

Asia Resources Holdings Limited

亞洲資源控股有限公司*

Stock Code 股份代號 : 899

Environmental, Social and Governance Report

2019

環境、社會及管治報告

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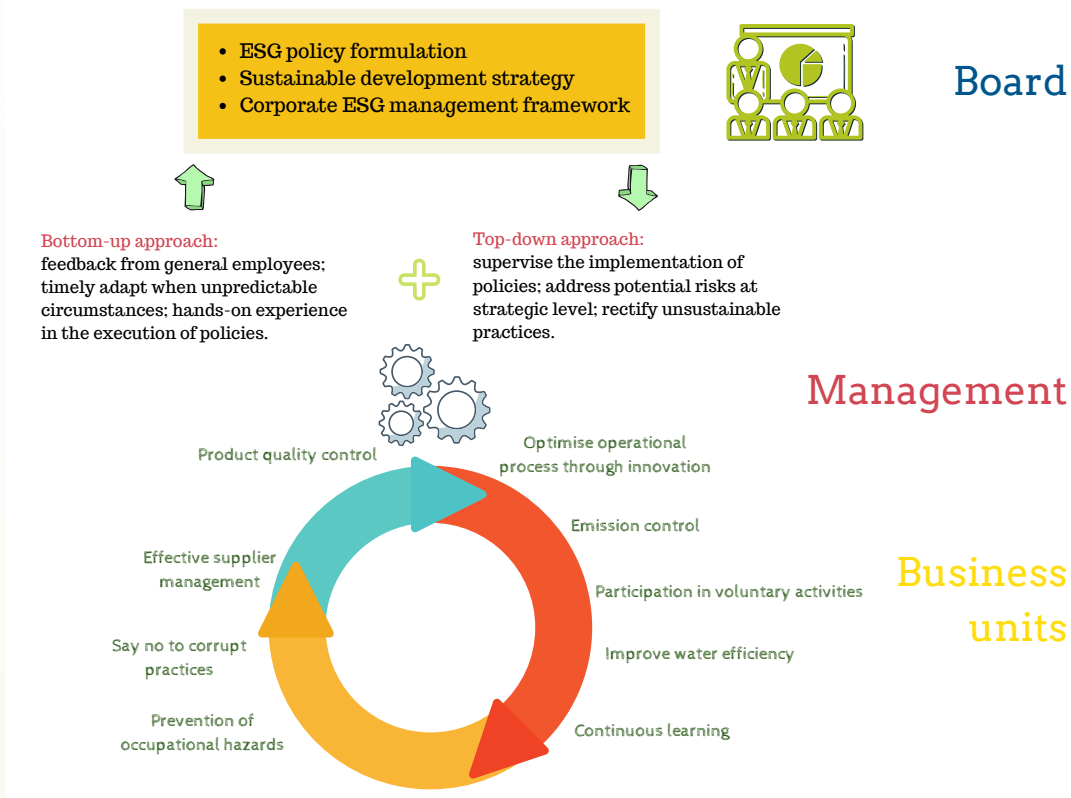
I. PREAMBLE

It is universally recognised that climate change and the degradation of the world's natural resources are defining issues of our time and pushing us to take actions towards sustainable development. Since the international communities are increasingly conscious of the urgent, ambitious and concerted efforts that need to be made to facilitate the transformation towards cleaner, resilient and socially responsible economy, Asia Resources Holdings Limited and its subsidiaries (the "Group"), as an international enterprise that has long been in the leading position focussing on the water business, property development and investment business, and trading business, we are committed to adhering to our environmental and social responsibilities, actively scaling up efforts at various aspects to transition towards low-carbon development, and are well-placed to seize the any opportunity through the lens of Environmental, Social and Governance ("ESG"). As such, the Group takes account of the material environmental, social and governance matters alongside financial factors not only for decision making, but also for the integration of its environmental and social responsibility into organisational culture and long-term business strategy. The compliance with relevant laws and regulations has never been the sole target of the Group's commitment to sustainable development, but an important part of development goals set out by the Group that ensures the effectiveness of the implementation of ESG principles and best practices throughout the company and even the whole industry.

In strict compliance with the requirement under Appendix 27 – Environmental, Social and Governance Reporting Guide ("ESG Guide") of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), the Group is pleased to present its third Environmental, Social and Governance Report for the year ended 31 March 2019 ("FY2019"), which demonstrates the Group's approach and performance in terms of ESG management and corporate sustainable development for FY2019.

II. BOARD INCLUSIVENESS

An effective ESG management and sustainability stewardship covers a complex set of issues that require an effort made by multiple actors across different business divisions, departments, business partners and other stakeholders to enforce the relevant policies in an efficient way. Therefore, the Group is fully aware of the importance of establishing a clear accountability system within the organisation, and endeavours to unleash the advantages of various entities in the system so as to truly incorporate the ESG management into the Group's development plan in an organised way. The Board of Directors of the Group (the "Board") assumes the overall responsibility for the Group's ESG strategy, management and reporting work, and has a crucial role to play in overseeing the implementation of ESG policies. Specifically, the Board, with rich experience and insight in ESG development across the industry and the ESG performance of the Group, takes account of the integration of policies conducive to maintaining the Group's momentum in controlling ESG-related risks and capturing potential opportunities into the codes, rules and guidance. Meanwhile, with the feedback from the management which is in charge of the communication and supervision of the implementation of relevant policies of the Group, the Board proposes ambitious and practicable expectations in the form of qualitative and quantitative objectives for the Group, and regulates the timeframe under which certain progress is expected to be seen. Relying on an improved monitoring system and top-down and bottom-up management approach, the Board can be updated on the hands-on experience gained by the frontline employees during the execution of ESG policies. Such approach allows the Board to better identify the hidden risks, track the completion of targets according to science-based metrics, adjust business development strategies and lead the Group to a prosperous future.



II. BOARD INCLUSIVENESS

The Board values the mutual understanding within the Group and believes that a barrier-free communication and transparent management approach is fundamental to a company's long-term success. To achieve this, a two-way engagement featuring greater accessibility of information about the implications of relevant decisions and activities of the Group in both nearby and distant locations is of top priority. The Board mainly acquires the ESG information through the following channels:

- disclosure of corporate ESG performance under various indicators in the Group's ESG reports and annual reports;
- presentation in the meetings between the Board and the management;
- shareholders' general meetings;
- sustainability-themed seminars and trainings; and
- results of questionnaires/online surveys with comments from both internal and external stakeholders of the Group regarding their concerns about corporate sustainable development.

III. MESSAGE FROM THE BOARD

Dear valued stakeholders:

Driving the greening of business operations and firmly fulfilling its social responsibilities have already been at the heart of our development and vision that spurs us to do better. As a prominent enterprise with diverse range of businesses, the Group aims to take the concept of ESG from a defensive measure and philanthropy-focused action, to the stage where a strategic and systemic ESG management framework is built to identify and address problems arising from unsustainable practices, while continuously optimising business operations to adapt to the upcoming climate-related risks and move towards sustainability. In particular, the Group is dedicated to accelerating this transition process from the following areas first:

a. Base the ESG policies on the best practice in the market and strengthen internal evaluation:

Considering the best practice indicators and other benchmarks, the Group keeps revising its internal policies in human resources management and establishing effective environmental management platforms to measure, record and reflect the environmental performance of the Group in a consistent and objective manner.

b. Bring forward innovative working procedures and environmentally sound operational models:

Innovation has long been an indispensable aspect of the Group's unremitting efforts to pursue sustainability. As such, we have been constantly applying eco-friendly methods, including the adoption of energy-efficient equipment and promotion of 'Green Procurement' in all business segments, into daily operations and development plans.

