

# 鄺文記集團有限公司

## KWONG MAN KEE GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code : 8023



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

2017

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION

In recent years, there has been an increasing trend among environmental and Corporate Social Responsibility specialists and institutional investors to seek fundamental value in companies by analyzing enterprise value based on Environmental, Social and Governance (“ESG”) factors.

The aim of this Report is to help investors and other stakeholders understand in detail how we approach ESG issues and what we are doing in these areas, with a view to creating sustainable corporate value.

## OVERVIEW

1. The Company is incorporated in the Cayman Islands and the shares of which were listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 13th October 2016. The Company is the investment holding company of various subsidiaries in Hong Kong (together the “Group”).
2. The Company’s ESG Guide has adopted the principles, general disclosure requirements as well as the recommended disclosure of key performance indicators (“KPI”) (KPI) in the ESG Reporting Guide (the “ESG Guide”) under Appendix 20 of the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”).
3. As an established contractor in the Hong Kong car park flooring industry, the Group provides
  - (i) Flooring services, which involve the application of proprietary floor coating products for the purpose of providing a colorful, slip-resistance, hard wearing surface that is resistant against water and petrochemicals; and
  - (ii) Ancillary services, which include concrete repairing and wall painting work in Hong Kong.
4. The car park flooring services fall within the scope of the Environmental subject area, which is the first element of ESG Guide, covering particularly the areas of (a) climate change, (b) sustainable use of resources, and (c) preservation of biodiversity – natural resources.
5. The ancillary services involve consideration of (a) emissions control, (b) use of resources, and (c) environmental and natural resources, which falls into the first element of ESG Guide, the Environmental Factor.
6. As a contractor, the Group’s business relies on substantial use of human resources and sound relationship with suppliers and subcontractors, which yields the Group to foster, inter alia, (a) respect for human and indigenous right, (b) CSR for supply chain, and (c) participation in community – the Social element of ESG Guide.





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7. The strategic decision-making process of the Group takes into account not only finance and legal risks but ESG factors as well.
8. The Company views ongoing reinforcement of corporate governance as an important management issue, which itself is covered by the Corporate Governance Code (the “CG Code”) and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules the functions under (a) Directors, (b) Remuneration of Directors & Senior Management, (c) Accountability & audit, (d) Delegation by the Board, (e) Communications. The annual review of the effectiveness and efficiency of the compliance with the CG Code has been addressed in the Corporate Governance Report (as part of the Company’s Annual Report dated 23 June 2017).
9. This ESG Report covers the financial year ended 31 March 2017 and discloses information on the Group’s ESG approaches, strategy, priorities and objectives. This Report has been reviewed and approved by the directors of the Company.

### CORE VALUE

The Company, as a responsible corporate citizen, practises the values of caring, equality and honesty, which serve to guide the decisions of the management towards:

- (a) preservation of the environment;
- (b) expansion of business with integrity and fairness; and
- (c) enrichment of the corporate governance for better accountability.

### ENVIRONMENTAL

The Group promotes business activities with keen awareness of the environmental impact of its decisions.

The Board is aware that addressing environmental concerns is an important issue for contributing to the continuous development of society (along with the business activities of the Company).

The Group’s operation is not subject to any environmental licensing requirements in Hong Kong, except the Dangerous Goods Ordinance (Chapter 295 of the Laws of Hong Kong), and some of the works conducted by us are subject to environmental compliance examination under The Hong Kong Green Building Council’s “BEAM Plus” scheme.

As a responsible corporate citizen, we have, on top of complying the said statutory regulations and industry practices, implemented various policies with the following objectives:

- (i) Address climate change;
- (ii) Minimize pollution;

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- (iii) Achieve sustainable use of resources including efficient use of energy;
- (iv) Reduce waste and enhance recycling; and
- (v) Prevent biodiversity for natural resources preservation.

Our Environmental Policy has been formulated to give effect to our commitment to environmental protection with details set out as follows.

