



Solomon Systech (International) Limited

Incorporated in the Cayman Islands with limited liability

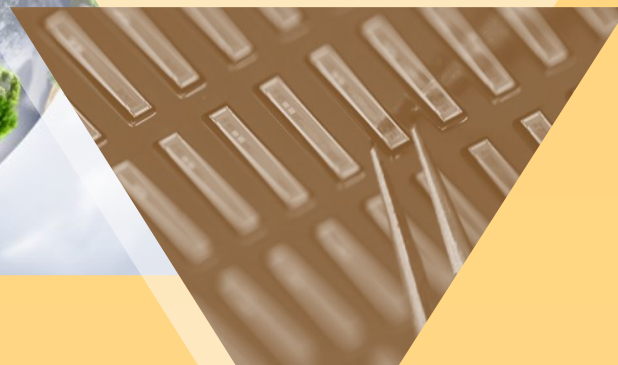
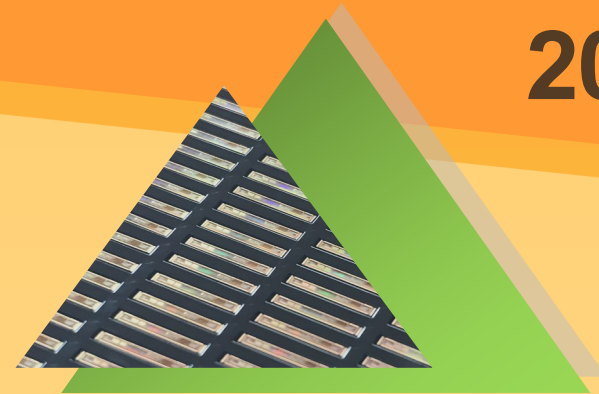
**SOLOMON
SYSTECH**
晶門科技

HKSE: 2878

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

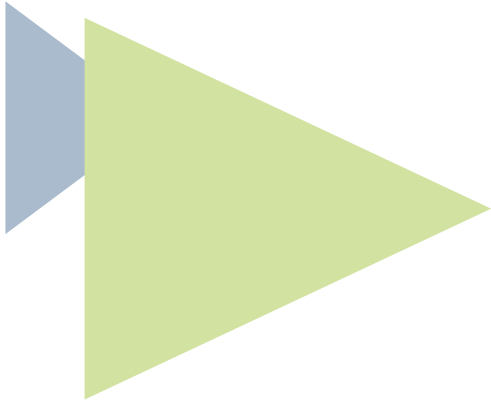
環境、社會及管治報告

2018



CONTENTS

About Solomon Systech	01
Our ESG Approach	02
Environmental Protection	04
Employees and Workplace Quality	07
Sustainable Operating Practices	12
Community Investment	15
HK Stock Exchange ESG Guide Content Index	17
Back Cover	20



About Solomon Systech

Solomon Systech (International) Limited ("Solomon Systech"/the "Group") is a leading semiconductor company providing Integrated Circuit ("IC") products and system solutions on an international basis under its global brand. Adopting a "fabless" business model, Solomon Systech specializes in the design, development and sales of IC products and system solutions that enable a wide range of display and touch applications for smartphones, tablets, TVs/monitors, notebooks and other smart devices, including wearables, healthcare devices, smart home devices, as well as industrial appliances, etc.

Solomon Systech has a high calibre and experienced design team to develop its Intellectual Properties (IP) for highly integrated IC products and total system solutions. We serve a number of blue-chip clients and has received numerous awards from our customers, suppliers, as well as industrial organizations.

The Group's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 8 April 2004 (HKSE: 2878).

Visit us on the Web:

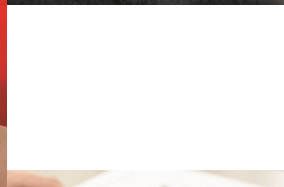
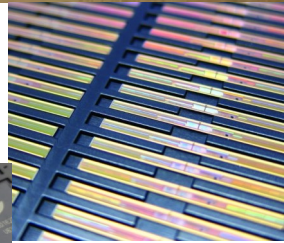
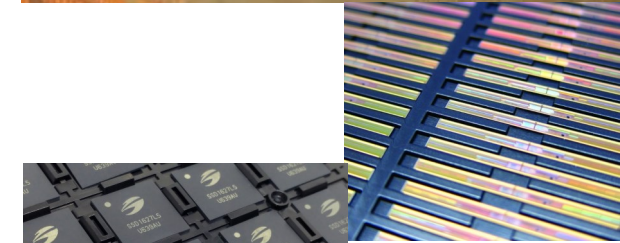
www.solomon-systech.com