We believe that sustainable development cannot be achieved without concerted efforts by all parties and the spirit of perseverance. Hence, Asia Resources Holdings Limited will insist on its original intentions that make the world a better place and keep creating economic value while making positive contributions to environmental protection and social well-being.

Sincerely,

Li Yuguo
Chairman
26 September 2019

IV. REPORTING PERIOD AND SCOPE OF THE REPORT

Focusing on the core business operations and material development plans of the Group in the future, this ESG Report covers the environmental and social performance within the operational boundaries of the Group that include the Group's water business in the mainland of the People's Republic of China ("PRC"), property development and investment business in the PRC and trading business in Hong Kong. Given the fact that iron ore mining business and money lending business of the Group were discontinued during the year under review, they are excluded from the main content of this ESG Report.

For corporate governance section, please refer to the Group's Annual Report 2019 (Page 11 to 24). The reporting period of this ESG report is for FY2019, unless specifically stated otherwise.

V. STAKEHOLDER ENGAGEMENT

The Group believes that the foundation on which the business consistently creates shared value is dependent on efficient dialogue with stakeholders and the effectiveness of stakeholder responsiveness. Fostering a sound relationship with all stakeholders, thus, has been regarded by the Group as an important aspect of ESG management and the precondition of valuation creation for all. Through a broad range of open communication channels in recent years, the Group can garner a deeper understanding of its stakeholders' concerns and expectations, which has facilitated the Group to better position itself in the competitive market and most importantly, to meet its commitments on environmental and social responsibility and respond to the interest of stakeholders and expectations of society in general.

COMMUNICATION WITH STAKEHOLDERS



Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	<ul style="list-style-type: none"> – Compliance with laws and regulations – Anti-corruption policies – Occupational health and safety 	<ul style="list-style-type: none"> – Supervision on the compliance with local laws and regulations – Routine reports and tax payments
Shareholders	<ul style="list-style-type: none"> – Return on investments – Corporate governance – Business compliance 	<ul style="list-style-type: none"> – Regular reports – Announcements – General meetings – Official website of the Group
Employees	<ul style="list-style-type: none"> – Employees' remuneration and benefits – Customer satisfaction – Health and safety in the workplace 	<ul style="list-style-type: none"> – Performance reviews – Regular meetings and trainings – Focus groups – Emails, notice boards, hotline and team building activities with management
Customers	<ul style="list-style-type: none"> – Production quality assurance – Protection of customers' privacy and rights – Continuous promotion of reliable products/services to customers 	<ul style="list-style-type: none"> – Customers' satisfaction surveys – Face-to-face meetings and onsite visits – Customer service hotline and emails
Suppliers	<ul style="list-style-type: none"> – Fair and open procurement – Win-win cooperation – Environmental protection – Protection of intellectual property rights 	<ul style="list-style-type: none"> – Open tender – Suppliers' satisfaction assessment – Telephone discussions – Face-to-face meetings and onsite visits – Industry seminars
Professional organisations	<ul style="list-style-type: none"> – Policy formulation regulating the practice of employees and business operations – Environmental protection and social responsibility 	<ul style="list-style-type: none"> – Telephone discussion – Questionnaires & Online engagement – Meetings (private or AGMs)
General public	<ul style="list-style-type: none"> – Involvement in communities – Business ethics – Environmental protection awareness 	<ul style="list-style-type: none"> – Media conferences and responses to enquiries – Public welfare activities – Face-to-face interview

V. STAKEHOLDER ENGAGEMENT

To strengthen its corporate sustainability management while enhancing its stakeholders' awareness of the progress which it has made on global sustainable development, the Group has put tremendous efforts into its internal and external stakeholders' inclusiveness. In FY2019, the Group conducted an evaluation on its stakeholders' opinions on corporate sustainability stewardship, especially material ESG topics of great concern to stakeholders and the United Nations Sustainable Development Goals (SDGs) that have been given particular attention. With a survey conducted by an external sustainability consultancy agency, the Group hopes to achieve the following three goals:

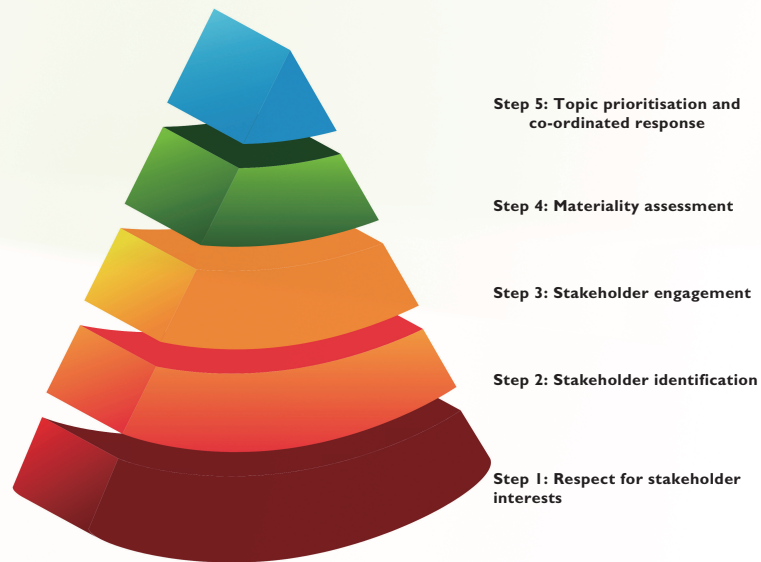
- Depict an unbiased picture of stakeholders' concerns in terms of the Group's long-term sustainable development;
- Identify and seek potential business opportunities by addressing sustainability-related risks and crisis through business innovation and optimisation of the work process; and
- Create awareness and stimulate learning passion to support the environmental and social efforts within the organisation and its sphere of influence.

According to the results, it was found that Goal 3 (Good health and well-being), Goal 6 (Clean water and sanitation), Goal 10 (Reduced inequality) and Goal 12 (Responsible consumption and production) topped the list among all 17 SDGs in terms of the degree of stakeholders' attention and interest, and the Group's perspective toward its long-term business development. In response to the call and concerns from stakeholders, the Group has committed to laying the emphasis on the specific targets under these four goals. Thus, the Group has meticulously evaluated its interconnections with these four objectives and resolves to stress the following areas for improvement in particular:

