

## Communication On Progress from 2017 to 2018.

温州宏丰电工合金股份有限公司  
**Wenzhou Hongfeng Electrical Alloy Co., Ltd.**

—电接触复合材料的创领者

---The leading producer of electrical contact composite materials



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## Chapter1.Letter from General Manager

Dear Mr. Secretary-General,

Wenzhou Hongfeng Electrical Alloy Co., Ltd. was established in September 1997. It is a leading integrated solution supplier and the first public company in the field of electric contact functional composites in China. That made us the worthy leader in electric contact composites.

Over the past 20 years and more, the path we have taken has been extraordinary, and the results have been spectacular. Even in this treacherous international environment, We are still adhering to the spirit of the 19th CPC congress, never forgetting the original intention and keeping the mission in mind. Follow the 10 basic principles of the union global compact on human rights, labor, environment and anti-corruption. To meet the needs of The Times can we forge an infinite future.

The development of an enterprise cannot be separated from the development of its employees, also the environment policy development, and the enterprise culture development. I believe the Belt And Road initiative also applies to the 17 sustainable development goals set out in the UN 2030 agenda for sustainable development. We are not satisfied with the existing achievements. To keep up with outstanding enterprises, we will learn from their corporate culture. Thanks a lot to the global compact for providing such a great platform for us to discuss and progress together. We will do more over the next year to protect our employees' rights and interests, avoid environmental pollution, reject bribery and extortion, actively eradicate poverty, and promote the progress of global sustainable development.

Sincerely yours,

General Manager

ChenXiao

2018/10/16

## Chapter2.Human Rights Principles

Principle 1: Business should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses

### Assessment, policy and goals

The degree of civilization is closely related to our respect for individual rights. The more civilized a society is, the more respect and understanding it has for human nature. Therefore, as a conscientious enterprise with social responsibility, Hongfeng has written our respect for human rights into our employee handbook.

Hongfeng shall not discriminate against any employee for any reason such as age, race, gender, sexual orientation, marital status, religious belief, national extraction or disability. We are to guarantee our employees a fair working environment and protection from the loss of their jobs. All employees without any discrimination whatsoever have the right to equal pay for equal work. Many employees who left before will return to Hongfeng again, because the door is always open to our old employees.



### Implementations

For every new recruit from all over the country, we will give them a training about our company production line. Make them aware of the company's basic knowledge and production model. At the same time, they will have a general understanding of



our overall organization. In this way, they will have self-awareness about their career. Every position in the company is equal and open, and it is needed self-orientation that needed. We respect the individual voice and choice of every employee.



At the same time, we also provide excellent salary and learning opportunities for each position. On the one hand, we conduct performance reviews to ensure that employees are paid in proportion to the value of their labor; on the other hand, we resist the culture of overtime work. Because overtime work means more time and effort, employees are less motivated and less productive in the long run. It's not worth it to the company nor the employees. In the off-duty time, we hope that employees can use it to recharge, regulate their physical and mental state and improve their comprehensive quality. To this end, we provide libraries and gyms to meet the physical and mental needs of our employees. You can ask your leaders and colleagues about everything at work, and there will be regular training sessions to enrich everyone's skill tree.



We respect the legitimate rights and interests of our employees, so our suppliers are wanted. To root out human rights abuses, companies need to go further down the line. The closer you get to the source, the more difficult respect for human rights will become. Only through one pass one, can we implement human rights defense. That's where UNGC stand. So we signed a "supplier code of conduct" to call on our

