



閩港控股有限公司

FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 181)



Environmental, Social and Governance Report 2016

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Environmental, Social and Governance Report

Introduction

The Group strives continuously to incorporate sustainability initiatives into our daily operations and management. While sharing the vision of becoming the preferred choice of our stakeholders, the Group is committed to improving our Environmental, Social and Governance (“ESG”) performance by upholding good corporate governance standards, protecting our environment, engaging the community and promoting social integration.

This ESG Report aims to share our key sustainability performances and outline our milestones on our sustainability journey during the year ended 31 December 2016. Our reporting boundary is limited to, Hong Kong and China unless specified.

This Report follows and complies with the “Environmental, Social and Governance Reporting Guide” in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. We value your feedback regarding the review and our overall sustainability practices. Please provide your comments by email to info@fujianholdings.com.

Communication with Stakeholders

In order to maintain close relationships with customers, suppliers, distributors and investors, the Group appoints senior management members from time to time to conduct interviews and conference with the stakeholders.

The overall performance of the Company is reported to the shareholders in the interim report and annual report on a yearly basis. The Company also provides opportunities for shareholders and the Board of Directors to communicate through general meetings. The Chairman of the Board of Directors and the Chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or their designated representatives answer shareholders’ questions at annual general meetings. To further facilitate effective communication with the stakeholders, the Company has an official website at www.fujianholdings.com for the extensive publication of the Group’s business development and operation news, financial information and other information.

We are committed to the long-term sustainability of the environment and communities in which we operate. To our best knowledge, we have complied with all relevant laws and regulations regarding environmental issues during the reporting year. During the year ended 31 December 2016, we measured and managed our environmental performance in several aspects throughout our operations.

The Group understands that the greenhouse gases, sewage, solid wastes and other pollutants generated in its daily operation cause damage to the environment. In order to protect the Earth from further damage, the Group is trying to reduce the emissions of sewage, waste gases and noise in its production environment. All of the Group's waste is disposed and handled by qualified agencies. A series of environmental policies have been developed by the Group, and at the same time efforts are put in energy-saving and emission-reduction in order to control and reduce the emissions of pollutants. This includes:

Energy Conservation Policy

We use energy-efficient equipment and lighting devices in our offices and turn on and off only when use and after. Light zoning was established and we encourage staff to switch off its individual light before leaving for a long time. Meanwhile, the time zone setting is turned on for the air-conditioners in the hotel control rooms in order to save electricity as much as possible. The lighting used in hotel has been replaced with LED energy-saving lighting. Electrical equipment should be shut down promptly when not in use.

Business Trip Reduction Policy

This Group is committed to controlling and reducing possible emissions from business trips. Business trips are avoided as much as possible when issue can be solved by telephone conferences or e-mails. If a business trip is necessary, public transportation should be used as much as possible. When company trips are organized, adjacent areas are chosen whenever possible.

Sourcing from Local Suppliers

Taking transportation cost, environmental protection, raw material quality and other factors into consideration, the Group prefers local suppliers and selects the nearest suppliers as well as appropriate transportation means.

Green Supply Chain Management

The Group actively promotes the importance of carbon reduction in supply chain, and requires all suppliers to comply with related laws, operate in accordance with statutory standards for environmental protection, and establish as well as implement a sound environmental management system. The Group also continues to improve its efforts in environmental protection to minimize environmental pollution, and incorporates the concept of environmental protection into education and training of its employees, and promotes the importance of reducing carbon emissions among suppliers, visitors and customers.

Water Conservation and Sewage Reduction Policy

Employees are encouraged to save water resources and minimize the waste of water. These measures include posting water-saving signs near water sources. We have designated responsible staff to check on water facilities, such as pipes and faucets, on a regular basis in order to repair water leaks promptly. Employees are required not to keep the water running when not in use to prevent leakage and dripping. We also educate our employees and visitors on water conservation and organize activities that promote water conservation to improve their awareness on water conservation and prevent water from running when not in use.

Waste Management and Reduction

We work diligently in reducing our waste produced from operations by sorting of waste, and to reuse materials wherever possible. We recognize the importance of waste reduction and waste separation at source for recycling. We have put continuous efforts to implement various waste management initiatives among our operation boundaries. We have implemented waste reduction measures, for example we reduce paper consumption by using electronic means (e.g. email) for communication. We print only when necessary and reuse single-sided printed paper and stationeries.

Natural Resources and Environment

While benefiting from the natural environment and resources, we should bear the responsibilities and fulfill the obligations of protecting them and making appropriate use. We have taken considerable efforts to minimize the impact generated from our business operations to our natural environment. Used paper is collected for recycling as our regular practice. It is our standard practice to return used toners of laser printers to suppliers for recycling and Green trays are set up next to photocopiers and LAN printers to facilitate printing with paper that has been used on one side.

In addition, the Group also cooperates with both the Provincial Association of Environmental Protection and the Municipal Association of Environmental Protection to educate its employees on environmental laws and regulations in order to strengthen and promote its employees' awareness on environmental protection.

