



**CHINA PUBLIC PROCUREMENT LIMITED**

**中國公共採購有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017



# Environmental, Social and Governance Report

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## 1. ABOUT THIS REPORT

### 1.1. Reporting Period

This Environmental, Social and Governance (“ESG”) report illustrates and highlights the environmental and social performance of the Group from 1st January 2017 to 31st December 2017.

### 1.2. Reporting Scope

The content of this ESG report is focused on the Group’s business in information technology, system integration services, development and operations of internet-based electronic platforms for procurement of good and services (“E-procurement”), trading, and properties leasing and facility management services in the People’s Republic of China (“PRC”). The Group has offices in Hong Kong, Shenzhen, Beijing, Jining of Shandong, Wuhan of Hubei and Xining of Qinghai. This report demonstrates the ESG performance of the Group’s business operation in achieving sustainable development for the future.

### 1.3. Reporting Framework

This ESG report follows the disclosure requirement as set out in the Environmental, Social and Governance Reporting Guide (“ESG Guide”) contained in Appendix 27 to the Main Board Listing Rules.

Key Performance Index (“KPI”) Reference Table

Reference KPI of the ESG Guide	Corresponding KPI in the sections of this report
<b>A1 Emissions Policies and Compliances</b>	Emissions Policies and Compliances Emissions Reduction Waste Reduction
<b>A2 Use of Resources</b>	Resources Conservation
<b>A3 The Environment and Natural Resources</b>	Emissions Policies and Compliances Resources Conservation
<b>B1 Employment Policies and Compliances</b>	Employment

Reference KPI of the ESG Guide	Corresponding KPI in the sections of this report
<b>B2 Health and Safety Policies and Compliances</b>	Health and Safety
<b>B3 Development and Training Policies</b>	Development and Training
<b>B4 Labour Standards Policies and Compliances</b>	Employment Development and Training
<b>B5 Supply Chain Management Policies</b>	Supply Chain Management
<b>B6 Product Responsibility Policies and Compliances</b>	Product Responsibility and Quality Assurance Consumer Data Protection and Privacy
<b>B7 Anti-corruption Policies and Compliances</b>	Anti-corruption Preventive Measures and Whistle-blowing Procedures
<b>B8 Community Investment Policies</b>	Community Care

## 2. EMISSIONS POLICIES AND COMPLIANCES

The Group's E-procurement and trading business operations are mainly conducted through the internet, the Group does not involve in air (dust and residues), water, and noise pollution which are regulated under relevant environmental laws and regulations.

### 2.1. Emissions Reduction

#### Greenhouse Gas ("GHG") Emissions

The total net GHG emissions generated by the Group were 168.78 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>-eq) (mainly carbon dioxide, methane and nitrous oxide). With the total audited area of 3,285.14m<sup>2</sup>, the total annual emission intensity due to energy usage was 0.051 tCO<sub>2</sub>-eq/m<sup>2</sup>. Over 96% of the GHG emissions were derived from the consumption of electricity in the Hong Kong and PRC offices.

The following table highlights the carbon footprint of the Group as at 31st December 2017.

Scope	Sources of GHG emissions	GHG* emissions (in tCO <sub>2</sub> -eq)	GHG* emissions by scope (in tCO <sub>2</sub> -eq)	Distribution
1	Mobile — Unleaded petroleum consumed by the Group’s motor vehicles	23.68	23.68	14.03%
2	Purchased electricity	135.56	135.56	80.32%
3	Disposal of paper waste	5.51	9.54	5.65%
	Fresh water processing	2.77		
	Sewage water processing	1.26		
Total GHG* emissions		168.78		100%
Emission Intensity		0.051		

\* The GHG is calculated according to the 'guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong' jointly published by Environmental Protection Department and Electrical and Mechanical Services Department.

The largest greenhouse gas (GHG) emissions of the Group, with over 80%, was generated by scope 2 — indirect emissions, it was attributed to the electricity usage of lightings, air-conditioning, and electrical appliances and equipment. The Group has adopted various management measures including the use of energy saving lighting fixtures and switching off unused air-conditioning, lightings and equipment to reduce energy use.

## 2.2. Waste Reduction

Due to the business nature, paper was the only non-hazardous waste generated by the Group. It was recorded that approximately 1,147.38 kg of paper was used by office administration. Paper waste was collected by office building management for recycling and disposal. Employees are practicing double sided printing and actively using digital technology to replace papers. The Group will continue to monitor its paper reuse and recycling efficiency to reduce usage and disposal.



### 3. RESOURCES CONSERVATION

#### 3.1. Energy Consumption — Electricity

The total electricity consumption was 143,039.13 kilowatt-hours ("kWh"), with the total operation area of 3,285.14m<sup>2</sup>, the energy intensity was 43.54 kWh/m<sup>2</sup>.

