



Eco-Tek Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8169

HEALTHY ENVIRONMENT QUALITY LIVING

2018 ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT



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I ABOUT THIS REPORT

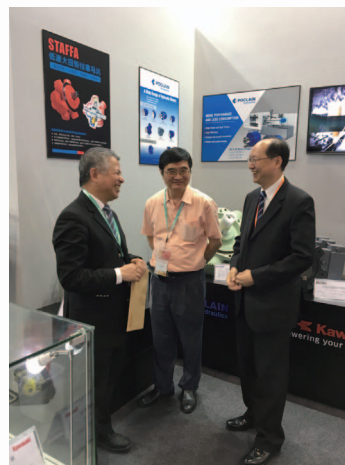
This Environmental, Social and Governance (the “**ESG Report**”) summarized the efforts and achievements made by Eco-Tek Holdings Limited and its subsidiaries (collectively the “**Group**” or “**we**”) in corporate social responsibility and sustainable development. The ESG report not only delivers the sustainability strategies, management approaches and performance of the Group with the stakeholders but also strengthen the Group’s understanding towards its ongoing activities in sustainable development of the ecological environment and society.

The Group hopes to develop its business objectives and creates shareholder value, while at the same time protects the environment by fully utilizing resources and minimizing the emission of pollutants during operations. We, as a responsible and visionary corporate, have to balance the relationship between operations and environment by continuously optimizing operations, business strategies and policies on environmental protection, training and development, and community investments and contribute towards the sustainable development of the globe, human being and our business.

Reporting Period and Scope

The ESG Report covers the Group’s main business in the industrial environmental products business, water supply plant business, general environmental protection related products and services business (together as the “**Main Business**”), and presents the Group’s strategic approach to sustainability and performance in the environmental and social aspects in the Main Business for the year ended 31 October 2018 (i.e. from 1 November 2017 to 31 October 2018) (the “**Year 2018**”). A summary of the environmental indicators and the performance date are listed out at the section of “Environmental Performance Data Summary”.

The ESG Report has been prepared in accordance with the updated Environmental, Social and Governance Reporting Guide issued the Stock Exchange of Hong Kong Limited, as set out in the Appendix 20 of Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited.



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II ENVIRONMENTAL PROTECTION

1. Management of emissions

The Group puts great effort in environmental management of our Main Business and we fully aware of the greenhouse gas and various wastes are generated during operation. Our emission of air pollutants, which include Nitrogen Oxides (“**NOx**”), Sulphur Oxides (“**SOx**”) and Respiratory Suspended Particles (“**Particles**”) are mainly generated by direct emissions from vehicles for transportation and indirect emissions from electricity consumption.

Management of greenhouse gas emission

The greenhouse gas emissions by the Group are mainly released from fossil fuel consumption and electricity consumption. We monitor the environmental performance of our operation in a regulated systematic manner and formulated a set of policies and procedures to monitor the emission of greenhouse gas and waste, and to ensure that all operations are in compliance with the national and local environmental standards. We also identify updates to the related environmental laws and regulations from time to time, and provide training to all the related staff to ensure their operation is in full compliance.

Management of sewage and solid waste

To counter sewage and sludge generated from our water supply plant business’s operation, we have adopted several sewage and sludge reduction measures to monitor the wastewater and pollutants generated during our water supply plant business’s operation and take appropriate measures, so as to comply with the environmental regulations and standards of the PRC. We have built our own waste and sludge sedimentation tanks to collect wastewater generated from during our water supply plant’s operation, in which the liquid supernatant from the sedimentation tank will be reused as raw water in the operation and non-hazardous sediment (sludge) will be air dried in the sludge drying bed then it would be disposed of in accordance with the instructions of the relevant environmental departments.

Our business operations only generate non-hazardous solid wastes like sludge and recycle wastes. In order to lighten the load of landfills, we adopt a responsible waste management policy, including wastes avoidance, reducing waste from its sources and reuse, recycling and responsible disposal of waste. Our office posts memos and notices everywhere, encouraging the employees to reduce the production of waste and we have introduced waste separation measures from the start.

Compliance

During the reporting period, there were no confirmed non-compliance incidents in relation to environmental protection that have a significant impact on the Group.

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2. Management of Resources Utilization

For the purpose of effectively managing the use of resources, we promote green practices to boost the environmental awareness among employee. We have introduced energy efficient equipment at our offices to raise energy efficiency. The level of energy consumption is reviewed and assessed regularly, and the corresponding measures will be taken in the case of excessive consumption or wastage.

Conservation of Energy

The Group emphasizes on saving electricity. We strictly select energy-efficient equipment, electrical appliances and lighting for use in operation and office areas. Electrical equipment, including lighting, air conditioners and electric fans, etc. are turned on according to need during office hours, and staff are encouraged to have monitor electricity consumption. On office floors, LED lighting and natural light are deployed in large extent. The Group controls the use of energy and improves resource usage efficiency through daily management and monitoring of energy consumption.

