VTech Holdings Limited
HKSE: 303

Sustainability Report 2016

About this Report

VTech published its first Sustainability Report for the financial year 2013. The purpose of the report was not only to communicate our sustainability strategies, management approaches and performances with our stakeholders, but also comprehensively introduce our ongoing activities for our sustainable development toward the societies and environment in which we operate.

VTech considers sustainability as a direction for our long-term development. In our Sustainability Report 2016, we not only continued to follow the Core option of the Global Reporting Initiative (GRI) Sustainability Reporting G4 Guidelines (G4 Guidelines) and its principles of balance, comparability, accuracy, timeliness, clarity and reliability, but also made reference to the updated Stock Exchange of Hong Kong Limited (the Stock Exchange) Environmental, Social and Governance (ESG) Reporting Guide (ESG Guide)[1] to define our report content. In order to identify and assess the material concerns of our stakeholders, we have also conducted materiality assessment surveys through a number of stakeholder engagement activities to determine the factors that have material impacts on our sustainable growth, and included them in the summary of our sustainability strategies and targets.

Reporting Period and Scope

The scope of this report includes data and activities from our headquarters in Hong Kong, our three manufacturing facilities in China and overseas sales offices, unless specifically stated otherwise. During the financial year 2016 (FY2016), there were no significant changes in VTech's operation locations, share capital structure, location of suppliers or our supply chain structure.

Reporting period: FY2016 (1 April 2015 to 31 March 2016), as per the financial period of our Annual Report 2016. The Sustainability Report is issued on an annual basis.

Organisation covered: VTech Holdings Limited and its subsidiaries (the Company).

Assurance

This report was subject to VTech's internal audit process and reviewed by the Company's Audit Committee.

Reference Guidelines

GRI G4 Guidelines
Stock Exchange ESG Guide

Full details of the VTech Sustainability Report 2016 are available on www.vtech.com/en/sustainability/

1 *Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*

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Chairman's Message

> Our sustainability vision is to design, manufacture and supply innovative and high quality products in a manner that minimises any impact on the environment, while creating sustainable value for our stakeholders and the communities.

VTech's sustainability vision is to design, manufacture and supply innovative and high quality products in a manner that minimises any impact on the environment, while creating sustainable value for our stakeholders and the communities. In our Sustainability Report 2015, we have developed a Sustainability Plan 2020 for the financial years from 2016 to 2020 (FY2020). It has not only identified our short-term goals with activities to be achieved in FY2016, but also defined the actions and programmes to be implemented toward the achievement of our long-term targets in FY2020.

I am pleased to inform you that our commitments and efforts toward the long-term sustainability plan have continued to achieve remarkable results for the Company in FY2016. Our products for customers' health and safety including the new series of video baby monitors, different playsets of Go! Go! Smart family for the children, and eco-friendly products for the environment were well received by the customers. We are also committed to building on our sustainability foundation to further expand our footprint in the toy market of children's learning and development. On 4 April 2016, VTech has completed the acquisition of LeapFrog Enterprises, Inc., which is a very strong educational toy brand in the industry.

Our dedication to high performance production chain and green manufacturing programmes has also continued to deliver solid improvements in our productivity and cost efficiency. We have achieved notable reduction in the electricity consumption and thus lower carbon emission to the environment. As a global company with approximately 27,400 employees and operations in 11 countries and regions, we also provide a decent and safe working and living environment for our employees as the Company grows, and strive to achieve international Corporate Social Responsibility (CSR) standards across the Company and our global supply chain. In our Sustainability Report 2016, you will also find out how our enthusiastic employees serve the local communities through our programmes on "Support People in Need" and "Collaborate with Local Charities", which support social investments and voluntary activities mainly targeting on children education, poverty alleviation and local philanthropy.

VTech is also strongly committed to protecting the data of our customers. In November 2015, we experienced a cyber-attack in which an intruder gained unauthorised access to some of our databases and servers, and stole certain personal data of our customers around the world. In order to ensure that our customer data would be safe from further attack, we have taken immediate actions to suspend all the affected websites and services, inform the affected customers and report the incidents to a number of governmental authorities. With the assistance of one of the world's leading cyber security firms, we have also further strengthened our data protection and network security measures.

Our sustainability strategies and efforts continue to focus on five key areas – product responsibility and innovation, environmental protection, workplace quality, sustainable operating practices and community investment. We have also engaged with our stakeholders by conducting materiality assessment surveys to identify and address their material issues and concerns on our sustainable development.

VTech has established a strong foundation for its sustainable growth. Moving forward, with our determinations and commitments toward sustainability, we will continue to implement comprehensive programmes and measures to achieve our long-term sustainability targets in FY2020. We also strive to balance the impacts of economic growth, environmental protection and social responsibility in our strategic business plan, aiming to drive sustainable value for our customers, employees, shareholders, investors, suppliers and the communities.

Allan WONG Chi Yun
Chairman
17 May, 2016

About vtech

VTech is the global leader in electronic learning toys from infancy through toddler and preschool[2] and the world's largest manufacturer of cordless telephones. It also provides highly sought-after contract manufacturing services. Our product lines include electronic learning products (ELPs), telecommunication (TEL) products, and contract manufacturing services (CMS).

With headquarters in the Hong Kong Special Administrative Region and state-of-the-art manufacturing facilities in China, VTech currently has operations in 11 countries and regions. In FY2016, VTech has 27,400 employees in average, including around 1,400 research and development (R&D) professionals in R&D centres in Canada, Germany, Hong Kong and China. This network allows VTech to stay abreast of the latest technology and market trends throughout the world, while maintaining a highly competitive cost structure.

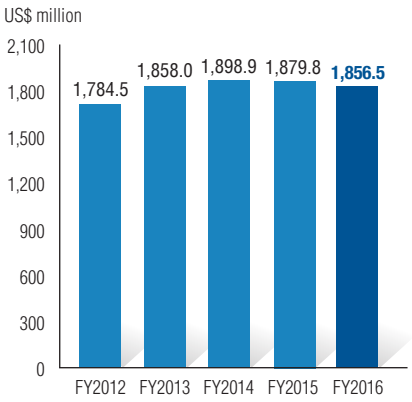
The Group invests significantly in R&D and launches numerous new products each year. VTech sells its products via a strong brand platform supported by an extensive global distribution network of leading traditional and online retailers. VTech's customer profile consists of commercial buyers in our three product lines and direct consumer purchasers through our e-commerce business.

For the year ended 31 March 2016, Group revenue and profit attributable to shareholders of the Company were US$1,856.5 million and US$181.4 million respectively. At 31 March 2016, the Group had working capital and total assets of US$169.7 million and US$910.5 million respectively. The Group's total equity was US$525.0 million and had no borrowings as at 31 March 2016.

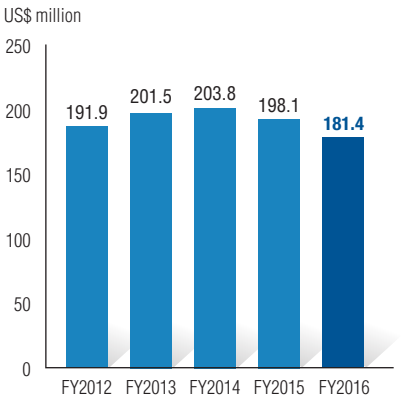
Shares of VTech Holdings Limited are listed on The Stock Exchange (HKSE: 303). At 31 March 2016, the number of issued and fully paid shares of the Company was 251,182,133 shares.

For details of our financial performance, please refer to the financial highlights included in our Annual Report 2016 at: www.vtech.com/en/investors/financial-reports/

Group Revenue in Last 5 Years

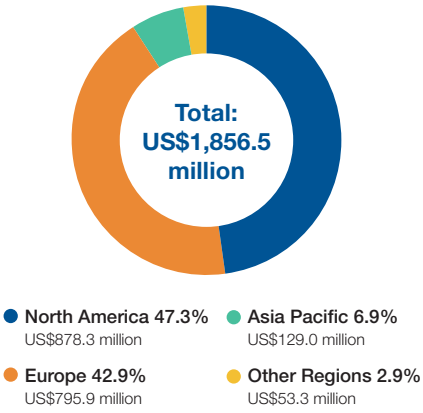


Profit Attributable to Shareholders of the Company in Last 5 Years



Revenue by Regions

for the year ended 31 March 2016



At VTech, we manage our business in accordance with a number of key external charters. We adhere to and implement policies that are coherent with 10 UN Global Compact principles[3], which itself is built upon many internationally agreed principles relating to welfare of workers, environmental management and anti-corruption. Since 2012, we have subscribed to the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and the International Council of Toy Industries (ICTI) Code of Business Practices, which are specific to our industries.

To keep abreast with the latest trends and development within our industry, we have participated in a number of trade associations around the world. We primarily engage as members, but where possible we will collaborate on industry projects to help develop the markets and industry standards. Many of our memberships require us to meet a Code of Conduct which provides VTech stakeholders with further peace of mind and confidence.

2 *Source: NPD Group, Retail Tracking Service and Global Market Share Estimates by MarketWise Consumer Insights, LLC. Ranking based on total retail sales in the combined toy categories of Toddler Electronic Learning, Toddler Figures, Playsets and Accessories, Preschool Electronic Learning, Electronic Entertainment excluding Tablets and Walkers for the 12 months ending December 2015*

3 *The UN Global Compact asks companies to abide by its 10 principles, protecting the core values of the UN's human rights, labour standards, environmental and anti-corruption policies. See www.unglobalcompact.org/what-is-gc/mission/principles for more details*

Corporate Governance and Risk Management

VTech has developed a comprehensive management structure throughout the years. We have continuously improved our company policy and procedures to ensure our corporate governance structure meets with the industry best practice and global trends. To achieve these goals requires both broad ranging and in-depth governance structures and risk management processes.

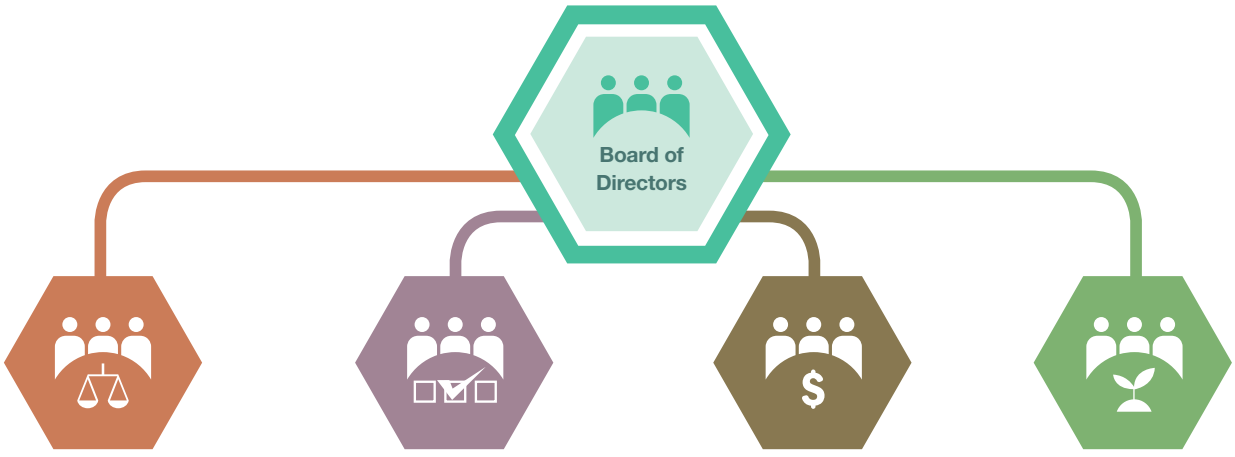
Corporate Governance

VTech Holdings Limited is incorporated in Bermuda and has its shares listed on the Stock Exchange. The corporate governance rules applicable to the Company are the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange.

Board of Directors and its Committees

The Board of Directors (the Board) comprises three executive directors of the Company (Directors) and four independent non-executive Directors. The biographical details of Directors can be found in the section "Biographical Details of Directors" on page 38 of the Annual Report 2016. The Board focuses on the formulation of business strategy and policy, and control. Matters reserved for the Board are those affecting the Company's overall strategic policies, finances and shareholders. These include, but are not restricted to, deliberation of business plans, risk management, internal controls, announcement of interim and final results, dividend policy, annual budgets, major corporate activities such as material acquisitions and disposals, and connected transactions.

The Board has established an Audit Committee, a Nomination Committee, a Remuneration Committee and a Risk Management and Sustainability Committee (RMSC) with defined terms of reference which are no less exacting than those set out in the Corporate Governance Code to assist and support the Board in discharging its governance and other responsibilities, particularly on financial reporting and disclosure; internal control and risk management; composition of the Board and remuneration of Directors and senior management.



Audit Committee

- Assist the Board in meeting its responsibilities for financial reporting, risk management, corporate governance functions and evaluation of internal controls and auditing processes

Nomination Committee

- Review the structure, size, and diversity of the Board
- Identify and nominate candidates for appointment to the Board

Remuneration Committee

- Review and recommend all elements of the executive Directors and senior management remunerations to the Board

Risk Management and Sustainability Committee

- Monitor and review the risk management and sustainability strategy of the Group

For details of our corporate governance, please refer to the corporate governance section included in our Annual Report 2016 at www.vtech.com/en/investors/financial-reports.

Code of Conduct and Whistleblowing Policy

Our Code of Conduct is the cornerstone of our governance and operation. It spells out the guiding principles for our staff behaviour that must meet high standards of integrity and honesty. We have additional codes for staff in particular risk-related areas to cover conflicts of interest, bribery, accounting standards and internal management. Staff are required to confirm that they have understood the Code of Conduct appropriate to their role and position in the Company on joining and annually thereafter, ensuring the Group operates to the highest standards of business behaviour and ethics in our engagement with customers, business partners, shareholders, employees and the business community. Due to a constantly changing business environment, we assess our Code of Conduct from time to time to ensure that it reflects the current global best practices and meets the expectations of all stakeholders.

VTech operates a Whistleblowing Policy in order to encourage and assist whistleblowers to disclose information relevant to misconduct, malpractices or irregularities through a confidential reporting channel. Any cases are referred to the Chief Compliance Officer (CCO), who will review the complaints and determine the appropriate mode of investigation and any subsequent corrective action. All reported cases are handled by the Company with care and the concerns are investigated in a fair and proper manner. All reports under the Whistleblowing Policy are reviewed by the Group's Audit Committee twice a year in order to ensure proportionate action and identify the need for any further policy development.

Business Integrity Policy and Anti-Corruption

Group policy prohibits VTech Group and its officers, employees and agents from giving or offering to give money or anything of value to government officials, political parties, party officials or candidates for political office in order to influence official acts or decisions of that person or entity, obtain or retain business, or secure any improper advantage. The Company does not make any donations to political parties in any country, but does not restrict employees from individual associations provided that there is no conflict of interest to their role as an employee within VTech. Employees must not purport to represent the Company in any political forum and should not use the Company brand, time or assets to advance the interests of any political party or group.

As a result, VTech's management has an obligation and a responsibility to ensure that employees are familiar with our anti-corruption policy, which is part of our Code of Conduct, and the control procedures in their job areas. Employees receive regular anti-corruption and internal control training to reinforce their awareness and understanding of our Code of Conduct.

Risk Management

Effective risk management is crucial for maintaining our stable daily operation and indicates our ability to respond and adapt to the changing environment. In order to minimise the possible disturbances to our operation during the event of disruptions, it is important to be prepared for emergency and to build resilience. VTech has implemented an organisational structure with formal and clearly defined lines of responsibility and delegation of authority for risk management.

To ensure the effectiveness of risk management, the boards of committee have been divided into two distinct but complementary roles for implementing the risk management policies and objectives of the Group, and monitoring the risk management process. The RMSC, chaired by Dr. Allan WONG Chi Yun with Dr. PANG King Fai, Mr. Andy LEUNG Hon Kwong, Mr. WONG Kai Man, Ms. Shereen TONG Ka Hung and Mr. CHANG Yu Wai, as members – a combination of executive Directors, independent non-executive Directors and senior management, is responsible for putting in place policies, procedures and frameworks for the identification and management of risks. Risks are formally identified and recorded in the risk register for key operations. The risk register is updated regularly and risk exposure and mitigation performance are reviewed biannually.

The RMSC held two meetings during the financial year to review the Group's business and sustainability risk management and internal control systems and their effectiveness. The Audit Committee reviewed the overall effectiveness of the Group's system of internal control over financial, operational and compliance issues, risk management process, information systems security and effectiveness of financial reporting and compliance with the Listing Rules, and is satisfied that such systems are effective and adequate.

In FY2016, The Data Security Governance Board was established with defined terms of reference reporting to the Risk Management and Sustainability Committee. The Data Security Governance Board is chaired by Group Chairman and comprises the Group President, CMS Chief Executive Officer, TEL President, Group Chief Financial Officer, Company Secretary and Group Chief Compliance Officer, and Group Chief Information Officer. It is responsible for decision-making, implementation, enforcement, oversight, compliance and periodic review of the Data Security Policy.

At management level, department representatives of each key business function maintain a risk register documenting the key risks and the relevant risk response measures. They review their risk registers on a biannual basis to consider if any updates to the risk registers are required based on the events of disruption or incidents occurred. To facilitate the review of the risk register by the RMSC as mentioned above, the Internal Audit Department performs a holistic review of the updated risk registers maintained by each key business function and consolidates all the risk registers into the Group's risk register on a biannual basis.