#### 3.2. Water Consumption

The total water consumption of the Group was 7,315 m<sup>3</sup>. The Group's headquarters' water usage was not recorded as it is included in the management fee and the Group did not have the relevant information. Nevertheless, the Group shall actively introduce water conservation measures in its offices to enhance water efficiency and reduce wastage.

### 4. EMPLOYMENT

As at 31 December 2017, the total number of employees being employed by the Group was 114 with 31 females and 83 males and the following age combination;

	18–25	26–35	36–45	46–55	56 and above
2017	24.6%	43.0%	21.9%	7.9%	2.6%

The Group complies with the laws and regulations relating to employment, child and forced labour practices. A competitive remuneration and benefit package is structured to encourage a positive and stable workforce with a wide range of additional benefits such as medical insurance, educational allowance and performance bonus. The Group's recruitment procedures are strictly abided by the guidelines as set out by its Human Resource Department, so that suitable candidates are hired in accordance to the job requirement and candidates' expectation. During the reporting period, there was no incidence of work stoppages, labour disputes, litigation, claims, administrative action or arbitration against the Group.

### 4.1. Health and Safety

Ensuring the health and wellbeing of its employees is important as human resource is one of the Group's most valuable assets. In compliance with related occupational health and safety regulations in Hong Kong and PRC, instructions and guidelines on employees' health and safety precautions are developed and communicated to maintain a healthy and safe working environment for employees. There was no work-related injury during the reporting period.

### 4.2 Development and Training

The Group provides equal opportunities for employees in respect of recruitment, training and development, and job advancement. The Group provides a wide range of inhouse training aiming to develop more competent and skilful employees. Besides, the Group encourages lifelong learning and offers educational allowances to its employees for knowledge enhancement and career development. The objective of the Group's human resource management is to reward and recognise performing employees by reviewing their salaries and wages through the annual performance appraisal system based on employees' performance, experience and qualifications.

## 5. SUPPLY CHAIN MANAGEMENT

The Group's procurement policy is to ensure that products and services are procured in an honest, competitive and transparent manner. Products and services suppliers are selected based on tender terms and selection criteria including product quality, price stability, delivery arrangement, customer service quality and payment terms. Sourcing for supplies is generally executed by the Group's Procurement Department and there is a total of 145 selected suppliers in the approved suppliers list. The Procurement Department would regularly review the performance of the suppliers and communicate the updated suppliers' list to employees.

## 6. PRODUCT RESPONSIBILITY AND QUALITY ASSURANCE

The Group is committed to providing high quality and responsible services to its customers. To formalize the commitment, the Group requires suppliers, who would like to join its E-procurement platform, to register and provide all necessary business information such as their business licence, address and the legal representative of the business entity before they are being granted a website security certificate to be listed on the E-procurement platform. On the other hand, a quality guarantee deposit is given to its E-procurement customers for after sales service quality assurance purpose. Besides, system training and technical support are provided on a customer need basis. A customer service hotline is also available to take enquires and feedback from customers. During the reporting period, there was no significant complaint in service quality and delivery.

### 6.1 Consumer Data Protection and Privacy

The Group's code of ethics stated the requirement of employees to ensure the safekeeping of all personal data, trade secrets and proprietary information they accessed to or collected from customers, suppliers and business partners. The Group complies with the Personal Data (Privacy) Ordinance and is strictly abided by the regulation in the collection, disclosure, usage, retention, and storage of data to ensure data integrity and confidentiality.

## 7. ANTI-CORRUPTION

To uphold and promote the highest standards of ethical corporate practices and integrity when engaging in the Group's business activities, the code of ethics guidelines stipulated that all employees including the directors must comply with the applicable laws and regulations with regards to corruption, extortion, fraudulent activities and conflict of interest in every legislation in which the Group operates. Directors and employees should not offer to, solicit or accept anything of material value from their colleagues, customers, suppliers or competitors of the Group to ensure businesses are conducted in an honest and fair manner.

### 7.1. Preventive Measures and Whistle-blowing Procedures

The Group encourages whistleblowing whereas an employee could report suspected corruption, misconduct, conflict of interest, or malpractice in strict confidence. All suspected frauds will be investigated by the Audit Committee in strict confidence. Employees are given a copy of the Group's code of ethics so that they understand their obligation to adhere to the ethical standard of the Group. During the reporting period, there was no related fraudulent case reported against the Group.

## 8. COMMUNITY CARE

The Group is committed to conducting business in every aspect to minimise any potential environmental and social impact to its stakeholders especially its employees and the community members. The Group will explore opportunities in contributing to educational and environmental related programs in future charity or community events to play a part in making a difference and strengthening the Hong Kong community.

## 9. STAKEHOLDERS' FEEDBACK

Your comments and feedbacks regarding the Group's performance and approach on ESG aspects are valuable to its continuous improvement. Questions, suggestions and recommendations could be sent by email to [cpp@cpphk.com.hk](mailto:cpp@cpphk.com.hk).