<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>Ensuring healthy lives and contributing to the societal well-being is an essential part of global sustainable development. With businesses in the realm of property development and water mining, preventing employees from occupational hazards during the work and strengthening the environmental management that reduces the use of hazardous chemicals, thereby to large extent minimising the risks of air, water and soil pollution and contamination have already been two significant aspects of the Group in its development. In addition, the Group also focuses its efforts on the protection of its consumers' health and safety by providing reliable water products.</p>
<p>6 CLEAN WATER AND SANITATION</p> 	<p>The access to clean, accessible and affordable water resources by all is the basic right of all human beings. However, water shortage and worldwide water contamination problems are impacting people's lives, especially in poor rural areas. As a responsible enterprise, the Group keeps optimising its business operations and in particular concentrates on daily operations to substantially enhance its water-use efficiency. Meanwhile, as a bottled-water producer, the Group ensures high-quality and safe water can be delivered to its consumers.</p>
<p>10 REDUCED INEQUALITIES</p> 	<p>Income inequalities and the respect for human rights are of paramount importance to the Group, which has formulated and implemented effective policies within the organisation to ensure that the benefits for employees in the Group are allocated appropriately and transparently, and their rights and rational expectations can be respected and met timely. Furthermore, the Group has put efforts in its social contribution and participation in charitable activities, in order to eradicate social disparity.</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>One critical aspect under sustainable consumption and production is to promote the energy efficiency, thereby reducing the economic, environmental and societal cost during operations. The Group has laid emphasis on its control of natural resources consumption through systemic monitoring system and endeavours to implement the concept of 'Reduce, Reuse and Recycle' into all phases of its projects. With an ambition to forge an eco-friendly enterprise, the Group believes that a sound management of materials and energy resources is the key.</p>

V. STAKEHOLDER ENGAGEMENT

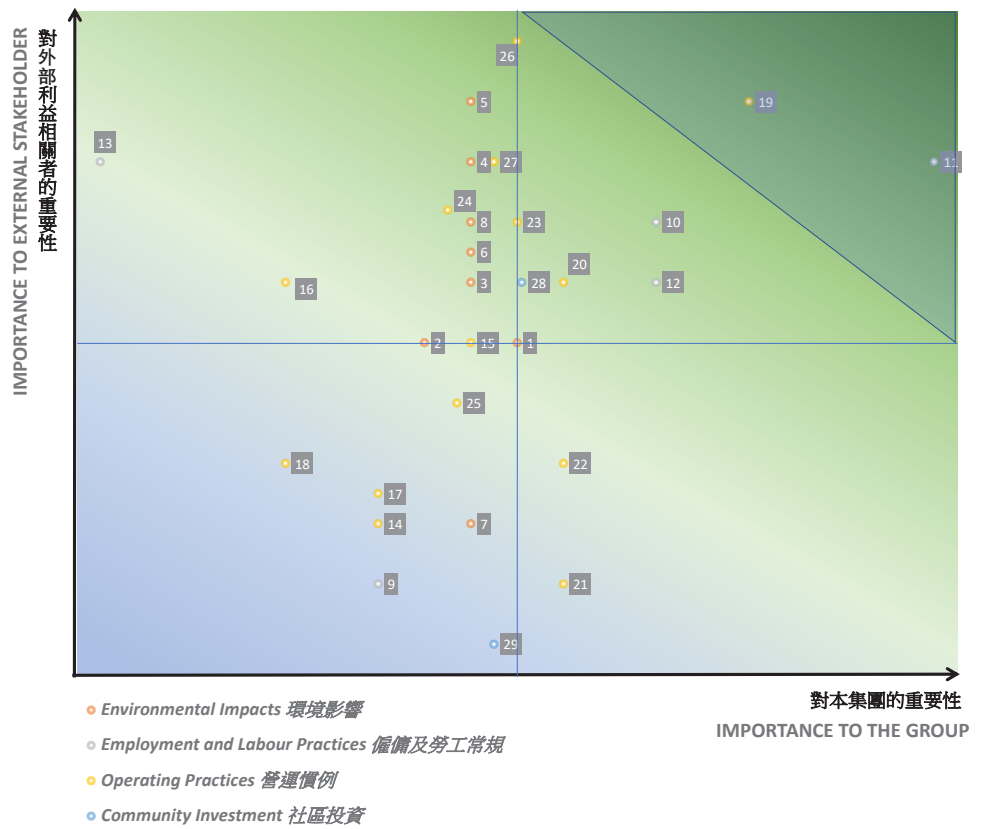
MATERIALITY ASSESSMENT



As ESG risks and opportunities for companies vary across industries and depend on corporate business models, the Group, therefore, undertook an annual review to identify its stakeholders' main concerns and material interests in relation to ESG issues. In FY2019, the Group engaged its stakeholders in a materiality assessment survey. Specifically, the Group selected a group of internal and external stakeholders based on their influence and dependence on the Group. During the process of stakeholder identification and selection, the Group followed the recommendations in ISO26000 and comprehensively analysed its relationships with stakeholders with regard to the criteria including legal obligations, power of influence, significance in the value chain and willingness for engagement. The chosen stakeholders were then invited to take part in an online survey to express their views on a list of ESG issues. The online survey was composed of numerous well-designed questions material and relevant to the Group's business development and strategies from the stakeholders' standpoint. Such an objective, transparent and decision-useful materiality assessment allowed the Group to give priority to certain topics in a list of ESG issues after mapping the result of the survey to a materiality matrix as shown below. The assessment process demonstrated the Group's emphasis on stakeholders' engagement. The result of the survey served as a powerful tool that assisted the Group to develop its action plans for more effective ESG management.

V. STAKEHOLDER ENGAGEMENT

Stakeholder Engagement Materiality Matrix
利益相關者的參與重要性分析矩陣



1	Air and greenhouse gas emissions	11	Occupational health and safety	21	Marketing and promotion
2	Sewage treatment	12	Employee development and training	22	Observing and protecting intellectual property rights
3	Land use, pollution and restoration	13	Preventing child and forced labour	23	Product quality assurance and recall percentage
4	Solid waste treatment	14	Suppliers by geographical region	24	Protection of consumer information and privacy
5	Energy use	15	Selection of suppliers and assessment of their product/services	25	Labelling relating to products/services
6	Water use	16	Environmental protection assessment of the suppliers	26	Preventing bribery, extortion, fraud and money laundering
7	Use of other raw/packaging materials	17	Social risks assessment of the suppliers	27	Anti-corruption policies and whistle-blowing procedure
8	Mitigation measures to protect natural resources	18	Procurement Practices	28	Understanding local communities' need
9	Composition of employees	19	Health and safety relating to products/ services	29	Public welfare and charity
10	Employee remuneration and benefits	20	Customers' satisfaction		

V. STAKEHOLDER ENGAGEMENT

Through the materiality analysis, the Group identified '*Occupational health and safety*' and '*Health and safety relating to products/services*' as issues of high importance. Given the high degree of concern on the material issues mentioned above, the Group has priced the risks and opportunities hidden behind those matters and elaborated more under different sections of this report.

STAKEHOLDERS FEEDBACK

As the Group strives for excellence, the Group welcomes stakeholders' feedback and advice on the improvement of corporate ESG approach and performance, especially under the topics listed as the highest importance in the materiality assessment. Readers are also welcomed to share their views with the Group at <http://www.asiaresources899.com.hk/contact.html>.

VI. ENVIRONMENTAL SUSTAINABILITY

To seek long-term sustainability of the environment and community where it operates, the Group has made tremendous efforts in controlling its emissions as well as its consumption of resources, and strictly complied with relevant environmental laws and regulations in Hong Kong and the PRC during its daily operations, including but not limited to the following:

- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong);
- Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法);
- Environmental Impact Assessment Law of the People's Republic of China (中華人民共和國環境影響評價法);
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法);
- Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise (中華人民共和國環境噪聲污染防治法);
- Law of the People's Republic of China on Prevention and Control of Water Pollution (中華人民共和國水污染防治法);
- Water Law of the People's Republic of China (中華人民共和國水法);
- Atmospheric Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國大氣污染防治法);
and
- Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法).

