

The background is a vibrant, abstract composition of overlapping triangles and polygons in shades of orange, pink, blue, and teal. These shapes are interconnected by a network of thin, light-colored lines, creating a sense of digital connectivity and modern design. Various white icons are scattered throughout the geometric shapes, including a play button, a speech bubble, a Wi-Fi symbol, an envelope, a cloud, and a camera.

# 2017

**ORIENTAL PRESS GROUP LTD**  
**ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT**

(Stock Code:18)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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## About This Report

This is the Environmental, Social and Governance Report (the "Report") of Oriental Press Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which covers the environmental, social and governance work of the Group from 1 April 2016 to 31 March 2017 (the "Reporting Year") and discloses information on management approach, strategy, priorities and objectives of the Group in this regard.

The Report illustrates the Group's compliance with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and sets out key performance indicators under certain recommended disclosures for reference.

## Reporting Scope

The Group operates its principal business (i.e. publication of newspaper) in the Hong Kong Special Administrative Region ("Hong Kong"). Therefore, unless the context otherwise requires, the Report only covers the Group's operation in Hong Kong.

The Report sets forth the Group's focus on the following two subject areas during the Reporting Year:

- A. Environmental (emissions, use of resources, together with the environmental and natural resources)
- B. Social (employment, health and safety, development and training, labour standards, supply chain management, product responsibility, anti-corruption and community investment)

For details of the Group's corporate governance, please refer to the Corporate Governance Report included in the Annual Report 2017 of the Group.

## Corporate Social Responsibility

As a responsible media organisation with over 40 years history, the Group is committed to creating value in sustainable development in each economic, environmental and social aspect, providing the society with quality and comprehensive information and fulfilling our corporate social responsibilities.

Set up in 2013 by the Company, the Corporate Social Responsibility Committee (the "Committee") is chaired by Mr. Ching-fat MA, the chairman of the Group. The Committee has relevant objectives and policies in place, which have been approved by the board of Directors, in order to be prepared for risks arising from economic, environmental and social development. The Committee reviews substance of policies from time to time, monitors progress and ensures established objectives are effectively achieved by reviewing management's report for the contents herein on a regular basis, and presents those to the board of Directors.

The Group conducted a comprehensive materiality assessment for its principal business through interviews with supervisors from all departments and collection of opinions from our stakeholders such as shareholders, employees, clients, readers, agents and suppliers, which helps identify the relevant issues and their materiality in respect of the Group's principal business on the economic, environmental and social aspects. Based on the findings of the assessment, employment, health and safety, together with product responsibility under social aspect are considered as more important issues whereas environmental aspect is considered as relatively less important.

## **A. Environment**

### **1. Emissions (Aspect A1)**

The Group attaches great importance to environmental protection and pays close attention to the impact of operation caused to the environment. Apart from complying with relevant standards and regulations enacted by the government, the Group has formulated environmental protection policies and measures with a view to reducing wastage, mitigating emissions and reducing wastes. All measures are executed by supervisors of departments under the supervision of the management. The management has regular meetings with relevant supervisors of departments to review the emission reduction measures and enhance the performance standards, ensuring the effectiveness is in line with the objectives established by the Group. From time to time, the Group implements various measures to enhance the environmental awareness of the employees.

The Group's operation does not result in significant air and greenhouse gas emissions, discharges into water and land or generation of hazardous and non-hazardous wastes. The wastes created during operation are mainly generated from printing plants and staff canteen. Furthermore, electricity consumption at printing plants accounts for the majority of indirect greenhouse gas emissions and its scale is insignificant given the size of the Group's operation. The Group strives to reduce emissions and wastes and engage qualified contractors to properly treat the wastes which may affect the environment to reduce its impact on the environment.

To avoid adverse effects on the environment and ecology, chemical wastes produced by the Group's printing plants, including blanket and roller washes of printing machines, waste cloths, dregs of wastewater treatment tanks, dregs of filter washing tanks, etc., are collected and treated properly by licensed waste collectors regularly. Furthermore, the Group also engages qualified contractors to collect waste papers arising from the production regularly.

As to the staff canteen, waste water is discharged after grease trap procedures. The Group engages qualified contractors to collect grease trap wastes and transport them to landfills designated by the Hong Kong government on a regular basis.