Our Vision

Provide the ultimate silicon solution for every display system

Our Foundation - The 5 'I's

- ◆ **Industry Talents** - Our most important asset
- ◆ **Innovation** - Put us at the forefront of the industry
- ◆ **Institutionalization** - Structure our "work" for persistent growth
- ◆ **International Partnership** - Commercialize our technology in global market
- ◆ **Integrity** - Build a reserve of trust and goodwill



Our ESG Approach

What Does “ESG” Mean to Solomon Systech?

Solomon Systech believes that Environmental, Social and Governance (“ESG”) is an integral part of our business excellence and a means to achieving long-term sustainable growth.

Solomon Systech’s customer base comprises some of the world’s most renowned and respected electronics corporations, including leading cellular phone brand owners and display module makers. In this context, Solomon Systech is committed to providing high quality products and customer services through continually improving the product quality, minimizing the environmental impact, ensuring sustainable operating practices through managing our supply chain in a socially and environmentally responsible manner, and also fulfilling applicable statutory/regulatory requirements and compliance obligations. As a technology firm, we strive to foster a continuous learning culture and provide our employees with an open, supportive and healthy workplace. Last but not least, we firmly believe that for a company to be commercially successful over the long term, it is essential for it to create value for both its stakeholders and society as a whole. It has been our strategies to leverage our expertise and resources to support the communities in which we operate.

About This Report

This Environmental, Social and Governance Report (“ESG Report” or “the Report”) is prepared by Solomon Systech to present the Group’s approach and performance with regard to relevant Environmental, Social and Governance (“ESG”) issues during the reporting period from 1 January 2018 to 31 December 2018.

The content of this report has been prepared with reference to the Environmental, Social and Governance Reporting Guide (“Reporting Guide”) issued by the Stock Exchange of Hong Kong Limited. To facilitate reader navigation, a HK Stock Exchange content index has been included in this Report.

Unless otherwise indicated, the scope of this report focuses on our principal office in Hong Kong, the major operating entity of the Group both in terms of asset value and key management.

Our Approach

Our ESG strategies adopt a **4-pillar approach**, centering on four core areas that we believe are the fundamental building blocks contributing to a sustainable business model:

- ◆ Environmental Protection
- ◆ Employees & Workplace Quality
- ◆ Sustainable Operating Practices
- ◆ Community Investment

Under each pillar, we have identified the material ESG aspects to the Group.

<p>Environmental Protection</p>	<ul style="list-style-type: none"> ◆ Green operations - minimize environmental footprint ◆ Instill “Green Thinking” among employees ◆ Design to minimize environmental impact
<p>Employees and Workplace Quality</p>	<ul style="list-style-type: none"> ◆ Respect labor and human rights ◆ Foster continuous learning and development ◆ Provide an open, supportive and healthy workplace ◆ Motivate and reward our people
<p>Sustainable Operating Practices</p>	<ul style="list-style-type: none"> ◆ Supply chain management & product responsibility ◆ Internal control, risk management and information protection ◆ Code of conduct and anti-fraud policy
<p>Community Investment</p>	<ul style="list-style-type: none"> ◆ Nourish industry talents ◆ Contribute to the community to fulfil our responsibilities as a good corporate citizen

Environmental Protection

Solomon Systech adopts a “fabless” business model. We focus on the design and development, logistics management, as well as quality control and marketing of IC solutions, and we outsource the manufacturing processes. Highly committed to mitigating the direct impact of our operations on the environment, we have in place clear quality and environmental policies. In 2018, we continued our efforts to introduce the policies into our workplace.

Quality & Environmental Policy

Solomon Systech's customer base comprises some of the world's most renowned and respected electronics corporations, including leading cellular phone brand owners and display module makers. In this context, Solomon Systech is committed to providing high quality products and customer services through continually improving the quality & environmental performance in order to:

- Enhance customer satisfaction;
- Provide benefits to interested parties and the environment;

- Fulfil applicable statutory / regulatory requirements and compliance obligations; and
- Protect the environment by restricting the use of hazardous substances in products and utilizing natural resources prudently and rationally.