This section primarily discloses the Group's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources in FY2019.

A. I. EMISSIONS

In FY2019, the Group has complied with relevant national and local environmental laws in terms of emissions during its daily operations. In particular, the Group was not in violation of any laws and regulations concerning air and greenhouse gas ("GHG") emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, and noise that have a significant impact on the Group. As environmental sustainability is integral to the Group's business and operations, the Group strives to develop its diverse businesses in an eco-friendly manner and has put its major focus on the smart control of consumption of natural resources, and the adoption of energy-efficient measures during its daily operations.

VI. ENVIRONMENTAL SUSTAINABILITY

During the year under review, air pollutants from the Group including sulphur oxides (“SO_x”), nitrogen oxides (“NO_x”) and particulate matter (“PM”) were mainly generated from vehicles and machinery for transportation and business operations. Specifically, the Group’s air emissions of SO_x, NO_x and particulate matter PM amounted to 0.6 kg, 27.9 kg and 2.1 kg, respectively in FY2019. Greenhouse gases (“GHGs”) are a major contributor to climate change and have been rigorously governed by the United Nations’ Framework Convention on Climate Change. GHG emissions from the Group were primarily due to the burning of fossil fuels and the consumption of electricity in its business operations. In FY2019, the Group’s total GHG emissions reached 182.6 tonnes of CO_{2e}. In addition, the Group generated a total of 1,390 kg of non-hazardous solid commercial wastes, while 8084.4 tonnes of non-hazardous wastewater was discharged by the Group during the year under review. In FY2019, the Group did not discharge any hazardous wastes (solid waste or sewage) to the environment during its operations. The Group’s total emissions in FY2019 are summarised in Table I below.

Table I The Group’s total emissions by category in FY2019⁷

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2019	Intensity ¹	Intensity ²
				(Unit/Employee) in FY2019	(Unit/Employee) in the year ended 31 March 2018 (“FY2018”)
Air Emissions³	SO _x	Kg	0.6	0.01	0.01
	NO _x	Kg	27.9	0.59	0.68
	PM	Kg	2.1	0.04	0.05
GHG Emissions	Scope 1 (Direct Emissions)	Tonnes of CO _{2e}	101.7	2.16	2.58
	Scope 2 (Energy Indirect Emissions)	Tonnes of CO _{2e}	76.0	1.62	0.60
	Scope 3 ⁴ (Other Indirect Emissions)	Tonnes of CO _{2e}	4.9	0.10	0.16
	Total (Scope 1 & 2 & 3)	Tonnes of CO _{2e}	182.6	3.88	3.34
Non-hazardous Waste	Solid Wastes ⁵	Tonnes	1.39	0.03	0.04
	Wastewater ⁶	Tonnes	8,084.4	172.00	0.55

VI. ENVIRONMENTAL SUSTAINABILITY

- 1 Intensity for FY2019 was calculated by dividing the amount of air, GHG and other emissions respectively by the number of employees of the Group in FY2019;
- 2 Intensity for FY2018 was calculated by dividing the amount of GHG and other emissions respectively by the number of employees of the Group in FY2018;
- 3 In order to keep the consistency in the adoption of calculation methodology for air emissions, the air emissions in FY2019 only incorporated emissions from fuel consumption during transportation according to the data from 'China's Gas Development Strategies' and 'Transport – Energy Utilisation Index of EMSD', on which the data in FY2018 was adjusted accordingly;
- 4 The Group's Scope 3 (Other Indirect Emissions) included only paper waste disposed of at landfills and electricity used for processing fresh water and sewage by government departments;
- 5 The solid wastes only covered commercial wastes from the property buildings where the Group's employees worked;
- 6 Since the wastewater generated from the Group in FY2019 that was incorporated in the calculation only covered commercial sewage from employees, which was handled by the management of property buildings, the total amount of wastewater discharged from the Group in FY2019 was based on the assumption that 100% of the fresh water consumed entered the sewage system;
- 7 The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the IPCC Emission Factor Database.

Air & GHG Emissions

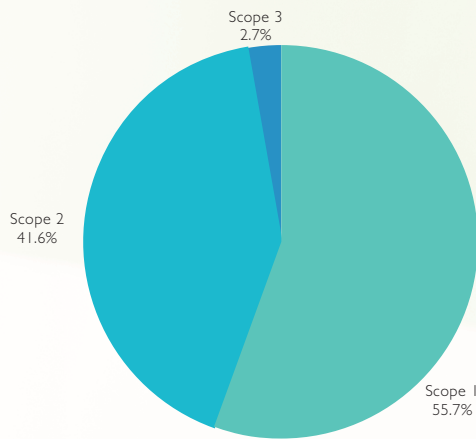
In FY2019, the air and GHG emissions generated during the construction operations of the Group mainly came from the use of gasoline, natural gas and electricity for onsite operations, transportation purposes, and operations in offices. To change its operating practices toward sustainable consumption and production, the Group has implemented its internal policy 'Anti-pollution and Anti-noise Construction Scheme' (防污染防噪音施工方案) in all property development and water mining projects, and in particular requires the following practices to be strictly carried out:

- Clean the wheels of the vehicles before leaving the construction site;
- Rinse the ground or sprinkle water daily to settle the dirt and avoid sludge accumulation; and
- Install bag-house dust collectors, closed hoods and pressurised dust reduction spray devices along the main road of each construction site.

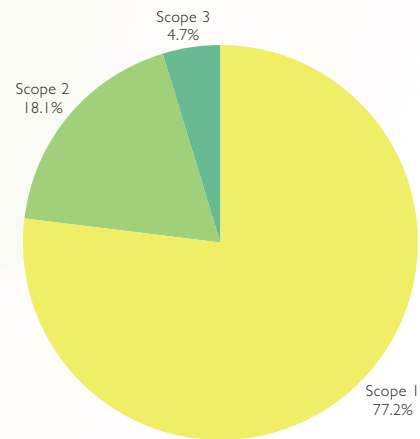
It is widely acknowledged that the increasing level of greenhouse gases is the root cause of climate change. To slash its GHG emissions, the Group has kept bringing forward effective policies and measures in its construction work, and encouraged all its employees to pay attention to small details around them, such as switching off the lights when leaving the office, in order to mitigate climate-related risks at source. In FY2019, the patterns of GHG emissions of the Group remained unchanged, in which direct emissions still dominated, and the Group has successfully curbed its Scope 1 GHG emissions due to its unwavering efforts in the regulation of the use of official vehicles. Despite an increase of total GHG emissions and intensity per employee in FY2019 as compared with the figures in FY2018, a dramatic decline of GHG emissions per economic growth by the Group could be found during the year under review (FY2019: 5.57×10^{-3} tonnes/HK\$'000; FY2018: 1.82×10^{-2} tonnes/HK\$'000), demonstrating the solid progress of the Group towards cleaner and more climate-resilient development.

VI. ENVIRONMENTAL SUSTAINABILITY

GHG Emissions Pattern in FY2019



GHG Emissions Pattern in FY2018



The policies and actions taken by the Group are further described in the subsections headed “Electricity” and “Other energy resources” below.