During the reporting period, the Group's Main Business consumed 2,079,457.20 kilowatt hours of electricity, 8,551.11 liters of diesel and 31,926.51 liters of gasoline. With reference to the guidelines of the Greenhouse Gas Protocol and the regional emission factors, greenhouse gas emissions are calculated from the above-mentioned data. For total carbon dioxide emission during the reporting period, Scope 1 emission and Scope 2 emission were 97.71 tonnes and 1,320.31 tonnes respectively.

Conservation of Water

We hope every staff can make the best use of water resources and reduce wastage. We have checked regularly the water facilities, pipes and taps to prevent wasting water, especially for our water supply plant business. We also enhance our staff's awareness in water conservation. Once damaged pipes or valves or water leakage is found, the staff shall inform relevant department to repair them in a timely manner. Effective water-saving production methods and instruments are adopted. During the reporting period, the Group's Main Business consumed 63,002.32 tonnes of water.

Conservation of Packaging Material

We promote saving packaging material and avoid wastage. We encourage reuse packaging materials including paper and wooden boxes, especially for our industrial environmental products business. During the reporting period, the Group's Main Business consumed approximately 11,110.01 kg packaging materials.

Compliance

During the reporting period, the Group did not identify any matters in respect of material breaches of relevant laws and regulations that have a material impact to the Group.

3. The Environment and Natural Resources

The Group believes that corporate development should not come at the expense of the environment. We care for and protect the nature and hope that every staff take part in it and build a beautiful world together. We continue to adopt various policies, measures, and actions in reducing carbon footprint, and to minimize the impact to the environment from daily lives and business activities to let our staff know the importance of our environmental impact. Growing business without depleting natural resources can only be sustained when all stakeholders including employee, suppliers and customers work hand in hand to alleviate climate change together.

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III EMPLOYMENT AND LABOR PRACTICES

Employee is an important asset of the Company, we care about their well-being, respect their personal traits, make sure that all employees are subject to legislative protection and have equal opportunity in their career path, also, we strive to increase their sense of belonging.

1. **Recruitments**

During staff recruitments, knowledge, ability, morality, physical fitness and job requirements are used as the selection standards, and they are not discriminated against because of their age, sex, sexual orientation, race, disability, marital status, pregnancy, religion and political factions, so as to maintain employment equality. We provide equal opportunities to employees in providing benefits, promotion, performance appraisal, training and career development.

2. **Labor Standards**

The Group strictly prohibits any unethical hiring practices, including child labor and forced labor in the workplace. Policies and procedures are established to comply with the relevant labor laws and regulation. During the recruitment process, we review the identity documents of the applicants and never hire any applicant below the legal working age.

3. **Remuneration and Welfare**

We have established a clear remuneration and welfare policy based on the principles of equal opportunity and anti-discrimination that complies with statutory requirements in the PRC and Hong Kong. The Group regularly examines staff salary levels to ensure it is up to standard. The Group collects up-to-date remuneration data within their industry and strives to establish a fair, reasonable and competitive remuneration scheme. Staff salaries are set according to their knowledge, skills, experiences and educational background against their corresponding work requirements. We protect their rights of rest days and holidays.

4. **Training and Development**

The Group adopts structured training and development approaches to ensure employees receiving continuous training and skills required at work. To align the staff career development with the long-term corporate business plan, we establish a comprehensive staff training programme aiming at building an excellent, professional, well-trained and responsible corporate team. This can raise our employee quality and ability, and can also enhance their team cohesion, thereby increasing the work efficiency. The Group conducts performance evaluation every year, and provided appropriate training to staffs based on the assessment result.

5. **Health and Safety**

The Group consistently implements the principle of safe production and occupational health. We have established various policies and procedures to strengthen our management to make sure a safe, joyful and healthful working environment for our employees and to comply with the relevant laws and regulations. We also provide frequent trainings to our staff for their awareness, knowledge and techniques of safety. Employees are provided with necessary protective supplies in accordance with the national requirements so that they can work under safe and hygienic conditions and to reduce the risk of accidents.

To ensure equipment and facilities are kept in good condition and to control risks and prevent safety incidents from happening, we inspect production equipment and facilities, and facilities on a regular basis, report abnormalities for immediate repair arrangement and keep proper regular inspection and repair and maintenance record. We give a lot of attention to safety in our plant and offices as well as established guidelines in this area.

Compliance

During the reporting period, the Group did not identify any matters in respect of material breaches of relevant laws and regulations that have a material impact to the Group.

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IV OPERATING PRACTICES

1. Supply Chain Management

The Group believes that sustainable supply chain can benefit all stakeholders. We are dedicated to developing and maintaining long-term relationships with our suppliers, looking forward to forming long-term partnerships with them. We will take a fair and open principle on procurement of materials and services. We will only cooperate with the suppliers that share common moral values and standards with us. We also encourage our suppliers to promote efficient use of resources and environmental protection and fulfill corporate social responsibilities. The Group advocates the principle of fair and open competition, and based on mutual trust. We review our suppliers, assess them based on price, quality, suitability and demands, only those being rated as qualified are our approved suppliers, we only purchase from the approved suppliers. We support and encourage our suppliers to improve their environmental products and services.