## Environmental Policy

*“The Group’s environmental objectives are to prevent environmental pollution, achieve efficient use of energy, reduce waste and enhance recycling from our operations through implementation of Environmental Management System in conformity with the International Standard requirements.*

*We are committed to*

- (a) provision of adequate and appropriate resources to implement this Policy;*
- (b) compliance with environmental laws and other relevant requirements;*
- (c) setting environmental objectives and targets that lead to continuous environmental improvement;*
- (d) communication of this Policy to all staff and interested parties; and*
- (e) initiation and implementation of actions to prevent environmental pollution and to improve environmental performance continuously.*

*All staff, subcontractors and suppliers are required to implement this Policy diligently.*

*This Policy will be reviewed regularly in light of experience, feedback from staff, business development, current regulations and legislation.”*

## Environmental Management System

In line with the Environmental Policy, the Group has established effective Environmental Management System, in conformity with globally recognized standards, for the provision of design, construction, installation and maintenance services to our customers.

## Environmental Manual of Procedures

The Manual of Procedures has been adopted with the following aims:

- (i) the establishment and updating of documented legal and other requirements to ensure the compliance of relevant environmental laws, regulations and guidelines in all our operations;
- (ii) the establishment and continual review of the adequacy of environmental objectives and targets that lead to continuous improvement in our environmental awareness and performance;



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- (iii) the establishment, prevention and minimizing of pollution by avoiding creating waste, maximizing beneficial reuse of material and avoiding the release of harmful substances to the environment;
- (iv) the cooperation with Government, regulatory agencies and public consultation groups in the planning, management and construction of projects;
- (v) the provision of sufficient training and communication channel to staff and operatives to ensure environmental aspects are properly implemented and maintained;
- (vi) the execution of continual monitoring and control measures to ensure the environmental protection objectives are met;
- (vii) the identification of deficiency and initiation of corrective, preventive actions which are followed through until satisfactory completion; and
- (viii) the regular review of the Group's environmental performance and current environmental needs to initiate continual improvement to the Environmental Management System.

We will ensure the environmental objectives are embedded in our ethos as we carry out the relevant functions of the Company, conduct regular reviews to ensure their adequacy and highlight areas for continual improvement.

### **Key Protective Measures**

Having regard to our environmental objectives to primarily prevent environmental pollution, reduce waste and enhance waste recycling from our operations, the following key measures are in place:

#### *1. Waste Management Hierarchy*

- 1.1 Waste Management Hierarchy has been adopted on construction sites to reduce waste production. Reusable wastes such as earth, broken concrete and temporary works are reused at other sites.
- 1.2 Plastic waste of expired safety helmets, damaging water barriers and traffic cones will be donated for recycling.
- 1.3 Pressure on landfill disposal has been reduced with these measures.
- 1.4 Infrequent hazardous wastes (e.g. asbestos) as a target are to contribute, to less than 1 % of total waste generated, in which they are separated and treated strictly in accordance with local regulations.

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## 2. *Initiatives for Managing Resources*

We have implemented the following initiatives to manage resources and energy use:

- Promotion and management of fuel and electricity usage – eg. controlling air conditioning at 25°C room temperature level
- Use of Lighting Management System to control power voltage for saving lighting energy – e.g. turning off lights at office compound during lunch break
- Reuse of waste water after sedimentation treatment for site cleaning, water suppression system, wheel washing at site access, water barrier filling, etc.
- Reuse of recycling water reuse for preliminary air lifting of bore piles
- Reuse of water dripping from air-conditioner for roof sprinkler cooling system and watering of plants
- Phasing out of traditional T8 tubes with energy saving T5 fluorescence tubes and LED lightings

## 3. *Carbon Audit*

- 3.1 Addressing climate change is one of the most pressing issues facing the global community. In its recognition, we have a responsibility to reduce our carbon footprint.
- 3.2 We started our carbon audit at our head office in 2016 with a view to reducing electricity consumption gradually.
- 3.3 Eco-friendly measures, such as paperless meetings, switching off lighting and appliances (computers and monitors) in lunch hours, and maintaining the room temperature at 25°C, were introduced at our office to reduce our energy and carbon emission.

## 4. *Preservation of Biodiversity*

- 4.1 Ecosystems supply us with food and water, regulate climate and purify the water we drink.
- 4.2 We understand the value in diverse ecosystems and we strive to mitigate the impact that the business activities have on biodiversity. We also seek ways to contribute to ecosystem conservation through business and social activities, e.g. through plantation at office and work site as far as practicable.