Privacy and Information Security

In order to gain trust from our stakeholders, the security of their personal information is important to us. VTech acknowledges the importance in handling the personal information carefully. We have policies in place to monitor how the personal information of our stakeholders is collected, used and managed. The personal information is usually collected from our online shop; authorised dealer or agents; and media channels for enquiries and complaints whenever necessary to provide services to the stakeholders.

VTech understands stakeholders use their personal information for different purpose while surfing the internet. Therefore, it is important for us to handle this information with care. To protect this information from any unauthorised access, accidental loss and destruction, VTech adopts appropriate security measures in the transfer and storage of the personal data and only processes corresponding information when necessary.

In November 2015, we experienced a cyber-attack in which an intruder gained unauthorised access to some of our databases and servers, and stole certain personal data of our customers around the world. In order to ensure that our customer data would be safe from further attack, we have taken immediate actions to suspend all the affected websites and services, inform the affected customers and report the incidents to a number of governmental authorities. With the assistance of one of the world's leading cyber security firms, we have also further strengthened our data protection and network security measures.

Protection of Intellectual Property Right

VTech is devoted to protecting its own intellectual property rights, whilst respecting the intellectual property rights of others as well. VTech has proper policy and protocol in place to protect its intellectual property rights including, but not limited to its patents, designs, technologies, trademarks, trade secrets, copyrights, computer programmes, inventions, product information, video and sound recordings. Without our permission, third party cannot own or display any related intellectual properties. The Company will take legal actions and seek for judgment for any violations of its intellectual property rights or misuse of its intellectual properties.

VTech's Sustainability Management

At VTech, our RMSC provides vision and strategic direction for our sustainability activities to ensure that we stay on track and in balance with the three sustainability dimensions of economic, environmental and social impacts at all times. The RMSC is also responsible for reviewing our sustainability strategies and improvement activities, assessing how the policies are implemented in achieving the sustainability goals and targets, and monitoring the performance progress on a biannual basis. We also have an escalation process in place to ensure that any identified issues are dealt with at the appropriate level of the Company.

Our RMSC has also formed the Sustainability Sub-Committees comprising key employees from the Company's different product lines and relevant departments. Our Sustainability Sub-Committees are responsible for monitoring the progress of our sustainability activities compared with targets in their responsible product lines and functions, evaluating and determining the sustainability investments from economic, environmental and social aspects, and sharing new and significant industry sustainability concerns with the committee members on a biannual basis.

In order to ensure that our sustainability strategies are carried out effectively and consistently throughout the Company, we have organised our sustainability approach into the five key areas across the Company's product lines with the following missions:

Risk Management and Sustainability Committee

Sustainability Sub-Committees

Product Responsibility & Innovation
- Design products for the well-being of people and for the benefits of society
- Design products to ensure that they are of good quality and compliant with the highest safety standards
- Incorporate sustainability concepts into our product design

Environmental Protection
- High Performance Production Chain – maximise our resources efficiency and improve productivity
- Green Manufacturing Practice – minimise the environmental impacts from our operations
- Sustainable Logistic Chain – improve operational efficiency and reduce carbon emissions throughout the transportation process

Workplace Quality
- Enhance our good staff relations through various communication channels and staff activities
- Foster a continuous learning environment and encourage employees to develop and advance their careers in VTech
- Respect the labour and human rights of all our employees with clearly defined human resources management policies
- Provide a supportive, pleasant and healthy environment for our employees

Sustainable Operating Practices
- Business Continuity Management – identify and mitigate our potential operational risks and increase our resilience capability
- Sustainable Supply Chain Management – manage our supply chain in a socially and environmentally responsible manner and source from approved suppliers who meet VTech's Corporate Social Responsibility requirements
- Climate Change Strategy – minimise the carbon emissions from our operations, and work closely with our suppliers and customers through enhancing our environmentally friendly product designs and sustainable operating practice

Community Investment
- Use our expertise and resources to develop community investment programmes focusing on:
  - Supporting people in need
  - Collaborating with local charities
  - Providing training opportunities for young people
  - Nourishing an innovative environment
  - Developing a healthy and green community

Sustainability Progress and Targets

VTech constantly reviews and monitors its sustainability progress along the business development. We recognise that we have to build on the foundation that we have established and started our sustainability journey since FY2006.

VTech Sustainability Progress

During our sustainability journey since FY2006, VTech has successfully developed our sustainability strategies with a vision to design, manufacture and supply innovative and high quality products in a manner that minimises any impact on the environment, while creating sustainable value for our stakeholders and the communities in which we operate.

FY2006 to FY2011

- Introduced the concept of CSR and the related activities in our annual report

FY2012

- Established our four core areas on CSR : Environment, Employees, Shareholders and Community

FY2013

- Refined the CSR management structure to a holistic sustainability framework, focusing on :
  1) Product Responsibility & Innovation,
  2) Environmental Protection,
  3) Workplace Quality,
  4) Sustainable Operating Practices, and
  5) Community Investment
- Renamed VTech's Risk Management Committee to Risk Management and Sustainability Committee at the Board of Directors level
- Set up VTech sustainability management sub-committees, comprising key employees from the Company's different product lines and relevant departments

FY2014

- Defined VTech sustainability vision and strategies
- Published our first Sustainability Report following the Core option of GRI G4 Guidelines

FY2015

- Set up an internal database to better monitor our sustainability data and targets
- Published our annual sustainability report following the Core option of GRI G4 Guidelines and Stock Exchange ESG Guide
- Developed VTech Sustainability Plan 2020

FY2016

- Closely monitor our sustainability progress and work along with the VTech Sustainability Plan 2020
- Set new targets within our sustainability framework to make further improvements for our sustainability development and enhance the VTech Sustainability Plan 2020

Awards and Recognition in FY2016

VTech has made a remarkable progress in FY2016. We are honoured that our Sustainability Report 2015 received the "Sustainability Excellence Award" from the Chamber of Hong Kong Listed Companies (CHKLC), and the "Best Corporate Governance Disclosure Award 2015" in the category of Sustainability and Social Responsibility Reporting presented by Hong Kong Institute of Certified Public Accountants (HKICPA) for the second time in two consecutive years. These prestigious awards are great recognition of our efforts and achievements on sustainability.

Additionally, we are included as constituent members in the Hang Seng Corporate Sustainability Benchmark Index and FTSE4Good Global Index[4] in FY2016. VTech is also among the top 100 most sustainable companies in Asia and ranked 5th in Hong Kong by Channel NewsAsia, CSR Asia & Sustainalytics.

Hang Seng Corporate Sustainability Index Series Member 2015-2016

Hang Seng Corporate Sustainability Benchmark Index

FTSE4Good

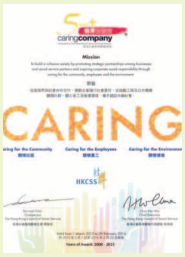
FTSE4Good Global Index

CHANNEL NEWSASIA SUSTAINABILITY RANKING

Channel NewsAsia Sustainability Ranking

Sustainability Excellence Award by CHKLC

Best Corporate Governance Disclosure Award 2015 – in the Category of Sustainability and Social Responsibility Reporting Award by HKICPA



Award as Caring Company for the 8th Consecutive Year

The 3rd Most Committed Organisation in RunOurCity Streetathon 2015

Corporate Participation Award-Golden Sowers Action Challenging 12 Hours 2015

Award as Heart to Heart Company by Hong Kong Federation of Youth Group

4 *FTSE4Good Index is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards.*

VTech Sustainability Plan 2020

In order to ensure that our continuous improvement programmes and approaches on sustainability could be carried out effectively and consistently throughout the Company and in a sustainable manner, we have established a Sustainability Plan 2020 which covers FY2016 to FY2020. We have also identified our short-term goals with programmes and activities to be achieved in the financial year 2017 (FY2017).

Strategy Themes		Approaches		Targets for FY2017	Targets for FY2020
Product Responsibility & Innovation	Design for People	Continue to use our technological expertise to design and provide products to enhance the well-being of our customers and benefit the society		Increase the total sales of health and safety products by 10% compared with FY2014	Increase the total sales of health and safety products by 20% compared with FY2014
	Design for Excellence	Continue to ensure that all products are compliant with the international quality and safety standards		Zero product recalls, fines or penalties relating to non-compliance with regulations	Zero product recalls, fines or penalties relating to non-compliance with regulations
		Follow the Life Cycle Analysis (LCA) Guideline , aiming to reduce the carbon footprint in each new generation of the products		Undertake LCA analysis for 2 key products in TEL products and ELPs to reduce the carbon footprint throughout the product life cycle	Undertake LCA analysis for 10 key products in TEL products and ELPs to reduce the carbon footprint throughout the product life cycle
Environmental Protection	High Performance Production Chain	Implement more low cost automation projects and further strengthen the operational management to improve the production efficiency and productivity		Increase production output per worker by 8% compared with FY2014	Increase production output per worker by 20% compared with FY2014
				Continue to monitor the progress of our energy saving programmes and conduct weekly patrols to eliminate unnecessary energy consumption	Project progress
	Green Manufacturing	Energy Consumption and Carbon Emissions	Reduce energy consumption and thus the carbon emissions	Reduce Greenhouse Gas (GHG) emission per production output by 8% compared with FY2014	Reduce GHG emission per production output by 20% compared with FY2014
				Continue to upgrade the ventilation system and do re-layout of the air conditioning ducts of the production floors	Reduce the electricity usage in manufacturing facilities per production output by 20% compared with FY2014
				Continue to adopt the hydraulic servo control technology in our existing injection moulding machines	
		Water	Reduce water consumption and improve effluent treatment	Continue to promote water saving campaigns throughout the Company	Reduce total water consumption by 5% compared with FY2014
				Install water recovery system and low-flow taps in canteens	

Strategy Themes		Approaches		Targets for FY2017	Targets for FY2020
Environmental Protection	Green Manufacturing	Materials, Waste and Recycling	Recycle materials to minimise waste and conserve resources	Continue to implement automation process in the material recycling station of our factories to improve the recycling efficiency	Maintain the recycling rate of the reusable materials at or above 70%
				Continue to collect and analyse the internal reuse and recycling rate	
		Logistics	Reduce the environmental impact from shipment of products	Continue to keep track of the average loading capacity of each container shipment	Maintain the average loading capacity of each container shipment at or above 80%
				Continue to improve the consolidation of shipment volumes and shipping orders with our business partners	Maximise the usage of ocean and rail freight for long distance and inland shipments respectively
Workplace Quality	Communication and Staff Relations	Enhance our good staff relations through various communication channels and staff activities		Continue to encourage open communications at all levels of the Company and facilitate employees to voice their opinions through various communication channels	Maintain employee satisfaction at or above average level based on the employee satisfaction survey
				Continue to provide different types of staff activities for our employees	Maintain average staff turnover rate at or below 12%
	Advancement in Careers	Foster a continuous learning environment and encourage employees to develop and advance their careers in VTech		Continue to review the training needs of staff, evaluate the training content and increase the number of training courses for the career development of our employees	Maintain average training hours per employee at or above 20 hours
	Respect of Labour and Human Rights	Respect the labour and human rights of all our employees with clearly defined human resources management policies		Continue to update our human resources management policies in accordance with the latest statutory requirements	Increase number of staff with years of service longer than 5 years by 10% compared with FY2014
				Continue to provide training and conduct employee surveys in the areas of labour and human rights	
	Environment for Our People	Provide a supportive, pleasant and healthy workplace for our staff, and foster a caring community in our working environment		Continue to add new health and safety training courses and introduce workplace stretching exercises to all workers	Maintain the loss of working hours due to injuries in manufacturing facilities at or below 0.01%
				Perform monthly Environment, Health and Safety (EHS) internal audit	Zero work related fatality case
				Continuously upgrade the facilities in the living areas of the factories	Maintain employee satisfaction at or above average level based on the employee satisfaction survey

VTECH APPROACH

Strategy Themes		Approaches	Targets for FY2017	Targets for FY2020
 **Sustainable Operating Practices**	Business Continuity Management	Mitigate the potential operational risks and increase our resilience capability to resume the operation in an effective and timely basis	Annual risk registry update and assessment. Raise the awareness of information security and privacy amongst our employees at all levels through related training programmes	Annual risk registry update and assessment
	Supply Chain Management and Procurement Practice	Manage our supply chain in a socially and environmentally responsible manner and source from approved suppliers who meet our VTech's CSR requirements	Measure suppliers' sustainability performance	Ensure our suppliers meet our CSR standards
			Review our sustainability audit scope and conduct annual audit for all major suppliers	Develop an e-procurement platform to interact with suppliers in a more consistent and eco-friendly manner
	Climate Change Policy	Ensure our business strategies are not only accounted for longer term trajectory of climate change, but also sufficiently flexible to respond to the inevitable changes in the business environment	Disclose our total GHG emissions annually and review VTech's Climate Change Policy with reference to the international and local standard	Disclose our total GHG emissions annually and review VTech's Climate Change Policy with reference to the international and local standards
 **Community Investment**	Support People in Need	Use our expertise and resources to support the communities in which we operate	Set up Volunteers Service Centre at our manufacturing site and provide relative volunteer trainings	Increase the total number of VTech volunteers to 2,000 and total voluntary hours by 10% compared with FY2014
	Collaborate with Local Charities		Continue to encourage more employees to participate in local charitable events	Collaborate with corporate philanthropies and participate in more local charitable events
	Provide Training Opportunities for Young People		Collaborate with local colleges to establish manufacturing courses for local engineering students	Sponsor local science activities for young people and provide science scholarship for local technical institutes
	Nourish an Innovative Environment		Organise various advanced manufacturing workshops with schools and colleges and identify any potential innovative technology research and studies	Establish funding for innovative technology research and science studies
	Develop a Healthy and Green Community		Continue to promote healthy eating at VTech canteen	Provide (weekly) healthy menu for employees to choose at VTech canteen
			Organise various recycling workshops and participate in local green activities	Organise VTech green day (in all operation locations)

Stakeholder Engagement

Stakeholder Engagement Approach

Stakeholder management is the process through which we stay connected with our customers, employees, shareholders, investors, suppliers and the wider communities in which we operate. We believe that the approach of stakeholder engagement is integral to the development of our sustainability strategy, and is also a pre-requisite for our long-term sustainable growth.

VTech has an open door policy to encourage suggestions or comments given by our stakeholders through various communication channels. Since FY2014, we have developed a formal annual stakeholder engagement procedure, which helped us identify which sustainability issues are most important to our stakeholders and report our sustainability approach, performance and activities to address their material concerns and priorities. Our purpose is to engage with those who are directly affected, either economically, environmentally or socially, by our operations and to ensure that our sustainability strategies, activities and reporting process would meet and exceed their expectations.

The selection of stakeholder groups is determined by the RMSC in conjunction with the Sustainability Sub-Committees. In FY2016, we have selected a number of representative customers and suppliers from the Company's different product lines, a range of employees from all levels in the Company, our major shareholders and investors, and communities with whom we were actively involved. As part of our annual review process, we also engaged our stakeholders through their preferred communication channels to conduct our materiality assessment surveys.

Our Sustainability Sub-Committees also developed an approach which identified the broad topics that the stakeholder groups are concerned with, and used a materiality matrix to assess the material issues identified by our stakeholders during the engagement process. An issue is classified as "material" when it substantially affects our long-term commercial or operational viability, with material impacts from economic, environmental or social aspects. This matrix combines VTech's approach to identifying and assessing the material concerns of our stakeholders, and our own materiality scoring methodology by following the principles outlined in GRI G4 Guidelines.

