



Hong Kong Economic Times Holdings Limited
Environmental, Social and Governance Report
2016/2017

Stock Code 00423



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About This Report

This is the first annual Environmental, Social and Governance (ESG) report of Hong Kong Economic Times Holdings Limited (referred to in this report as “HKET Holdings” or “the Company”) (Stock code: 00423). This report focuses on certain aspects of the Company and its subsidiaries (collectively referred to as the “Group”) for the financial year ended 31 March 2017 (the “Reporting Period”). The report is prepared in accordance with the disclosure requirements set forth in the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of the Company has overall responsibility for the Company’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Company’s ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Board had received from Management of the Group a confirmation on the effectiveness of these systems.

Scope of the Report

This report covers the Group’s core businesses in Hong Kong, namely the media businesses, including newspapers and magazines publishing together with the operation of printing houses, financial news agency, information and solutions businesses.

Stakeholder Engagement and Materiality

Stakeholder engagement is one of the key drivers in the continuous improvement of our ESG performance. To further understand our key stakeholders’ concerns and expectations, and to focus this report on the most relevant ESG aspects of our operations, we communicated with our staff, readers, customers, shareholders and business partners on their specific concerns through formal or informal channels, by conducting focus groups or surveys. We prioritize our ESG issues based on the results of stakeholder engagement. We identified the material areas that matter most to our stakeholders and reported as below.

Reporting on Environmental Aspects

The Group recognizes the importance of good environmental stewardship and is committed to protecting the environment. We integrate environmental considerations into our business processes and strive to continually improve our environmental performance in line with local regulations and industry-specific guidelines.

Reducing energy consumption is a priority as they account for a significant proportion of our total carbon emissions.



Aspect A1: Emissions

In reviewing the impact of our operations to the environment, in particular the greenhouse gases emission, we identified our newspapers and magazines publishing and printing operations to have the most significant impact to the environment. Our greenhouse gas emissions are primarily indirect from electricity consumptions for printing plants and offices, purchased paper, purchased print plates, paper waste and business travelling.

The printing operations of the Group released chemical wastes. The printing plants are registered as chemical waste producers with the Environmental Protection Department. All the chemical wastes are collected by licensed chemical waste collectors in compliance with the relevant regulations in Hong Kong. The printing plant had erected a Regenerative Thermal Oxidizer to reduce over 90% of the volatile organic compounds emission generated during the printing process. Our printing plant adopted non-alcohol printing method to reduce the use of chemicals. One of the Group's printing plants had obtained ISO14001 certification in relation to environmental management system standards. These standards help minimize the negative impact of operations on the environment, comply with applicable laws, regulations, and other environmentally oriented requirements and improve the above continually.

Aspect A2: Use of Resources

The Group is committed to improving energy efficiency and minimize waste generation. The Group's efforts to reduce energy consumption and conserve resources include:

- installing energy-efficient lighting and water efficient fixtures
- adopting water cooled air-conditioning system in the Group's printing plants
- controlling optimal temperature settings for offices and data centres
- providing signs to remind staff to save energy and live a low-carbon life
- reducing paper reports circulation and replace by digital reports
- improving waste control in printing operations
- using computer to plate imaging technology in our printing process that removes the use of traditional film and associated chemicals from the prepress process
- using eco-friendly printing inks
- recycling water for plate developing
- recycling wastepaper and zinc plates



Aspect A3: The Environment and Natural Resources

The Group is committed to environmental protection. Part of the papers used by the printing plants are supplied by paper mills which are members of Forest Stewardship Council (“FSC”) or Programme for the Endorsement of Forest Certification (“PEFC”) promoting responsible and sustainable management of the world’s forests. All paper wastes generated both from printing operations and office operations are collected by recycling companies. The Group’s commercial printing plant has implemented a FSC product groups control system according to the FSC certification system. FSC confirmed our conformation of the requirements of the FSC Chain of Custody standard concerning the manufacture and sales of printed paper products certified FSC Mix and FSC Recycled. The commercial printing plant also obtained a certificate of conformity by PEFC confirming the meeting of the requirements for PEFC Chain of Custody Standard for paper printed products PEFC certified using physical separation method.

Reporting on Social Aspects – Employment and Labour Practices

The Group employs around 1,500 employees who are the key to the Group’s success. The Board believes that employees are the most valuable assets of the Group and we are committed to providing a rewarding working environment for our employees that encourages collaborations, self enhancement and development. The Group’s Human Resource Department is responsible for planning and deployment of all human resources matters including but not limited to recruitment, training, retention, dismissal and other personnel matters. The Group is in compliance with all relevant laws and regulations of employment.

Aspect B1: Employment

Recruitment is at the Group’s top priority for maintaining a talent pool to fill the manpower requirements for the Group’s business development. We promote fairness and equality in talent recruitment. Employment is offered to the candidates only with reference to their skills, qualifications, abilities and aptitudes without regard to factors that are irrelevant to the person’s skill or ability to fulfill the job requirements. Our employment practices do not discriminate on grounds of gender, disability, pregnancy, family status, religion, age or other conditions recognized in law. The Group encourages fair employment opportunities and complies with legal regulations.



As at 31 March 2017, the Group total full-time headcount was 1,455. The breakdowns of the employee number are shown below:

- by gender

Female	Male
646	809

- by age group

< 30	30 – 50	> 50
359	917	179

We provide employees with excellent career development opportunities, including skills development and leadership training and a “promotion from within” policy.