2. Product Responsibility

The Group is committed to ensuring its products safety in compliance with regulation in relation to the health and safety standards, and regulatory requirements. Under our water supply plant business, we maintain high water quality standards, through various quality inspection and test during operations as well as comprehensive periodic reviews by on-site inspections and sampling. Concerning our industrial environmental products business, majority of our suppliers implement effective quality management systems to enhance quality management through maintaining and continuously monitoring their products' quality.

Compliance

During the reporting period, the Group did not identify any matters in respect of material breaches of relevant laws and regulations that have a material impact to the Group.

3. Anticorruption

The Group is committed to maintaining the highest standard of corporate governance, morality and integrity in all aspect. We have established a sound internal controls system in order to prevent fraud and corruption from occurring, comply with the code of business conduct under the laws in Hong Kong and other regions and countries, such as the "Prevention of Bribery Ordinance" in Hong Kong and the relevant anti-corruption laws of the PRC, and prohibit any senior officers employees and suppliers of the Group from giving or offering to give benefits or anything of value to government officials parties or organizations.

Compliance

During the reporting period, the Group did not identify any matters in respect of material breaches of relevant laws and regulations that have a material impact to the Group.

4. Protection Customers' Data

The Group collects information from customers for different purposes and takes appropriate procedures to ensure that the information collected are solely for lawful and relevant purposes. It also strictly complies with the relevant laws and regulations in relation to the handling of sensitive information.

Compliance

During the reporting period, the Group did not identify any matters in respect of material breaches of relevant laws and regulations that have a material impact to the Group.

V COMMUNITY INVESTMENT

We are a responsible taxpayer and offer job opportunities to ease the local employment pressure. We have maintained good operations, actively promoting environmental protection and to achieve good development order, and to some certain extent, we have contributed to social stability and building a harmonious community. We show active concerns for the society and community, and also encourage our stakeholders including the staffs to actively participate in different volunteer activities to care the underprivileged, with the aim of contributing to the society and community.

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VI ENVIRONMENTAL PERFORMANCE DATA SUMMARY

The following table presents the Group's environmental performance data during the reporting period

Aspect	Unit	Year 2018
A Environment		
A1 Emission		
Greenhouse gas:		
Scope 1:		
Total	Tonnes	97.71
Intensity	Tonnes (per HKD'000*)	< 0.01 [#]
Scope 2:		
Total	Tonnes	1,320.31
Intensity	Tonnes (per HKD'000*)	0.01
Air emissions:		
Nitrogen oxides	Tonnes	0.04
Sulphur oxides	Tonnes	< 0.01 [#]
Particulates	Tonnes	< 0.01 [#]
Non-hazardous wastes:		
Total	Tonnes	1,181.50
Intensity	Tonnes (per HKD'000*)	0.01
Packaging materials used:		
Total	kg	11,110.01
Intensity	kg (per HKD'000*)	0.11

* Calculated on the basis of the revenue of the Group for the year ended 31 October 2018 which amounted to HKD102,352,000.

[#] Figures are less than 0.01.

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Aspect	Unit	Year 2018
A2 Use of Resources		
Electricity:		
Total	kWh	2,079,457.20
Intensity	kWh (per HKD'000*)	20.32
Gasoline		
Total	Liter	31,926.51
Intensity	Liter (per HKD'000*)	0.31
Diesel		
Total	Liter	8,551.11
Intensity	Liter (per HKD'000*)	0.08
Water		
Total	Tonnes	63,002.32
Intensity	Tonnes (per HKD'000*)	0.62

* Calculated on the basis of the revenue of the Group for the year ended 31 October 2018 which amounted to HKD102,352,000.

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Key Performance Indicators ("KPIs")	Reporting Guideline	Page
A Environmental		
Aspect 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 greenhouses gas emissions discharges into water and land, and generation of hazardous and non-hazardous waste.	3–4
KPI A1.1	The types of emissions and respective emissions data	4
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity	7
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	N/A
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	7
KPI A1.5	Description of measures to mitigate emissions and results achieved	3–4
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	3
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	4
KPI A2.1	Direct and/or indirect energy consumption by type including energy, water and other raw materials and intensity	8
KPI A2.2	Water consumption in total and intensity	4
KPI A2.3	Description of energy use efficiency initiatives and results achieved	4
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4
KPI A2.5	Total packaging material used for finished products	4
Aspect A3	The Environmental and Natural Resources	
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	4
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	4

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Key Performance Indicators ("KPIs")		Reporting Guideline	Page
B Social			
Aspect B1	Employment and Labor Practices		
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		5
Aspect 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		5
Aspect B3	Development and Training		
General Disclosure	Policies on improving employee's knowledge and skills for discharging duties at work. Description of training activities		5
Aspect B4	Labor 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 labor		5
Aspect B5	Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain		6

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Key Performance Indicators ("KPIs")	Reporting Guideline	Page
Aspect B6 General Disclosure	Product Responsibility 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	6
Aspect B7 General Disclosure	Anticorruption 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	6
Aspect B8 General Disclosure	Community Investment 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	6