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## 5. *Sustainable Use of Resources*

- 5.1 The Board is dedicated to promoting the sustainable use of resources since global environmental concerns (such as climate change and biodiversity) are inseparable from those pertaining to energy, food, water and other resources.
- 5.2 The Group uses environmentally-friendly products directly imported from England as a step to sustaining sustainable use of resources.

## SOCIAL

As the cornerstone of the Company's social policy, the Board perceives that respect for human rights is a key component of Corporate Social Responsibility in the sustainable development of our business.

### Social Policy – Code of Conduct

The Group has committed to adhere to our Code of Conduct that, as sound corporate practice, the management and staff are required to:

- (a) *respect human rights, including entitlement of health and safety at work;*
- (b) *not engage in discrimination on the basis of race, ethnicity, creed, religion, or any other ground;*
- (c) *not tolerate sexual harassment;*
- (d) *foster a proper understanding and awareness of the issue of human rights;*
- (e) *respect the cultures, customs and language of other countries and regions; and*
- (f) *promote and maintain harmony with the communities the Company operates.*

## EMPLOYMENT

The Company regards its employees as its valuable asset, and has formulated an Employment Policy which strikes a well balance between result-oriented demand and secured working condition.

The Employment Policy has been consistently applied and is subject to periodic review having regard to the development of business, market employment practice and any applicable governmental regulations which may have an impact on the employment parameter of the Company

During the year ended 31 March 2017, the Group's employee turnover rate was NIL, be it by gender, or by age group or by geographical region (which is in Hong Kong only).

The Group maintains a sound relationship with its employees and appreciates that the employees are of high caliber and fit the need of the Group. The Company strives to maintain a high quality workforce by implementing effective Employment Policy.

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## HEALTH AND SAFETY

The Group has formulated the Occupational Health and Safety Policy Statement, which demonstrates our commitment to maintaining a high standard of occupational health and safety, details of which are set out below.

### Health and Safety Policy

*"The Group has established an effective Occupational Health and Safety ("OH&S") Management System bearing the objectives:*

- (i) to prevent injury and ill health in office and at worksite;*
- (ii) to ensure the occupational health, safety and welfare of all persons at worksite are maintained at high standard;*
- (iii) to take all reasonably practical measures to protect the general public from our operations; and*
- (iv) to facilitate continual improvement in OH&S management.*

*While our ultimate aim is the elimination of all accidents, our immediate target is zero fatalities, and an Accident Frequency Rate of less than 2 per 100,000 man hours; 5 reportable accidents per 100 workers, on an annual basis.*

*It is the duty of each member of staff to know the risks associated with the tasks they are involved in. They must have a proactive attitude and take a safety-first approach to ensure that all necessary precautions have been taken before work is allowed to commence.*

*Each staff member is responsible for ensuring that staff below them are properly trained and capable of handling the tasks delegated to them. Safety should be given first priority over all other concerns.*

*All employees and subcontractors, regardless of their status, found uncooperative or negligent in the implementation of the Company's Occupational Health and Safety Policy or Directives following a written warning will be subject to disciplinary action, which may include summary dismissal.*

*The Board is ultimately responsible to advise and assist management, project and operation staff on the understanding, implementation and maintenance of the Company's OH&S Management System and to provide information and training therewith so that they are competent to carry out their duties and responsibilities.*

*Subcontractors are required to comply with this Policy and Safety Manual by the implementation of similar procedures within their own organization.*





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*This Policy is to be communicated to all employees and actively pursued by the Company's Board of Directors, its management and all supervisory and safety personnel.*

*All project and operation staff are responsible to the Executive Chairman for the implementation of this Policy. The Company has assigned an Executive Director as a Compliance Officer to be responsible for overall co-ordination and implementation of the Policy.*

*This Policy and the associated OH&S Management System are intended to be reviewed annually or whenever necessary by the Corporate Safety Management Committee in the light of experience, feedback from employees at all levels and current regulation and legislation.”*

### **Compliance with global standard as minimum standard**

In summary, compliance with the statutory and contractual requirements shall be regarded as the minimum standard of occupational health, safety and welfare at all times.