VTECH APPROACH

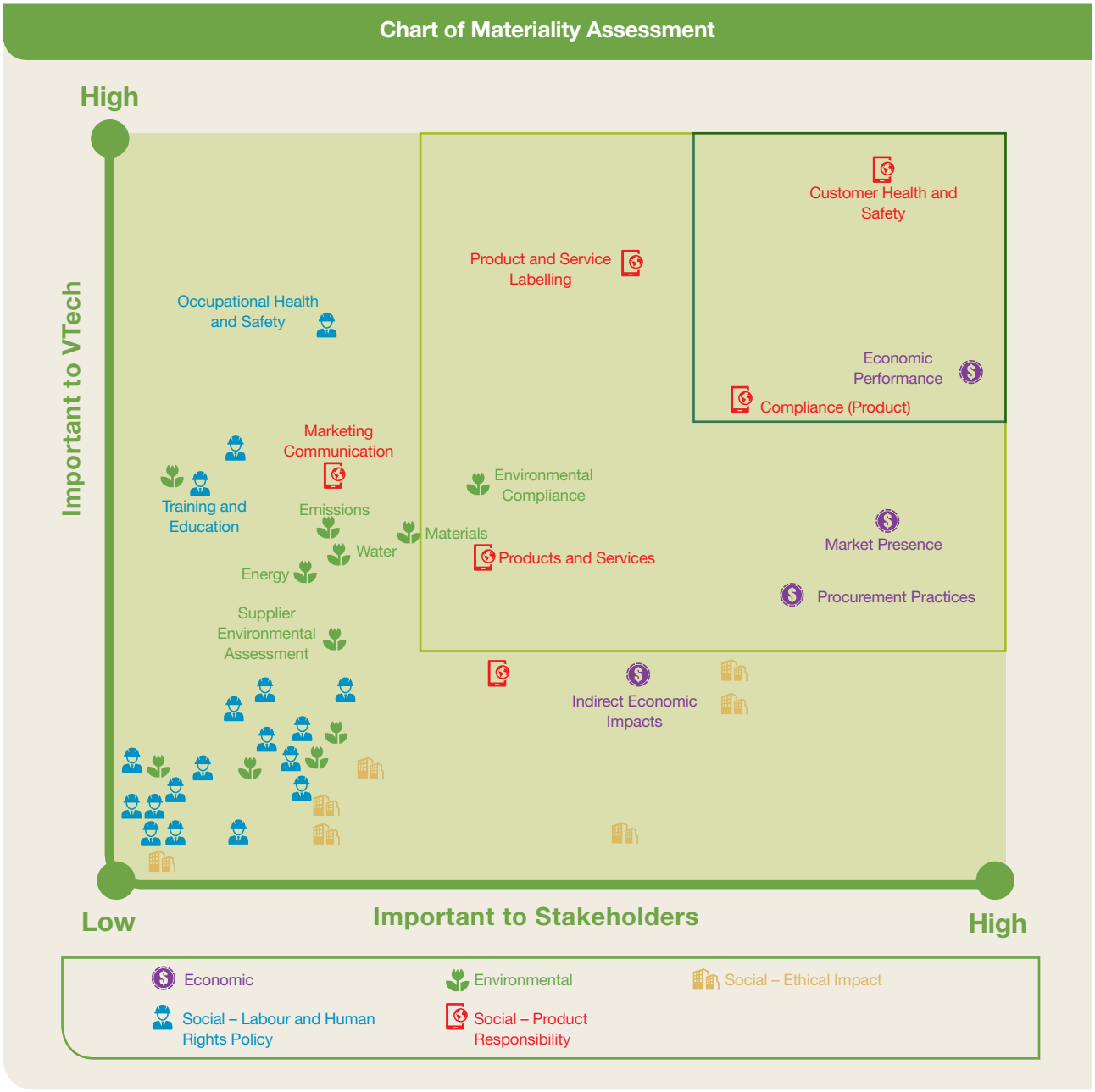
A summary of the stakeholder groups, the topics concerned, and the communication channels with frequency are listed in the following table.

Stakeholders	Topics Concerned	Communication Channels	Frequency per Year
Customers	• Production quality and improvements • Product safety, performance and life cycle • Operation in compliance with applicable law and regulations • Customer support • Financial performance • Sustainability strategies	• Online customer satisfaction surveys • Customer visits or meetings • Industry exhibitions and forums • Product training workshops • On-site visits at VTech's factories • Quarterly business review • Customer service hotline and email	Annually As required* As required* As required* As required* Quarterly On-going
Employees	• Employees' health and safety • Employee communication and engagement • Working condition and welfare • Career development and training • Business performance • Product safety • Operation in compliance with applicable law and regulations	• Employee engagement surveys • Monthly social events with employees • Newsletter • Performance reviews • Regular management meeting with staff representatives • Career and product training • Occupational health and safety training • Suggestion box, hotline, emails, notice board and briefing sessions	Quarterly Monthly Quarterly Annually On-going On-going On-going On-going
Shareholders	• Return on investment • Strategic plans • Operation in compliance with applicable law and regulations	• Annual and interim results announcement events • Annual and interim reports • Regular meetings and correspondence • Sustainability report	Biannually Biannually As required* Annually
Investors	• Business performance • Strategic plans • Operation in compliance with applicable law and regulations	• Annual and interim reports • Feedback to media enquiries • Media conferences • Regular meetings and correspondence • Sustainability report	Biannually As required* As required* On-going Annually
Suppliers	• Supplier quality performance • Supplier sustainability in business model, quality and production control • VTech's expectations with suppliers • Product quality and safety • Operation in compliance with applicable law and regulations	• Annual business review meeting • Annual Suppliers Day • Key supplier audits	Annually Annually On-going
Community	• Support to civil society organisations • Local environment • Environmental protection • Local community activities involvement • Operation in compliance with applicable law and regulations	• Informal communication through email and phone calls • Sponsorship • Participation in local community activities and volunteering work	As required* On-going On-going

** VTech may vary the frequency to meet its business need.*

Materiality Assessment

The material sustainability aspects identified by the stakeholders were based on the results of the materiality assessment surveys conducted in FY2016. The results were mapped with the key sustainability aspects assessed by VTech's senior management and illustrated in the following chart.



All of the aspects shown in the chart are referred to GRI G4 Guidelines. These aspects were considered as material for reporting by VTech on the basis that they have significant impact on and opportunity for environmental and social improvements through our enhancement in operations.

The labelled aspects lie within the shaded area of the Chart are the most important items on our sustainable development identified by both VTech and the stakeholders in the materiality assessment surveys. According to our survey results, 3 out of 46 topics were identified as the most important to our stakeholders and VTech, including Customer Health and Safety, Economic Performance and Product Compliance. Occupational Health and Safety, Training and Education, Marketing Communication and Customer Privacy were considered as less material compared to last year. This practice could help us prioritise the corresponding sustainability issues, as well as monitor our sustainability progress.

VTECH APPROACH

Besides, in accordance with the requirements of Core option of the GRI G4 Guidelines, we have also covered all the material aspects in our Sustainability Report 2016, including the Key Performance Indexes (KPIs) which are most representative and effective in reflecting our project progress, and our management approach to address each material aspect with related sustainability activities and case studies.

We have also defined the boundaries of each material aspect to determine whether the impact of the item is within or outside of VTech in the following table:

Category	GRI Aspect	Aspect Boundary	
		Within VTech	Outside of VTech
Economic	Economic Performance	✓	
	Market Presence	✓	
	Indirect Economic Impacts		✓
	Procurement Practices	✓	✓
Environmental	Materials	✓	
	Energy	✓	
	Water	✓	
	Emissions	✓	
	Compliance	✓	✓
	Supplier Environmental Assessment	✓	✓
Social – Labour Practices and Decent Work	Occupational Health and Safety	✓	
	Training and Education	✓	
Social – Product Responsibility	Products and Services	✓	
	Customer Health and Safety	✓	
	Product and Service Labelling	✓	
	Marketing Communications	✓	
	Compliance	✓	✓

Product Responsibility & Innovation

VTech strives not only to provide high quality products and comply with the highest international and local quality and safety standards, but also incorporate sustainability concepts into product design in order to enhance the well-being of our customers and benefit the society.

VTech strives not only to provide high quality products and comply with the highest international and local quality and safety standards, but also incorporate sustainability concepts into product design in order to enhance the well-being of our customers and benefit the society. Our management approach continues to focus on two key management principles – "Design for People" and "Design for Excellence".

Design for People

Addressing our customers' needs is our primary responsibility in the stage of product design. We continuously use our technological expertise to help improve the health and safety of our customers, which is our number one objective. Our baby monitor series and wireless monitoring system with Ultra-Low-Energy (ULE) standard are the principal examples. VTech also uses its global leadership position in electronic learning products to develop high-quality and innovative educational products that inspire children's creativity through fun and smart play. In order to stay in harmony with the environment, we also incorporate the eco-design principles into our products and launched many eco-friendly products. For examples, we have Digital European Cordless Telecommunications (DECT) cordless phones with Blue Angel eco-label, the new level VI power adaptor with Energy Star eco-label, and energy monitoring device manufactured by our VTech CMS.

Products for Customers' Health and Safety

With increasing global awareness of people's health and lifestyle, VTech's product design team has applied innovative designs and functionality elements in developing products that could help customers to live with ease and safety. We also work closely with different target customers including parents, seniors and children to design our products in order to address their needs for the enhancement of their well-being.

VTech Baby Monitor Series

The safety and well-being of babies are the major concerns to the parents. VTech is committed to providing parents with a wide range of reliable baby monitors with all the necessary safety features that help keep track of their babies and give parents the peace of mind they need. In FY2016, VTech introduced new additions to its award-winning baby monitor series with strong and secure Wi-Fi friendly features.

VTECH SUSTAINABILITY ACTIVITIES

Safe&Sound® Audio Baby Monitors
This one-of-a-kind baby monitor is equipped with the DECT 6.0 digital technology that provides clear audio transmission and eliminates annoying white noise with superior range of 1,000 feet, which ensures parents could stay connected with their babies at all times. This baby monitor is also featured with the talk-back intercom, which parents could comfort their babies with their voice using the portable parent unit. The best feature of this baby monitor is the built-in lullaby and glow-on-ceiling night light with adjustable projection angle, allowing the night light to turn the nursery ceiling into a starry night sky, along with the gentle lullaby that could soothe the babies to sleep.

When it comes to product design, VTech baby monitors are equipped with features so that additional monitoring devices could be added to the system for parents to keep an eye on children in different rooms. By adding the ULE smart home sensors such as open/closed sensor and motion sensor, it helps parents to know what their children is up to and if they are somewhere off.

Mini-microphones
Millions of people experience certain degree of hearing loss. A modern hearing aid and accessories could help them regain their senses, as well as provide the joy of socialising with their beloved. VTech uses its technology expertise and resources to help the hearing aids specialist produce a very unique accessory, mini-microphones, which help users pick up conversation more easily.

By pairing up the smart microphones with the hearing aid, all the voices and sounds generated within 25 metres could be streamed directly to the hearing aid. Users would not miss a thing even in the background of noises. Additionally, the fine-tuning of the sounds and noises could be adjusted through the mobile application, which allows users to gain full control on their surrounding environment in a hassle-free manner. These microphones could extend users' hearing, provide them with clear sounds and also help them regain their confidence in normal social life.

Products for Children's Learning and Development

VTech believes that each child has his unique pace of learning mentally, emotionally and physically. Our ELPs are specially designed to grow with the children through these various stages of learning. Our ELPs guide children throughout the development stages of three key aspects 1) Language & Cognitive 2) Social & Emotional, and 3) Physical & Motor.

We recognised that playing is important for children to learn and develop. After consulting our educational expert panel, we have developed a wide range of electronic learning toys that are fun to play with and expose children to many important learning opportunities.

Our child psychology expert, Dr. Susan Bartell and early brain development expert, Dr. Lise Eliot pointed out that young children could learn how to communicate easily through playing creatively with toys, games and anything they can get hold of. It is a very important channel to develop their language skills and express their feelings. Through creative play, children will also learn to recognise and empathise other people's feeling, to appreciate and respect other people. To this extent we have expanded our product lines.

Sit-to-Stand Ultimate Alphabet Train™

The award-winning Sit-to-Stand Ultimate Alphabet Train is designed to grow with children. It offers four modes of play including floor play mode, walker mode, ride-on mode and pull cart mode which provide various developmental benefits to children. The train helps children build fine motor skills with a variety of manipulative features including storybook, clock, gears, light-up buttons and 13 doubled-sided letter blocks that children can plug into the side of the train to learn letters and build their vocabulary.

For role-play fun, children can pick up the walkie-talkie and press the number buttons to pretend talking to animal friends. With over 260 sing-along songs, melodies, sounds and phrases, this train helps children build up their language skills, as well as their sensory development. Once the children hop aboard, they would not get bored in discovering new songs, vocabularies and new activities as they grow up.

Go! Go! Smart Wheels®

The award-winning Go! Go! Smart Wheels introduce children to a fun and engaging multi-sensory learning experience by combining one of the most popular play patterns with the innovative technology.

The growing collection of Go! Go! Smart Wheels takes the play value of traditional car toys to the next level for toddlers. Remote control vehicles are now included in this collection, as well as new advanced mechanical tracks with inspirational SmartPoint® locations that give flashes, play phrases, fun sounds, short tunes and sing-along songs when the Go! Go! Smart vehicle rolls over. To further enhance children's joyful learning experience and creativity, the new features of this collection can incorporate with the existing Go! Go! Smart Animals™ and the new fairy tale theme from our Go! Go! Smart Friends® playsets. This allows children to explore the innovative activities by configuring the unlimited design of the tracks and they can even share this adventurous experience with their friends.

Go! Go! Smart Friends Enchanted Princess Palace™

In FY2016, VTech introduced a new fairy tale theme to our Go! Go! Smart Friends product line which encourages young girls to dream big through imaginative role play and provides multi-sensory learning experience. This new theme is anchored by the enchanted princess palace, individual fairies, princes & princesses characters.

This royal palace is expanded to four feet long, with the build-in ballroom, music room, kitchen, bedroom and observation tower. Each luxurious room has a MagicPoint™ locations feature with the MagicChat™, allowing the characters to chat, sing and interact with each other, just like little girls chatting with their friends in real life. It not only delivers a brand new social play experiences for little girls, but also brings fantasy to life. Additional characters and playsets including cottage, unicorns and horse are available for extending the play value, to further develop children's creativity.

VTECH SUSTAINABILITY ACTIVITIES

Energy monitoring device

Eco-Friendly Products

VTech ensures its products are in compliance with the international and local environmental regulations and has embedded the eco-design principles into our products. We have launched a series of cordless phones with the Blue Angel eco-label, certifying that those models meet the German standards of low radiation. We have also implemented the new level VI power supply in our US cordless phone products during FY2016. With the Energy Star eco-label, the new level VI power adaptor could reduce the no-load power draw when the devices are switched off, whilst the power efficiency of the power adaptor is increased.

All related product specifications and information are clearly labelled on the gift boxes and could also be easily accessed through our social media channels, which assures the quality and environmental performance of our products, as well as helps our customers make better choices.

VTech's CMS has also produced an energy monitoring device for a customer. This in-home displays for smart meters have been developed to give a detailed analysis of energy consumption, allowing every user to monitor and adapt their energy use accordingly. This device could connect to all electricity supplies with the wireless device at home, providing users the real-time energy consumption activity at home. Users could monitor their energy consumption habits with reference to the data provided by the energy monitoring device.

Design for Excellence

VTech products comply with the highest international and local environmental and safety standards. All our products also meet the specific standards and requirements on material usage, energy consumption and disposal method in the respective markets. A list of the environmental and safety standards for our products is shown on page 51.

Design for Quality

VTech is committed to designing and manufacturing products that meet the highest international and local health and safety standards. All VTech products follow robust specifications on banned and restricted substances. Our products, including TEL products and ELPs, sold in the US and Europe are RoHS2 (Restriction of Hazardous Substances) compliant, and our products sold in Europe comply fully with REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). We have implemented a stringent quality control system, from incoming materials inspection, in-process quality audit, finished goods quality assessment, to after sales management to ensure that our products are complaint with both the international and local standards and requirements and are free from defects at the time of delivery.

VTech Quality Control System

Upholding the highest quality standards of our products, VTech's manufacturing facilities for TEL products, ELPs and CMS are all certified with ISO 9001. VTech has implemented a comprehensive quality management system framework to set up quality assurance policies and procedures to address the product quality and reliability on a regular basis, as well as improve the work efficiency. By going through the incoming materials inspection, we could ensure all selected parts and components comply with international and local standards before mass production, whereas the in-process quality audit could constantly improve our manufacturing process, production efficiency and consistency. Our finished goods quality assessment helps to verify the reliability and compatibility of our products, other than ensuring our products meet the required specification and are free from defects at the time of delivery. We build trust with our customers and ensure our products meet their expectations through the after-sales management.

Incoming Materials
- New Component Evaluation
- Supplier Quality Audit
- Incoming Materials Inspection
- RoHS2 & REACH Control

Manufacturing Process
- In-Process Quality Audit
- Out-Going Quality Control
- RoHS2 & REACH Control

Finished Products
- Product Reliability (Product Testing)
- Hardware Evaluation
- Software Evaluation
- Human Factor Evaluation

After-Sales Quality Management
- Call Centre
- Warranty Service

All VTech products are fully covered by our warranty. We have set up different communication channels, such as call centres and social networking platform that can be accessed around the world, where customers could raise their concerns to us. We also work proactively on all reported cases in a timely manner by carrying out reviews, evaluations and investigations, followed by immediate corrective or preventive actions to fulfill our customers' preferences.

VTech Quality Laboratories

To improve the quality, durability and performance of our products, we have set up our in-house product testing laboratories (labs) at the manufacturing sites of our three product lines. All our products must go through reliability tests during different design stages. The comprehensive tests provide data for our engineers to improve the quality and reliability during the stages of production, transportation, storage and product usage.

The reliability lab of TEL products is designed based on the international requirements and standards, and our UL Safety Lab is the first telecommunication manufacturing facility to comply with UL 60950 in Guangdong. Our in-house physical and chemical laboratory of ELPs is a China National Accreditation Service (CNAS) certified laboratory for ASTM F963 & EN71-1 (specific test items) standards since 2011 and complies with ISO 17025 standards. Equipped with advanced testing instruments, our in-house chemical laboratory is also able to test specific chemicals such as heavy metals and phthalates. Samples of our VTech products are also sent to independent safety testing labs before they are brought to market to ensure that they meet the highest levels of international and local quality and safety standards.