To fulfil the environmental policy, we have set clear environmental objectives and targets. The table on P.5 shows our “Environmental Objectives, Targets & Results” in 2018, in comparison with those in the previous two years.

In addition to these environmental objectives and targets, we also strive to utilize natural resources prudently and rationally. The table below shows the electricity, paper and packaging materials consumed and also the non-hazardous waste disposed in 2018 in comparison with 2017.

Item	2018	2017
Electricity	575,548kWh	598,828kWh
Paper	1,057kg	1,080kg
Packaging Materials:		
- Plastic	54kg	38kg
- Paper	490kg	239kg
Non-hazardous waste	1,456kg	1,340kg

Both electricity and paper consumption in 2018 decreased. The packaging materials (plastic and paper) and non-hazardous waste consumption increased slightly due to increased total product shipment and an increase in the number of shipments in smaller quantities.

Given our business nature, we have **minimal impact** on air emissions, including NOx, SOx, and other pollutants; as well as greenhouse gases including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Also, we have not produced any hazardous waste.

Water consumption data is not reported, since we operate in leased office premises, of which both the water supply and discharge are solely controlled by the building management.

Environmental Objectives, Targets & Results (2016 - 2018)

Objectives	Targets	2018 Results	2017 Results	2016 Results
1 Reduce electricity consumption	Reduce 0.2% vs. 2017 average consumption	<ul style="list-style-type: none"> Reduced by 8.8% year on year 	<ul style="list-style-type: none"> Reduced by 4.68% year on year 	<ul style="list-style-type: none"> Reduced by 0.68% year on year
2 Encourage recycling	Conduct 2 recycling programs	<ul style="list-style-type: none"> Centralized paper recycling Gold recycling 	<ul style="list-style-type: none"> Centralized paper recycling Gold recycling 	<ul style="list-style-type: none"> Centralized paper recycling Gold recycling
3 Enhance staff's environmental protection awareness	Organize 3 environmental protection related activities for staff	<ul style="list-style-type: none"> Red packets recycling Rechargeable batteries recycling Weekly green tips 	<ul style="list-style-type: none"> Red packets recycling Rechargeable batteries recycling Weekly green tips 	<ul style="list-style-type: none"> Red packets recycling Rechargeable batteries recycling Chinese New Year Gifts' Transfer Weekly green tips
4 Compliance with environmental legal requirements	Zero complaint on environmental legal requirements	No complaints received	No complaints received	No complaints received
5 Compliance with customer's environmental requirements	Zero complaint on customers' environmental requirements	No complaints received	No complaints received	No complaints received



Green thinking and green operations

We also strive to instill “green thinking” and a passion for sustainability among employees by introducing a range of measures and organizing a variety of activities to engage our employees to help protect the environment.

Apart from red packets recycling and rechargeable batteries recycling, we also:

- Installed office automation systems to handle internal applications and approval procedures online, aiming for creating a paper-less office.
- Supported “Earth Hour 2018” by switching off the lights during lunch every day for one hour; and

- Share with employees weekly “Green Tips”, i.e. simple but feasible energy-saving measures in the workplace.

During the year, we have complied with relevant laws and statutory requirements on environmental protection, and also customers’ environmental requirements, with no complaints received.

Design to minimize environmental impact

Low power consumption design has become one of the most important design requirements for smartphones, tablets and many other consumer and industrial applications. Our IC products and system solutions are the key components to lower the power consumption of these applications. In striving for environmental excellence while also enhancing customer satisfaction, we are committed to continuously producing innovative products and also improving the eco-features of our products by enhancing their energy efficiency.

All of our products are Restriction of Hazardous Substances (RoHS) compliant and halide-free. In addition to the ten hazardous substances banned by RoHS requirements, we have extended our product testing to ensure restriction of use of more than 30 hazardous substances in compliance with Sony’s SS-00259 Management Regulations.

We have also earned ISO 14001 certification for our environmental management systems and procedures.