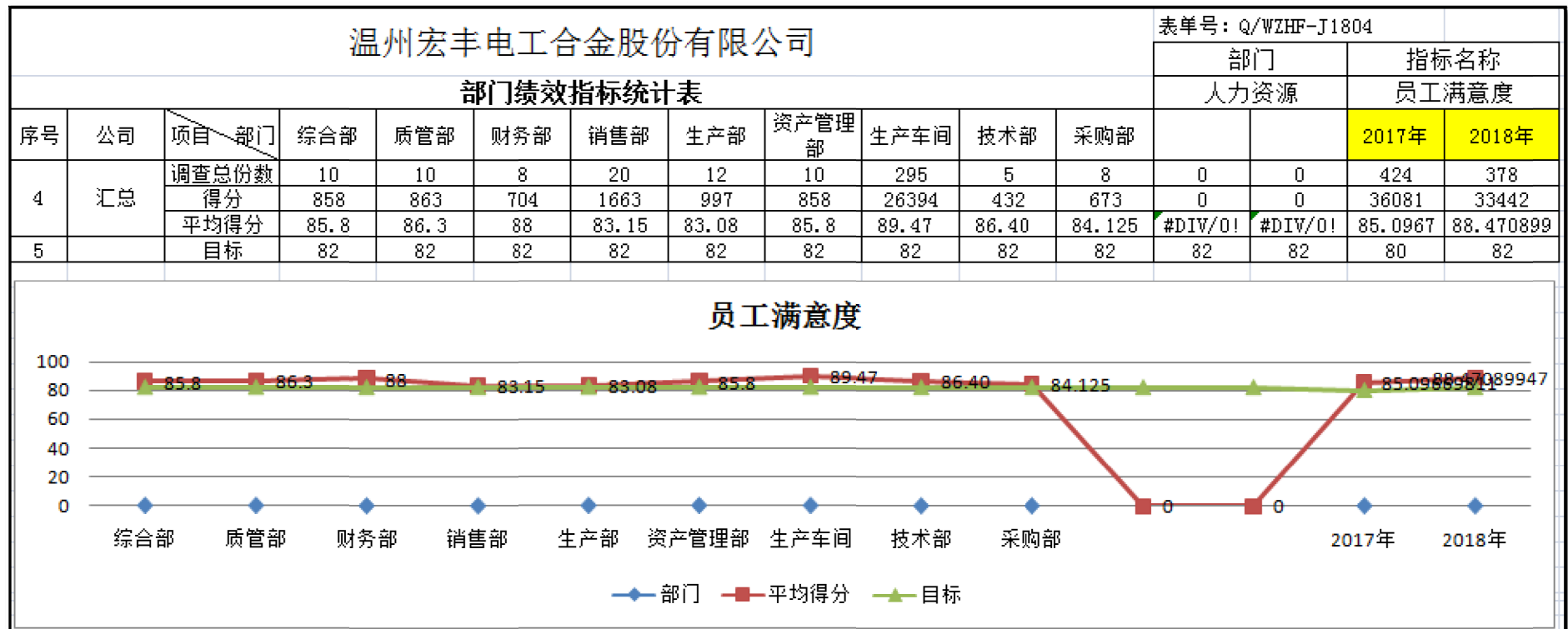
suppliers respect the human rights. It shows our determination to implement personal rights, but also calls on suppliers to fulfill their basic obligations.

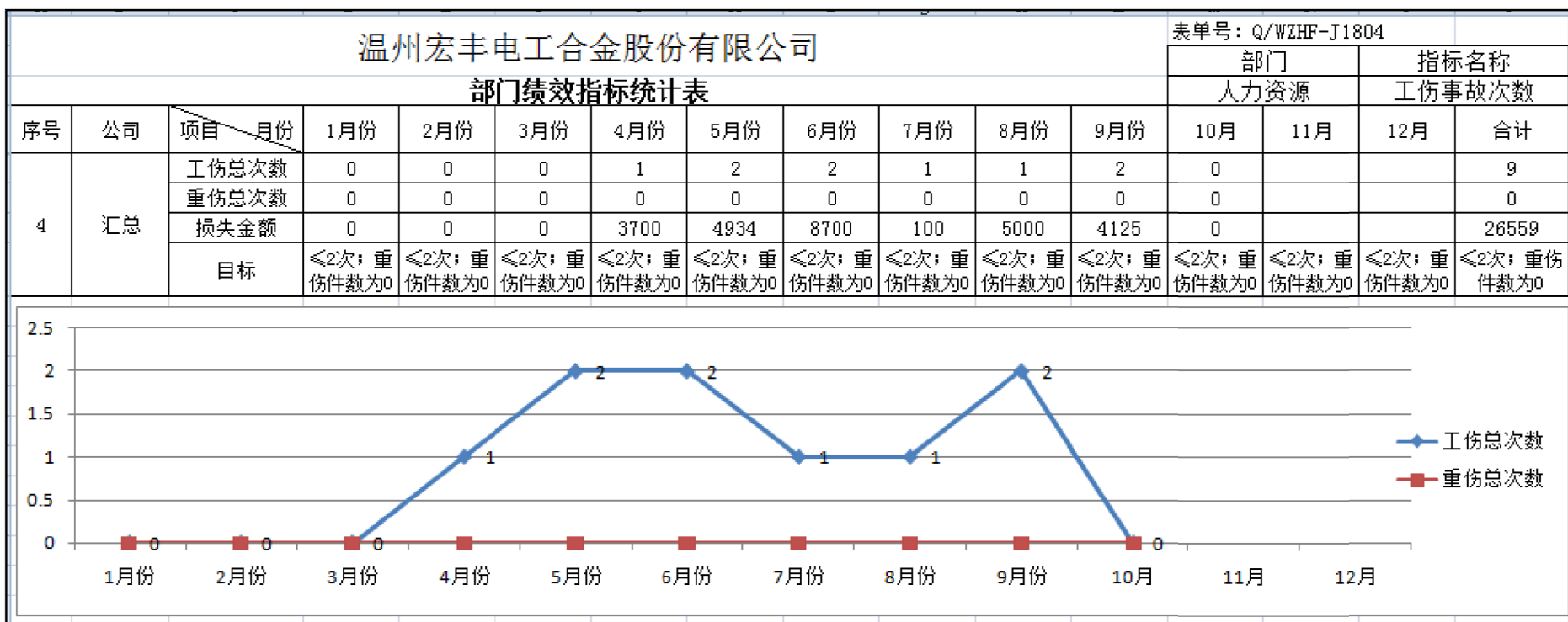
The metals we produce may involve conflict minerals. Meanwhile serious human rights and environmental problems have been caused by the exploitation of rare metals such as silicon-black tungsten coltan and gold in the DRC and surrounding countries and regions. So we enacted Conflict Minerals Management. Eliminate the circulation of conflict minerals. Visit the website blow for more information.