As for computer hardware, the Group has also engaged environmental recyclers to deal with scrapped electronic parts while used printer cartridges are delivered to suppliers for recycling. In respect of vehicles fleet, the Group engages qualified contractors to collect waste lubricating oil of the news vehicles and shuttle buses for disposal at the sites approved by the Hong Kong government on a regular basis. Furthermore, to reduce exhaust emissions, the Group has required the news vehicles to strictly abide by the law of "switching off idling engines". All shuttle buses of the Group have been replaced with vehicles which meet the EU 5 emission standards.

During the Reporting Year, the Group is not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning emissions.

### **2. Use of Resources (Aspect A2)**

The Group advocates efficient use of resources and energy conservation. To attain the goals of environmental protection and reduction of its production costs, the Group has implemented the following energy conservation measures in the production plants and the office:

To achieve energy efficiency, the Group adjusts the central air-conditioning system of the office on a seasonal and timely basis each year to ensure the indoor temperature is moderate and to reduce electricity consumption. In addition, the printing plants and the office are designed to make use of natural light. Energy-efficient T5 fluorescent tubes or electricity-saving fluorescent tubes are fully installed on each floor in order to save energy and reduce resources consumption. The use of energy-efficient T5 fluorescent tubes or electricity-saving fluorescent tubes can reduce daily electricity consumption. To reduce electricity consumption, our employees turn on the lights and air-conditioning system depending upon usage in the office. Furthermore, the Group adjusts the types of shuttle buses and its frequency according to the number of the on-duty and off-duty employees and time to reduce oil consumption.

The Group does not encounter difficulty in sourcing water that is fit for purpose as its principal place of operation is Hong Kong. To control the water consumption effectively, the Group installed automatic water faucets in the washrooms in the plants and offices.

In respect of production, the amount of newsprint used depends on market demands. During newspaper production, supervisor of the department exercises stringent supervision and control on the efficient use of newsprint.

### **3. Environmental and Natural Resources (Aspect A3)**

The operation of the Group does not constitute any material effects on the environment and natural resources. The Group promotes of green office to raise the environmental awareness of the employees and implements the following measures to achieve our goal to make best use of resources:

- (i) using non-disposable tableware in staff canteen, and encouraging employees to treasure food and reduce food wastes;
- (ii) staff canteen provides healthy meal with less oil and salt to encourage our employees to pay attention to healthy diet and reduce consumption;
- (iii) the Group strives to facilitate paperless office with more frequent use of electronic forms, electronic photo-picking system and recycled papers. Intranet is used for internal communication purpose, so as to reduce paper use and increase administration efficiency; and
- (iv) the technology department makes extensive use of virtual server architecture to effectively reduce electricity consumption and heat emission.

Besides, the Group also encourages our employees to participate in environmental protection activities, for example the "Hong Kong Cleanup" campaign.

## **B. Social**

### **1. Employment and Labour Practices**

The Group believes that human resources are the key to corporate operation and development, the core of the Group's competitiveness and also the driving power of the Group's innovation. In order to create a united and harmonious professional team, the Group provides the employees a fair working environment, proactively safeguards their basic rights and interests and cares about their concerns, protects their physical and mental health, improving their knowledge and skills for discharging duties at work and thereby enhance their work efficiency.

#### **Employment (Aspect B1)**

The Group understands that outstanding employees are valuable assets that assist the Group to grab every opportunity that arises. With a view to retaining talents, the Group develops and gives incentives to its employees based on their performance and productivity. In terms of recruitment, promotion, remuneration, working hours, leaves and benefits, the Group ensures the conditions of which are competitive and in compliance with relevant laws.

The Group pursues equal opportunities in terms of recruitment policy. Selection criteria are mainly based on qualification, experience and passion for work of candidates. The Group also ensures the fairness of recruitment process without any violation of the Sex, Disability, Family Status and Race Discrimination Ordinances.

Regarding promotion policy, the Group attaches importance to investing in talents and offering promising career path. Thus, internal re-designation and promotion of potential employees will be first considered to fill any vacancies within the Group. Promotion criteria are based on various factors such as employees' working performance, leadership and cooperation. The Group also ensures the fairness of process without any violation of the Sex, Disability, Family Status and Race Discrimination Ordinances.