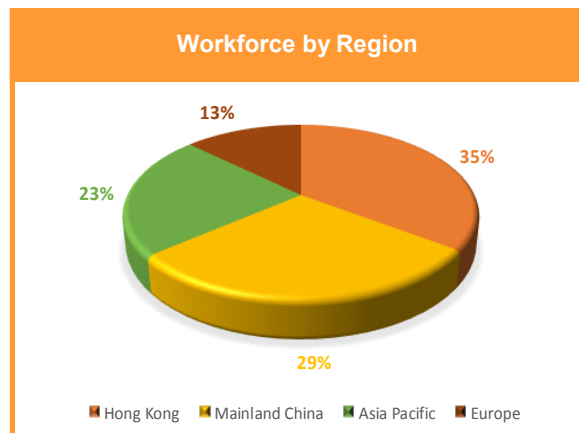
EMS 524601



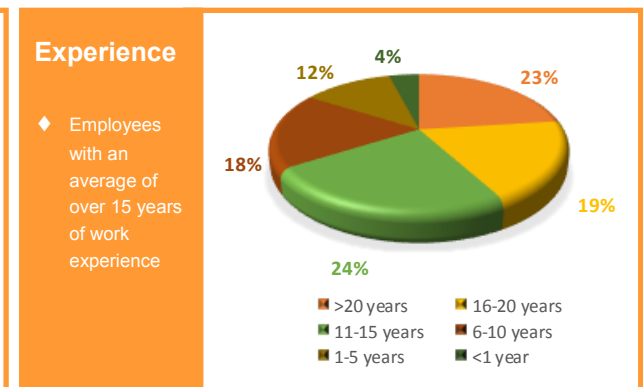
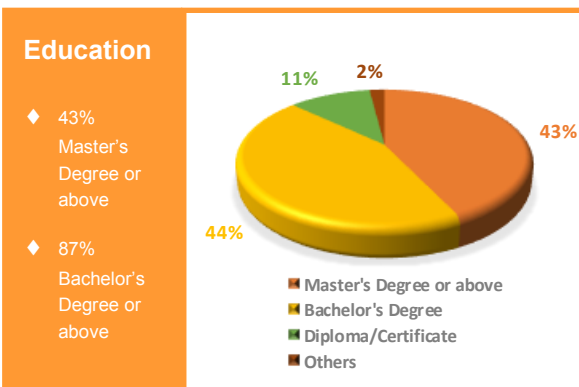
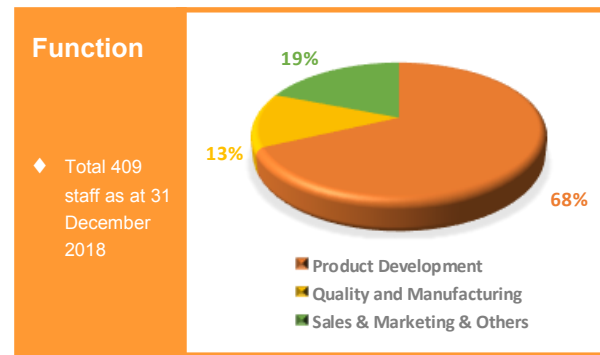
Employees and Workplace Quality

Our approach to ESG extends to the way we treat our people — our most valuable asset. We strive to maintain a work environment that respects and supports human rights, foster a “Continuous Learning” culture and innovative spirit, provide them with an open, supportive and healthy workplace. We also motivate and reward our people for their hard work and achievements.

As at 31 December 2018, the Group had a total headcount of 409 employees (excluding workers at its manufacturing subsidiary in China). Of the entire workforce, around 35% were based in the Hong Kong head office, with the rest located in Mainland China, Asia Pacific (Taiwan, Korea and Japan) and Europe.



About 87% of the Group’s employees hold a bachelor’s degree or above, and around 43% have obtained a master’s degree or higher academic education. The Group’s emphasis on research & development and new product innovation is reflected in the composition of our workforce, as 68% are engineers specializing in product design and development. The entire team has, on average, over 15 years of working experience.



Note: Data as at 31 December 2018. Data in all charts exclude the manufacturing subsidiary.

Respect labor and human rights

Solomon Systech is always committed to maintaining a work environment that respects and supports human rights for all of our employees around the world. We have in place a set of well-defined Human Resources Policies and Procedures, and we comply with the statutory and regulatory requirements related to labour and equal opportunities. During the reporting period, there were no cases of non-compliance with the relevant regulations of our operating locations.