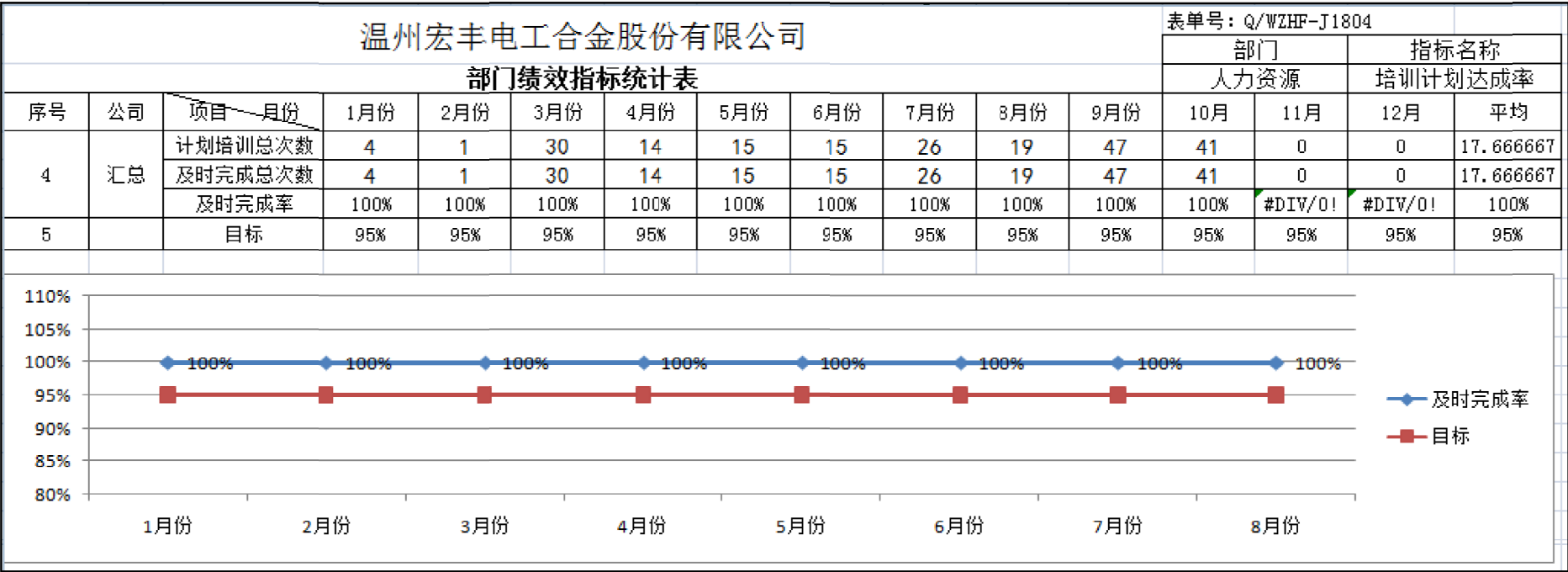
[http://www.wzhf.com/read\\_news.asp?id=529&title=%E5%86%B2%E7%AA%81%E7%9F%BF%E4%BA%A7%E7%AE%A1%E7%90%86%E6%96%B9%E6%B3%95](http://www.wzhf.com/read_news.asp?id=529&title=%E5%86%B2%E7%AA%81%E7%9F%BF%E4%BA%A7%E7%AE%A1%E7%90%86%E6%96%B9%E6%B3%95)