In respect of remuneration policy, the Group ensures the employees' remuneration meets the statutory minimum wage requirements and be competitive in the labour market. Further, in assessing the rate of annual salary adjustment, the Group takes into account the annual results, make reference to the economic environment, inflation, salary trends and industry salary adjustment in Hong Kong, and base on appraisal reports and work performance of the employees to make adjustment.

Concerning the policy of working hours and leaves, the Group ensures that the requirements of relevant laws and guidelines promulgated by the Labour Department from time to time have been complied with. Competitive working conditions are offered with reference to the overall industry situation.

The Group provides its employees retirement benefits through defined contribution plans. The Group operates a defined contribution retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) ("MPF Ordinance"), for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries, subject to a cap in accordance with the MPF Ordinance. Furthermore, employees who have completed at least five years of services with the Group are entitled to a long service payment and the amounts are calculated in accordance with the applicable laws in Hong Kong.

The Group also provides its employees with a quality working environment. A spacious staff canteen, floor lounge and car parking in the head office building located in Tai Po are available for the employees to use. Further, a breastfeeding-friendly workplace in the head office is available for postpartum employees to use. The Group organises staff dining party from time to time and distributes gifts to employees at festivals. During the Reporting Year, the Group distributed special bonuses to express gratitude for the employees' efforts.

As of 31 March 2017, the Group employed 1,548 full-time employees. The total number of employees classified by gender, function and age group was as follows:

**Total number of employees by gender:**

<b>Gender</b>	<b>Number</b>
Male	1,016
Female	532
<b>Total</b>	<b>1,548</b>

**Total number of employees by function:**

<b>Function</b>	<b>Number</b>
Administrative department	652
Editorial department	896
<b>Total</b>	<b>1,548</b>

**Total number of employees by age group:**

<b>Age Group</b>	<b>Number</b>
40 or below	726
41 or above	822
<b>Total</b>	<b>1,548</b>

In respect of dismissal policy, the Group offers those underperforming employees or those who make general mistakes a chance to improve. Should the employee does not make considerable improvement eventually, the Group then considers to dismiss him and handle it in accordance with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

As of 31 March 2017, the employee voluntary turnover rate of the Group was as follows:

**The employee voluntary turnover rate by gender:**

Gender	Voluntary turnover rate
Male	9.7%
Female	17.6%

**The employee voluntary turnover rate by age group:**

Age Group	Voluntary turnover rate
40 or below	19.4%
41 or above	5.6%

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group.

## Health and Safety (Aspect B2)

The Group is committed to providing the employees with a safe and harmonious working environment. The Group provides suitable tools and training to the employees in accordance with the relevant labour standards and requirements under the law, and by reference to the job nature, so as to facilitate them to perform duties safely.

The Group has established the occupational safety team, which is responsible for the promotion, training, supervision and management of occupational health and safety in accordance with the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong) and the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), so as to enhance the employees' occupational safety awareness.

The OPG Printing Limited under the Group has also established the Safety Committee, which is principally responsible for discussing, making suggestions and reviewing safety measures from time to time with an aim of improving occupational safety and health and related matters. For instance, the Safety Committee reminds all departments that the lifting devices should be tested and inspected by qualified inspectors thoroughly and recognized certification is required before use. Besides, the Safety Committee also reminds the employees of all departments to be safety conscious and use personal protection equipment during work according to different nature of work for prevention of accidents.

The Safety Committee organises meetings and seminars on a regular basis for the purpose of strengthening the communication and improving matters relating to occupational safety and health. The occupational safety team regularly promotes safety trainings and provides safety practices for relevant employees and conducts regular inspections in accordance with the codes and guidance formulated by the Labour Department, Occupational Safety and Health Council and Hong Kong Construction Association.

During the Reporting Year, there were a total of 17 injury incidents, representing an average injury rate of 1.1% calculated based on the total number of employees in the Group. There were a total of 1,018.5 days that the employees applied for work-related injury leave and no work-related fatality was recorded.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group.