Social Performance

We recognize the importance of compliance with regulatory requirements and risk of non-compliance with the laws and regulations regarding social issues. We have complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group during this reporting year.

Employment and Labor Practices

The employees of the Group are one of our key stakeholders. It is an important cornerstone for the stable development of the Company to maintain harmonious employment relationships, therefore, other than complying to local labor laws and regulations, the Group has also developed sound wage systems and benefit policies to ensure all employees are treated fairly.

Each job candidate has an equal job opportunity, and the Group does not decline any candidate because of his or her gender, age, disability and ethnicity. Any candidate that meets the requirements of the position will be considered. We only refer to the employees' performance, experience and competence when making promotion decisions. Other attributes such as marital status and physical condition will not affect an employee's opportunity to be promoted.

Maintaining a good work and life balance is essential for employees' physical and mental health; therefore, the Group never forces employees to work overtime.

We provide good working environment including a workplace free from discrimination and harassment; and provide equal opportunities for all employees along with competitive remuneration. The Group has formulated remunerations and benefits in strict compliance with relevant laws and regulations. Our remuneration benefits include allowances, holidays and pensions. Discretionary bonus scheme is also in place to reward the employees with outstanding performance. We also provide paid wedding leave, causal leave and compassionate leave in addition to those stipulated under the Employment Ordinance of Hong Kong.

Occupational health and safety

Ensuring health and safety of our employees is one of our prime responsibilities. We strive to provide with our employees a safe working environment and reinforce their safety awareness by sharing safety information.

The Group has posted equipment safety procedures and operation instructions in the areas of office and operations of our hotel to remind employees of the safety practices for each process. The Group also provides appropriate protection measures for employees who work in positions with relatively higher risks to reduce the occurrences of occupational accidents and injuries.

No accidents related to serious injuries or death or property damage has been reported to our management. Furthermore, during the reporting year, we were not subject to any claims arising from any material accidents involving personal injuries or death or property damage that had a material adverse effect on our business, financial condition or results of operation. We complied with all relevant PRC laws and regulations regarding occupational health and safety in all material respects during the reporting year.

The Group is also very concerned about the physical and mental health of its employees. Therefore, in addition to providing physical examination, it also organizes activities such as spring outings to encourage employees to get together outside of work, improve the communication among employees and departments, build teamwork and create a pleasant work atmosphere.

Development and Training

To enable our talents to develop themselves to their fullest potential and to provide them with the essential skill sets to deliver the best, a comprehensive development plan has been established.

The Group provides diversified on-the-job training based on the needs of respective positions and the talents of employees. We provide them with all-rounded development opportunities and develop their potentials in different positions.

Labor Standards

The Group strictly prohibits the use of child labor and forced labor. It only employs employees over the age of 18 years and never forces employees to work overtime to create a work environment that respects human rights.

During the recruitment process, Human Resources Department eliminates candidates who are under the age of 18. Since the policy was implemented, no minor has ever been employed. The Human Resources Department also reviews the attendance records on a regular basis. If overtime work is discovered, investigation will be conducted immediately to ensure that employees are not forced to work overtime.

The Group has zero-tolerance to employment of child labor and forced labor by our suppliers. The Group is not aware of any non-compliance with relevant rules and regulations on preventing child or forced labor.

Product Responsibility

As a responsible company, we are fully aware of the importance to comply with relevant laws and regulations concerning the provision and use of our products and services, relating to health and safety, advertising, labelling and privacy matters.

Star-rated hotel operation is the main source of revenue for the Group. Ensuring customer information privacy and safety are our main priorities under our hotel operations. We have implemented a series of policies and guidelines to regulate the transmission and storage of customers' information. In addition, the Group is also committed to providing a comfortable and safe hotel environment for our customers.

Anti-corruption

The Group is committed to maintaining high standard of integrity when doing business as we strongly believe that it is essential to meeting the expectations of our stakeholders.

The Group promotes integrity and prevents unethical pursuits. The Group has implemented an effective whistle-blowing policy for reporting fraud and corruption. We encourage the reporting of suspected business irregularities and provide clear channels specifically for this purpose. When suspected wrongdoings are identified, such as breach of duty, abuse of power, receiving bribes, staff should report to the Board of Directors for investigation and verification, and report to the regulator and or to law enforcement authority when necessary.

The Group has developed the Procurement and Bidding Management System for the procurement of materials. Public bidding must be performed for all of the Group's procurement activities, including all materials, projects and labor outsourced, purchased, leased and commissioned through contracts. The bidders' qualifications, including the quality, quantity, price and delivery timeframe of the materials purchased at the end, are used as the evaluation and assessment criteria.

During the reporting year, the Group has not violated any law or regulation regarding corruption.

Community Investment

The Group pursues sustainable development of our community by assessing and managing the social impact of our operations on the marketplace and by supporting initiatives that create effective and lasting benefits to communities in our operating boundaries.

The Group encourages staff to take part in community welfare and voluntary work, our Directors actively maintain communication with our stakeholders to understand community needs.