## Measurement of outcomes

There are KPIs indicate the management of human rights, specifically employee satisfaction, quantity of industrial injury accident, professional development training. By regularly review those indicators; adjustments can be made in time.







Chairman MAO once said: the body is the capital of revolution. To an enterprise it's employee's body. To pay attention to the health of employees is to pay attention to the health of the enterprise itself. Health checks for all employees were successfully completed this year. Most diseases can be turned away by precaution, early detection, and early treatment. The employee who failed physical examination can change his post, take a rest in another turn or a long holiday to cooperate with the doctor. Physical sustainable development is the foundation of a company's sustainable development.



We pull full respect for human rights to form a company's management culture. We are willing to respect each employee's value and personal freedom, to give employees the greatest trust, try to meet the request of the staff, to create unity, harmony, optimistic overall atmosphere.

## Chapter3.Labor Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employment and occupation

## Assessment, policy and goals

Hongfeng now developed into an enterprise have 1300 employees hired from more than 20 cities and over 100 areas in China, including 7 nations. Through system training and unitary arrangement they are enjoying their works at Hongfeng. Periodically they may be gathered to learn ten principles of the Global Compact and we encourage our customers and suppliers to join Global Compact and take actions to support ten principles.

Hongfeng respects its employees' right to associate freely, form or join organizations of their choosing and to bargain collectively in accordance with recognized international instruments, local laws and regulations, in full freedom and without fear of reprisal, intimidation or harassment. Hongfeng is committed to conduct collective bargaining with employee representatives of a legally recognized union.

Everyone is free to join the labor union, so each voice can be integrated into the group. At the same time, we are committed to eliminating all forms of compulsory and forced labor. In response to government regulations, everyone can work no more than 40 hours a week. Set Sundays as mandatory rest days. People under 18's shall

not be employed. This regulation has been written into our employee manual and recruitment information on poster. Not only our company, had we also demanded all suppliers take part in obeying labor principles.

The company encourages equal dialogue and communication among employees, between superiors and subordinates, between employees and the company. And committed to creating harmonious, honest relationships, Maintain a working atmosphere of harmony, mutual trust and common progress.

Hongfeng will treat every employ with respect and dignity and will not tolerate discrimination or harassment of any kind. Employment-related decisions are based on a variety of relevant factors such as qualifications, skills, performance and relevant experience.



## Implementations

To ensure an equal, fair and free working environment for employees, we provide multiple channels of appeal. If an employee's legal rights and interests are violated, he can first send an email directly to the general manager or call the general manager to complain. Of course, there are some other opinions that can be presented to management layer through the form of a suggestion box. These comments, of course, can be made anonymously for the benefit of the sponsors. We pledge that no consequences or liability will be pursued against the proposer.

In order to improve the enthusiasm of employees, we also conducted anonymous questionnaires to some important departments and employees. The content of the questionnaire includes the satisfaction with the recruitment process and the existing work. If they have any Suggestions, they can directly feedback on the questionnaire for us to make improvements.

The combination of work and rest is a sustainable development model for employees.



We are gradually improving from an enterprise that struggles on the front line every day. Normalization and humanization are our development trends. Therefore, in order to adjust employees' schedules reasonably and keep them in a benign working state, we issued mandatory rest policies and Overtime Work Management.