TEL Products Test Labs

Compliance Lab

- Signal Performance
- Alerting
- Transmission Characteristics
- Environmental Considerations
- Caller Identity (CID) Test

Reliability Lab

- Salt Fog Test/Autoclave Test
- Carton Vibration Test/Carton Drop Test/Carton Stacking Test
- Unpacked Drop Test
- Waterproof Test/Surface Temperature/Battery Life
- ESD Test/Energy Star/CEC
- Charge-contact Life/Keypad Life/ Coil Cord Life
- Silkscreen & Painting Abrasion Test

UL Safety Lab

- Stress Relief Test
- Drop Test
- Impact Test
- Over-voltage Test
- Hi-pot Test
- Humidity Test
- Steady Force Test
- Acoustic Test

ELPs Test Labs

Reliability Lab

- Wire Bending Test
- Keyboard Life Test
- Component Life Test
- Storage Test
- Operating Temperature
- ESD Test
- Transportation Test – Vibration Test
- Transportation Test – Carton Box Drop Test
- Sound Test
- Tension Test
- Torque Test
- Impact Test
- Compression Test

Chemical Lab

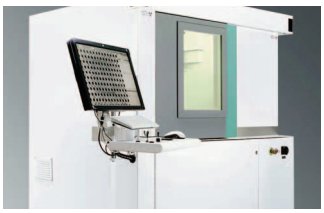
- Pb, Hg, Cr & Cd on Electronics Components
- Heavy Metals (soluble & total contents) on Surface Coatings and Substrates
- Phthalates & Organostannic Compounds Test on Surface Coatings and Substrates
- Chromium III & VI Analysis on Surface Coatings and Substrates

CMS Test Lab

Measurement & Reliability Lab

- Temperature Humidity Environmental Stress Test
- Vibration Test
- Salt Spray Corrosion Test
- Connector Insertion Cycling Test
- Abrasion Test
- Switch On-Off Cycling Test
- XRF Spectrum Analysis
- Melt Flow Index Analysis
- Automated 3D Dimension Measurement
- Mechanical Dimension Measurement
- Optical Microscopy Analysis
- RCL Measurement
- IV Curve Analysis
- Signal Analysis
- Quartz Oscillator Test
- Color Spectrum Analysis
- X-Ray Imaging Analysis
- Water Ingress Test
- Wire Load Swing Test

Temperature Humidity Environment Stress Test



X-Ray Imaging Analysis

Gas Chromatography-Mass Spectrometry

Water Ingress Test

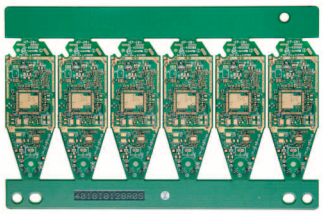
Design for Environment

VTech's products are designed to minimise our environmental impacts throughout the whole product life cycle from cradle to grave. With the compliance of RoHS2 and REACH standards, we aim to use minimum permitted hazardous substances and chemicals in all ELPs and TEL products. We also follow the LCA principle from the beginning of the product design to different stages of production chain. Our designers and engineers are required to follow the requirements on the LCA checklist, selecting a more eco-friendly product and packaging materials, reduce the use of materials and energy, maximise the use of reusable items and avoid disposing the recyclables to landfill during product development. We initiated our "Every Component Counts" programmes and "Compact Design" principles since 2008 and we have made significant improvements in the reduction of material and components usage in our products.

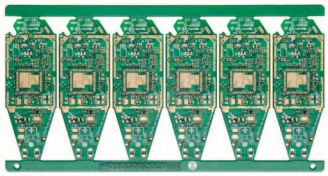
Through our "Every Component Counts" programme, we conduct thorough study and screening assessments during our product design to address design improvements. Additionally, our designers and engineers would also make suitable adjustments for components and material reductions. In recent years, we continue to embed the principle of "Compact Design" in our packaging design, choosing more environmentally friendly packaging materials and reducing the weight of materials used for all VTech products. For example we chose to use PP (Polypropylene) plastic instead of ABS (Acrylonitrile Butadiene Styrene) plastic for some of our ELPs and used 100% recyclable cardboard as the packaging materials for all ELPs.

We continue to incorporate the eco-design principles in the manufacturing phase of the production life cycle to the product usage at the customers' home. Every year we conduct LCA for our key products to compare the carbon footprint in between the old and new models, to ensure the continuous reduction in carbon footprint of the new model is achieved. By embedding the eco-design principles and with continuous reduction in plastic materials and components usage, the carbon footprints of the new ELP and TEL models have reduced 19% and 10% respectively compared with the old generation.

Before

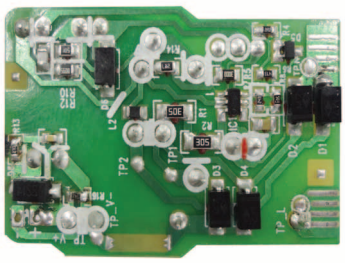


After



Redesign of PCB rim

Before



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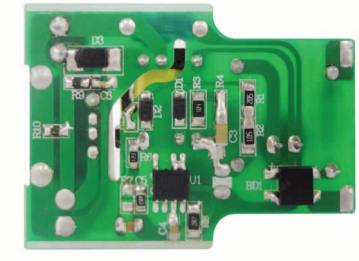
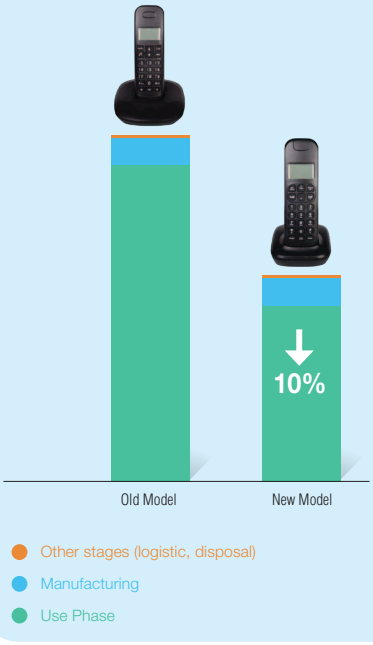
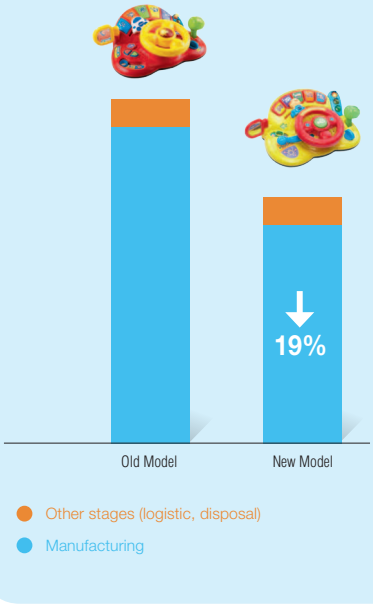


Reduced Component Counts

VTech Product Carbon Footprint Comparison of DECT Phone



VTech Product Carbon Footprint Comparison of Infant Driver Toys



Environmental Protection

VTech has developed a high performance production chain to maximise our resources efficiency and improve the productivity while maintaining a green manufacturing and logistic practice. We also have policies in place to ensure that our operations are compliant with all the relevant environmental, legal and statutory requirements.

VTech has developed a high performance production chain to maximise our resources efficiency and improve the productivity while maintaining a green manufacturing and logistic practice.

As an environmentally conscious company, VTech strives to operate its manufacturing processes and facilities in a manner that minimises the impacts to the environment, and ensure that our operations are compliant with all the relevant environmental, legal and statutory requirements. By implementing the high performance production chain, we have improved our resources efficiency and productivity while maintaining our green manufacturing practice. Through the adoption of the green logistic management approach, and choosing the most eco-friendly transportation mode for delivering our incoming materials from suppliers and outgoing products to our customers, we have also further reduced our GHG emissions.

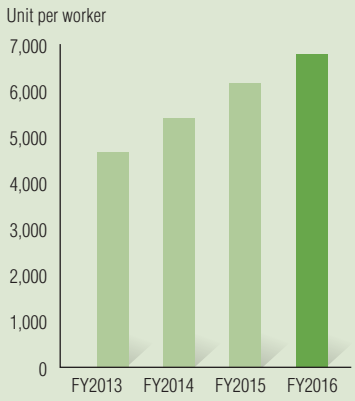
Sustainable Manufacturing Process

In order to ensure that our manufacturing operations are always following the best practices of the industry, we have developed a sustainable manufacturing process which includes the programmes on achieving a high performance production chain, and also established a green manufacturing practice across the manufacturing facilities of all our three product lines.

High Performance Production Chain

Two key principles – "produce for quality" and "produce for efficiency" are the main drivers for our manufacturing process improvement. In FY2016, our production output per worker increased by 7.9% year over year. We have been implementing the low cost automation and lean manufacturing management to maximise our resources efficiency and improve our productivity without compromising the quality of our products, while aiming to reduce the potential environmental impacts throughout the manufacturing process.

Production Output per Worker



Lean Manufacturing

In order to further improve our production efficiency and flexibility, our manufacturing team has been implementing our lean manufacturing principles. The idea of lean manufacturing is to add value at each production stage while reducing the handling time in each process and increasing the flexibility for production. It shortens the through-put time and minimises the idle time during the process.

VTECH SUSTAINABILITY ACTIVITIES

We have taken a step forward in improving the efficiency of our main production process by introducing new assembly machineries. The handling time for our double sided PCBs can be reduced with the PCB inverter in our Surface-mount Technology (SMT) production line. During the double side assembly, the PCBs would normally need to undergo the heating process twice, in order to secure the components on both top and bottom sides of the PCBs. With the PCB inverter installed, the unit could automatically flip the PCB for assembly, so that the PCB would only need to undergo the heating process once. This installation has reduced backlash process and increased our overall productivity.

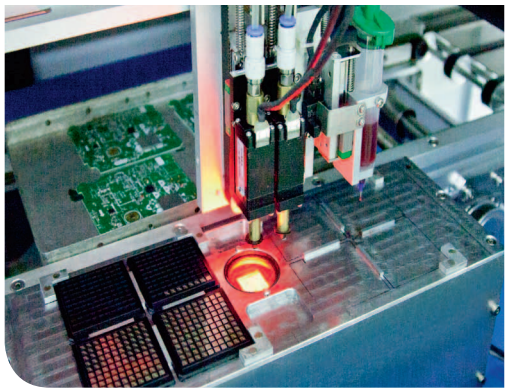
High Performance Production Chain

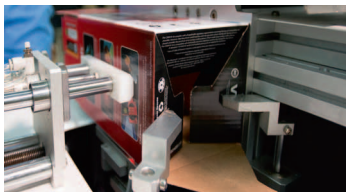
Low Cost Automation

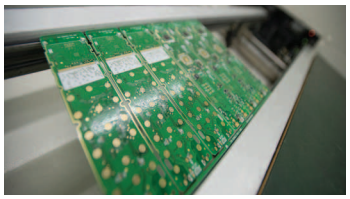
VTech has dedicated its efforts to incorporate Low Cost Automation into the production chain. In order to fulfil the market demand, we have started to introduce our in-house-developed mechanical and electrical devices that are "fit for use" in FY2015. These devices have improved our production efficiency and consistency, as well as enhanced the flexibility of the manufacturing process. This includes automatic solder dispensers, glue dispensers, screw fastening machines, auto box folding machines, robotic arm for assembly and automatic locator for positioning the components. These devices not only create less labour intensive working environment, but also make significant improvements in the quality of our products. In FY2016, we have continued phasing out the traditional machineries and increased the application scale of these in-house-developed devices to further optimise the manufacturing process.

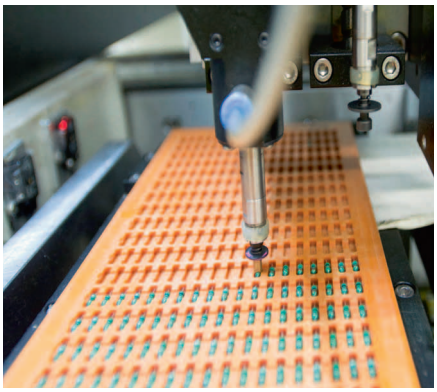
Low Cost Automation in VTech

Our automation team has introduced a wide range of Low Cost Automation projects at different production stages.









Green Manufacturing

VTech has continuously worked with different government bodies to minimise the environmental impact of our production facilities. Our TEL products manufacturing site was awarded the "Hong Kong – Guangdong Clean Production Partners" under the scheme jointly launched by the Hong Kong Productivity Council and the Guangdong Provincial Government in 2012. It was also recognised as the "Clean Production Enterprise in Guangdong Province" by the Guangdong Provincial Government and "Dongguan Environmentally Friendly Enterprise" by the Dongguan, Guangdong Province Environmental Protection Bureau in China. In addition, the manufacturing sites of our TEL products, ELPs and CMS are certified with the ISO 14001 standard for environmental management, demonstrating that we are committed to continuous improvement on environmental protection.

The Dongguan Economy & Information Technology Bureau launched an energy programme to encourage corporate and manufacturers to take the initiative of managing the energy consumptions. Our TEL products manufacturing site has also taken part in this programme since FY2015, along with the implementation of our energy saving and management projects. In return, our TEL production site was rewarded with credit for participation in this programme in FY2016.

We have incorporated the 3Rs (Reduce, Reuse, and Recycle) principle into our manufacturing process, and established energy and resources management system to better utilise the resources in our manufacturing process, aiming to reduce the energy and water consumption, minimise the waste production and improve the reuse rate of resources.

VTech Environmental Policy

The key environmental impacts from VTech's operations relate to energy and water consumption, waste production and logistics. We are committed to minimising the potential environmental impacts from our operations with the following principles:

- Comply with all relevant environmental, legal and other statutory requirements
- Maintain an Environmental Management System in line with the requirements of ISO 14001
- Quantify and monitor the significant environmental impacts of our activities, products and services and set specific targets for improvement where appropriate, and review these annually
- Integrate environmental objectives into our business decisions in a cost effective manner
- Require all staff to address environmental responsibilities within normal operating procedures
- Enhance awareness of environmental and resource efficiency issues amongst our customers, suppliers, staff and stakeholders through improvement projects and programmes in the respective areas

In order to meet the above requirement in a sustainable manner, VTech has functional teams comprising individuals from different product lines and departments across the organisation. Our environmental policy is reviewed annually to ensure that it is relevant and up to date.

Energy and Resources Management

Our Resource Efficiency and Conservation Team (RECT) at each manufacturing site has been making significant achievements in monitoring the energy saving progress through the implementation of our resources saving projects. The RECT includes our production floor managers, equipment technicians and internal energy analysts. They ensure our resources are well utilised at the operational level by focusing on the following areas:

Plan and Monitor the Resources Saving Programmes

- Develop Energy and Resources Saving Projects
- Maintain the Energy and Resources Monitoring System
- Perform Energy and Resources Usage Analysis

Improve Energy Efficiency in Production Chain

- Manufacturing Resource Planning
- Low energy production process

Enhance Production Efficiency of Machinery

- Assess the energy efficiency and utilisation rate of the machineries
- Continuously upgrade low efficiency machines

Improve the Reuse and Recycling Rates of Resources

- Promote internal reuse of materials
- Continuously improve the waste management programme

Energy Monitoring System

As part of our energy management measures, we have been using the real-time monitoring system and small zone lighting & timer system to control, measure and monitor the energy consumption patterns on our production floors. By collecting the daily real-time data, we could then plan for a more detailed energy saving projects, as well as optimise our energy resources through different manufacturing processes.

Energy Saving Programmes in Manufacturing Process

As VTech manufacturing facilities mainly consist of assembly and plastic injection plants, electricity is the major energy resource in our production process. Therefore, the majority of our energy saving projects focus on reducing our electricity consumption.

Re-layout of the Ventilation System

Our RECT has made an extensive effort in improving our indoor air quality, as well as improved the working environment throughout the production line. The previous layout of the ventilation system has blocked the air circulation, where the ventilation duct cannot be fully utilised. Therefore, we had performed the re-layout of the ventilation system in one of our manufacturing facilities to reduce the number of ventilation units, and further improve air circulation at production line.

Energy Saving Projects in SMT Machineries

In order to maintain the optimum temperature on our production floors, we have installed additional thermal insulation in infrared oven case. The insulation has reduced the energy consumption by preventing heat loss. In addition, we have also installed new extractors in the infrared oven and NXT units, which could directly draw out the exhaust gas to open area and reduce 18°C of excessive heat generated by the machineries. These new fixtures could keep the production floors at comfortable temperature and reduce the energy usage for air conditioning system.

Extractors in infrared oven

Energy Recycling in Burn-in Process

In FY2015, our RECT had introduced an energy recycling system in the "burn-in" process, which is one of the stress tests that would be conducted on the electronic components of our products during the quality assurance process. The energy recycling system had helped to reduce a significant amount of energy consumption. Therefore, we have been gradually applying this system in other facilities during FY2016, where excessive energy can be reused from the "burn-in" process. In order to reduce our electricity consumption, we have also retrieved the excessive energy from production facilities for water boiling system in the dormitories of one of our operation sites, which significantly reduced the energy consumption by 46%.

Energy recycling system

Energy Patrol Team

The RECT has also set up the energy patrol team which conducts weekly patrols throughout our manufacturing and dormitories areas, to identify any cases of energy waste. The result of the energy patrol is added as part of the Environment, Health and Safety (EHS) rewarding scheme so that all demerit points recorded by the energy patrol team will affect the monthly EHS assessment. A monthly demerit summary report will then be sent to the factory operations management and relevant RECT members. The responsible person has to prepare a corrective action plan to the RECT and he will have to attend three full-days EHS workshops, if the corresponding person fails to make any improvements.

This approach has been making a significant contribution in our energy saving programmes. It not only prevents the excessive energy consumption, but also raises the awareness of preserving our valuable resources through employee engagement.