We adopt a zero tolerance policy regarding child or forced labour. We ensure that the compensation and benefits for our employees comply with or exceed the minimum legal requirements of the country where employees are employed. For example, we provide full paid sick leave to employees in our Hong Kong office. Our leave entitlement also exceeds the statutory minimum.

We also adopt family-friendly practices by providing special leave for marriage, newborn baby, etc., apart from maternity and paternity leave. To allow employees to have more flexibility to meet family needs and personal obligations, the Group has also adopted the policy of “Flexible Work Hours” since 2016.

Foster continuous training and development

As a technology company, “Innovation” is what puts us at the forefront of the industry. Our employees are our key drivers for innovation and thus are pivotal to our development. Committed to unleashing the full potential of our employees, and fostering a “Continuous Learning” culture and innovative spirit at Solomon Systech, we provide training courses and workshops to employees, and strive to ensure that they become continuous learners with enhanced capabilities to create and innovate.

In 2018, the Group dedicated a total of 4,503 man-hours to training and development (an average of 11 man-hours per employee), covering industrial and technical training, and others including corporate governance, project management, internal controls, etc.

Apart from in-house training, the Group has also encouraged employees to take external job-related courses. We have the Training Sponsorship Scheme in place to sponsor full or partial tuition fees of the external job related courses taken by employees.



Provide an open, supportive and healthy workplace

Solomon Systech promotes a culture of honest, transparent communication, to create an open and collaborative work environment that increases job satisfaction. We conduct monthly “Operations Review” and quarterly videoconferences (“Mass Communication Meetings”), to inform employees about the current status of the business, our strategy and other topics of importance. We also use the intranet as a key platform for sharing information with employees on corporate strategy and activities, events and achievements. There is also a direct communication email platform, “CEO Mailbox”, to encourage anonymous communication between individual employees and the CEO.

We advocate sharing and interactive communication among employees to foster collective creativity and a long-term commitment to the Company. All departments are encouraged to hold information-sharing sessions and departmental gatherings.

Solomon Systech invests in the health, safety, and wellness of our employees, and complies with relevant legal and statutory requirements on occupational health and safety. We provide a safe working environment and health insurance covering medical, disability, accidental and life benefits to eligible employees. During the reporting period, no work-related fatalities were recorded.

To help our staff strike a healthy work-life balance and also promote team building, a variety of employee relations activities were organized in 2018 for employees and some also for their families.

Apart from corporate events including the anniversary lunch, activities organized in 2018 included team building activities such as Escape Room Challenge and 3-mile Team Walk; educational workshops including Ukulele lunch workshop, Oxfam’s “Water and Poverty” parent-child workshop and Chinese herbal tea day; as well as tea gatherings including the mid-autumn festival tea party, dragon boat festival tea party, and Women’s Day snack sharing, etc. We also organized outdoor activities including the summer barbecue party, Christmas barbecue party, a day trip to Ziqinghu Eco-tourism Resort, a cycling trip at Sinfong Wetland, etc.





Motivate and reward our people

Aiming at motivating, retaining and rewarding employees, there were selected employees with share options granted earlier and vested during 2018 in appreciation of their excellent performance and contributions.

We offered the “**NPI First Order Award**”, and also performance-based cash reward schemes, including the “**KPI Incentive Program**”, the “**Profit Sharing Incentive**” and also the “**ES1 MP Award**” which was granted for new products which garnered design wins for mass production with the first sample ready, as that would greatly enhanced revenue generation and cost reduction.

The “**Patent Granted Award**” was in place to encourage and reward technological innovation, while the “**Long Service Award**” was granted to employees of long standing.

In recognition of our continued commitment in fostering a happy workplace culture and raising the happiness-at-work level of the workforce, the Group was again awarded the “**Happy Company**” label in 2018. The award was under the “**Happiness-at-Work Promotional Scheme**” jointly launched by the Promoting Happiness Index Foundation and the Hong Kong Productivity Council.



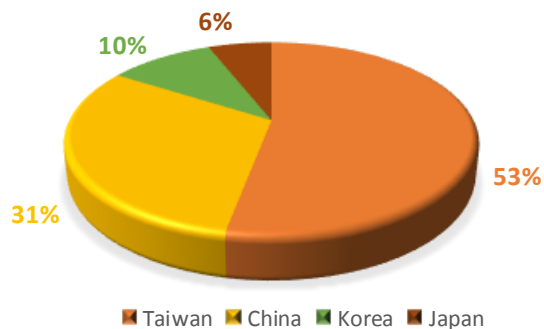
Sustainable Operating Practices

Supply chain management & product responsibility

We strive to manage our supply chain in a socially and environmentally responsible manner to promote sustainability in the marketplace and create long-term value for the Group and society at large.