We have integrated internationally-recognised certifications into our quality, environmental and safety management systems respectively.

We are committed to

- (a) providing adequate and appropriate resources to implement this Policy;
- (b) continuously improving its occupational health and safety performance through regular safety training, inspection and monitoring; and
- (c) ensuring the management and employees at all level to assume the responsibility for implementation of OH&S Management System.

A series of measures have also been introduced at various works sites to protect the health and safety of workers. These include mini-health check stations, heat shelters and water sprinklers on roof tops to dissipate heat gain.

Through this system, each individual brings unique elements to comply with statutory requirements and achieve the ultimate goal of continuous improvement.

Our safety system works in the following manner:

- our site foreman conducts regular safety inspections to ensure that the works are conducted in a safe and proper manner;
- we require our subcontractors to abide by all applicable laws and regulations, and take safety precautions to prevent the occurrence of accidents at work sites; and

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- non-conformities found during site inspections would be rectified immediately and any workers who committed such non-conformities would be warned accordingly.

In addition, every worker entering the work sites are required to hold the Construction Industry Safety Training Certificate, which ensures that the workers go through on-site safety training provided by the main contractors.

During the year ended 31 March 2017, we did not record any accidents involving work injuries of workers employed by us or workers employed by our subcontractors.

Overall speaking, the Company manages to maintain a satisfactory health and safety level as evident by the relatively low rate of absence due to sickness or on-the-job accidents.

## DEVELOPMENT AND TRAINING

### Staff Participation

We cultivate staff development through friendly competition and fostering a culture of diligence. We believe that a strong workforce will contribute to sustainable corporate growth.

The Board is committed to creating structures and environment that will allow members of our staff to flourish and maximize their potential through meaningful work.

Measures are in place to assess staff motivation, organizational vitality and other matters with a view to acquiring feedback for management improvement.

### Training – internal and external

It is believed through continuous learning process, the Company's management and staff would both be enhanced both in terms of quality of performance and knowledge of work for more efficiency in delivering results. Hence, we are dedicated to investing resources to encourage management and general staff of the Company to attend trainings (on the job or external seminar series) and practice development sessions.

### Productivity survey

We have adopted the practice of conducting surveys helps enhance productivity of staff participation, and covers topics such as:

- (a) Desired employee-oriented initiatives
- (b) Link between personal expectations and company's direction
- (c) Efforts to build a stronger sense of unity
- (d) Environment that takes full advantage of what employees have to offer

The results of the survey are used as (i) feedback to employees; and (ii) part of action plans designed to further vitalize the workplace.

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## Events Conveying Corporate Values

Staff relations are greatly strengthened through different types of events. Our staff members actively participate in corporate events that convey our corporate values.

### 1. Corporate Events

Our Corporate Event Team is responsible for organizing a series of large-scale corporate events, internal training and staff recreational activities, so as to encourage “work-life balance” and professional friendships among our staff member in line with our “Caring” mission.

### 2. Corporate Trip

To enhance the cohesiveness and sense of belongings of our staff, we arrange corporate trips for our colleagues and their family members to join.

### 3. Interest Classes

Our Administration Department has been organizing various sorts of interest classes for our staff. The purpose of these classes is to strengthen the bond between site staff and staff from head office, and provide an invaluable opportunity for our staff members to relax and communicate among each other.

## LABOUR STANDARDS

The Company has set up a Policy of Labour Standard which provides guidelines to avoid child and forced labour, details of which are set out below.

### Policy of Labour Standard

Employees are obligated to follow the Company’s polices including but not limited to the following:

1. No violence in the workplace
2. No sexual harassment and discrimination
3. An alcohol- and drug-free workplace
4. A non-smoking workplace
5. Immediate reporting of accidents
6. Familiarity with fire prevention and safety working procedures
7. Special arrangement for typhoons and heavy rainstorm warnings
8. Confidentiality of group data, information and documents
9. Security of property and security inspection
10. Personal integrity and general practices

Measures are in place for reviewing employment practices to avoid child and forced labour, which include:

- (a) Maternity leave system in compliance with law
- (b) Related human resources policies on child care support

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- (c) Flexi-time system for employees providing long-term care to family members
- (d) Balance of work against nursing care commitments when the need arises
- (e) Avoid hiring underaged, in compliance with law

Remedial steps will be taken to eliminate any malpractice if so discovered.