Wastewater

Property development and investment business

The wastewater from the Group's property business during FY2019 mainly consisted of industrial sewage during construction operations and commercial wastewater from employees. The Group regulates that the sewage treatment facilities in appropriate size should be installed in the construction sites for wastewater treatment. Specifically, the wastewater generated on site was scientifically. The sedimentation basins, in particular, were set up for the treatment of construction wastewater before it was discharged into the municipal sewage network. The Group ensures that onsite wastewater needs to meet the first grade under the Integrated Wastewater Discharge Standard (GB 8978-1996) (污水綜合排放標準一級標準) of the PRC after treatment. The floating mud generated during the treatment process was collected and transported to certified external environmental organisations for further disposal. To better manage the wastewater on site, the Group aims to further its monitoring and recording on the quantity of onsite wastewater from its property business in the near future.

VI. ENVIRONMENTAL SUSTAINABILITY

Water business

The water business of the Group, which encompasses a series of complex stages including water mining, inspection, filtration, purification, production and sales, has adopted numerous environmentally friendly technologies and paid great attention to its potential ecological impact. Since no chemical materials or additives were massively used in its water business, the wastewater generated in this business segment of the Group was totally non-hazardous. During the year under review, significant efforts were made by the Group to reduce the wastewater generated from onsite operations. In terms of the water that cannot be re-used, it was treated scientifically before being finally released to natural water bodies.

Trading business

The wastewater generated from offices for the trading business was mainly the commercial wastewater, of which the amount was negligible. The wastewater was directly discharged into the building sewage network and handled by the property management of buildings. Since the amount of wastewater generated highly depends on the amount of water used, the Group has adopted specific measures, further described in the next subsection headed "Water", to reduce its water consumption.

Solid Wastes

Property development and investment business

The solid waste from this business segment can be split into two categories: commercial solid waste and construction waste. The commercial solid waste was regularly collected and handled by the administration department of the Group, whereas the construction waste generated from property development projects, including excess steel products and batten, was collected by the Group on a regular basis and transported to specific landfill sites by certified trucks for disposal. The Group has been in full compliance with local waste disposal ordinance and regulations in handling excess mud and other construction wastes. The recyclable wastes were collected altogether and transported to the recycling station for reuse. The management approach to handling commercial waste, and construction waste by the Group was in line with the 'Administrative Measures for Urban Living Garbage' and the 'Technical Code for Construction and Demolition Waste Treatment' in China. To accomplish its goal of sustainable waste management, the Group will expand the boundary and place more emphasis on the measuring, recording and reporting of its construction waste on site, which is believed to be an important step for the Group to move towards cleaner and more resilient growth.

VI. ENVIRONMENTAL SUSTAINABILITY

Water business

The Group has been committed to lowering its solid waste emissions in its water business as well. At current stage, the solid waste from this business segment recorded by the Group was primarily commercial waste, which was handled by the administration department and the management of property buildings, and then transported to landfills by City Management & Administration Execution Bureau for disposal. Given the water mining business to commence production in 2020, the Group endeavours to track the entire process of water business more effectively by adopting a more comprehensive product-life-cycle analysis in the near future, which will allow the Group to better manage the amount of solid waste in the water business.

Trading business

The solid waste generated by the Group in this business segment was mainly commercial solid waste from staff at offices. To efficiently manage and reduce the waste, the Group has adopted various measures, such as utilising the centralised rubbish bin for waste collection. The sorted municipal solid waste from offices was then handled by the property management of buildings and disposed of in landfills by the government.

Aiming to develop in an environmentally friendly way, the Group has integrated the concept of 3R – reduce, reuse and recycle, in its daily operations and encouraged all its employees to act on their knowledge and bring innovative ideas to reduce the amount of solid waste in offices at source. Specifically, the Group has advocated the following practices:

- Recycle as much solid waste as possible through the classification process;
- Educate all employees to reduce the use of disposable items such as plastic tableware;
- Purchase microwaves in offices to encourage employees to take own lunch boxes instead of ordering take-away food;
- Promote the reusing of office stationeries; and
- Provide glass cups to guests instead of disposable ones.

Meanwhile, the Group has set ambitious goals in its waste management as it believes that the application of a sound waste management system in the property development business and water mining process can prompt the Group to achieve financial savings associated with increased productivity, improved resource efficiency, decreased waste amount and the recovery of valuable by-products, and made positive contributions to the society and environment.

VI. ENVIRONMENTAL SUSTAINABILITY

Noise

Noise emissions generated by the Group mainly came from the operation of machinery and equipment during mining operations and construction process. In strict compliance with national and local regulations in terms of noise emissions such as Emission standards for industrial enterprises noise at boundary (GB12348-2008) (工業企業廠界環境噪聲排放標準), the Group has adopted many noise-reducing facilities and measures to mitigate the impact of noise on the surroundings. Specifically, shock pads on crushing and real-time sound monitoring equipment were widely used as effective noise control practices on site by the Group in FY2019. More importantly, the Group hopes to lower the impact of noise at source and therefore commits to bring forth more practical innovation and purchase brand-new equipment that is notably quieter, more environmentally friendly and more efficient compared with the outmoded machineries of which the noise pollution might reach a high decibel level.

To keep lowering its noise emissions to a level that will not exert a prolonged or even health-related impact on nearby residents, the Group will proactively survey local dwellers and research on the application of quieter and practicable methods of piling, construction and demolition in its operations.

A.2. USE OF RESOURCES

In FY2019, the primary resources consumed by the Group were electricity, gasoline, natural gas, water and paper. Other raw materials including metal, concrete and wood were mainly used for the construction work. Given its business nature, the Group did not consume any packaging material during the year under review. Table 2 illustrates the amount of different resources used by the Group.

Table 2 Total Resource Consumption in FY2019

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2019	Intensity ¹ (Unit/Employee) in FY2019	Intensity ² (Unit/Employee) in FY2018
Energy	Electricity	kWh'000	108.8	2.31	1.02
	Gasoline	L	41,316.8	879.08	1,030.83
	Natural gas	m ³	1,579	33.60	60.00
Water	Water	m ³	8,085	172.02	148.95
Paper	Paper	Kg	438	9.32	13.98
Construction materials	Metal	Tonnes	1	0.02	0.03
	Cement	Tonnes	2	0.04	0.05
	Wood	Tonnes	0.1	2.1 × 10 ⁻³	2.5 × 10 ⁻³

1 Intensity for FY2019 was calculated by dividing the amount of resources the Group has consumed in FY2019 by the number of employees of the Group in FY2019;

2 Intensity for FY2018 was calculated by dividing the amount of resources the Group has consumed in FY2018 by the number of employees of the Group in FY2018.