The Group engages suppliers to manufacture, assemble and test our designed products. In 2018, we had a total of 32 suppliers and subcontractors, of which 53% were located in Taiwan, with the rest in China, Korea and Japan.

SUPPLIERS BY GEOGRAPHICAL REGION



We work closely with suppliers to convey our requirements, monitor compliance, improve performance and build capability.

Attaching great importance to quality and environmental protection, we have in place a Supplier Quality Management System to ensure the quality of all aspects related to new product development, procurement, production, service provision, etc.

All of our suppliers are expected to comply with relevant local laws and also the international quality and environmental management standards that we have attained. In 2018, 100% of our suppliers have achieved ISO9001 Quality Management Certification and ISO14001 Environmental Management Certification.

Our suppliers are required to conduct laboratory analysis of raw materials supplied and sign a Green Warranty letter to ensure the raw materials and the manufacturing processes comply with international environmental standards. We also conduct quality reviews annually with our suppliers, who supply over 30% of any specific materials or services.

We assess suppliers' sustainability performance through our business scoreboard. Site audits will be conducted with suppliers based on the rating on the scoreboard, and also when any issues or serious product quality problems occur.

We also embed sustainability into our core business practices by integrating our Code of Conduct and related policies and guidelines into supplier contracts.

With regard to customers, we have in place a well-established working instructions and a two-level system to encourage communication with customers, and to ensure efficient handling of customer enquiries and requests for material returns. The first level is for "Customer Incidents" ("CI"), which focus on the investigation and handling of customer enquiries or complaints. We target to complete each CI with investigation report generated within 7 days of the customer enquiries or complaints. The second level is for "Return Material Requests" ("RMR") through which we handle valid CIs that lead to the return of materials. In 2018, we attained a 78.8% achievement rate for the first level CI handling (compared to 75.2% in 2017), and no products were subject to recalls for safety and health reasons.

We also conduct customer satisfaction survey ("CSS") annually to closely monitor our performance in terms of product development, logistics arrangement, services, quality and price. In 2018, the CSS was conducted with 13 customers in different regions.

Internal control, risk management and information protection

Solomon Systech has set up risk management and internal control systems with a view to helping the Group achieve its key initiatives. They also represent Solomon Systech's efforts in protecting its physical assets, information and technology. The board of the Group oversees its risk management and internal control systems on an ongoing basis.

To facilitate an effective internal control system, Solomon Systech adopted the Internal Control-Integrated Framework issued by COSO. The presence of risk management and internal control systems empowers the Group to implement best business practices in dynamic and challenging business environments.

“Three Lines of Defense” Model

Solomon Systech implemented the “Three Lines of Defense” model as a way of explaining the relationship between functions and as a guide to how responsibilities of risk management should be divided:

- ◆ 1st line of defence: operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks;
- ◆ 2nd line of defence: activities covered by components of internal governance (compliance, financial control, quality, IT and other control departments);
- ◆ 3rd line of defence: internal audit by the Corporate Audit Section (reporting directly to the Audit Committee) to provide assurance to the Group's board of directors and senior management.

The board of the Group reviewed and assessed the effectiveness of the risk management and internal control systems for the year ended 31 December 2018, including financial, operational and compliance controls, and various risk management functions.

For more details about the Group's overall risk management and internal control strategy and framework, please refer to the Corporate Governance Report of the Group's 2018 Annual Report: <http://www.solomon-systech.com/en/page/annual-interim-reports/>.

The proper handling and dissemination of inside information is one of the key considerations in assessing the effectiveness of Solomon Systech's risk management and internal control. With regard to the protection of proprietary information, the Group has in place a “**Protection and Proprietary Information Policy**” which aims to identify, classify and protect information (business, technical or personal) which are confidential or sensitive from inadvertent or unauthorized disclosure, theft, fraud, misappropriation and loss. The policy is posted on the Group's internal intranet site for easy access of employees. An “Internal Control & Information Protection Training” session was conducted in the Hong Kong office in June 2018.

