



SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

Stock code : 252

Environmental, Social  
and Governance Report

**2016-17**



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT

INTRODUCTION	2
KEY RELATIONSHIPS WITH KEY STAKEHOLDERS	3
A. ENVIRONMENTAL PROTECTION	3
ENVIRONMENTAL POLICIES AND PERFORMANCE	3
EMISSIONS	3
USE OF RESOURCES	4
B. WORKPLACE QUALITY	6
WORKFORCE	6
RECRUITMENT, PROMOTION AND COMPENSATION	6
EQUAL OPPORTUNITIES	6
OTHER EMPLOYMENT PRACTICES	6
HEALTH AND SAFETY	7
DEVELOPMENT AND TRAINING	7
LABOUR STANDARDS	8
C. OPERATING PRACTICE	8
SUPPLY CHAIN MANAGEMENT	8
PRODUCT RESPONSIBILITY	8
DATA PRIVACY	9
PROTECTION OF INTELLECTUAL PROPERTY	9
ANTI-CORRUPTION/ANTI-MONEY LAUNDERING	9
COMPLIANCE WITH LAWS AND REGULATIONS	10
D. COMMUNITY INVOLVEMENT	11

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION

The core business of Southeast Asia Properties & Finance Limited (the “Company”, together with its subsidiaries, the “Group”) spans property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials and broking and securities margin financing.

The Group is committed to the principles of good corporate governance, and strives to integrate corporate social responsibility (“CSR”) into its business strategy and management approach. This report aims to provide the Group’s stakeholders with an overview of the Group’s efforts regarding environmental, social and governance (“ESG”) impacts arising from its daily operations.

The Group is dedicated to cultivating a green, healthy and safety culture through the concerted efforts of all staff. Aiming to promote environmental, health and safety (“EHS”) culture in the workplace, a written EHS policy has been established during the year. The policy provides a balanced framework for the EHS measures in order to achieve the following objectives:

- Ensure compliance with all applicable EHS legislation;
- Reduce quantities of waste and pollutants reaching the sea, land and atmosphere;
- Promote EHS awareness among staff through training, workshops and programs;
- Provide a green, healthy and safe workplace for staff, visitors and contractors;
- Optimise energy use efficiency; and
- Continuously improve EHS performance.

The EHS Committee, comprising representatives from the Group has been set up and is responsible for fostering employee EHS participation in the workplace. It also plays a vital role in the development of EHS policies and programs.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## KEY RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group continues to engage with its employees, customers, suppliers, investors, shareholders, and other stakeholders through different channels to develop mutually beneficial relationships and promote sustainability.

Employees are remunerated equitably and competitively. Details of continuing training and development opportunities provided are set out in the “Development and Training” section below.

The Group is committed to delivering excellent customer services to its customers. For details, please refer to the “Product Responsibility” section below.

The Group partners with service providers that reflect its values and commitment. For details, please refer to the “Supply Chain Management” section below.

The Company maintains ongoing dialogues with its investors and shareholders. For details, please refer to the section “Shareholders Communication Policy” on page 33 of the Corporate Governance Report.

## A. ENVIRONMENTAL PROTECTION

### Environmental Policies and Performance

During the year, the Group has continued to make its best endeavours to protect the environment from its business activities and workplace. The Group also educates its employees on their awareness of promoting a “green” environment. The Group seeks to identify and manage environmental impacts attributable to its operation, in order to minimise these impacts when possible. Various measures have been adopted to reduce energy and other resources use, minimise waste and increase recycling, and promote environmental protection in its supply chain and marketplace. These measures are discussed in the “Emissions”, “Sewage Discharges”, “Waste”, “Use of Resources”, “The Environment and Natural Resources” and “Noises” sections below.

### Emissions

The Group is committed to satisfy all applicable laws and regulations on environmental protection. During the reporting period, the Group did not find anything which constituted a breach of relevant environmental protection laws and regulations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL PROTECTION (Cont'd)

### Emissions (Cont'd)

#### *Air Emissions*

The Group has monitored the quality of air emissions emitted to ensure meeting the relevant national standard. Water-based ink were gradually used to replace solvent-based ink which may give rise to Volatile Organic Compounds (“VOCs”). Equipments with activated carbon-based technique were installed to reduce air emission.

#### *Sewage Discharges*

There was no significant sewage discharge.

#### *Wastes*

No significant hazardous wastes were produced in the Group’s operations. The wastes generated in our manufacturing and distribution of plastic packaging materials were mainly non-hazardous ones produced in the course of producing plastic bags, which would be reused and recycled.

### Use of Resources

The Group aims to maximise energy conservation in its branch, hotel, offices and factory by promoting efficient use of resources and adopting green technologies. For instance, in factory and offices, fluorescent tubes have been gradually replaced with energy-efficient LED light.