## Development and Training (Aspect B3)

The Group understands that devoting resources in training employees is beneficial to the Group's future development. Accordingly, the Group provides employees at all levels with all-around technical trainings, so as to ensure the employees proactively equip themselves with skills and thus attain outstanding performance. Further, to foster a new generation of talents for the journalism industry, the Group has implemented a training scheme to groom a new generation of journalists by providing employees with work related training and systematic training courses under appropriate guidance given by senior employees. The Group also provides the employees of the administrative departments with relevant courses and seminars to enable them to grasp the work-related knowledge, skills and attitude in order to keep abreast of the latest trend.

The training activities include:

- (i) a series of video clips and practical teaching materials for the employees to obtain basic work-related information, such as occupational safety information and application of computer system and various kinds of employees codes of conduct, etc;
- (ii) organize training courses and seminars on a regular basis for the employees to attend;
- (iii) distribute training materials on a regular basis to the employees for them to review;
- (iv) arrange short-term internships at other departments specifically for editorial employees on a regular basis; and
- (v) arrange external professional training courses for the employees to attend at the expenses of the Group.

### The percentage of trained employees by gender:

Gender	Percentage of trained employees
Male	99.2%
Female	99.4%

### The percentage of trained employees by function:

Function	Percentage of trained employees
Administrative department	98.5%
Editorial department	99.9%

### The average number of training hours of each trained employee by gender:

Gender	Average number of training hours
Male	53.1 hours
Female	95.8 hours

### The average number of training hours of each trained employee by function:

Function	Average number of training hours
Administrative department	56.5 hours
Editorial department	75.9 hours



## **Labour Standards (Aspect B4)**

As an organisation with more than 1,500 employees, the Group has formulated policies to ensure all employees and job applicants are entitled to fair opportunity and treatment.

The Group strictly complies with Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) and Employment of Young Persons (Industry) Regulations (Chapter 57C of the Laws of Hong Kong) throughout the recruitment and employment process, prohibits any employment of child labour. Furthermore, the Group prohibits forced labour and ensures legal and volunteer employment of all employees.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group.

## **2. Operating Practices**

### **Supply Chain Management (Aspect B5)**

The principal business of the Group is publication of newspaper and raw materials for newspaper printing, such as newsprint and ink, are the major resources consumed by the Group.

The Group pays much attention to the printing quality of our newspapers. When procuring the necessary equipment and raw materials for newspaper printing, the procurement department of the Group selects suitable supplier based on the procurement code of the Group. During supplier selection process, it takes into account the price, stability of goods as well as reputation. Afterwards, the department head and management head shall review and give approval, in order to ensure the procured equipment and raw materials come with good quality at reasonable price. The Group also reviews the quality, price and stock of the goods from time to time.

### **Product Responsibility (Aspect B6)**

The Group understands the importance of intellectual property and makes every effort to safeguard and protect the intellectual property. In addition to the information obtained by the News Department, the Group obtains news all over the world through major overseas news agencies. Before using any other information or photo, the Group identifies the copyright owner and ascertains the ownership of the relevant copyright work and obtains consent from the copyright owner. Besides, if any advertisement placed by the advertiser which may have legal issue or issue about compliance with the applicable laws, rules or regulations, such advertisement shall be pre-vetted by the Legal Department of the Group before acceptance of publication.

The Group strives to maintain high standards and quality of the newspaper's content. During the newspaper printing process, the production department employees conduct random inspection of the newspaper from time to time in order to ensure the quality standards, and adjust and handle the issues immediately whenever necessary so as to make sure the newspapers distributed in the market meet the quality requirements. Furthermore, the Group has also set up a hotline and an e-mail for the readers to offer their feedback or submit complaints in respect of the quality and contents of the newspaper. The Group would conduct individual investigation and handle the cases accordingly.

As to protect the personal data collected by the Group during its operation, the Group keeps reminding the employees of and emphasising the importance of safeguarding the security of personal data (privacy). When collecting and processing such data, the Group complies with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and the guidelines issued by the Office of the Privacy Commissioner for Personal Data, Hong Kong, with a view to protecting the privacy. The Group also has measures designate to prevent unauthorised access to personal data.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group.

## **Anti-corruption (Aspect B7)**

The Group highly recognises the importance of the ethical conducts and integrity of each director and all employees in order to maintain a fair, honest and integrity-based business environment. The Group has formulated clear code of conduct in respect of the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), employees' personal interests, conflicts of interest, prevention of extortion and fraud in the Employee Handbook. Besides, the Group has anti-bribery policy in place to further provide clear guidelines in respect of anti-bribery and maintaining honesty and integrity. Such policy is applicable to all directors and employees of the Group, together with the agents acting on behalf of the Group. The Group reminds the employees by internal notice to avoid bribery and acceptance of advantages as and when appropriate.