<b>温州宏丰电工合金股份有限公司</b>	
<b>温宏综字[2012]第027号</b>	
<b>通 知</b>	
各部门、车间：	
为保障安全生产，缓解员工工作压力，经公司领导研究决定，从7月14日起公司严格实行每周日强制休息制度，杜绝星期日加班。各车间主任根据具体生产情况，提前做好工作进度与任务。	
特此通知。	
温州宏丰电工合金股份有限公司	
综 合 部	
二 零 一 二 年 七 月 十 四 日	
主 题 词：杜绝加班	
主 送：总经理、副总经理	
发 送：各部办、各车间	
共印 30 份 存档 1 份	

Hongfeng is committed to providing a safe and healthy working environment, to minimizing the risk or accidents. We will provide the facilities, training and protective equipment necessary to ensure a safe workplace for all our employees. We will facilitate reporting of unsafe factors. We are committed to ensuring the physical security of all employees.

Various labor protections were prepared, according to the environment and job content in different workplace. Wear earplugs in noisy workshop staff. Wear dust masks in dusty areas. Wear safety shoes in products transporting.



Everyone was born equally and freely, rights of our employees should be protected. Different from traditional enterprises, our company respects the equal competition rights of every employee when applying for the management position. So in March and April of this year, we held a competition meeting for quality manager and technical supervisor respectively. Firstly, Candidates from different positions, departments and workshops can register. And then the contestants make a speech about themselves. Finally, the company's executives and workshop management voted in secret for the winner.



In order to erase the gap between employees and company, superiors and subordinates, we also organized a new round of activities for employees' children this summer. Show them around the Wenzhou museum, meticulously prepare them gifts. Humanistic care for employees should also benefit employees' family members. This is Hongfeng's unique outstanding corporate culture. Only when employees have a warm and harmonious home can they complete their work with ease.





## Measurement of outcomes

One figure to show their freedom to association will be our union staff ratio reached 83%. Gifts are delivered every woman's day and other important festivals.

By limiting the age in recruitment and submitting process data, company cannot employ child Labor, Protecting minors receive due education at protected age.

More comprehensive safety measures have result in fewer workplace accidents this year than last year. The visible improvement of management level not only ensures the life safety of employees, but also reduces the company's risk costs. During the

implementation of the Sunday mandatory rest regulation and Overtime Work Management, the working hours of employees have significantly decreased. It avoids inefficient overtime work, improves employee productivity and reduces the company's production costs and energy consumption. Many purposes were served at the same time; our business has successfully opened up an efficient mode.

By conveying those four basic labor principles, Hongfeng now is in a harmony and highly motivated atmosphere. Everyone was born equally and freely, rights of our employees should be protected, rights of every labor should be protected. That's our final goal also UNGC's future.

## Chapter4.Environmental Principles

Principle 7: businesses support a precautionary approach to environmental challenges;

Principles 8: undertake initiatives to promote greater environmental responsibility;

Principles 9: encourage the development and diffusion of environmentally friendly technologies

## Assessment, policy and goals

In the spirit of strengthening environmental protection, saving resources, energy and pollution prevention and continuous improvement, It is also to implement company environmental policy, According to the standard requirements of GB/ t24001-2016 idtISO14001:2015, we have established an environmental management system.

Observe the laws and regulations; strengthen the process control; save energy and consumption; realize continuous improvement; promoting environmental protection; Environmental protection is not only a responsibility, but also a task. Under the guidance of the environmental policy, the company should set the environmental goal, and achieve the goal, make continuous improvement, and take practical actions for the creation of a green homeland.

## Implementations

In order to protect the environment, we first start from our own products. Consider the ecological at the beginning of product development design. Therefore, our technological research and development direction is on environmental protection products. The products recommended to customers are mainly in line with ROHS.

When the original products of customers are not environmental, we also offer the switching scheme to promote the application of environmental products.



We also issued a variety of internal energy conservation notice. Including setting a reasonable temperature range for air conditioning, apply LED lighting, Promote paperless office and teleconference system, patrol whether the computer, lights and other equipment are switched off after work. These strategies help reduce operating costs and company's carbon emissions.