VI. ENVIRONMENTAL SUSTAINABILITY

Electricity

In FY2019, the Group purchased and consumed the electricity in its daily operations at its offices and construction sites from the local public utilities companies. Compared with FY2018, the electricity consumption of the Group in FY2019 was slightly higher due to the high demand of electricity for construction work in the property development and investment business. However, the intensity of electricity consumption per revenue by the Group in FY2019 showed a substantial drop, reflecting its commitment to improving the efficiency of electricity consumption throughout the organisation. To further mitigate the consumption of electricity so as to diminish its GHG emissions, the Group has already embedded the slogan of 'Saving Electricity' into its business strategy and daily operations, and aims to maintain the electricity intensity under 3 kWh'000/employee or 0.02 kWh'000/HK\$'000. To achieve the target, the Group will continue to implement the following practices:

- Switch off all idle lights and air conditioners (e.g. most electrical equipment is turned off during lunch time);
- Maintain the electrical equipment and device in the offices (including air conditioners and paper shredders) to keep their efficiency;
- adjust the set temperature of air conditioners in offices based on the weather at the time;
- Chooses energy efficient equipment for construction work;
- Use more efficient LED bulbs for office lighting instead of energy-intensive lamps in both offices and construction sites; and
- Encourage all employees to keep the curtains open and utilise natural sunlight in the offices when possible.

VI. ENVIRONMENTAL SUSTAINABILITY

Other energy resources

The consumption of other energy resources for operations in the property development business and water business as well as transportation, in the form of gasoline and natural gas, is a significant issue to which the Group has paid great attention. Considering the nature of business, the consumption of energy resources by the Group is necessary. Notwithstanding that, the Group still strives to find new solutions and apply environmentally friendly technologies into its business operations, which are believed as the premise to minimise the implications of climate-related risks on the Group's long-term development.

As compared with FY2018, the amount of gasoline consumed by the Group in FY2019 remained nearly the same, while the consumption of natural gas dwindled by approximately 34.2%. The Group has put great efforts in the management of official cars and encouraged online conference instead of unnecessary business trips, which was the reason that the total consumption of gasoline and natural gas fell during the year under review.

Water

Water is one of the most precious resources on the planet and more than 2 billion people nowadays still lack access to untainted drinking water. The Group is aware of its responsibility of being a leading enterprise in improving water efficiency and has prioritised water conservation among a growing number of environmental issues in its daily operations. During the year under review, the Group did not face any problem in sourcing water that was fit for its purpose. The Group has been strictly following the '3R rules – Reduce, Reuse and Recycle' in its daily operations, especially for construction work and water business. In FY2019, several seminars and informal discussions regarding more advanced and innovative ways of saving water on site were held. Most projects of the Group were incentivised to conserve water. The Group believes that education in the office is also another part. In FY2019, employees at offices were motivated to reduce the amount of flushing water in a proper way. To improve the utilisation efficiency of water resources, the Group has further adopted the following practices:

- Fix dripping taps immediately to avoid further leakage of the water supply system;
- Strengthen the inspection and maintenance on water tap, water pipelines and water storage;
- Run regular leakage test on water taps, joint rings and other components in the water supplier system; and
- Advocate the importance of saving water among employees through trainings.

In FY2019, the amount of water consumption by the Group was higher than FY2018. However, it can be seen from the relatively lower intensity per revenue (FY2019: 0.25 m³/HK\$'000; FY2018: 0.81 m³/HK\$'000) that the Group has been and will always be trying its utmost to enhance the water efficiency during operations.

VI. ENVIRONMENTAL SUSTAINABILITY

Paper

One of the principal natural resources consumed by the Group was paper for administrative work during the year under review. To minimise the use of paper, the Group advocated the concept of paperless office and office automation, and particularly took the following actions in its daily operations in FY2019:

- Choose suppliers with more environmentally friendly paper source, so as to reduce the number of tree losses while consuming the same amount of paper indirectly;
- Set duplex printing as the default mode for most network printers;
- Spread the idea of “think before print” by using posters and stickers in offices to remind the staff of avoiding unnecessary printings;
- Reconsider boxes and trays as containers and put them beside photocopiers to collect single-sided paper for reuse and recycling; and
- Use the back of used single-sided documents for printing or draft paper.

In FY2019, the amount of paper used by the Group was nearly 22% lower than FY2018.

Raw materials

To minimise its environmental footprint, it is the policy of the Group to promote the efficient use of raw materials in its operations. In FY2019, the amount of major raw materials including metal, concrete and wood consumed by the Group remained the same level as FY2018. To raise the utilisation efficiency of raw materials and further lower the amount of waste, the Group has adopted the Just-in-time (“JIT”) as the policy for procurement. Also, the Group has strengthened its monitoring mechanisms, in order to track the consumption of different materials at different stages. In addition, to pursue a higher performance in terms of the mitigation of its raw materials consumption, the Group has set up an R&D team to innovate, identify, test and apply advanced technologies to reduce the raw materials needed for water business.

VI. ENVIRONMENTAL SUSTAINABILITY

A.3. THE ENVIRONMENT AND NATURAL RESOURCES

To manage climate change risks, exploring new business models for retrofit and investing and innovating on the way to the zero-carbon economy of the future has been integrated into the development plan of the Group for years. Through a series of innovative scalable measures and solutions to reduce the consumption of electricity, water, gasoline, natural gas, paper and other raw materials during operations as disclosed, the Group has made significant progress towards the building of a reliable, resilient and sustainable corporation in both Hong Kong and the PRC, aiming to keep simplifying operational process and encouraging the take up of energy efficiency in all projects. In FY2019, the Group's relatively significant impacts on the environment were ineluctable GHG emissions due to the purchase of electricity and consumption of fossil fuels, and the generation of commercial solid waste and sewage. However, the Group's overall environmental impact was considerably reduced due to its unremitting efforts to create a resource-saving and environmentally-friendly enterprise.



Undoubtedly, GHG emissions are closely linked to climate-related crises nowadays. To cut corporate GHG emissions as well as to lower individual carbon footprint of its employees, the Group has put efforts in the promotion of carbon reduction through training, posters, emails and educational activities. By selecting energy-efficient machinery and device, the Group commits to further decrease its electricity consumption intensity and its reliance on fossil fuels. Meanwhile, electric and hybrid vehicles for transportation and operations have been given preference by the Group

during procurement, which the Group believes is the international trend that can tackle climate change effectively.

Waste management, especially the waste generated during construction work and water business, has long been a vital aspect to the Group, and is projected to be a critical challenge to the Group in the near future given its development plan. To lower environmental impact caused by waste generation, the Group has abided by relevant laws and regulations, and will strengthen its monitoring on the quality and quantity of discharged sewage, and waste management on site. Laying great emphasis on the development of circular economy within the organisation and its sphere of influence, the Group endeavours to establish a more comprehensive and real-time platform for waste management, where the consumption of water and raw materials, recycling of construction waste and disposal of unrecyclable solid waste can be monitored more efficiently.



VI. ENVIRONMENTAL SUSTAINABILITY

Confronting the climate-related risks that might potentially pose a serious threat to corporate development in the long run, the Group believes that keeping abreast of information of global sustainable development and being aligned with international best practices are imperative. Thus, the Group has identified and responded to certain SDGs in relation to both its business and stakeholders' expectations. Going forward, the Group plans to develop more meaningful goals aligning with the targets under SDGs, and keep reviewing its progress to ensure that its operations are in compliance with applicable law and consistent with international norms of behaviour.

SUSTAINABLE DEVELOPMENT GOALS



VII. SOCIAL SUSTAINABILITY

EMPLOYMENT AND LABOUR PRACTICES

B.1. Employment

As a diversified enterprise that relies on technological advancement in its business development, the Group believes that sound employee management and the implementation of appropriate employment policies to appeal to the talents are the keys to its long-term stability and competitiveness. As such, the Group values its employees and strives to provide its employees with a suitable platform and working environment for their professional development.

