants to reinforce the "Don't Drink & Drive" message at the point of consumption.

This year, Jebsen Beer also held a briefing with all divisional staff in Hong Kong and mainland China reinforcing the need for the team to act responsibly, particularly when it comes to driving. All staff members on duty at marketing events will have the company-funded option of using some form of public transportation as a means to get home.

Other measures are as follows.

1. Closely monitoring of POSM

Starting this year, the Brand Team and Trade Team work closer together to make production decisions on POSM for upcoming promotional activities. The wastage is measured and found to have reduced by around 10–15 per cent compared to the same period last year.

2. Online presentation of creatives

Jebsen Beer encourages its advertising agency to use email and soft copy presentation files instead of printing an actual size of the marketing creatives during presentation.

3. Traditional colour proof vs digital proof

For smaller POSM like leaflets for a themed promotion, traditional colour separation and proof, makes way for digital proof, which saves both paper and film.

4. Re-usable plastic bags

Jebsen Beer ordered large sized plastic bags for specific promotions, which can be re-used during the entire promotional period.

5. Changing secondary packaging of cans to support bag levy

With consultation of major Hong Kong grocery chains Jebsen Beer has developed new Blue Girl Beer four-can packs and 12-can packs that include carrying handles that negates the need for plastic bags.

6. Internal understanding and awareness of CSR

Jebsen Beer held discussions with team members to familiarise themselves with CSR concepts and the work being done on external stakeholder engagement.

7. Reduced shipping by expanding importation points into China from Korea

Blue Girl Beer is originally brought into mainland China from Korea via Guangzhou involving a long process of internal shipment from Guangzhou to Shanghai. To save cost and reduce shipping, Jebsen Beer now ships from Korea directly to Shanghai reducing the need for inland haulage.

Fine Wines Division

The main external stakeholders of Jebsen Fine Wines include brand principals, other suppliers (for advertising and event management, POSM production and printing), and third-party logistics.

Jebsen Fine Wines has started using environmental-friendly paper for product price lists. Furthermore, efforts have been made to reduce the quantities and sizes of advertising and printing material, and promote the use of recycled paper in the office.

Luxury Business Unit

Jebsen Watch has extended the CSR concept to mainland China where principals are being engaged to work together on mutually agreeable initiatives.

1. Use of e-marketing

E-marketing initiatives started this year; promoting the watch brands through forums which is a more environmentally-friendly and cost-effective approach.

2. Packaging reduction

Watch principal Nomos has recently reduced its product packaging and changed it from wood to paper. Another principal Skagen is also using paper boxes that just fit the watches.



Your feedback matters

As Jebsen continues to commit toward the betterment of the environment and stakeholders, your comments are important to refine future plans in the respective areas of CSR.

You can send your opinions by email at feedback on feedbackonCSR@jebsen.com. Your collective input will undoubtedly provide suggestions that can be incorporated in ongoing CSR work.

Please be assured that your input will be processed in a confidential manner.



Message from Group Managing Director

GRI G3 Indicators*

Section A | About this report

- What is CSR (1.2)
- Why CSR is important to Jebsen (1.2)
- About this report 3.2, (3.5)
- CSR Reporting Guidelines 2.1, 3.1, 3.6
- Scope of the report (3.5)
- Target audience

Section B | Policy and Governance

- CSR policy Disclosure on Management Approach: Policy (1.2)
- CSR task force and task areas (1.2)
- Sustainable development and Jebsen 4.8
- Governance and ethics 2.10
- Awards and recognition

Section C | Our Business

- Business Overview 2.2, 2.3, 2.7
- Business Model (1.2)

Section D | Environmental conservation

- Policy Disclosure on Management Approach: Policy
- Management approach Disclosure on Management Approach: Environment

Environmentally-Friendly Products

- Enhancing fuel efficiency
- Harnessing green energy
- Using alternative building material

Reduction in Energy consumption

- Direct energy EN3, EN5
- Indirect energy EN4, EN5

Waste and hazardous waste treatment

- Main Offices (EN22)
- Jebsen Motors (EN22), EN5
- Jebsen Logistics (EN22)

Reduction in Material consumption

- Office EN1

Data Table

EN1, EN3, EN4

*indicators in brackets () are only partially covered.



GRI G3 CONTEXT INDEX

Section E | Staff Well-being

Policy
Management approach

- Activities to promote work life balance
- Health and safety
- Health & safety management approach
- Learning and Development
- Equal opportunities at workplace
- Staff Well-Being Survey

Section F | Philanthropy

Policy
Philanthropy Guidelines

- Charitable Donations
- Staff volunteering

Section G | External Stakeholders

Policy
Stakeholder approach

Section H | Feedback

Feedback and opinion

Section I | GRI context index

Appendix A | List of Participating colleagues

GRI G3 Indicators*

Disclosure on Management Approach: Policy
Disclosure on Management Approach:
Labour Practices & Decent Work
LA8

Disclosure on Management Approach: Policy
Disclosure on Management Approach:
Labour Practices & Decent Work
LA 11, SO3

Disclosure on Management Approach

Disclosure on Management Approach: Policy
Disclosure on Management Approach: Society
SO1, (EC 1)
SO1

4.14
1.2, 4.14, 4.17, 4.16

3.4

3.12

*indicators in brackets () are only partially covered



LIST OF PARTICIPATING COLLEAGUES

CSR Taskforce

Francis Mok	Group Human Resources & Administration (Chairman)
Frank Kwok	Group Human Resources & Administration
Mimi Lok	Group Human Resources & Administration
Francis Lau	Industrial
Michael Glover	Beverage
Leo Tam	Luxury
Leo Chow	Logistics
Vincent So	Building Products
Jimmy Yeung	Jebsen-Mazzucchelli
Lilliana Choi	Corporate Strategy and Development
Charlotte Yu	Corporate Strategy and Development
Darren How	Corporate Communications

Philanthropy

Francis Mok	Group Human Resources & Administration
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External Stakeholders

Michael Glover	Beverage (Convener)
Kevin Chan	Beverage
Kevin Ho	Beverage
Peter So	Consumer
Raymond Chiu	Industrial
June Fung	Industrial
Jack Yu	Luxury
Edwin Lai	Building Products

Staff Well-Being

Hong Kong

Frank Kwok	Group Human Resources & Administration (Convener)
Suky Li	Group Human Resources & Administration
Ivy Yeung	Group Human Resources & Administration
Mimi Lok	Group Human Resources & Administration
Nelson Ng	Consumer
Wendy Lam	Industrial
Caroline Leung	Beverage
Paulan Chan	Luxury
Brian Eng	Luxury

Beijing

Linda Li	Group Human Resources & Administration
Judy Shan	Consumer
Sherry Liu	Industrial
Nina Meng	Industrial
Jennifer Cao	Beverage
Danny Hu	Luxury

Shanghai

Katherine Wang	Group Human Resources & Administration
Cameo Cao	Consumer
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Lilian Zhou	Beverage
Vicky Tan	Luxury
Shirley Zhu	Luxury

Guangzhou

Vivian Fan	Group Human Resources & Administration
Ken Li	Consumer
Lili Lu	Industrial
Cherry Zhang	Industrial
Danna Huang	Beverage

Environmental Conservation

Leo Chow	Logistics (Convener)
Ricky Chan	Logistics
Francis Lau	Industrial
Leo Tam	Luxury
Vincent So	Building Products
Clan Hung	Building Products
Stella Lo	Group Human Resources & Administration

All staff members who have made contributions to this CSR report.

Other contributors

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