

Environmental, Social and Governance Report

環境、社會及管治報告

2018

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This Environmental, Social and Governance (“ESG”) Report provides a detailed account of the sustainability performance, policies and strategies of Eminence Enterprises Limited (“Eminence” or “we”) and its subsidiaries (collectively, the “Group”) between 1 April 2017 and 31 March 2018 (the “Year”).

1. Reporting Standard and Scope

The Group’s ESG Report has been prepared in accordance with the ESG Reporting Guide (“ESG Guide”) issued by the Stock Exchange of Hong Kong Limited. An index is included at the end of this Report to demonstrate compliance with the ESG Guide.

This ESG Report provides an overview of our sustainability vision and related performance and initiatives in our operations, responding to our stakeholders’ interests in the environmental, social and corporate governance aspects of the Group. The reporting scope of the Year covers principal operations which represent the core business of the Group, namely, our residential, commercial and industrial properties in Hong Kong and industrial properties in mainland China. This report also describes detailed key performance indicators (“KPIs”) progress towards our targets in the past year in accordance with the ESG Guide. The Group is committed to maintaining standards of corporate social responsibility and strictly complies with relevant laws and regulations.

Materiality Assessment

In line with the Reporting Principles of the ESG Guide, a Materiality Assessment was conducted to identify material sustainability issues for Eminence in the Year. This process follows three steps:

<p>Step 1: Identification</p> <ul style="list-style-type: none">○ ESG disclosures of five peer companies in the property industry were reviewed to identify the material issues common in the industry.
<p>Step 2: Prioritisation</p> <ul style="list-style-type: none">○ The material aspects which were identified through peer benchmarking were consolidated, creating a list of relevant material ESG issues to be brought forward for validation.

Step 3: Validation

- Our independent consultant helped to prioritise the findings from the first two steps and our Senior Management then confirmed a list of material ESG issues and the relevant Aspects and KPIs for disclosure in this report.

2. Corporate Social Responsibility

Corporate Social Responsibility (“CSR”) is an essential part of our vision as Eminence is dedicated to good corporate governance practices, promoting economic and social values for the community and minimising our impact on the environment. Our Group aims to contribute to the community and the wellbeing of the environment by continuing to enhance environmental awareness, deliver training for our employees, and engage in various charitable initiatives to serve the community.

An effective governance structure is essential to address sustainability issues and manage ESG-related issues. The CSR Committee was established to assist the Board of Directors in reviewing policies and overseeing sustainability issues. The Group has established its CSR policies which set out long term goals to address sustainability issues effectively. A number of CSR issues, including workplace quality, environmental protection, operating practices and community involvement, were discussed in regular meetings during the Year.

The Group also supports a charitable foundation which focuses on providing better livelihoods for under served communities through donations and continuous support for charities. The charitable foundation also offers scholarships through different educational institutions to underprivileged youth who have outstanding achievements in academics.

3. Our Environment

3.1 Introduction

The environmental impact arising from our operations is minimal however, the Group is devoted to promoting sustainable business practices particularly through optimising energy efficiency and conserving natural resources at our office and properties. The Group's well established internal policies on environmental protection guide our actions toward monitoring and managing our environmental performance. The environmental policies allow us to identify and manage the environmental issues associated with our operations emphasising three main environmentally friendly practices in the office including paper usage reduction, water resource management and energy saving.

3.2 Energy Consumption and Emissions

The adoption of energy saving initiatives in our buildings is crucial to the management of our property portfolio. We actively sought opportunities to enhance energy efficiency at our properties. For example, we have adopted energy efficient lighting systems in our offices and our equipment is labelled with Grade 1 Energy Labels which contributes to saving energy throughout the year. To further reduce the consumption of energy, fan-coils in the commercial and industrial buildings are turned off after 8pm daily. In addition, the air conditioning temperature is maintained at 25.5°C in order to avoid excessive use of energy. By working to reduce our energy use, we also work to mitigate the emissions arising from our daily business operations.

3.3 Waste and Resource Management

Eminence has implemented measures regarding waste management in order to fulfil our role as a responsible corporate citizen. We encourage paperless operations at our office through the use of electronic communication and documents instead of paper forms. When the use of paper is necessary, double-sided printing is recommended to minimise paper usage. To reduce the consumption of fresh water, reminders to turn off the tap after use are posted in the pantry and washrooms, furthermore water pipes and taps are regularly checked to prevent leaks. With this systematic approach of waste and resource management, Eminence aims to inspire environmental awareness to promote a more sustainable business and operating practice.

3.4 Cultivating Environmental Awareness

With an aim to promoting awareness of green living and improving the work environment, we have implemented internal environmental policies for our offices and properties. The policies stipulate practical guidance for staff on energy conservation, waste reduction and resource recycling. For instance, the practical guidelines include recommendations such as purchasing office equipment certified with energy efficient labels, replacing lighting basins with energy efficient lightings and reducing the use of excessive printing. In addition, we have plans to install recycling bins in our office premises to further reduce waste. We believe the policies will serve as the foundation to foster a green culture within the Group.

4. Our People

4.1 Introduction

Employees are the cornerstone of Eminence's business and the Group is dedicated to providing a safe and caring work environment for its staff, with a variety of on-the-job training and development opportunities.

4.2 Caring Company

The Group is committed to the principles of diversity and equal opportunity at the workplace and comply with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and other relevant legislations. Equal opportunities are provided for all employees and potential recruits regardless of race, religion, gender, family status, age or any other basis prohibited by law. Upon joining, our employees will find a harmonious and caring workplace.