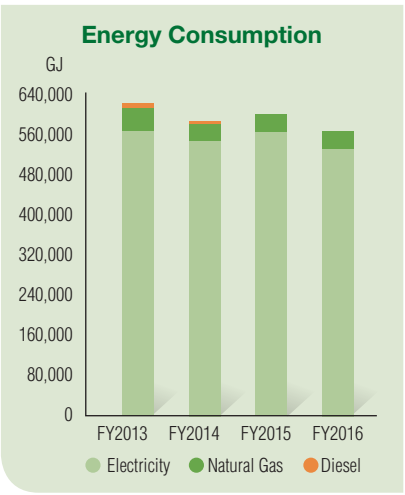
Energy Consumption

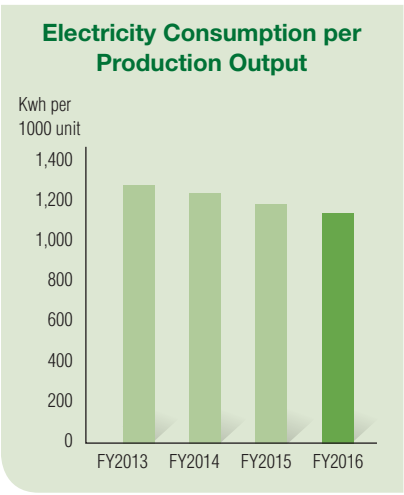
With our continuous efforts on improving the production efficiency in our manufacturing sites, our total energy consumption and the electricity consumption per production output in FY2016 decreased by 5.3% and 4.7% respectively, compared with FY2015.

Moreover, our energy patrolling and energy saving programmes have made a significant contribution in the energy reduction. We will continue to promote resources conservation programmes in the living and working areas of our factories, without compromising the provision of a comfortable and pleasant living environment for our employees.

Carbon Emissions

The use of energy is the major contributor of both direct (Scope 1) and indirect (Scope 2) emissions in VTech. With the target of minimising

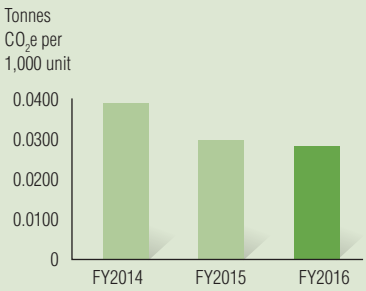




the environmental impacts, our energy conservation programmes and activities have made a notable reduction in the energy consumption and thus the carbon emissions. Direct emissions (Scope 1) only account for less than 5% of our total carbon emissions in the manufacturing sites, the dominance of electricity (Scope 2) for carbon emission is more noticeable in our operations. As a result, most of our energy saving activities are focused on reducing electricity consumption.

In FY2016, our total Scope 1 and Scope 2 emissions were 103,340 tonnes of CO_2e. Besides from keeping a small amount of diesel usage for our back up electricity generators, we have completed replacing the diesel with natural gas at the canteens of our manufacturing sites. This leads to the reduction of 72.2% in our diesel consumption which resulted in a reduction of Scope 1 emissions by 3.8% compared with FY2015.
We had also managed to reduce Scope 2 emissions per production output by 5.3% and natural gas usage by 11.0%.

VTech Scope 1 Emissions per Production Output*

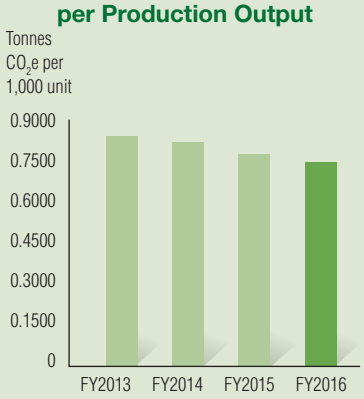


** VTech started collecting relevant data in FY2014*

Water

Clean water is a valuable resource, which VTech is committed to conserving. We only use water supplied from municipal sources and do not have any on-site wells or boreholes. To control water pollution, VTech continuously reinforces waste water treatment by strictly following ISO14001 requirements, carrying

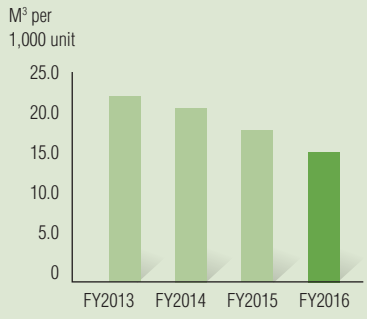
Scope 2 Emissions per Production Output



out measurements of required items, in order to meet the waste water standards in ISO14001.

The waste water is mainly generated from workers' living activities. In order to increase the awareness of conserving water resources, we have been carrying out various water saving campaigns at dormitories and manufacturing sites. With the extensive effort in our water saving programmes, we have managed to reduce total water consumption and total water consumption per production output by 15.8% and 15.3% respectively.

Total Water Consumption per Production Output



Materials, Waste and Recycling

VTech aims to operate our factories with maximum resources efficiency by minimising the materials used throughout the manufacturing process and increasing the recycling rate and the use of reusable materials. We keep track on the material that we use, aiming to minimise unnecessary waste

Infrared Sensor Taps

VTech is committed to reducing our water consumption and utilising our water resources in a more sustainable manner. In FY2016, one of our manufacturing sites has started to upgrade its lavatory fixtures by installing the infrared sensor taps to avoid water wastage and ensure better infection control.

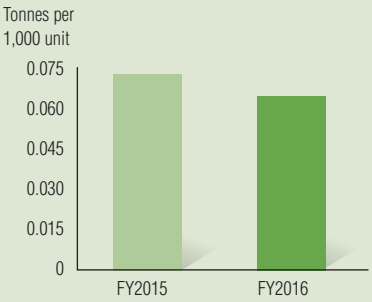
of material from the product design, downsize the PCB rims and reduce the use of packaging materials. Throughout our production, we have also installed machineries and devices to further reduce the consumption of excessive parts and materials. In FY2016, total packaging material used and total packaging material used per 1,000 production output were 30,510 tonnes and 0.2 tonnes, respectively.

In order to increase our recycling rate and maximise our resources efficiency, we have set up recycling centres at all manufacturing sites, where staff collect and compact recyclable materials, including cardboard, plastics and metals. Recyclable materials are recycled at material recovery centres. We also work closely with our suppliers by returning our plastic recyclables to suppliers for reuse. As a result, we could create a close-loop recycling system by increasing the use of

recycled materials. Our recycling rate increased from 70% in FY2015 to 75% in FY2016. Our total non-hazardous waste had also reduced to 8,738 tonnes in FY2016, resulting in the reduction of non-hazardous waste per production unit by 10.1%.

In recent years, we have increased our internal reuse rate by taking the initiatives of eliminating the use of disposable cardboard boxes and dividers and replacing them with the durable plastic ones. Additionally, we also reuse plastic bags and cardboard dividers that are collected at our recycling centres as internal packaging materials in order to better utilise our resources.

Non-hazardous Waste per Production Output



Hazardous Waste Management

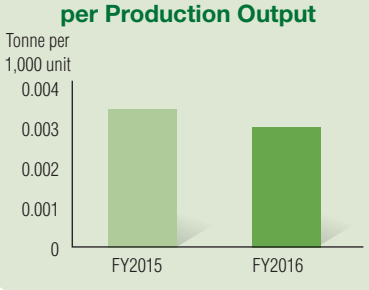
According to the feedbacks given by our stakeholders, hazardous waste that we produce is one of their main concerns. To this end, we have established our Hazardous Waste Management Scheme and taken the initiative of reporting the waste quantity that are produced throughout our production chain.

The Central People's Government of the People's Republic of China had published the Management of Solid Waste Disposal Ordinance, where all hazardous waste is clearly defined under this ordinance with the reference to a list of hazardous substances and chemicals. To meet our stakeholders' expectations and our environmental goals, it is critical to ensure that we have the high degree of safety in treating our hazardous waste, as well as comply with legislation of local industrial solid waste disposal. We strive to achieve our goals by following the best practices:

- Provide clear work instruction and protection gear for employees at all times
- Ensure employees have taken the hazardous waste and chemical management training before getting on board
- Hazardous wastes are stored in rigid and articulated containers that are acid resistant and solvent resistant. Hazardous wastes are also delivered in isolated truck and spark arrested solvent vehicle within the site
- Storage units for storing the hazardous wastes are specially constructed to prevent exposure, spillage, fire and explosion at isolated area within the site
- Hazardous wastes are categorised and stored in corresponding sections within the storage units
- Hazardous waste will be disposed and handled by government authorised hazardous waste disposal companies
- Dispose wastes with approvals granted by the Environmental Protection Division of local government

In FY2016, a total of 326.4 tonnes of hazardous wastes was produced including the disposal of waste electrical and electronic items, waste chemicals and gas cylinders. Compared with FY2015, we have reduced our hazardous wastes produced and hazardous wastes produced per production output by 18.4% and 17.0%, respectively.

Hazardous Waste per Production Output



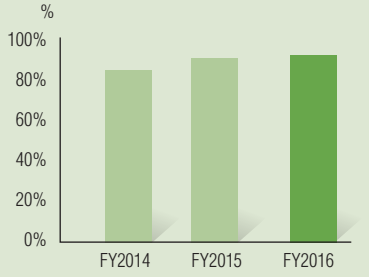
Sustainable Logistic Chain

As most of our products are shipped to the major markets in North America and Europe, it is crucial for us to manage our shipping orders in an energy-efficient manner so as to reduce the transportation costs and minimise the associated environmental impacts. We also work closely with our suppliers and customers to consolidate and combine the shipping orders for the incoming materials and outgoing products respectively, in order to reduce the frequency of shipments. For our Continental European operations, our logistic hub in Netherlands which is managed by our major logistic service provider also helps us to consolidate shipping volume and increase the filling rate of each truck for the delivery of goods within Europe.

As for the transportation mode, sea shipment is always our primary option for long distance transportation compared to the air shipment. For the inland goods delivery, we are also increasing the use of rail freight as it is the most cost efficient mode of transport with less environmental impacts compared with shipment by truck.

Our logistics team has kept on using our cargo measuring software (CargoWiz) to optimise the loading capacity of each container. In FY2016, we have reached the average of 87% of loading capacity for each container shipment.

Container Loading Capacity



Workplace Quality

VTech aims to provide a supportive, pleasant and healthy workplace for our employee, and to foster a caring community in our working environment. We care for our employees and recognise that having good staff relations and a motivated workforce play a vital role in the Company's efficient operations.

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To ensure that our facilities operate with the highest international standards on social responsibility, health and safety, all VTech manufacturing facilities are certified with the international Occupational Health and Safety Management Systems (OHSAS 18001) and Social Accountability (SA 8000), and ELPs with ICTI CARE (Caring, Awareness, Responsible, Ethical) process certification. These external verified certifications demonstrate our compliance with local laws and high quality working conditions.

Our human resources management policy builds on our four key values – "**C**ommunication and Staff Relations", "**A**dvancement in Careers","**R**espect of Labour and Human Rights", and "**E**nvironment for Our People" (CARE).

Communication and Staff Relations

To ensure the effectiveness of our workplace management system, we conduct employee satisfaction survey regularly and have cross functional teams and committees at different manufacturing sites to determine goals and targets, discuss new projects, and review project progress on improvement of workplace and employees related issues based on the feedback from our people.

Staff Communication

Open communications is an important element in achieving effective workplace management system. We encourage employees to voice their opinions through various communication channels at all levels throughout the Company. We provide suggestion boxes, websites, staff-caring hotline, internal newsletters and communication meeting, where employees can express their concerns and suggestions freely.

Employee engagement surveys and meetings are also conducted in our manufacturing facilities on a regular basis to receive feedback from our employees. All information, opinions and suggestions gathered from employees are followed up by our employee relations team.

Communication and Staff Relations
- Enhance our good staff relations through various communication channels and staff activities

Advancement in Careers
- Foster a continuous learning environment and encourage employees to develop and advance their careers in VTech

Respect of Labour and Human Rights
- Respect the labour and human rights of all our employees with clearly defined human resources management policies

Environment for Our People
- Provide a supportive, pleasant and healthy environment for our employees

VTECH SUSTAINABILITY ACTIVITIES

Staff Relations
Written and verbal communication is not the only solution for building bridges. VTech believes staff relationship could be further strengthened by their participations in different kinds of staff activities.

In FY2016, our Staff Association has continued to organise various activities including sports, leisure, social events and outing for our employees. We have been building a healthy living and working environment for our employees through organising various sport activities and eco tours, including RunOurCity Streetathon, Standard Chartered Hong Kong Marathon, Oxfam trailwalker, Golf Tournament, Sowers Action Challenging 12 Hours and Dragon Boat Races. Moreover, we have been engaging our employees through various excursions, team building and outreach activities, which provide opportunities to help our employee connect more closely out from work. The number of participants in our staff activities has increased to over 274,000 in FY2016.

Staff activities and sport events

VTech Dragon Boat Team

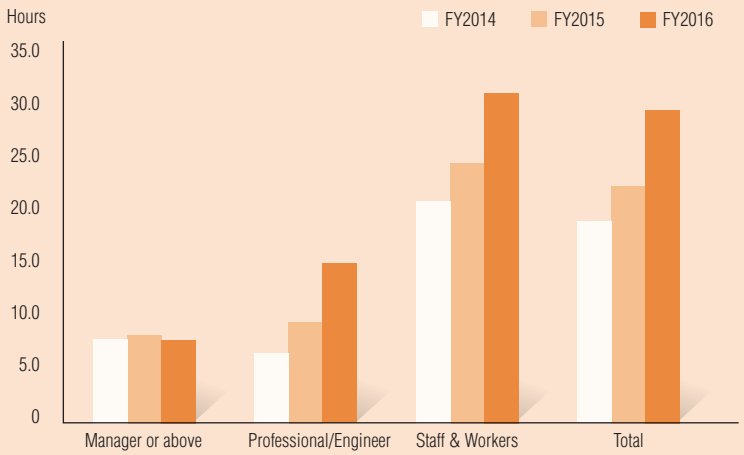
Our Dragon Boat team joined the Shatin Dragon Boat Race in 2015. With great team spirit, we have brought the second runner-up trophy in the Mixed Team for "Chow Tai Fook" Invitational Race and third runner-up trophy in women open race to VTech's history. This year, our first ladies crew had participated in the Shing Mun River Race. With the remarkable skills, strength and power, our ladies crew was awarded the third runner-up trophy in the Ladies league.

Advancement in Careers

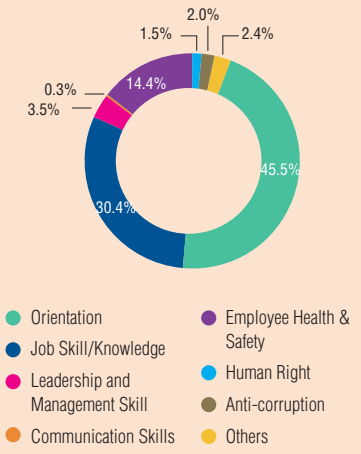
The Training and Development (T&D) team from the Human Resources Department at VTech encourages our employees to develop and advance their careers in our Company. We also actively promote continuous learning initiatives and develop a wide range of training programmes for our employees.

The T&D team continues to review the training needs of our staff, evaluate the content and result of training courses and develop training programmes that are not limited to meeting VTech business needs, but also enhancing individuals' knowledge and skills. The training includes general training courses such as business skills and knowledge, effective communication skills, foreign language and leadership courses. In FY2016, our T&D team has also added new training elements to the programme, such as strategic brand management, product specification and control tests, ethics awareness training, etc. We also subsidise external professional courses for employee, and ensure the development opportunities are equally open to staff at all levels. We have continuously adopted the succession plan in manufacturing sites, which allows us to explore the potential talents and provides the opportunities to our employees to attend specific management courses and learn valuable technical and management skills from various departments and teams. These training programmes ensure that our future leaders are well-prepared to take up the leadership roles in supporting the continuous growth of the Company.

Average Training Hours by Grade



FY2016 Training Hours by Type



Respect of Labour and Human Rights

VTech is committed to respecting the labour and human rights of all our staff through the following principles, which are clearly stated in our human resources management policies:

Freely Chosen Employment – We do not use forced or prison labour. We ensure that the terms of employment are voluntary. Our employees work at VTech of their own free will and are free to leave the Company upon reasonable notice under the terms of their labour contracts. We do not require employees to lodge deposits or hand over passports or work permits as a condition of employment, unless required by applicable law.

No Child Labour – We comply with all appropriate local and international regulations in relation to the restrictions on the employment of child labour.

Benefits and Wages – 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. We do not make deductions from wages as a disciplinary measure.

Overtime Policy – Overtime is voluntary and employees are compensated for overtime in accordance with local laws.

Equal Opportunity and No Discrimination Policy – We ensure that our hiring, compensation, training, promotion, termination and retirement policies and practices do not discriminate on the grounds of age, sex, marital status, race, religion, disability or any other non-job related factors. Remuneration is determined with reference to performance, qualifications and experience.

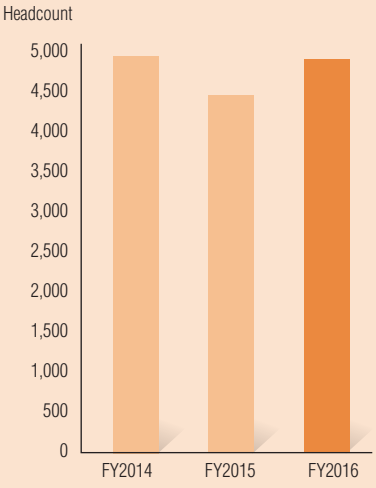
Harassment and Abuse – We do not tolerate any physical, sexual, psychological or verbal harassment or abuse towards our employees.