## SUPPLY CHAIN MANAGEMENT

On recognizing that supply chain management is essential to operational efficiency, the Group works closely with suppliers and subcontractors to effectively and efficiently meet our customers' needs without compromising on responsible operating practices.

The Group is stringent in selecting qualified suppliers and subcontractors ensuring that their entire production process is in line with our standards and specifications, and that our Environmental and Social Standards are being complied with.

The two largest suppliers which collectively represent approximately 90% of total purchases of the Group maintain a sound working relationship with the Group and both have granted distribution rights to the Group from the current year till 2025.

Our top five suppliers and subcontractors, constituting approximately 97% of total purchases of the Group have a long-term business relationship sharing our belief of responsible operating practice and mutual respect in the working process and relationship.

Not only do we require our new suppliers or subcontractors to submit all relevant documents for review, we also run background checks to evaluate their reliability.

We conduct regular inspections and evaluations to review the standards of our suppliers and subcontractors are prepared to cease cooperation with unqualified suppliers or subcontractors.

The Group is committed to developing and maintaining effective and mutually fruitful working relationships throughout our entire supply chain.

## SERVICE RESPONSIBILITY

### Quality Policy

*The Group aims at delivering the best quality services to the customers and has formulated a Quality Policy, which is set out below:*

*"The Group is committed to*

- (a) *establishing quality objectives and consistently reviewing them for their suitability and continual improvement;*





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- (b) *carrying out works in strict compliance with the statutory requirements, client's specifications and our in-house standard;*
- (c) *enhancing the ability and staff by adopting proactive and do-thing-right-at-inception approach to the delivery of high quality of products and services to our clients' satisfaction and exceed their expectation; and*
- (d) *promoting teamwork and interactive business relationship with our clients, business partners, sub-contractors and suppliers.*

*All the staff of the Group are required to ensure that this Policy is communicated, understood, implemented and maintained in an effective and efficient manner, with the support of the senior management and the assistance from the quality department, as appropriate."*

### **Quality Management System**

In line with the Quality Policy, the Group has implemented a Quality Management System, so as to ensure successful fulfillment of our commitment to quality.

Continuous improvement of the efficacy of management activities, resources allocation, service realization monitoring and measurement methods of the Quality Management System is undertaken through the following activities

- (i) identifying systems and their applications necessary for the operating processes throughout the organization;
- (ii) determining the sequence and interaction of processes;
- (iii) determining criteria and methods required to ensure an effective realization of both the operation and monitoring of these processes;
- (iv) ensuring monitoring, measurement and analysis of these processes; and
- (v) ensuring the implementation of actions needed to achieve planned results and continual improvement in these processes.

We will ensure that the service quality delivered by relevant departments of the Group is strictly in compliance with our quality objectives by which regular reviews are conducted to assess their level of adequacy for continual improvement.

### **Quality Service Performance Highlights**

The Company is committed to delivering services of excellent quality to clients and have adopted measures to ensure a consistently high-level Quality Management System.

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We respect intellectual property rights of others and ensure that the team would not take any action, whether willingly or mistakenly, which would infringe the intellectual property rights of any third party.

The Board aims to protect the Company's intellectual property rights by doing proper registration on a timely and cost effective manner.

The Company has in place consumer data protection and privacy policies and ensures its compliance with the applicable laws and regulations prevailing in Hong Kong.

## ANTI-CORRUPTION

The Group believes that honesty, integrity and fair play are important contributors to the value of its assets and business. It is therefore important for all employees to protect the Group's reputation by avoiding any act which may be construed dishonest, disloyal or corrupt.