To conform to the General Data Protection Regulation (GDPR), a regulation in European Union (EU) law on data protection and privacy for all individual citizens of the EU and European Economic Area, the Group's UK office distributed a notice to all staff about the GDPR and the Group's data protection policy. A Q&A session was also conducted to answer queries from related staff.



Protecting Intellectual Property Rights

Intellectual Property (IP) rights contribute significantly to a company's assets and market value, in particular to a technology firm like Solomon Systech.

To encourage patent development to reduce IP risk and to strengthen its IP portfolio, Solomon Systech has set up “**Intellectual Property Incentive Program**” and “**Patent Granted Award**” to acknowledge patent inventors. The Patent Committee of the Group is responsible for evaluating new patent applications with respect to development status, intellectual property status, market potential, market maturity, and competing technologies. It also works with a patent attorney on patent application.

In 2018, the Group was granted 9 patents and filed 23 patent applications covering various display design and application areas.



Consumer Data Protection and Privacy Policies

Solomon Systech is a B2B business entity targeting display module makers and electronic devices manufacturers instead of the consumer market. Our data protection and privacy policies focus on business related information, confidential and proprietary information or trade secrets.

Apart from the “Protection and Proprietary Information Policy” as mentioned on page 13, we also sign non-disclosure agreements with our existing or potential business partners to protect non-public business information.

Code of Conduct and Anti-fraud Policy

Integrity forms an essential cornerstone in the foundation of the Group's success. To ensure that the highest standards of integrity are applied to all our business activities, we have in place a **Code of Conduct** and an **Anti-Fraud Policy**. These together with associated policies and guidelines, including Business Principles, Internal Control Policies and Procedures, Human Resources Policies and Procedures, Gift Handling Policies, Finance Policies and Procedures and Protection of Proprietary Information, have provided a strong framework for the operation of the Group.

These policies and guidelines are in line with our shareholders' best interest and legal requirements. All of these policies and guidelines are available on the company intranet for easy access of all employees.

An Anti-Fraud Management Team (“AFM”) comprising the Chief Executive Officer, executive directors, finance VP, human resources director, corporate audit manager and IT manager has been formed to be responsible for the control and administration of the Group's Anti-Fraud policy. All department heads share the responsibility for ensuring that there are mechanisms in place within their area of control to assess the risk of fraud, promote employee awareness of ethical principles subscribed to by the Group, and educate the employees about fraud prevention and detection. All employees have the responsibility to report suspected fraud immediately to their supervisor or a member of the AFM Team.

In 2018, no incident of fraud or misconduct was reported from the employees or stakeholders.



Community Investment

Nourish industry talents & contribute to the community

Solomon Systech is committed to creating positive impacts in the communities in which we operate.

As a key industry player, we focus on leveraging our expertise and resources on talent education and industrial development to sustainably contribute to the economic growth of the communities.

The Group's senior management has been invited to take up advisory roles in the government/statutory bodies to provide counsel on matters relating to the development of the local technology industry, and also sit on the executive boards of major local and international industry associations as well as the advisory boards of local universities and educational institutions, to share their professional experiences and insights. We target to contribute to the development of new talent for the industry and a better society.

We participated in career fairs of local universities to identify industry talents. In addition to offering 16 one-year internships to undergraduates of local universities, we also offer scholarships to top students of accredited universities. In 2018, the Group provided a scholarship to a Master of Philosophy student in Electronic and Computer Engineering of Hong Kong University of Science and Technology.

Also, to enhance the interests and knowledge of young talents on the semiconductor industry and IC design work, we conducted company tours for university students and arranged experience sharing by our engineers.



We have always encouraged our employees to participate in social and community events and to volunteer for good causes. In 2018, the Group became a corporate partner of Oxfam Hong Kong. We invited our employees to participate in Oxfam's "Water and Poverty" parent-child workshop. The workshop, also as a staff recreational activity as mentioned on page 9 of this report, aims to educate children the importance of water-saving. The activity was reported in Oxfam's newsletter.

The Group supported the Orbis Lai See Raffle Charity Sales 2018 and distributed to all Hong Kong staff Orbis Lai See Raffle tickets together with red pocket money at the Chinese New Year Festival. The Group's UK office also donated to Two Saints, a charitable organization helping the homeless, vulnerable people or those in need of support to build a brighter future.