We have procedures in place to ensure that our policies are properly implemented throughout the Company. These include training, conducting employee interviews and surveys, on-site visits and audits on a regular basis. Any issues or enquiries raised by our employees through different communication channels will be handled and investigated by the Company with care and in a confidential manner.

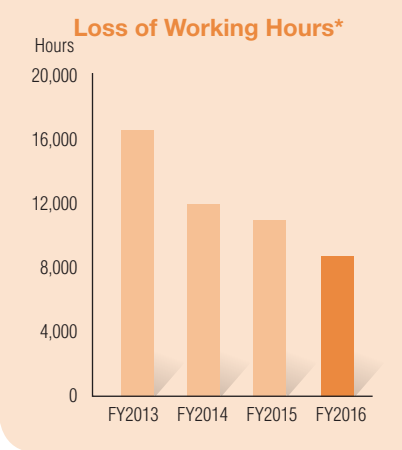
To ensure equal job opportunities are provided to any gender. We have organised child care courses and upgraded the nursery facilities in our manufacturing site to better support the working mothers in VTech.

VTech is committed to embracing an equal and supportive working environment for our employees. In VTech, 99.9% of our employees are recruited by the Company with full-time employment contracts, whereas 98% of our senior management staff is hired from the local area of the sites of operation in respective countries for supporting local employment. We also conduct annual performance appraisals for all employees to assess their performance and communicate the results with them. The appraisal is used as a reference for rewarding our staff accordingly.

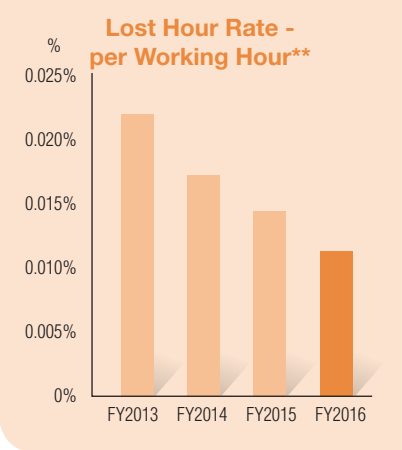
Year of Service Longer than 5 Years



In addition, VTech celebrates and shows appreciation of the contribution of our employees by presenting long service awards to employees who have completed five years of services. Awards will also be made for each subsequent five year period of services. In FY2016, more than 4,900 staff have been at VTech for more than five years. The Company also gives out "Distinguished Staff Award" and "Distinguished Team Award" as recognition of the outstanding performances and accomplishment achieved by our employees.



* *Loss of working hours is the total working hours that workers cannot attend work due to injuries in manufacturing operations*



** *Lost Hour Rate per Working Hour was calculated as Total Number of Lost Hours/Total Hours Worked*

Environment for Our People

We always put workplace safety as our number one priority in our workplace environment. All VTech manufacturing facilities comply with national and international health and safety standards as evidenced by our certification to OHSAS 18001. We also have EHS teams at all our factories to conduct regular health and safety audit, and provide different training programmes for our people.

Maintaining an accident-free workplace environment is always a challenge at VTech. With the extensive efforts focusing on workplace safety, we are pleased to report that our San Antonio distribution centre had hit the milestone of 2,687 days accident-free in FY2016.

The remarkable record from the San Antonio distribution centre has set a very good example within the Company. With the coordination of the Human Resources Department and EHS teams, we have established a Safety Committee to study the root causes of the work-related injuries on a monthly basis and design a series of health and safety education programmes, as well as conduct relevant intensive training courses to increase the awareness of workplace safety at our manufacturing sites. These include compulsory regular safety training courses and fire drills practices, occupational injury prevention training, fall prevention training, workplace safety training and specific safety training workshops and tests, such as chemical usage, machinery safety and forklift operation. Employees are also strictly required to retake relevant training courses and assessments before resuming duty after violating the workplace safety instructions. Moreover, new training courses and workplace stretching exercises are in place. Our EHS teams have also been giving out constant health and safety reminders during briefing sessions. In FY2016, we have increased health and safety training hours by 103% compared with last year.

Visualisation training usually gives a better result in delivering the health and safety instructions compared to theoretical training. Therefore, our EHS teams have adopted new training methods and techniques, such as adding new role play session at the training workshops and playing health and safety demonstration videos at workplace on a regular basis. The positive feedback from employees proves that these new methods and techniques have made the instructions easier to understand, ensuring that the health and safety messages are also delivered in a more effective manner. With our continuous activities and efforts focusing on workplace safety, our loss of working hours and lost hour rate per working hours in FY2016 have reduced by approximately 23.2% and 16.4% respectively compared with FY2015, and we did not have any work related fatality case.

Continuous Improvement in Living Area

The majority of employees in our China manufacturing facilities are from different provinces of the country. We recognise that to make them feel at home, and have a sense of belonging while they are living in our dormitories are very important for our people. We have continuously upgraded the dormitories, food laboratories and recreational facilities at our manufacturing sites in FY2016.

Nursey room

Female Friendly Working Environment

We have also organised child care and parenting courses for our employees. In order to provide a better environment for our employees to take care of their babies, we have upgraded the nursery facilities in our CMS manufacturing site in FY2016. We also ensure all health care and training programmes, as well as child care and parenting courses are available to all female employees at all levels.

Food laboratory

Food Quality Control Process

Considering that our employees from manufacturing facilities are from different provinces of the country, we have been serving a wide range of healthy signature dishes from different provinces at our canteens to suit their needs. Moreover, to ensure the high quality food safety standards, our food quality assurance team tests and verifies the quality of raw material and food preparation process, and inspects the finished product.

Raw Material Inspection	Raw material inspection is the first and the most critical step in food quality control process. Raw material needs to go through a series of tests before it comes to the food preparation.
Material Check	When the raw ingredients are delivered to VTech, some general information such as the integrity of food packaging, the expiry date, the temperature of frozen food, and the test report from both internal and external parties is verified.
Testing	Food safety is one of the biggest concerns in VTech. In order to ensure the food safety for our employees, our food quality assurance team does a series of tests, including but not limited to the pesticide, veterinary drug residue, and chemical additive tests. The test results are posted on the notice board at the canteen so that our employees can keep track of our food quality assurance. We require our food suppliers to provide the self and third party assessment to ensure no food safety violations.
Supplier Management	VTech purchases raw food materials from licensed and qualified suppliers. We have established supplier list and carried out supplier performance assessment. Each of the suppliers has to be familiar with the VTech food quality manual, and all raw materials that do not meet our requirements will be returned or disposed on-site.
Staff Training	The food laboratory technicians have job related training before being put on duty and have opportunities to make an advanced study to reinforce and update their food safety knowledge.
Food Preparation Process Control	We have internal food preparation guidance in place to ensure food prepared follows the hygiene standards.
Finished Products Inspection	All finished products samples will be kept for 48 hours for future inspection.

Sustainable Operating Practices

VTech has policies and systems in the areas of Business Continuity Management, Supply Chain Management and Climate Change Strategy to ensure that we have a sustainable operating practice throughout the Company.

VTech has three core policies and systems to ensure that we have a sustainable operating practice throughout the Company. We have "Business Continuity Management" programme to identify and mitigate our potential operational risks, and increase our resilience capability to resume our operations in an effective and timely manner. For the supply chain management which is crucial for our sustainable operations, we have a well established "Supply Chain Management System" to monitor the quality of our suppliers as well as their environmental and ethical performance in accordance with VTech's CSR requirements.

As an environmentally conscious and sustainable company, VTech also recognises that climate change could create uncertainties in our business development. We have developed our "Climate Change Strategy" to assess how climate change could affect our business operations, and minimise the potential impacts on our sustainable growth. We continuously review our environmental management approach and carbon reduction programmes in order to manage our carbon emissions in the supply chain and daily operations.

Business Continuity Management

Business Continuity Management (BCM) is important for ensuring that we always have a smooth business operation. Our BCM programme not only helps us to identify and mitigate our potential operational risks, but also increases our resilience capability to resume our operations in an effective and timely manner. VTech's RMSC has developed an internal risk management structure at both the management and operational levels, which clearly defined the roles and responsibilities in managing the potential risks in the respective areas, and set up procedures for the execution of our Business Continuity Plan (BCP) in the event of disruptions. At each of our key business functions, the management team who is responsible for BCM, consisting of the senior management at the operational level of the relevant departments, is given the responsibility for developing and executing the BCP to ensure the continuous operation of the critical and essential functions of the Company in the event of emergency or business interruption. We have adopted a four-step BCM framework to identify the events that could affect our operation, assess the identified risks, establish measures and controls to manage the impacts with recovery actions, and review the BCP for continuous improvement on a regular basis.

BCM Framework of VTech

- **Step 1:** Identification of Potential Event of Disruption
- **Step 2:** Assessment of Identified Risks
- **Step 3:** Establish Measures and Controls
- **Step 4:** Monitor and Review the Effectiveness of BCP

Sustainable Supply Chain Management

A well established Supply Chain Management System and a good procurement practice are crucial for our sustainable operations. VTech has a Supply Chain Management System in place to monitor the quality of our suppliers as well as their environmental and ethical performance. We are committed to managing our supply chain in a socially and environmentally responsible manner and sourcing from approved suppliers who meet VTech's CSR requirements.

Including the manufacturers of PCBs and other electronic components, over 94% of our major suppliers are from the local industries in China. Logistic providers form the bulk of the latter part of the supply chain. We recognise that extreme events can delay the supply of materials and given the nature of some of the major activities, may also pose social and environmental risks. In order to mitigate the risks to VTech and its customers, we have a Supply Chain Management System in place to monitor the suppliers' quality, as well as their sustainability performance to minimise the potential disruptions that might hinder the effectiveness of our supply chain.

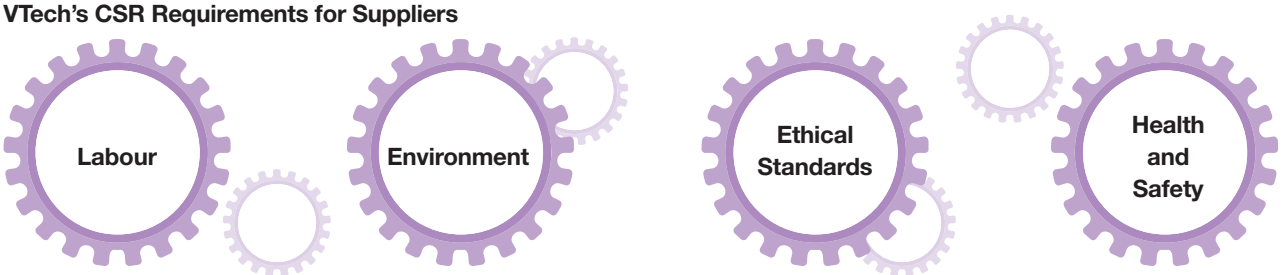
In order to ensure the quality of our finished products, it is essential to have a sustainable supply chain. We ensure that we could achieve this by building a long-term relationship with our suppliers based on mutual trust. All purchases made by the Company are handled by procurement team in a fair, objective and professional manner. Our procurement criteria is based not only on price, quality, delivery capacity and reputation, but also integrity, social and environmental responsibility of our suppliers.

We work closely with our approved suppliers, and encourage them to follow our key CSR initiatives, based on the requirements of the EICC, International Labour Organisation Conventions on Labour Standards, ISO 14001, and OHSAS 18001. We have extended the topics covered in our regular audit to further improve the energy efficiency of our suppliers base. Our suppliers are required to sign the agreement on Conflict Minerals, i.e. tantalum, tungsten, tin, gold, etc. to ensure all metals used in the manufacturing process of VTech's products do not originate from Conflict Region.

Prior to placing any orders to a supplier, we engage with them in order to understand any risks they may pose to VTech and request them to follow our supplier CSR agreement. This is reviewed by our procurement team and each supplier is given a risk category rating. All new suppliers need to go through a comprehensive supplier audit to ensure they meet VTech's CSR and quality standards. For critical safety-related components and materials, we will conduct examinations at early stage of our manufacturing process to identify any non-compliance issues and implement corrective actions in a timely manner.

Following the audit process, if there are any areas of non-compliance identified in the supplier's factories, the supplier is required to propose corrective actions with an implementation schedule in order to eliminate the identified deficiencies. Our teams follow up on the corrective actions to ensure that the areas have been improved and managed accordingly. We also provide training to suppliers on continuous improvement processes to facilitate their implementation of any corrective actions. In FY2016, we audited 282 suppliers. A small number of these were removed as approved suppliers due to their failures to meet VTech's required standards and no suppliers were removed due to negative environmental impacts. In FY2017, we will be working

VTech's CSR Requirements for Suppliers



- Freely Chosen Employment
- Child Labour Avoidance & Protection of Young Workers
- Working Hours
- Wages and Benefits
- Humane Treatment
- Non-Discrimination
- Decent Working and Living Environment

- Environmental Permits and Reporting
- Pollution Prevention and Resources Reduction
- Hazardous Substances
- Waste Water and Solid Waste
- Energy Efficient Manufacturing Process

- Business Integrity
- Anti-Corruption
- Code of Conduct
- Disclosure of Information
- Procurement Practice

- Occupational Safety
- Emergency Preparedness
- Occupational Injury and Illness
- Industrial Hygiene
- Physically Demanding Work
- Machinery Safety

closely with our suppliers to further improve the manufacturing energy efficiency and social aspect of our upstream supplier chain. Through sharing our experience with suppliers, we believe that we can further reduce the carbon footprint of the components used in our products, and help our suppliers to improve their social and working conditions.

Climate Change Strategy

VTech has the major manufacturing sites located in China, which is one of the biggest GHG emitters throughout the globe. The Chinese government had recently announced its carbon pledge, aiming to limit the carbon dioxide emissions by 2030 and reduce its carbon intensity by 60-65% from 2005 level. As an environmentally conscious and sustainable company, we are committed to taking the responsibility in the GHG reduction and aligning our sustainable growth with the national and international climate change agenda. To this end, we have addressed the climate change challenges and developed a strategy to minimise the potential environmental impacts arising from our daily operation.

As part of our climate change strategy, we are dedicated to reducing our GHG emissions by minimising the energy consumption from our daily operation through our various energy and resources saving programmes. We have also been working closely with our suppliers and customers to reduce the carbon emissions through enhancing our environmentally friendly product designs, green logistic practices and carbon reduction programme.

VTech acknowledges that the extreme weather caused by climate change could affect our business in various ways. We have established our Climate Change Strategy in order to prepare for downside risk, maximise upside opportunities, and ensure our business strategies are not only accounted for longer term trajectory of climate change, but also sufficiently flexible to respond to the inevitable changes in the business environment.

VTech also encourages our procurement team to explore eco-friendly materials and equipment. By choosing the right materials and equipment, we can ensure the product quality whilst further reduce the GHG emission generated through the manufacturing process. VTech continuously reviews our approach on climate change to enhance our resilience in response to the associated risks and opportunities.

VTech Carbon Management Approach

Supply Chain	Operations	Customers	Communities
• Work closely with our suppliers and require them to follow our CSR requirements • Share our energy efficiency programmes with our suppliers and help them to reduce the environmental impacts from operations	• Disclose the total GHG emissions including Scope 1 and 2 emissions • Strive to reduce our GHG emission per production output • Report our GHG information and progress in our Sustainability Report • Review and update our climate change policies and projects annually	• Share GHG information with customers • Optimise the energy efficiency in the use of our products • Measure and reduce the carbon footprint of our key products in each generation	• Support local climate change policy of our sites of operation • Update our Climate Change Strategy and carbon reduction programmes with reference to the international and local climate mitigation targets, plans, and adaptation initiatives

Community Investment

VTech uses its expertise and resources to support the communities in which it operates, focusing on supporting people in need, collaborating with local charities, providing training opportunities for young people, nourishing an innovative environment and developing a healthy and green community.

As a responsible corporate citizen, VTech uses its expertise and resources to support the communities in which it operates in various ways. In FY2016, VTech continues to focus on the following five key areas for our community investment which was developed in FY2015.

Support People in Need	Collaborate with Local Charities	Provide Training Opportunities for Young People	Nourish an Innovative Environment	Develop a Healthy and Green Community
Provide helping hands for people in need	Support local charitable events and the general corporate philanthropy	Attract the best talents to VTech and provide training opportunities for young people	Sponsor and support the breakthroughs in communications and technologies	Foster a healthy and green living environment in the community

Support People in Need

Since the establishment of VTech's voluntary teams in different manufacturing sites and global offices, we have participated in various voluntary events, and created a strong social network to assist and support the people in need. We also encourage our employees and their families to participate in our volunteering activities, bringing positive impact to the families and society.

Our China and Hong Kong voluntary teams frequently participate in various types of voluntary services including visiting elderly homes and children hospitals, and supporting crowd control at community events. Our Canadian staff provided volunteering services in the Vancouver Aquarium for the education programmes. In FY2016, the number of volunteers has increased to 2,600 and we have contributed over 18,291 hours in volunteering activities.