Furthermore, the Group encourages its employees to report any suspected corruption, bribery or misconducts through the whistle-blowing mechanism established by the Group. Such reports are kept confidential and the Group would spare no efforts to protect the whistleblowers from unfair treatment.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group, nor any corruption litigation against the Group or its employees.

## **3. Community**

### **Community Investment (Aspect B8)**

The Group participates in and promotes various community and volunteer activities for helping the needy in the society, promoting environmental awareness, fostering and facilitating industry development, with an aim to contribute to the society and fulfill our corporate social responsibility. Through the participation in and promotion of such activities, the Group has a better understanding of the needs of the society, which helps the Group to take the interest of the community into consideration during the course of business operation.

During the Reporting Year, the Group has taken an active part in and promoted the following community activities as it always did:

#### **Panasonic Inter-School's Basketball Competition**

The Group spares no effort to promote the sports development in Hong Kong. In May every year, the Group and Hong Kong Basketball Association jointly organize the "Panasonic Inter-School's Basketball Competition". The tournament has now become one of the four major inter-school basketball competitions and attracting an admission of more than ten thousand people watching and cheering the competitions every year. The celebrities passionate about basketball were also invited to participate in the exhibition match making the scene more lively. Following the extensive reports on the participants, titbits and results of the competitions by "Oriental Daily News" and "on.cc", more people are now aware of and support this sport activity in Hong Kong. Moreover, the finals of the competition are live-broadcasted by "on.cc", which further enabled people to share such amazing competition outside the stadium.

#### **Hong Tai Great Achievers Tour 2016**

In order to enable the students from all walks of life to broaden their horizons through cultural exchange in other countries, the Group continued to support the "Great Achievers Tour 2016" hosted by Hong Thai Travel Services during the Reporting Year. A total of 20 top students, including those from the grassroots with excellent academic results, those who have outstanding performance in extracurricular activities or volunteer work together with the top scorers in the Hong Kong Diploma of Secondary Education Examination (HKDSE) and the International Baccalaureate (IB), have been selected to join the exchange tour to southern Taiwan to participate in the Taiwan volunteer services, to get understanding on the operation of food bank, to visit "the Magic School of Green Technologies of National Cheng Kung University" and solar energy industry to get a better idea of the environmental protection development in Taiwan, and to exchange ideas with Taiwan local young entrepreneurs.

## **Ecozine Hong Kong Cleanup Activities**

The Group is committed to promote environmental protection message. "Oriental Daily News" provides environmental protection information every week to introduce how to make good use of resources, reduce waste and minimize the extent of pollution in order to make the earth sustainable. In addition, the Group reports the activities of "Hong Kong Cleanup" organized by Ecozine on "Oriental Daily News" and "on.cc" as a sponsored media every year, in order to raise the readers' awareness of the seriousness of pollution problem in Hong Kong and to encourage the public to form team to participate in such cleaning campaign. It goes without saying, the Group also encourages its employees to set an example by personally taking part in the cleaning campaign. This year, the Group played a part in protecting the environment in Hong Kong by organizing a team of employees together with some artists to participate in the cleaning campaign on the beach at Lung Ha Wan in Sai Kung and such team was awarded a Best Team Spirit Gold Award in the event.

## **Visit Oriental Press Centre**

In order to develop a new generation of journalists and promote social development, the Group has organised students from secondary schools and institutions/colleges to visit Oriental Press Centre over the years, enabling young people to have a better understanding on the operation of media industry and the newspaper printing process, so as to build up students' interest in journalism and identify talents to become media professionals. Students from a number of schools and institutions/colleges, including Hong Kong Baptist University, Lingnan Institute of Further Education, CCC Fong Yun Wah Secondary School and The Mission Covenant Church Holm Glad College have taken such visit tour during the Reporting Year. Through the visit tour, students have more understanding on the newspaper printing and the online news production process. Some students even have the opportunity to act as online news anchors. The students expressed that the visit tour was an eye-opening experience and that they were impressed by the media profession.