#### *Energy Consumption*

The Group actively monitored energy consumption in our manufacturing and distribution of plastics packaging materials and adopted measures to increase output per energy consumed. We have purchased electricity power from the national power grid.

## A. ENVIRONMENTAL PROTECTION (Cont'd)

### Use of Resources (Cont'd)

#### *The Environment and Natural Resources*

Creating a paperless working environment not only reduces environmental damage but also fits commercial goals, as it can save physical space, facilitate information sharing via online networks, and reduce complicated documentation procedures. Moreover, duplex printing and copying has become the norm within the Group, greatly reducing paper consumption and saving costs.

The Group aims to promote environmental awareness, not only within the organisation, but also through engaging customers, encouraging a co-operative approach to minimising its environmental impact. To encourage the migration of customers' account statements from a print format to electronic version, this paperless practice thus helps to protect the environment, as well as save costs for stationery, printing and administrative charges etc.

Staff are encouraged to take action to create a green workplace.

- Keep air-conditioned room temperature at 25°C
- Shut off lighting when leaving a room for more than an hour
- Switch off computers after working hours
- Opt for duplex printing

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. WORKPLACE QUALITY

### **Workforce**

The Group believes that a motivated and balanced workforce is crucial for building a sustainable business model and delivering long-term returns. As at 31 March 2017, the permanent employees of the Group totalled 456.

### ***Recruitment, Promotion and Compensation***

The Group has been eager to recruit talents who share the same values and ideas with us so that we can achieve mutual growth. To facilitate attraction of high quality people, the Group has been closely monitoring the trends of the labour and economic markets and has made annual assessments and necessary revisions in order to offer competitive remuneration package.

### ***Equal Opportunities***

The Group has been an equal opportunity employer. We have ensured that our employees received equal treatments in our daily operations and in every aspect of our human resources arrangements and would not be subject to discrimination on ground of ethnicity, nationality, religion, political affiliation, sex, marital status and physical disability.

The Group has a diverse workforce in terms of gender and age, providing a variety of ideas and levels of competencies that contribute to the Group's success. The Group is firmly committed to gender equality, and therefore particularly encourages female participation in the Board, and at managerial and operational levels.

### ***Other Employment Practices***

The human resources policies of the Group have been in compliance with the local labour requirements including those on recruitment, dismissal, salary and benefits, working hours and holiday entitlements to protect the lawful rights of our employees. During the Reporting Period, we did not find anything which constituted a breach of laws and regulations on employment and human resources.

Staff turnover rate among managerial positions is relatively low, reflecting a high level of employee satisfaction and engagement with the Group.

## B. WORKPLACE QUALITY (Cont'd)

### **Workforce (Cont'd)**

#### *Other Employment Practices (Cont'd)*

The management believes that employees are important assets for the Group, and remains committed to attracting and retaining talent with diverse backgrounds for achieving sustainable growth. Long service awards were presented at the Group's annual dinner, as tributes to staff who had contributed for every 10 years of services.

### **Health and Safety**

The Group values the health and well-being of staff. In order to provide employees with health coverage, staff are entitled to benefits including medical and life insurance, provident funds and other competitive fringe benefits. The Group prides itself on providing a safe, effective and congenial work environment for its staff. On need basis, training courses and guidelines are implemented to ensure the working environment is healthy and safe.

The Group provides protective gears to our employees and is pleased to report that the rate of accidents and injuries during the year was extremely low.

The Group believes that maintaining a work-life balance is essential for sustainability and a sound body and mind for every employee.

### **Development and Training**

The Group recognises the importance of skilled and professionally trained employees to its business growth and future success. Given the growing complexity and sophistication of the marketplace, the Group supports its staff to develop and enhance their knowledge, skills and work capability. As the Group retains its position at the forefront of the vibrant market, the staff actively pursue professional trainings to enhance their technical knowledge and keep abreast of the latest developments. During the year, the Group conducted in-house trainings covering anti-money laundering, updates to laws, codes, rules and regulations, and other topics related to licensed regulated activities, in order to maintain the highest standard of professional conduct and ethics by employees.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. WORKPLACE QUALITY (Cont'd)

### Labour Standards

#### *Prohibition of Child and Forced Labour*

The Group has only recruited people who have attained the legal working age in strict compliance with the local labour laws and regulations. There have been sufficient and effective internal controls in our recruitment procedures to avoid the use of illegal labour. We have recruited our workers in adherence with the principles of fairness, openness and free will. Our subsidiaries have entered into legal employment contracts with employees without using any forced labour service. During the reporting period, the Group did not find anything which constituted a breach of labour laws and regulations.