**Our Anti-Corruption Policy** primarily provides that

*"All employees should decline an offer of gift if acceptance of it could affect their objectivity in conducting the Group's business, or induce them to act against the interests of the Group or lead to allegations of impropriety.*

*If an employee wishes to accept a gift with the amount greater than the maximum limit as stated in our Employment Policy, he/she should seek written permission from the executive director in charge of the operating unit or the Group. Any employee in breach of the code of conduct in the Employee Handbook will be subject to disciplinary action including termination of employment.*

*Periodic written reminders will be sent to the business partners / suppliers about the Group's policy regarding "No Acceptance of Advantages".*

### *Conflict of Interest*

*It further provides that all employees should avoid any situation which may lead to an actual or perceived conflict of interest, and should make a declaration in writing to the executive director in charge of the operating unit or the Company, when such a situation arises. Failure to do so may give rise to criticism of favoritism, abuse of authority or even allegations of corruption."*

The Board is mindful of the importance of preventing bribery and any mal-practice within the Group. As a result, we have introduced certain whistle-blowing procedures under which the whistle-blower is encouraged to report the matter to the chairman of Audit Committee on a confidential basis.

During the year ended 31 March 2017, there was no incidental litigation or complaint regarding corrupt practices against the Group and/or its employees.



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## COMMUNITY INVOLVEMENT

The Group has taken an active part in fulfilling the corporate social responsibility. We strive for engaging with the local community and extending our reach to people in need.

### 1. Community service

Employees are encouraged to participate in volunteer activities, and we have a volunteer leave system and programme in place allowing employees to use lunch time to conduct volunteer activities – which can provide opportunities for the employees to engage with the stakeholders affected by our work.

We believe that through our involvement in the community, we can understand more about the needs of stakeholders and allow our construction projects to be in harmony with the community for the betterment of the people in Hong Kong.

### 2. Charitable donations

The management understands that charity plays a key part in extending assistance and help for the needy or underprivileged in society. Monetary support has been offered for a number of worthy causes where appropriate.

The Group believes that by helping to enrich community, both materially and spiritually, it will also meet the expectations of shareholders, and stakeholders, including customers, suppliers, subcontractors, employees.

## RELATIONSHIP WITH SUPPLIERS AND SUBCONTRACTORS

We have established relationships with numbers of suppliers and subcontractors for the construction and renovation work in Hong Kong. As to one supplier relating to our construction work which has recently encountered financial problems, we have reassigned to other subcontractors. Save as the aforesaid, there were no major events affecting our relationships with our suppliers and subcontractors during the year ended 31 March 2017.

## RELATIONSHIP WITH CUSTOMERS

During the year ended 31 March 2017, our sale team has maintained good relationships with our customers.

## RELATIONSHIP WITH EMPLOYEES

During the year ended 31 March 2017, we are not aware of any major event affecting our relationships with our employees.

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## COMMITMENT TO UNITED NATIONS GLOBAL COMPACT'S 10 PRINCIPLES

The Board is committed to promoting initiatives in each field under United Nations Global Compact's 10 Principle for Environmental and Social Effectiveness and Efficiency, namely:

### **Human Rights:**

Principle 1:

Business should support and respect the protections of internationally proclaimed human rights

Principle 2:

Make sure that they are not complicit in human rights abuses

### **Labour:**

Principle 3:

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4:

The elimination of all forms of forced and compulsory labour

Principle 5:

The effective abolition of child labour

Principle 6:

The elimination of discrimination in respect of employment and occupation

### **Environment:**

Principle 7:

Business should support a precautionary approach to environmental challenges

Principle 8:

Undertake initiatives to promote greater environmental responsibility

Principle 9:

Encourage the development and diffusion of environmental friendly technologies

### **Anti-corruption:**

Principle 10:

Business should work against corruption in all its forms, including extortion and bribery





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## GOVERNANCE

The Company has made continued efforts to incorporate the key elements of sound corporate governance in its management structures and internal control procedures. The Company is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, and to ensure that affairs are conducted in accordance with applicable laws and regulations.

The Board believes that good and effective corporate governance practices are keys to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the Shareholders.

The Board is responsible for performing the corporate governance duties in the CG Code, which includes developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of the directors of the Company, and reviewing the Company's compliance with the code provision in the CG Code and disclosures in the Company's Corporate Governance Report.

The Company has complied with the principles and applicable code provisions of the CG Code during the year ended 31 March 2017, except the deviation from CG Code provision A.2.1.

For further details of the Company's compliance with the CG Code during the year ended 31 March 2017, please refer to the Company's Corporate Governance Report (a part of the Company's Annual Report dated 23 June 2017).