VTech has been awarded the "Caring Company" by The Hong Kong Council of Social Service for the eighth consecutive year in recognition of our continuous contribution to the Hong Kong community. Our voluntary team in Liaobu, Dongguan, China was presented with the breakthrough award by the local Community Healthcare Centre in 2015 to show the appreciation of their valuable contribution. These awards are a great encouragement for our voluntary works for the community.

Collaborate with Local Charities

VTech has been working with a number of local charities to build a harmonious relationship within our community. We have been working closely with our partners including Hong Kong Society for the Aged (SAGE), Red Cross, The Hong Kong Federation of Youth Groups (HKFYG), Hong Kong Children and Youth Service through various charitable events, such as taking children on local cultural and ecology appreciation tours, setting up blood donation station at office, visiting elderly homes and rice giving to underprivileged families. This year, we have also expanded our network and collaborated with some new organisations, such as Tai Po Baptist Church Social Service (TPBCSS), Greeners Action and People's Food Bank.

VTech also sponsors our staff to take part in different sport activities organised by the local charities. In FY2016, our employees participated in the Oxfam Trailwalker 2015, Sowers Action Challenging 12 Hours 2015, RunOurCity Streetathon 2015 and Standard Chartered Hong Kong Marathon 2016. Our Sowers Action team won the 2nd runner-up in the category 42 km Corporation Team. We were the 3rd most committed organisation in the RunOurCity Streetathon 2015 and were presented the Golden Corporate Participation award in Sowers Action Challenging 12 Hours 2015. We also collaborate with local charities to support various charitable activities around the world. In FY2016, we have made charitable and other donations of over US$302,000 in FY2016.

VTech Book Corner

VTech is devoted to providing learning opportunities through fun and innovative educational toys. As part of our community investment, VTech has established a new "VTech Book Corner" programme. In FY2016, we have built four "VTech Book Corners" for schools in Guangxi Province, where the VTech Book Corners are filled with over 7,000 story books and educational toys. The aim of this programme is to provide a better learning experience and environment for primary schools students and to nurture children's learning and creativity.

Visiting Schools in China Remote Areas

Over the last four years, our voluntary team from our China manufacturing site has organised schools visits in remote areas within the province, providing opportunities to improve the quality of life for the children from remote areas. This year, our voluntary team visited four schools in Guizhou Province. The team brought the local students with over 4,000 sets of electronic learning toys, knitwear, duvets and small amount of food supplies.

Provide Training Opportunities for Young People

VTech recognises that attracting the best talents is important for the sustainable growth of the Company. We regularly recruit interns from local universities and organise various workshops with schools for young people. We believe that employing young people could help us to find the most sought-after student talent to work with us in the future, who can bring new perspectives and fresh ideas to VTech. We also understand that job opportunity is valuable for all young people, which helps them to gain working experience, develop job skills, make connections with peer groups, and assess their interest and abilities. Internship program not only helps students to gain practical working experience, but also enhances the local workforce as a whole. VTech will continuously support local youth employment programme in the local communities in which we operate.

VTech's Internship Programme

"During the internship programme, VTech has provided us on-site training opportunities with the senior engineers. We have learnt how a product is produced starting from scratch. We were involved in different manufacturing processes, such as product design, product development, components tests and mass production management.

This internship programme also provided us with practical training opportunities. I have learnt more about the development of electronic function designs, conducting component testing, circuit and software debugging, PCB layout design and so on. Additionally, our supervisors have also taught us a lot of valuable skills for our professional development and given us the opportunity to handle certain projects on our own."

CHEN Jinzhu, Dong Guan University of Technology

VTech's Advanced Manufacturing Workshop

VTech has organised certain advanced manufacturing workshops with schools and colleges, such as the Savannah College of Art and Design, which provided opportunities for students to discuss the innovative technology behind the manufacturing process.

Nourish an Innovative Environment

In order to nourish an innovative environment and stay ahead of the latest trends and developments in the industry, VTech has supported various technology forums and participated in a number of trade associations around the world. We primarily engage as members and collaborate with the others on the industry projects to help develop the industry and technology standards. As in the previous years, we continued to sponsor the Business of Design Week 2015, which provided a unique platform for the designers and intellectuals to exchange ideas, innovative design and technology. VTech had also sponsored the Hong Kong Awards for Industries to support any outstanding performances and achievements that were recognised within the industry.

In Hong Kong, VTech had collaborated with the TPBCSS and arranged a science exploration tour for local primary school students who need special care. During their visit at the Hong Kong Science Park, students were invited to take part in several activities and joined the car racing competition with the use of toy cars that were built by the students. Students were required to use sensors, circuits and fundamental components, with the applications of scientific principles to build a toy car with our volunteers. This event aims to enhance students' knowledge on certain scientific principles through games and challenges, broaden their horizon, increase their self-confidence and promote innovation on science and technology.

Develop a Healthy and Green Community

VTech not only dedicates its efforts to minimise the environmental impacts from our operations, but also participates in different community events to develop and promote a healthy and green lifestyle within VTech and the community.

In FY2016, our volunteers teamed up with People's Food Bank, which helps underprivileged families by collecting edible surplus food from different donors and redistributing the surplus food for people in need. Our voluntary team worked at food collection centre, repacked the rice that was donated by other organisations and distributed the rice to the families with financial difficulties.

Science exploration tour for local primary school students

Red Packets Recycling Scheme

Married couples giving out red packets to their juniors during the Chinese New Year is one of the ancient traditions in the Chinese culture. Each year there are millions of red envelopes being disposed to the landfill after being used for once, while the envelopes are still in good condition. Therefore, we collaborated with Greeners Action during Chinese New Year in 2016. We put up recycling boxes within our office for employees to recycle the used red envelopes. The Greeners Action team will redistribute them to the local community before the next Chinese New Year. This event encourages and promotes reuse of materials which leads to waste reduction and avoids the excessive use of materials.

Forest Restoration Campaign

VTech's employees are enthusiastic to participate in sustainable community service and use the natural resources to raise the awareness of the climate change impacts among the community.

Our voluntary team partnered with the Dongguan Environmental Protection Department and took part in the forest restoration campaign in FY2016. Along with a group of local volunteers, our team visited the Dongguan Zoological and Botanical Garden, which had over 200 trees planted since 2013. The restoration activities were carried out in order to recover the landscape and maintain the ecology by weeding and adding fertilisers around the trees in the forest.

The VTech organic farm that was developed at our TEL products manufacturing site in FY2014 has become very popular within the site, where employees could practise their urban farming techniques. We have also grown a wide range of crops and seasonal fruits. Employees could enjoy fruit picking at workplace and share the fresh and healthy fruits during break time. To further develop a healthy and green lifestyle within the Company, our Staff Association has organised numbers of excursions and cycling tours for our employees to enjoy the sensational scenery of the nature.

To support a sustainable lifestyle, our annual dinner in FY2016 continued to support the Green LUCK Banquet of Green Monday and follow the three principles – no waste, no shark fin and one vegetarian dish. All excessive food that were prepared for the banquet were distributed to people in need. Moreover, VTech headquarters had also signed up the pledge for Earth Hour. By supporting the international lights-off event which was held on 19 March 2016, VTech had made further commitment in combating the climate change and encouraging green lifestyle across the Company.

Rice distribution to people in need

VTech Organic Farm

FY2016 Targets and Progress Updates

Strategy Themes		Approaches		Targets for FY2016	FY2016 Progress Update
Product Responsibility & Innovation	**Design for People**	Continue to use our technological expertise to design and provide products to enhance the well-being of our customers and benefit the society		Increase the total sales of health and safety products by 5%	Health and safety products sales grew by 25.9% compared with FY2015.
	Design for Excellence	Continue to ensure that all products are compliant with the international quality and safety standards		Zero product recalls, fines or penalties relating to non-compliance with regulations	In FY2016, we had no case on product recalls, fines or penalties relating to non-compliance with regulations.
		Follow the Life Cycle Analysis (LCA) Guideline , aiming to reduce the carbon footprint in each new generation of the products		Undertake LCA analysis for 2 key products in TEL products and ELPs to reduce the carbon footprint throughout the product life cycle	We have performed LCA on one new TEL product and one ELPs.
Environmental Protection	**High Performance Production Chain**	Implement more low cost automation projects and further strengthen the operational management to improve the production efficiency and productivity		Increase production output per worker by 4%	Production output per worker increased by 7.9% compared with FY2015.
				Project progress	We have carried out various energy reduction projects in FY2016, such as re-layout of the ventilation system, energy saving projects in SMT machineries and energy recycling in burn-in process.
	Green Manufacturing	Energy consumption and carbon emissions	Reduce energy consumption and thus the carbon emissions	Phase out the use of diesel in all canteens of the manufacturing facilities	No diesel was used in all canteens of the manufacturing facilities. Fuel of canteens is replaced with natural gas.
				Gradually upgrade the entire ventilation system and perform re-layout of the air conditioning ducts of the production floors	We had upgraded the ventilation system and performed the re-layout of the air conditioning duct of the production floors in part of our manufacturing sites.
				Continue to adopt the hydraulic servo control technology in our existing injection moulding machines	We continue to adopt the hydraulic servo control technology and expect to complete the project in mid of 2016.
		Water	Reduce water consumption and improve effluent treatment	Continue to promote water saving campaigns throughout the Company	In FY2016, with our continuous effort to promote water saving campaign throughout the Company, our total water consumption decreased by 15.8% compared with FY2015.
				Introduce water efficient silk printing process in our factories	We have been conducting a comprehensive feasibility study of the water efficient silk printing process and will introduce it in our factories after the thorough study in FY2017.

VTECH SUSTAINABILITY PERFORMANCE

Strategy Themes		Approaches		Targets for FY2016	FY2016 Progress Update
 **Environmental Protection**	**Green Manufacturing**	Materials, Waste and Recycling	Recycle materials to minimise waste and conserve resources	Introduce automation process in the material recycling station of our factories to improve the recycling efficiency	We had installed the conveyor system in the material recycling station and we are consulting specialists to improve the system and thus the recycling efficiency.
				Set up a system and database to collect and analyse the internal reuse and recycling rate	We have been building a comprehensive system and database for collecting the internal reuse and recycling rate for further analysis.
				Introduce food waste decomposer in the canteens of our factories to transform the food waste into organic fertiliser	The installation of food waste decomposer is not feasible due to the restricted regulations on producing organic fertilisers in China.
		Logistics	Reduce the environmental impact from shipment of products	Continue to keep track of the average loading capacity of each container shipment	We have continued to use cargo measuring software to optimise the loading capacity. In FY2016, our cargo loading capacity was maintained at 87%.
				Continue to improve the consolidation shipment volumes and shipping orders with our business partners	We have been working closely with our customers to consolidate the shipment volume. We have continued to improve the consolidation shipping volume and shipping orders and maintain our loading capacity at 87%.
 **Workplace Quality**	**Communication and Staff Relations**	Enhance our good staff relations through various communication channels and staff activities		Encourage open communications at all levels of the Company and facilitate employees to voice their opinions through various communication channels	VTech have regularly provided updates for employees and conducted employee satisfactory survey.
				Continue to provide different types of staff activities for our employees	We have offered new staff activities for employees. In FY2016, we increased the number of participants in our staff activities by 56.9% compared with FY2015.
	Advancement in Careers	Foster a continuous learning environment and encourage employees to develop and advance their careers in VTech		Upgrade the e-learning platform and increase the number of training courses for the career development of our employees	We have updated the training materials in our e-learning platform and offered numbers of new training courses for employees.
				Review the training needs of the staff and evaluate the content and result of training course on regular basis	We have reviewed the training need of the staff and based on the feedback from our employees, we have added the new training courses.
	Respect of Labour and Human Rights	Respect the labour and human rights of all our employees with clearly defined human resources management policies		Continue to update our human resources management policies in accordance with the latest statutory requirements	HR policies have been updated regularly with reference to the latest statutory requirements.
				Continue to provide training and conduct employee surveys in the areas of labour and human rights	In FY2016, we had provided 796,614 hours of training to our employees.

Strategy Themes		Approaches	Targets for FY2016	FY2016 Progress Update
 **Workplace Quality**	**Environment for Our People**	Provide a supportive, pleasant and healthy workplace for our staff, and foster a caring community in our working environment	Add new health and safety training courses and introduce workplace stretching exercise to all workers	We have added new health and safety training courses. We have introduced workplace stretching exercise at different production floors since July 2015. Health and safety training per headcount increased by 118.6% compared with FY2015.
			Conduct ergonomic evaluation on workstation and perform monthly Environment, Health and Safety (EHS) internal audit	We have continued to conduct monthly EHS internal audit and reinforce the ergonomic technique at workstation.
			Continuously upgrade the facilities in the living areas of the factories	We have upgraded the facilities in the living areas of our factory regularly.
 **Sustainable Operating Practices**	**Business Continuity Management**	Mitigate the potential operational risks and increase our resilience capability to resume the operation in an effective and timely basis	Annual risk registry update and assessment	The risk registers of key functions have been updated.
	Supply Chain Management and Procurement Practice	Manage our supply chain in a socially and environmentally responsible manner and source from approved suppliers who meet our VTech's CSR requirements	Measure suppliers' sustainability performance	We have continued to measure the suppliers' sustainability performance and ensure our suppliers meet our CSR requirement.
			Expand our sustainability audit scope, develop a more comprehensive audit structure and conduct annual audit for all major suppliers	We have conducted annual audit for all major suppliers and reviewed our sustainability audit scope to develop a more comprehensive audit structure.
	Climate Change Policy	Ensure our business strategies are not only accounted for longer term trajectory of climate change, but also sufficiently flexible to respond to the inevitable changes in the business environment	Disclose our total GHG emissions annually and review VTech's Climate Change policy with reference to the international and local standards	Our total GHG emission for FY2016 was 103,340 tonnes of CO_2e. Our Climate Change policy has been reviewed and reported on page 36.
 **Community Investment**	**Support People in Need**	Use our expertise and resources to support the communities in which we operate	Arrange more voluntary programmes for the local communities especially in remote areas of the countries	We had arranged four school visits in remote area in May 2015 and built VTech Book Corners in China in December 2015.
			Encourage more employees to participate in the local charitable events	We had organised a variety of local charitable events for employees to participate and arranged science exploration tour for local primary school students. In FY2016, our volunteer hours reached 18,291 hours, increase of 9.3% compared with FY2015.
	Collaborate with Local Charities		Sponsor local science programmes for young people	VTech had provided internship programme for engineering college students and co-organised engineering courses with the local university in Dec 2015. We are seeking scholarship opportunities for the course students in the coming future.
	Provide Training Opportunities for Young People		Sponsor and support annual industry events to nourish the local science environment	We had arranged science exploration tour for local primary school students.
	Nourish an Innovative Environment		Promote healthy eating at VTech canteen	We have provided healthy and organic fruits that are picked from our organic farm for employees to enjoy.
	Develop a Healthy and Green Community		Promote farming at manufacturing sites and participate in local green activities	In FY2016, we have continued to promote farming at manufacturing sites. We also started to collaborate with local green organisation, such as People's Food Bank and Greeners Action.