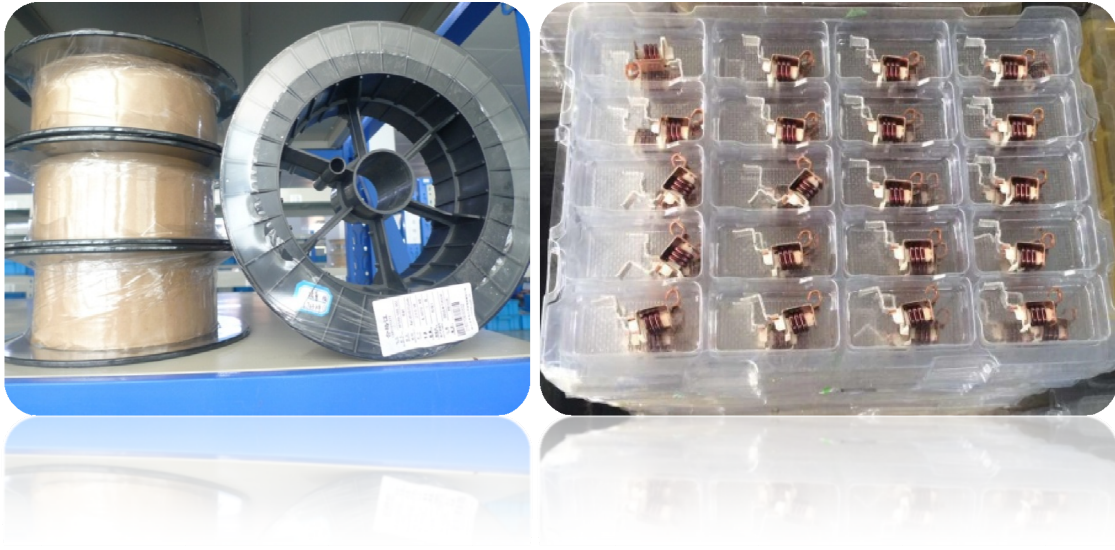


In terms of water, we also strive to import advanced equipment to realize water recycle and reduce sewage discharge. Our 2t/h MVR evaporative crystallization equipment can treat up to 48 tons of waste water a day. The application of automatic sensing water discharge facilities completely avoids the phenomenon of man-made waste of water.



Because of the specificity of our company's products, Massive materials can be recycled from our customer or next procedure. Therefore recycle contract with customers helps us cut down cost of production and need of raw material.

Packaging materials are also important resources to recycle. Because most of those are plastic which is extremely harmful to environment if disposed improperly. So we designed many recyclable package materials. In this way, quality of product can be ensured, economy and greenly. Pictures below show those materials.



We also updated the ISO14000 certificate this year. Managing our company by this tool wins us approbation from customers domestic and overseas. As a rapidly developing enterprise, we realize the importance of establishing environmental image. By reducing exhaust gas emissions; fight pollution; and managing equipment for water purification, we also have been certificated by local environmental authority.





## Measurement of outcomes

Through these measures, we have reduced electricity consumption, water consumption and carbon emissions this year. See the statistical chart for further information.

## 温州宏丰电工合金股份有限公司

### 2018年度公司指标目标管理方案

分类	指标内容	18年目标	18年实际值	19年目标
环境指标	COD达标排放	100%	100%	100%
	单位用电用水能耗下降	较17年下降5%	6.20%	较18年下降5%
	环境问题培训率	90%	96%	96%

For several years, there are zero penalties for environmental problem.

Of course, these achievements alone are not enough, while developing ourselves, we also need to integrate the concept of environmental sustainable development into the enterprise. Actively confront environmental risks, take the responsibility of environmental protection, and increase investment in environmental technology. These strategies show us the way forward, ahead of The Times.

## Chapter 5. Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### Assessment, policy and goals

In the production and business operation and commercial activities, some illegal operators often obtain initiative and competitive advantages through bribery, crowding out other honest operators. Therefore, many operators do not want to improve their product quality and service level, but to commercial bribery, corrupt social ethos and industry rules, forming a vicious cycle and competition.

In order to effectively promote the anti-corruption and anti-bribery work of commercial activities, we have promulgated Anti-corruption and Anti-bribery Management. Strengthen the internal control of the enterprise, be honest and trustworthy, and establish the business philosophy with law-abiding and quality service as the core. Combined with the actual situation of the company, strengthen institutional supervision and promote institutional anti-corruption. We will strengthen oversight and management upon personnel in key and positions that are prone to corruption, and ensure that undertaking business bribes will be punished. Strictly observe the fair competition rules. Guide the company's management layer and related interest groups (such as customers, suppliers, etc.) to act in accordance with the law. Consciously resist the negative and corrupt phenomena such as selfish, harm public interests, lack of credit and fraud, etc. Establish a good corporate image.