Table 3 Total Workforce of the Group by Business Segment and Geographical Region in FY2019

By region	By segment	Property Development and Investment business	Water business	Trading business	Others	Total
The PRC		27	16	0	0	43
Hong Kong		0	0	0	4	4
Total		27	16	0	4	47

Law compliance

The Group's employment policies are periodically updated and adjusted to cater to social changes since the inception of the Group, and more importantly, to abide by the relevant laws and regulations in Hong Kong and the PRC. In FY2019, the Group complied with all the relevant laws and regulations, including the following:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);
- Labour Law of the People's Republic of China (中華人民共和國勞動法); and
- Insurance Law of the People's Republic of China (中華人民共和國社會保險法).

Recruitment and promotion

The Group has strictly implemented its internal policies in the process of recruitment and employee management, including 'Staff Handbook' and 'Recruitment Management Regulations' (招聘管理規定). The Group considers talent acquisition as a pivot aspect to maintain the vitality of the Group in the industry. The Group has organised a number of job fairs during the year under review.

VII. SOCIAL SUSTAINABILITY

Pursuant to its recruitment policy, the Group offers fair and competitive salary packages and benefits according to applicants' educational backgrounds, personal attributes, job experiences and career aspirations to attract high-calibre candidates. The Group also refers to market benchmarks in relation to staff promotion and provides equal opportunities of promotion and development for eligible employees who have shown excellent performance and made giant contributions to the Group. Any promotion within the Group should be based on clear and legitimate procedures.

Compensation and dismissal

As talent retention is the foundation to company's business development in the long run, the Group periodically reviews its compensation packages and performs regular evaluations of the capability and performance of its employees. This ensures that all employees can be recognised by the Group appropriately with respect to their efforts and contributions. The Group strictly prohibits any kind of unfair or illegitimate dismissal. For those who have poor working performance or constantly make mistakes, the Group would warn verbally before issuing a warning letter. For those who remain untamed despite making the same mistakes repeatedly, the Group would dismiss the person according to relevant laws in Hong Kong and the PRC.

Working hours and rest periods

The latest study suggests that reducing time spent sedentary and replacing it with moderate movement are beneficial to people's physical and mental health. Therefore, the Group has formulated internal policies based on local employment laws including the 'Provisions of the State Council on Employees' Working Hours' (國務院關於職工工作時間的規定) to determine appropriate working hours and rest periods for employees. Moreover, the Group has also installed the attendance management system to monitor its employee's working hours and compensate those who work overtime.

Equal opportunity and anti-discrimination

As an equal opportunity employer, the Group is committed to creating a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in all its human resources and employment decisions. In other words, training and promotion opportunities, dismissals and retirement policies are based on factors irrespective of the employees' age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job related elements in all business units of the Group. Meanwhile, the equal opportunity policy allows zero tolerance in relation to any workplace discrimination, harassment or vilification in accordance with local ordinances and regulations, such as Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong) and Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong). Moreover, employees are highly encouraged to report any incidents involving discrimination to the human resources department of the Group. The Group will take responsibility for assessing, dealing with, recording and taking any necessary disciplinary actions on such incidents.

VII. SOCIAL SUSTAINABILITY

Other benefits and welfare

The Group believes that it has the onus to put forward policies that will enable and empower people to live a better life. As such, the Group cares about the well-being of its employees and has provided numerous benefits to its employees during the year under review. For instance, the Group provides employment injury insurance to its employees in accordance with national regulations. In FY2019, the Group organised a multitude of meaningful and entertaining activities, including an annual banquet and Christmas party, in order to give its employees a sense of belonging.

In FY2019, the Group was in compliance with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

B.2. Health and Safety

The Group believes that health and safety at work involves both the prevention of harm and the promotion of employees' well-being. To provide and maintain a safe and clean working condition for employees, the Group has established strict internal safety and health policies, which are in line with relevant laws and regulations in Hong Kong and the PRC, including but not limited to:

- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);
- Production Safety Law of the People's Republic of China (中華人民共和國安全生產法);
- Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法); and
- Regulation on Work-Related Injury Insurance (工傷保險條例).

As an enterprise engaged in construction works and water mining business, the prevention of occupational health and safety risks is the most important of all to the Group. To strive for zero accidents in its operations, the Group rigorously follows the instructions of the Quality Management Systems (ISO 9001:2015) and the Occupational Health and Safety Management Systems (ISO 45001: 2018) (a new ISO standard that specifies requirements for an occupational health and safety (OH&S) management system and provides guidance for its use in place of the previous OHSAS 18001). In particular, relevant warning labels and public announcements regarding onsite health and safety issues are posted on site. Smoking and liquor drinking are strictly prohibited in the workplace. To provide a secure working environment for its employees, the Group requires onsite workers to wear suitable personal protective equipment, such as helmets, safety ropes and gloves, and regulates all personnel entering into the construction zone to wear safety helmets. The Group also provides medical and employment injury insurances to its staff according to the requirements under relevant laws and regulations.

VII. SOCIAL SUSTAINABILITY

The Group has developed a set of crisis management plans and strategies to address any emergency on site as it believes that maintaining a high degree of emergency preparedness is important to minimise the risks of health and safety incidents during the construction work and water mining process.

In FY2019, the Group was in compliance with relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

B.3. Development and Training

The Group considers a suitable and customised package of training programmes to both its newly hired employees and experienced workers to be beneficial to the company in its development. Thus, the Group organised a number of training that cover numerous subjects during the year under review in accordance with its internal policies, such as 'Staff Handbook'. Normally, a complete training package is provided to new hires, introducing the corporate culture, organisational structure, and occupational health and safety (OH&S), while non-scheduled profession-oriented courses are offered to experienced staff according to corporate and individual needs.

To further enhance the professional skills of its employees and meet the Group's development goal, employees are highly motivated to attend external training and take professional qualification examinations. Employees who have passed professional qualification examinations and obtained vocational qualification certificates will receive reimbursements from the Group. Meanwhile, the Group often invites external organisations and experts to provide relevant training to its employees.

B.4. Labour Standards

In FY2019, the Group abided by the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Labour Law of the People's Republic of China (中華人民共和國勞動法) and other related labour laws and regulations in Hong Kong and the PRC to prohibit any child and forced labour employment. To combat against illegal employment of child labour, underage workers and forced labour, the Group's human resource department requires all job applicants to provide valid identity documents to ensure that they are lawfully employable prior to confirmation of any employment. It is also the responsibility of the Group's human resource department to monitor and guarantee the compliance of corporate policies and practices with the relevant laws and regulations that prohibit child labour and forced labour. Once the Group has identified any case which fails to comply with the relevant labour laws, regulations or standards, the relevant employment contract will be immediately terminated and relevant employees responsible for the management of human resources will be disciplined accordingly.

In FY2019, the Group was in compliance with applicable laws and regulations in relation to the prevention of child and forced labour that have a significant impact on the Group.

VII. SOCIAL SUSTAINABILITY

OPERATING PRACTICES

B.5. Supply Chain Management

An effective supply chain management is the lifeblood of any company in its business growth. As a result, the Group has not only implemented relevant policies regulating its practices in daily operations in order to fulfill its environmental and social responsibilities, but also given serious attention to the mitigation of the environmental and social risks that may affect its value chain. The Group requires its contractors and sub-contractors to fully comply with the relevant laws and regulations as well as the Group's own standards and specifications.