In recognition of our continuous efforts in fulfilling our responsibilities as a good corporate citizen, in 2018, the Group has been named as a "Caring Company" by the Hong Kong Council of Social Service. We also obtained the "Corporate Citizenship Logo" (Enterprise Category) under the Hong Kong Corporate Citizen Program co-organized by the Hong Kong Productivity Council and the Committee on the Promotion of Civic Education. The program recognizes corporations with good corporate social responsibility (CSR) performance in four aspects - employees' well-being, sustainability, business ethics and contribution to society.

Water and Poverty – A parent-child workshop for Solomon Systech

Solomon Systech joined Oxfam's 'Water and Poverty' parent-child workshop in mid-August. By encouraging them to think about daily life and through the use of picture books, the kids saw how a lack of water would impact their lives tremendously. They were also asked to complete several difficult tasks. For instance, they needed to filter and get clean water with limited resources, and come up with an invention to solve these problems in a creative way.

Oxfam offers a series of educational workshops for corporate partners. Interested parties can book a session for their own companies and invite staff and their families to join. These workshops are both thought-provoking and meaningful. Please contact ChristineN@oxfam.org.hk to learn more about Oxfam's workshops.



HK Stock Exchange ESG Guide Content Index

KPI	Description	Page Number	Remarks
A. Environmental			
A1	General Disclosure — Emissions	4 - 6	
A1.1	The types of emissions and respective emissions data	N/A	Due to the nature of Solomon Systech's business, this KPI is considered not material.
A1.2	Greenhouse gas emissions in total and intensity	N/A	Due to the nature of Solomon Systech's business, this KPI is considered not material.
A1.3	Total hazardous waste produced and intensity	N/A	Due to the nature of Solomon Systech's business, this KPI is considered not material,
A1.4	Total non-hazardous waste produced and intensity	4	
A1.5	Description of measures to mitigate emissions and results achieved.	5 - 6	
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	5 - 6	
A2	General Disclosure — Use of Resources	4 - 6	
A2.1	Direct and /or indirect energy consumption by type and intensity	4	Indirect energy consumption (electricity) was measured and reported.
A2.2	Water consumption in total and intensity	N/A	We operate in leased office premises of which both the water supply and discharge are solely controlled by the building management.
A2.3	Description of energy use efficiency initiatives and results achieved.	5 - 6	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	N/A	Due to the nature of Solomon Systech's business, this KPI is considered not material.
A2.5	Total packaging material used for finished products and with reference to per unit produced.	4	
A3	General Disclosure — The Environment and Natural Resources	4 - 6	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4 - 6	

HK Stock Exchange ESG Guide Content Index (Cont'd)

KPI	Description	Page Number	Remarks
B. Social			
B1	General Disclosure — Employment	7 - 11	
B1.1	Total workforce by gender, employment type, age group and geographical region.	7	Total workforce by gender is not reported, as it is an industry norm for the semiconductor industry to be male-dominated.
B2	General Disclosure — Health and Safety	9	
B2.1	Number and rate of work-related fatalities.	9	There were no reported cases of work-related fatalities.
B3	General Disclosure — Development and Training		
B3.2	The average training hours completed per employee by gender and employee category.	8	The average training hours completed per employee is reported, but not by gender and employee category
B4	General Disclosure — Labour Standards	8	
B. Operating Practices			
B5	General Disclosure — Supply Chain Management	12 - 14	
B5.1	Number of suppliers by geographical region.	12	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	12	
B6	General Disclosure — Product Responsibility	12	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	12	
B6.2	Number of products and service related complaints received and how they are dealt with.	12	

HK Stock Exchange ESG Guide Content Index (Cont'd)

KPI	Description	Page Number	Remarks
B. Operating Practices			
B6.3	Description of practices relating to observing and protecting intellectual property rights.	14	
B6.4	Description of quality assurance process and recall procedures.	12	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	13-14	
B7 General Disclosure — Anti-corruption			
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	14	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	14	
B. Community			
B8 General Disclosure — Community Investment			
B8.1	Focus areas of contribution	15 - 16	



Solomon Systech (International) Limited

6/F., No. 3 Science Park East Avenue
Hong Kong Science Park
Shatin, New Territories, Hong Kong
Tel: (852) 2207 1111 Fax: (852) 2267 0800

www.solomon-systech.com