We offer competitive remuneration packages to retain quality staff. Employee benefits include medical insurance, discretionary bonus, provident fund schemes and other staff benefits.

For dismissal situations, Department Heads would consult the Human Resources Department to ensure that applicable legal requirements are observed.

Aspect B2: Health and Safety

The Group is committed to maintaining a health and safe work environment and complying with all relevant laws and regulations. The Group’s Human Resource Department and Administration Department are responsible to enact all necessary measures and guidelines for a health and safe work environment. The Administration Department would carry out workplace assessment from time to time to assure office and production equipment is in compliance with occupational health and safety standards and maintain a clean and effective office ventilation system.

We are concerned with the health and fitness of our employees. We therefore adopted some preventive measures to help combat the spread of diseases, such as respiratory infections or flu. We also encourage the employees to do more relaxing and stretching exercises to reduce work stress, especially those who have frequent use of computer or with frequent repetitive movements. Employees are encouraged to arrange a 5-10 minutes periodic rest break to do some stretching exercises to reduce muscle strain.

Safety Management System is implemented in our printing plants to enhance the workplace safety. Each plant has its own Safety Committee which focuses on the continuous development and promotion of a safety culture through training, monitoring and transparent reporting.



Aspect B3: Development and Training

The sustainable growth of the Group's businesses can only be achieved with the growth of our employees. At this era of media transformation and with the rapid development of technology, our employees need to keep abreast of the latest digital media development for a smooth transition of their daily focus. The Group arranged and organized various training courses, seminars and sharing sections to promote a learning culture of our employees.

The Group also encourages employees to attend external training programs to support their career development. Course fees may be subsidized or reimbursed on a case by case assessment on relevancy and achievement.

Aspect B4: Labour Standards

The Human Resource Department as well as department heads will ensure compliance of related labour standards including but not limited to the Employment of Children Regulations (Cap.57B of the Laws of Hong Kong) and Employment of Young Persons (Industry) Regulations (Cap 57C of the Laws of Hong Kong), throughout the process of recruitment and employment registration.

Reporting on Social Aspects – Operation Practices

Aspect B5: Supply Chain Management

The main raw materials used by the Group include paper, ink, printing plates and chemical glue with paper being the Group's principal raw material. Purchase requisitions are placed with paper vendors based on sales forecasts and orders which are developed with the Group's print publications and external customers. The Group endeavors to work with Forest Stewardship Council certified paper suppliers to ensure that paper purchased and used in the production of our publications or for its customers are in compliance with all standards of environmental care and social responsibility as required by customers.

We are committed to developing and maintaining effective and mutually beneficial working relationships with our supply chains.



Aspect B6: Product Responsibility

The Group is committed to deliver services and products with the highest level of quality and credibility that brings values to our customers and readers. The Group's publications organized regular focus groups with readers to rate the content published. We believe in continual improvement and advancement of our products for sustainable growth of the Group. Our products have received tremendous support and recognition from public.

Our flagship newspaper, *Hong Kong Economic Times*, continued to rank number one in media credibility among all paid and free Chinese newspapers in Hong Kong by a tracking research in 2016 – "Public Evaluation on Media Credibility" conducted by the Centre for Communication and Public Opinion Survey of The Chinese University of Hong Kong.

Our travel and lifestyle brand, *U Magazine*, is the winner in "Travel Magazine of the Year (Local) Award" by Marketing Magazine for 6 consecutive years (2011 – 2016).

We provide updates/trainings on relevant laws and regulations to our staff addressing to health and safety, advertising labeling and privacy matters ensuring related staff are in pace with the development of legal requirements.

The commercial printing plant of the Group had obtained ISO 9001 certification confirming that the operation's products and services consistently meet customer's requirements, and that quality is consistently improved.

Aspect B7: Anti-corruption

The Group 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 our business. The Group had incorporated an anti-bribery guideline in the Staff Handbook distributed to all employees when they join the Group requiring staff to strictly comply with the Prevention of Bribery Ordinance.

We have a zero-tolerance policy regarding bribery and corruption in any form or at any level in association with any aspects of the Group's activities.



Reporting on Social Aspects – Community

Aspect B8: Community Investment

We are committed to operating as a responsible corporate and continually supporting the economic and social vitality of local communities through corporate sponsorships and charitable donations. etnet.com.hk, under the Group's financial news agency, information and solutions segment, operates an online Social Enterprise Gallery (社企廊), providing a platform for the social enterprises in Hong Kong to promote and share their business information. The platform supports social enterprises business to achieve specific social objectives such as providing the services (such as support service for the elderly) or products needed by the community, creating employment and training opportunities for the socially disadvantaged and protecting the environment. The Social Enterprise Gallery (社企廊) once earned the Outstanding Partner of Social Enterprise award.

The Group's several business units have been awarded "Caring Company" for more than 10 years. These business units provided volunteer activities to nominators or participated in their volunteer services, provided cash or in-kind donations to the nominators. They support the rehabilitated people in returning to the work force with the Phoenix Clubhouse, under the auspices of The University of Hong Kong and the Queen Mary Hospital. These business units are caring for employee and the environment.

The Group, as a media and information provider, aims to deliver objective, insightful, trustworthy and quality reporting and content, demonstrates our commitment to being a socially responsible corporate citizen.