## C. OPERATING PRACTICE

### Supply Chain Management

The Group values mutually beneficial and longstanding relationships with its suppliers. The selection of suppliers is based on criteria such as price, quality of products and services, customer service team responsiveness, capability and experience, with preference given to potential suppliers that demonstrate their commitment to the environment.

### Product Responsibility

The Group always puts our customers' need first and is committed to meeting their requirements with high quality products and services. Furthermore, our manufacturing operation complies with ISO9001 standards, Quality safety for food packaging standards in China, British Retail Consortium global standards for consumer products and Business Social Compliance Initiative ensuring our quality management systems and social compliance policies are recognised worldwide. During the reporting period, the Group did not find anything which constituted a breach of relevant product responsibility laws and regulations.

The Group has maintained an after-sale service department to follow up concerns and opinions of customers so as to provide customers with fully satisfactory services.

## C. OPERATING PRACTICE (Cont'd)

### **Product Responsibility (Cont'd)**

The Group makes every effort to promptly and fairly investigate and resolve all disputes and complaints lodged by customers. The Group has set up designated channels – including hotline, facsimile and email - for clients to lodge complaints. All complaints received through these channels are diverted to and handled by the Complaint Officer. Upon receipt of a complaint, the Complaint Officer will investigate in a timely manner and report the findings to senior management. Senior management shall review the complaint and determine whether internal controls and procedures need to be enhanced or other appropriate action is required to be taken.

### **Data Privacy**

The Group places its utmost importance on protecting the privacy of its customers, partners and staff in the collection, processing and use of their personal data. The Group adheres to the applicable data protection regulations and ensures appropriate technical measures are in place to protect personal data against unauthorised use or access.

The Group also ensures that customers' personal data is securely kept and processed only for the purposes for which it has been collected. Staff are provided with adequate training in compliance with the Personal Data (Privacy) Ordinance, to strengthen their knowledge regarding safeguarding of personal data.

### **Protection of Intellectual Property**

The Group builds up and protects its intellectual property rights by prolonged use and registration of domain names and various trademarks including “Nan Sing” and “Hotel Benito”. The Group has registered trademarks in various classes in Hong Kong, and Mainland China. In addition, the Group's trademarks and domain names are constantly monitored and renewed upon their expiration.

### **Anti-corruption/Anti-money Laundering**

In order to build up an ethical corporate culture and practices, the Group has established policies and procedures for anti-corruption and anti-money laundering. This policy sets forth procedures for customer screening and monitoring requirements, “know your customer” policies, record keeping requirements, and reporting suspicious circumstances in accordance with the relevant laws, codes and guidelines issued by the regulatory authorities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## C. OPERATING PRACTICE (Cont'd)

### **Anti-corruption/Anti-money Laundering (Cont'd)**

Employees responsible for carrying out transactions, or initiating or establishing business relationships have received anti-money laundering training. The Group has also adopted a whistleblowing policy and procedures for all levels and operations under the Group to raise concerns, in confidence, about possible improprieties in any matter related to the Group such as misconduct and malpractice.

The Group takes multiple measures to prevent any money laundering activities in the Group. At the time of account opening, the Group will perform a name search in an anti-money laundering database system maintained and provided by a third party vendor, in order to screen each new client against current terrorist and sanction designations, and check whether the client is a Politically Exposed Person (PEP). New account applications lodged by terrorists or sanctioned entities would be rejected. Regular name checks of existing clients against the latest terrorist and sanction list issued by US Treasury Department, as recommended by the regulators, are also conducted. The Group performs regular reviews on transactions by high-risk clients, in order to identify suspicious transactions. In the event any suspicious transactions are noted, we will report them to the Joint Financial Intelligence Unit in due course.

During the year, a former employee was suspected of breaching relevant anti-corruption laws and regulations.

### **Compliance with Laws and Regulations**

The Audit Committee is delegated by the Board to review and monitor the policies and practices on compliance with legal and regulatory requirements which have significant impact on the Group. The Compliance Department is designed to provide an inhouse compliance service that effectively supports various operation units in their duties and day-to-day operation to comply with all applicable laws, rules and regulations (such as Securities and Futures Ordinance and subsidiary legislations, Prevention of Bribery Ordinance and Codes and Guidelines issued by Securities and Futures Commission).

Updates on the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. The Group holds relevant required licences for provision of services, such as dealing in securities and futures contracts and advising on securities and futures contracts. The management must ensure that business is conducted in accordance with the applicable laws and regulations.

## D. COMMUNITY INVOLVEMENT

The Group is committed to the improvement of community well-being and social services. The Group's management team plays an important role in mobilising staff to join certain charity activities, which are held in tandem with its commitment to sustainable development. The Group believes that by encouraging staff to participate in a wide range of charitable events, concern for the community will be raised, inspiring more people to take part in serving the community.