Company Performance and Data

Items	G4 Indicator	HKEx Indicator	FY2014	FY2015	FY2016
Portion of senior management hired from local community[9]	G4-EC6		98%	98%	98%
Proportion of spending on local suppliers at significant location of operation	G4-EC9	B5.1	89%	94%	94%
Material used by weight or volume (1000Tonnes)	G4-EN1		79.3	86.1	86.0
Energy use[1] (GJ)	G4-EN3	A2.1	587,365	605,227	568,648
Energy from Diesel[1] (GJ)	G4-EN3	A2.1	7,218	3,768	1,047
Energy from Natural Gas[1] (GJ)	G4-EN3	A2.1	41,583	39,180	35,050
Energy from Electricity[1] (GJ)	G4-EN3	A2.1	538,564	562,279	532,551
Energy use[1] per production output (GJ per 1,000 unit)	G4-EN5	A2.1	4.753	4.526	4.280
Energy from Diesel[1] per production output (GJ per 1,000 unit)	G4-EN5	A2.1	0.058	0.028	0.008
Energy from Natural Gas[1] per production output (GJ per 1,000 unit)	G4-EN5	A2.1	0.336	0.293	0.264
Energy from Electricity[1] per production output (GJ per 1,000 unit)	G4-EN5	A2.1	4.358	4.205	4.008
Electricity used (Kwh)	G4-EN3	A2.1	149,601,160	156,188,568	147,930,737
Electricity used per production output (Kwh per 1,000 unit)		A2.1	1,211	1,168	1,113
Water comsumption[2] (meter cube)	G4-EN8	A2.2	2,503,745	2,415,255	2,033,109
Water comsumption[2] per production output (meter cube per 1,000 unit)		A2.2	20.3	18.1	15.3
CO_2 emission Scope 1[3] (tonne of CO_2e)	G4-EN15	A1.1, A1.2	4,750	4,002	3,851
CO_2 emission Scope 2[3] (tonne of CO_2e)	G4-EN16	A1.1, A1.2	100,613	105,043	99,489
CO_2 emission Scope 1[3], per production output (tonne of CO_2e per 1,000 unit)	G4-EN18	A1.2	0.038	0.030	0.029
CO_2 emission Scope 2[3] per production output (tonne of CO_2e per 1,000 unit)	G4-EN18	A1.2	0.815	0.786	0.749
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	G4-EN29		0	0	0
Injury[4] cases	G4-LA6	B2.1	113	115	84
Lost Hours[5]	G4-LA6	B2.2	11,885	10,756	8,256
Injury rate per employee[6]	G4-LA6		0.004	0.004	0.003
Injury rate per employee[6] – male	G4-LA6		0.005	0.005	0.005
Injury rate per employee[6] – female	G4-LA6		0.002	0.003	0.001
Absentee rate[7] (%) – overall	G4-LA6		0.4%	0.3%	0.3%
Absentee rate[7] (%) – male	G4-LA6		0.3%	0.2%	0.2%
Absentee rate[7] (%) – female	G4-LA6		0.5%	0.4%	0.4%
Average training hours per employee	G4-LA9	B3.2	19.3	22.7	29.1
Average training hours per employee – male	G4-LA9	B3.2	19.3	22.5	28.8
Average training hours per employee – female	G4-LA9	B3.2	19.3	23.1	29.5
Average training hours per employee –management[8] staff	G4-LA9	B3.2	8.1	8.4	7.9
Average training hours per employee – professional/engineer	G4-LA9	B3.2	6.7	9.7	14.2
Average training hours per employee – staff & workers	G4-LA9	B3.2	21.2	24.9	31.8
Incidents of non-compliance with regulations on health and safety impact on products that result in a significant fine, penalty or warning	G4-PR2		0	0	0

Items	G4 Indicator	HKEx Indicator	FY2014	FY2015	FY2016
Incidents of non-compliance with regulations on product and service information and labelling that result in a significant fine, penalty or warning	G4-PR4		0	0	0
Sales of banned products	G4-PR6		0	0	0
Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	G4-PR9		0	0	0[11]
Total hazardous waste produced (in tonnes)		A1.3	N/A[10]	399.9	326.4
Total hazardous waste produced per production output (in tonnes per 1,000 unit)		A1.3	N/A[10]	0.003	0.003
Total non-hazardous waste produced (in tonnes)		A1.4	N/A[10]	9,771.8	8,738.0
Total non-hazardous waste produced per production output (in tonnes per 1,000 unit)		A1.4	N/A[10]	0.073	0.066
Total Packaging material used for finished goods (tonnes)		A2.5	N/A[10]	29,593.0	30,510.3
Total Packaging material used for finished goods per production output (tonnes per 1,000 unit)		A2.5	N/A[10]	0.221	0.230

Note:
1 Energy value for fuels are obtained from GRI G3 Guide
2 Water consumption data includes water usage data from 3 manufacturing facilities in China and 9 offices in China and overseas
3 GHG Conversion factors are obtained from WRI (http://www.wri.org/publication/getting-every-ton-emissions-right) and cover CO_2, CH_4 and NO_x Greenhouse gases
4 Injury - number of cases. Injury types accounted for include: Vehicle Accident, Falling Object Injury, Machines Entanglement, Cutting Injury, Falling from Heights, Collapse Injury, Burnt Injury, Chemical Injury, Collision Injury, Electric Shock
5 Lost Hours –total working hours that workers cannot attend work due to injuries in manufacturing operations
6 Injury rate per employee – The frequency of injuries relative to the number of employees
7 Absentee rate – days employees away from work over total hours scheduled to be worked
8 Management staff - staff with grade above supervisor level
9 Local Community – the location of operation sites
10 VTech started collecting relevant Data from FY2015
11 In FY2016, there is cyber-attack incident that may subject to penalty by government authorities. However, it is too early to determine the penalty at this stage

Items	G4 Indicator	HKEx Indicator	FY2014	FY2015	FY2016
Number of countries where VTech operates	G4-6		11	11	11
Total number of operations	G4-9		18	20	20
Revenue	G4-9		US$1,898.9 million	US$1,879.8 million	US$1,856.5 million
Total debt	G4-9		Nil	Nil	Nil
Total equity	G4-9		US$562.4 million	US$540.8 million	US$525.0 million
Average number of employees – Total	G4-9	B1.1	30,949	29,502	27,412
Average number of employees – Male	G4-10	B1.1	18,590	18,702	16,583
Average number of employees – Female	G4-10	B1.1	12,359	10,800	10,829
Average number of employees – Asia Pacific – Male	G4-10	B1.1	18,374	18,474	16,352
Average number of employees – Asia Pacific – Female	G4-10	B1.1	12,165	10,610	10,630
Average number of employees – North America – Male	G4-10	B1.1	133	141	144
Average number of employees – North America – Female	G4-10	B1.1	97	97	104
Average number of employees – Europe – Male	G4-10	B1.1	83	87	87
Average number of employees – Europe – Female	G4-10	B1.1	97	93	95

Associations VTech belongs to	Involvement
British Toy & Hobby Association	C
French Toy Association	C
German Toy Association	M
Spanish Toy Association	M
Canadian Toy Association	M
Toy Industry Association – United States	M
Toy Industry Association – Shenzhen, China	M
Hong Kong Toy Council (Group 19) in Federation of Hong Kong Industries	M
DECT Forum	S
Ecovadis	M
SD Card Association	M
ULE Alliance	S
Wi-Fi Alliance	M
Hong Kong Opto-Mechatronics Industries Association	M
IPC Association Connecting Electronics Industries	M
Shanghai Huaxia Dun & Bradstreet Business Information Consulting Co., Ltd.	M
Zigbee Alliance	M
The Chinese Manufacturers Association of Hong Kong	M
The Hong Kong General Chamber of Commerce	M
M = regular member C = committee member S = strategic participation	

Report Content Indexes – GRI G4 Index and Stock Exchange ESG Guide Index

This report was prepared in accordance with the Core requirements of GRI G4 Guidelines and Stock Exchange ESG Guide. The General Standard Disclosures, material Specific Standard Disclosures, and Stock Exchange ESG Guide reference are presented below with either linkage to the reported section(s) or direct answer.

GRI G4 Content Index

General Standard Disclosures		
	General Standard Disclosures	Location and Notes
	Strategy and Analysis	
G4-1	Statement from the most senior decision – maker of the organisation	Page 2
	Organisational Profile	
G4-3	Name of the organisation	About this report
G4-4	Primary brands, products and services	Page 3
G4-5	Location of organisation's headquarters	About this report
G4-6	Number of countries where the organisation operates	Page 3
G4-7	Nature of ownership and legal form	Page 3
G4-8	Markets served	Page 3
G4-9	Scale of the organisation	Page 3
G4-10	Number of employees	Page 3

General Standard Disclosures		
	General Standard Disclosures	**Location and Notes**
G4-11	Percentage of employees covered by collective bargaining agreements	Employees covered by collective bargaining agreement is managed and monitored at local level. VTech considers this percentage on consolidated level is not relevant.
G4-12	Organisation's supply chain	Page 35
G4-13	Significant changes during the reporting period regarding size, structure, ownership or organisation's supply chain	About this report
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Page 23 - Page 25
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Page 3
G4-16	Memberships in associations and/or national/international advocacy organisations	Company Performance and Data
	Identified Material Aspects and Boundary	
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	VTech Major Subsidiaries
G4-18	Process for defining report content and the aspect boundaries	Page 15
G4-19	Material aspects identified in the process for defining report content	Page 15
G4-20	Aspect boundary within the organisation for each material aspect	Page 15
G4-21	Aspect boundary outside the organisation for each material aspect	Page 15
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	About this report
G4-23	Significant changes from previous reporting periods in the scope and boundary	No significant changes
	Stakeholder Engagement	
G4-24	List of stakeholder groups engaged by the organisation	Page 13
G4-25	Basis for identification and selection of stakeholders with whom to engage	Page 13
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Page 13
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	Page 13
	Report Profile	
G4-28	Reporting period	About this report
G4-29	Date of most recent previous report	About this report
G4-30	Reporting cycle	About this report
G4-31	Contact point for questions regarding the report or its contents	About this report
G4-32	GRI Content Index , the 'in accordance' option the organisation has chosen and the reference to the External Assurance Report if any	Page 46 - Page 47
G4-33	Policy and current practice with regard to seeking external assurance for the report	About this report
	Governance	
G4-34	Governance structure of the organisation	Page 4
	Ethics and Integrity	
G4-56	Organisation's values, principles, standards and norms of behaviour	Page 5

VTECH SUSTAINABILITY PERFORMANCE

Specific Standard Disclosures			
Material Aspects	**DMA and Indicators**		**Location and Notes**
Economic			
Economic Performance	DMA		Page 3
	G4-EC1	Direct value generated and distributed	Page 3
Market Presence	G4-EC6	Proportion of senior management hired from the local community at significant location of operation	Company Performance and Data
Procurement Practice	G4-EC9	Proportion of spending on local suppliers at significant location of operation	Page 35
Environmental			
Materials	G4-EN1	Materials used by weight or volume	Company Performance and Data
Energy	DMA		Page 23
	G4-EN3	Energy consumption with the organisation	Page 26, Company Performance and Data
	G4-EN5	Energy intensity	Page 26, Company Performance and Data
Water	G4-EN8	Total water withdrawal by source	Page 27, Company Performance and Data
Emissions	DMA		Page 26
	G4-EN15	Direct Greenhouse Gas (GHG) emissions (Scope 1)[1]	Page 27, Company Performance and Data
	G4-EN16	Indirect Greenhouse Gas (GHG) emissions (Scope 2)[2]	Page 27, Company Performance and Data
	G4-EN18	Greenhouse Gas (GHG) emission intensity	Page 27, Company Performance and Data
Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Page 20
Compliance (Environmental)	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Company Performance and Data
Supplier Environmental Assessment	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Page 35
Social – Labour Practice and Decent Work			
Occupation health and safety	DMA		Page 32
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities by region and gender	Page 32, Company Performance and Data
Training and education	G4-LA9	Average hours of training per year per employee by gender and by employee category	Page 30, Company Performance and Data
Social – Product Responsibilities			
Customer health and safety	DMA		Page 17
	G4-PR2	Total number of incidents of non-compliance with regulations on health and safety impacts of products and services during their life cycle, by type of outcomes	Company Performance and Data
Product and service labelling	DMA		Page 20
	G4-PR4	Total number of incidents of non-compliance with regulations concerning product and service information and labelling, by type of outcomes	Company Performance and Data
Marketing communications	G4-PR6	Sales of banned products	Company Performance and Data
Compliance (Product responsibilities)	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Company Performance and Data

1 *Direct (Scope 1) – GHG emissions come from sources (physical units or processes that release GHG into the atmosphere) that are owned or controlled by the organisation.*
2 *Indirect (Scope 2) – GHG emissions result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation.*

Stock Exchange ESG Guide Content Index

Aspects	Disclosure		Location and Notes
A. Environmental			
A1. Emission	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: - Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. - Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. - Hazardous wastes are those defined by national regulations.	Page 23, Page 36
	KPI A1.1	The types of emissions and respective emissions data.	Page 26, Company Performance and Data
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 27, Company Performance and Data
	KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 28, Company Performance and Data
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, Intensity (e.g. per unit of production volume, per facility).	Page 27, Company Performance and Data
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	Page 24 - Page 27
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Page 27 - Page 28
A2. Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc..	Page 23
	KPI A2.1	Direct and / or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kwh in '000s) and intensity (e.g. per unit of production volume, per facility).	Page 26, Company Performance and Data
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume per facility).	Page 27, Company Performance and Data
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Page 24 - Page 27
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Page 27
	KPI A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	Page 27, Company Performance and Data
A3. The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Page 23
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 23
B. Social			
Employment and Labour Practices			
B1. Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Page 29, Page 31
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Company Performance and Data
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Page 42

VTECH SUSTAINABILITY PERFORMANCE

Aspects	Disclosure		Location and Notes
B2. Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Page 32
	KPI B2.1	Number and rate of work-related fatalities.	Page 32, Company Performance and Data
	KPI B2.2	Lost days due to work injury.	Page 32, Company Performance and Data
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Page 32
B3.Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Page 30
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Page 30
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Page 31, Company Performance and Data
B4. Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Page 31
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Page 31
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Page 31
Operating Practices			
B5. Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Page 35
	KPI B5.1	Number of suppliers by geographical region.	94% suppliers are local suppliers
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Page 35
B6.Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Page 17
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Zero case
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Page 17 - Page 22
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Page 6
	KPI B6.4	Description of quality assurance process and recall procedures.	Page 20 - Page 21
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Page 6
B7. Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Page 5
	KPI 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.	Zero case
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Page 5
Community Involvement			
B8. Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Page 37
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Page 37
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Page 37 - Page 38

Environmental and Safety Standards

TEL Products

Environmental Standards of TEL Products	
RoHS2	Restrictions of Hazardous Substances
Directive 94/62/EC & 2004/12/EC	European Parliament and Council Directive on Packing and Packaging Waste
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
WEEE	Waste Electrical and Electronic Equipment
Energy Star® eco-label	Certified Energy Saving Products
Blue Angel eco-label	German standards of low-radiation and energy efficiency with benefits to the environment
Safety Standards of TEL Products	
UL60950	Safety standards for US Market
EN60950	Safety standards for European countries
CCC	China Compulsory Certification
UL	Underwriters Laboratories

ELPs

Environmental Standards of ELPs	
RoHS2	Restrictions of Hazardous Substances
Directive 94/62/EC & 2004/12/EC	European Parliament and Council Directive on Packing and Packaging Waste
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
WEEE	Waste Electrical and Electronic Equipment
Safety Standards of ELPs	
CCC	China Compulsory Certification
ASTM-F963-11	Standard Consumer Safety Specification for Toy Safety
CPSIA	Consumer Product Safety Improvement Act
EN71	European Safety Standard for Toys
ISO 8124	Safety of Toys
CCPSA	Canada Consumer Product Safety Act
CP65	California Proposition 65

CMS

Environmental Standards of CMS Products	
RoHS2	Restrictions of Hazardous Substances
Directive 94/62/EC & 2004/12/EC	European Parliament and Council Directive on Packing and Packaging Waste
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
WEEE	Waste Electrical and Electronic Equipment
Energy Star® eco-label	Certified Energy Saving Products
Safety Standards of CMS Products	
CCC	China Compulsory Certification
CE	Conformance European
CQC	China Quality Certification
CSA	Canadian Standards Association
ETL	Electrical Testing Laboratories
GS	German Safety
KC	Korea Certification
UL	Underwriters Laboratories
NEMKO	Norges Elektriske Materiell Kontroll
PSE/JQA	Product Safety of Electrical Appliance & Materials from Japan Quality Assurance Organization
MET	Maryland Electrical Testing

Safety Standards of CMS Products	
UL60950	Safety Standards for US Market
EN60950	Safety Standards for European Countries
KTL	Certificate from Korea Testing Laboratory
CP65	California Proposition 65
ENEC	European Norms Electrical Certification
VDE	Verband Deutscher Elektrotechniker
TUV Rheinland	Technischer Überwachungs-Verein Rheinland

Certifications in Manufacturing Facilities

TEL Products	
ISO 9001/TL 9000	Quality Management Systems
ISO 14001	Environmental Management Systems
ICTI CARE	International Council of Toy Industries (ICTI) Caring, Awareness, Responsible, Ethical (CARE) Process
OHSAS 18001	Occupational Health and Safety Management Systems
SA 8000	Social Accountability
	Work Safety Standardisation
ELPs	
GSV	Global Security Verification
ISO 9001	Quality Management Systems
ISO 14001	Environmental Management Systems
ISO 17025	Laboratory Accreditation Certificate by China
ICTI CARE	International Council of Toy Industries (ICTI) Caring, Awareness, Responsible, Ethical (CARE) Process
OHSAS 18001	Occupational Health and Safety Management Systems
	Work Safety Standardisation
CMS	
ISO 9001	Quality Management Systems
ISO 13485	Medical Devices Quality Management Systems
ISO 14001	Environmental Management Systems
ISO/TS 16949	Automotive Quality and Management Systems
OHSAS 18001	Occupational Health and Safety Management Systems
SA 8000	Social Accountability
	Work Safety Standardisation

VTech Major Subsidiaries

Hong Kong

VTech Telecommunications Limited
VTech Electronics Limited
VTech Communications Limited
Perseus Investments Limited
Valentia Investment Limited
VTech Finance Limited

People's Republic of China

VTech (Dongguan) Telecommunications Limited
VTech (Dongguan) Electronics Limited
VTech (Dongguan) Communications Limited
VTech (Dongguan) Plastic Products Co., Ltd.
VTech (Dongguan) Electronics Industrial Co., Ltd.
VTech (Qingyuan) Plastic & Electronics Co., Ltd.
VTech Electronics Industrial (Shenzhen) Co., Ltd.
VTech Telecommunications (Shenzhen) Limited

Australia

VTech Telecommunications (Australia) Pty Limited
VTech Electronics (Australia) Pty Limited

Canada

VTech Technologies Canada Ltd.

France

VTech Electronics Europe S.A.S.

Germany

VTech Electronics Europe GmbH
VTech IAD GmbH

Netherlands

VTech Electronics Europe B.V.

Spain

VTech Electronics Europe, S.L.

United Kingdom

VTech Electronics Europe Plc

United States

VTech Electronics North America, L.L.C.
VTech Communications, Inc.

TdA – concept, design and production www.tda.com.hk

A Chinese translation of the sustainability report is available on www.vtech.com/tc/sustainability.
If there are any discrepancies between the Chinese translation and the English version of this report, the English version shall prevail.
可持續發展報告的中文譯本可於www.vtech.com/tc/sustainability下載。
本報告之中文譯本與英文本如有任何歧義，概以英文為準。

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