### Implementations

Hongfeng Company, its employees or intermediaries, should not make direct or indirect contributions to political parties, party officials, candidates, organizations or

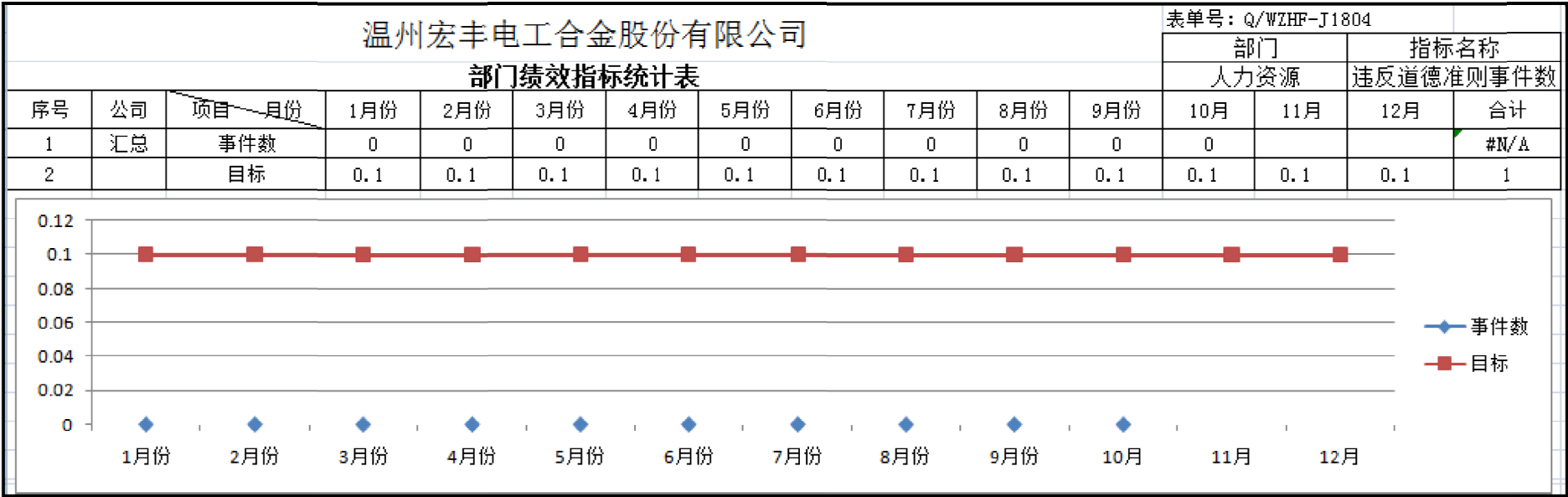
individuals engaged in politics, as a subterfuge for bribery. An anti-corruption and bribery commitment is asked to sign on for everyone. Contents Include

- 1) Obey the legislations about forbidding business bribery in *Law of the People's Republic of China on Anti-unfair Competition, Penal Code*.
- 2) No gifts shall be accepted in the name of the company or individual.
- 3) Do not claim suppliers and partners for any expenses that should be paid by individuals.
- 4) Do not use authority to take claims from suppliers or partners.
- 5) Do not participate in the partner's dinner and play paid by public funds.
- 6) Do not arrange relatives and friends to contract projects or supply products and equipment in partner.

Secondly, we arranged an internal anti-corruption and anti-competition audit in October. The audit result shows: The anti-corruption and Anti-bribery Management measures are complete, the signing of the anti-corruption commitment letter is timely and true, the anti-corruption training and publicity are in place, and the anti-corruption and anti-graft management work is confirmed to be effective and comprehensive.

Measurement of outcomes

Through the unremitting promotion of management layer and Human resources department, anti-corruption has been widely recognized in the company. When all people realize the seriousness of corruption, people will naturally avoid it.



Corruption can occur in any position. The occurrence of internal corruption in enterprises involves almost all business processes, including: Design and development, procurement, production, sales, human resource management, customer service and so on. Therefore, start from the grassroots, strengthen enterprises against corruption, and vigorously develop a clean culture. This kind of enterprise culture atmosphere will definitely affect a large circle of families, social organizations, related enterprises and institutions centered in enterprise.

Corporate culture is a double-edged sword. Fighting corruption can promote a good corporate culture. At the same time, excellent corporate culture can curb the development and spread of corruption. So in the New Year, we will polish a more probity and glorious corporate culture.

### **Contact us**

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