Social risks management

The Group has formulated its internal 'Supplier Management Approach' (供應商管理辦法) to manage and evaluate its suppliers before, during and after tender procedures. To enhance the effectiveness and efficiency of procurement, the Group regularly performs onsite inspections to assess the background of the eligible tenderers based on factors including their reputation, service/product quality, environmental management system, production and technical capacity, business track record for past 3 years, economic disputes history with the Group, and regulation compliance. To stabilise the supply chain and avoid the monopoly of supply, the Group generally maintains at least two qualified suppliers for each material. The Group commits to control the risks that might arise from its supply chain according to ISO 9001:2015 (質量管理體系) and therefore has formulated its internal supplier management policies by classifying the suppliers into different groups, in order to implement differentiated managerial strategies towards suppliers.

Environmental risks management

The commitment to 'Green Procurement' demonstrates the Group's leadership and determination in improving environmental sustainability not only within the organisation, but throughout the entire value chain. To ensure the stability of its supply chain that will not be prone to climate change, the Group has dug deeper into its supply chain from the perspective of environmental protection. For instance, in addition to the basic index that is used to measure the performance and reliability of suppliers, the Group also requires its suppliers' production process and products to be eco-friendly, not to lead to serious environmental degradation, and most importantly, to abide by applicable environmental laws and regulations in the region where they operate.

VII. SOCIAL SUSTAINABILITY

B.6. Product Responsibility

Property development and investment business

The property development and investment business of the Group is strictly regulated by relevant laws of the PRC, including but not limited to:

- Administrative Regulations on the Work Safety of Construction Projects (建設工程安全生產管理條例);
- Convention concerning Safety and Health in Construction (建築業安全衛生公約);
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法); and
- Regulation on the Quality Management of Construction Projects (建設工程質量管理條例).

The Group strives to create premium value to its customers by delivering property buildings with top-notch quality and safety. Pursuing high-quality products, an integrated management system in accordance with the requirements of ISO 9001:2015 and ISO 14001:2015 has been established by the Group and put into practice to monitor the entire construction process, in order to make sure that timely delivery of reliable end-product to customers can be achieved. It is noteworthy that eco-friendly and non-hazardous materials are always the top choice of the Group during material procurement. For example, since the inhalation of VOCs (volatile organic compounds) causes serious health problems to tenants, the Group prioritises the adoption of low volatile organic compounds emitting materials during the construction process.

The safety and quality of the properties developed by the Group are monitored at all stages of construction by competent staff. The chief supervision engineer of each project acts as the project supervisor and must have the relevant working experiences and obtain the qualification of nationally registered supervision engineer.

Water business

Implementing the principles of 'serving the clients with reliable products, excellent management, perfect quality and service with complete sincerity', the Group ensures that all the products from water business and production process are in full compliance with applicable laws and regulations, aiming to deliver a delicate and safety product to every client. In line with ISO 9001:2015, the Group has invested hugely in the source control, production monitoring and finished goods management, in order to establish a systemic management platform that to large extent meets its customers' demands and expectations.

The Group welcomes feedback from its customers regardless of whether it is a compliment or complaint. Once any complaint is received, the Quality Control (QC) department of the Group follows up with the entire investigation to make sure that substantiated complaints can be dealt with efficiently. Meanwhile, the Group has strictly abided by the laws and regulations in relation to customer privacy, such as the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法) and the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), ensuring that its customers' rights are strictly protected. Information collected by the Group from its customers would be used only for the purpose for which it has been collected. During the year under review, the Group did not receive any complaint regarding either product quality or the breaches of customer privacy.

VII. SOCIAL SUSTAINABILITY

The Group has been committed to ensuring that the sales and marketing departments of the Group present precise product descriptions and information (including the labelling of its products and services) that comply with the relevant laws and regulations to its customers. For instance, the label of bottled water should be clear and legitimate, and in conformity with relevant laws and regulations, such as 'GB 7718-2011 National Food Safety Standard – Standard for nutrition labelling of prepackaged foods (食品安全國家標準預包裝食品標籤通則)' and 'GB 28050-2011 China Food Safety National Standard General Rules for the Nutrition Labelling of Prepackaged Foods (食品安全國家標準預包裝食品營養標籤通則)'. Any misrepresentation in marketing materials or exaggeration of offerings are strictly prohibited. The Group has a legal counsel to review the sales and marketing materials before releasing them to the public.

In FY2019, the Group was in compliance with relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters of its products and services that have a significant impact on the Group.

B.7. Anti-corruption

Strengthening the corporate construction of a clean and honest administration endows all enterprises the duty and obligation to fight against corruption. To maintain a fair, ethical and efficient working environment, the Group abided by the local laws and regulations relating to anti-corruption and bribery, irrespective of the region in which the Group operates, including the Anti-Corruption Law of the People's Republic of China (中華人民共和國反腐敗法), the Law of the People's Republic of China on Anti-money Laundering (中華人民共和國反洗錢法), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), and the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) in FY2019.

The Group has formulated and enforced its anti-corruption policies according to the requirements of ISO37001: 2016 Anti-bribery management systems, to prevent any illegal practices, including corruption, extortion and money-laundering within the Group. The Group prohibits all forms of bribery and corruption, and requires all its employees to follow the relevant codes of professional ethics. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery or any activities which might exploit their positions against the Group's interests. During the year under review, no legal cases regarding corrupt practices were brought against the Group or any of its employees.

Whistle-blowers can report verbally or in writing to the audit committee of the Group for any suspected misconduct with full details of the incidents and supporting evidence. The audit committee of the Group will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group has established an effective grievance mechanism to protect the whistle-blowers from unfair dismissal or victimisation. Where any crime is suspected by the Group, a report will be submitted promptly to relevant regulators or law enforcement authorities when the management of the Group considers it necessary.

In FY2019, the Group was in compliance with relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

VII. SOCIAL SUSTAINABILITY

COMMUNITY

B.8. Community Investment

Community investment ranges from financial donations for low-income and underprivileged families, volunteer service, training opportunities, organisation of educational activities, to the provision of affordable housing and employment creation. While community investing spans a wide range of initiatives, the Group is committed to making the communities where it operates a better place to live, and particularly contributing to the development of local philanthropy and healthy growth of children.

Being an integral part of local communities, the Group will keep playing a pivotal role in supporting the communities to thrive by:

- Working with charitable organisations and providing various forms of assistance to vulnerable groups of individuals; and
- Organising educational and meaningful activities for children, and encouraging and supporting the youth in the communities to fulfill their potential and pursue their dreams.

VIII. REPORT DISCLOSURE INDEX

HKEx ESG GUIDE CONTENT INDEX

Aspects	ESG Indicators	Description	Page
A. Environmental			
A1: Emissions	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.	12
	KPI A1.1	The types of emissions and respective emission data.	13
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	14
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A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	18
	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).	18
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	18
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	19
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	20
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	21
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	22
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	22

VIII. REPORT DISCLOSURE INDEX

Aspects	ESG Indicators	Description	Page
B. Social			
<i>Employment and Labour Practices</i>			
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.	24
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.	26
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	27
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.	27
<i>Operating Practices</i>			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	28
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.	29
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.	30
<i>Community</i>			
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.	31