The Group has a comprehensive remuneration policy in place to ensure that employees are rewarded with fair and competitive remuneration package which reference local and industrial standards. Performance appraisals are conducted by the Human Resources Department to determine the arrangement of promotions, salary increments or other personnel changes. Other than basic benefits such as Mandatory Provident Fund and annual leave, the Group also provides maternity leave, paternity leave, hospital insurance, outpatient medical subsidy etc. to optimise the welfare of our employees.

During the Year, there were no non-compliance cases relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and the relevant legislation.

4.3 Occupational Health and Safety

Occupational health and safety of our employees is one of the top priorities at Eminence. In compliance with the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) regarding work injury cases, we have well-established internal guidelines and systems in place to minimise risks. Safety arrangements in cases of emergency such as during typhoons and rainstorm warnings are stated in the safety guidelines to ensure that all employees are aware of emergency procedures.

With the high safety awareness of our employees there were no work-related fatalities or lost days due to work injury during the Year.

4.4 Training and Development

The Group values the importance of training and professional development of its employees. We encourage our staff to pursue continuous learning by participating in external training opportunities arranged by the Group. Through various training courses and seminars, our employees can advance their skills, knowledge and competencies and develop long and stable careers.

4.5 Business Ethics

Eminence upholds high standards of business ethics. The Group's employee handbook states the requirements of professional conduct that all staff are required to follow at all times in accordance with Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong).

The Group has a whistle-blowing policy for all employees to ensure that management is well aware of the situation where employees have concerns regarding corruption or bribery. The Group's gift policy sets out the basic standard of conduct and handling of conflict of interest. When a case regarding corruption or bribery is encountered, an employee may present the case in writing to the management directly and all information will be treated in strict confidence. This procedure allows employees and management to work together to resolve any issues and prevent further misconduct.

During the Year, there were no non-compliance with laws and regulations relevant to bribery, extortion, fraud and money laundering.

5. Our Value Chain

5.1 Supply Chain Management

Sustainability is one of the factors that Eminence considers when choosing our supply chain partners since their sustainability performance is closely related to our business operations. Whilst guidelines for supplier selection are in place, we regularly review and evaluate the performance of approved suppliers so as to ensure that they possess the appropriate qualifications and experience. We are constantly improving our performance by integrating corporate social responsibility practices into the process of supply chain management. Related risks which may affect our operations are being well-managed through this systematic approach.

5.2 Responsible Services

Eminence complies with both national and international standards to provide quality services. The Group has a comprehensive quality assurance process which includes the monitoring of supplier performance, quality control, employee training and development, and corrective and preventive actions. In addition, we comply with the Group's privacy policy which is developed in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ensuring that all personal data are handled in strict confidence.

Any complaints from customers are handled and investigated in a thorough and efficient manner. During the Year, there were no complaint cases relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

6. Our Community

As an active corporate citizen, the Group aims to create more positive impacts on our society. During the Year, the Group donated to different charitable and non-profit making organisations including but not limited to The Community Chest and One Sky Hong Kong. Our employees participated in various charitable activities such as the Standard Chartered Marathon where we raised funds for The Hong Kong Spinal Cord Injury Fund. We also continue to provide student scholarships at educational institutes and support Principal Chan Free Tuition World. We engage our management, employees and members of our community to make a positive impact through charitable services, donations, fundraisings, sponsorships and volunteering services.

7. KPI Data Table

KPI	Unit	The Year			
A. Environmental					
A1.2	Greenhouse gas emissions in total and intensity				
	Scope 1 emission	Tonnes of CO ₂ e	3.33		
	Scope 2 emission	Tonnes of CO ₂ e	214.77		
	Scope 3 emission	Tonnes of CO ₂ e	2.49		
	- in total	Tonnes of CO ₂ e	220.59		
	- by intensity	Tonnes of CO ₂ e /FTE	4.8		
A2.1	Energy consumption by type				
	Direct Energy Consumption				
	- in total	'000 kWh	11.18		
	- by intensity	'000 kWh/FTE	0.24		
	Indirect Energy Consumption				
	- in total	'000 kWh	300.78		
	- by intensity	'000 kWh/FTE	6.54		
Total Energy Consumption					
- in total	'000 kWh	311.96			
- by intensity	'000 kWh/FTE	6.78			
A2.2	Water Consumption in total and intensity				
	Water Consumption				
	- in total	m ³	6,206		
- by intensity	m ³ /FTE	134.91			
B. Social					
B1.1	Total workforce by employment type and gender			Male	Female
	Full-time	No. of people	29	17	
	Part-time	No. of people	0	0	
	Total workforce by employment type and age group			Under 30	30 - 50
	Full-time	No. of people	6	27	13
	Part-time	No. of people	0	0	0
B1.2	Employee turnover rate by gender			Male	Female
		%	31.03	23.53	
	Employee turnover rate by age group			Under 30	30 - 50
	%	16.67	29.63	30.77	
B2.1	Number and rate of work-related fatalities				
	- By number	No. of people	0		
	- By rate	%	0		
B2.2	Lost days due to work injury				
	- Staff	Days	0		
B6.2	Number of products and service related complaints received				
	No. of complaints	0			
B7.1	Number of concluded cases regarding corrupt practices brought against the company				
	No. of cases	0			

8. ESG Reporting Guide Content Index

Aspect	KPI	Description	Section/ Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure	3
	A1.1	The types of emissions and respective emissions data.	The Group's operations do not have a significant impact on the environment from air emissions. Please refer to Section 3 for the Group's approach on air pollution control.
	A1.2	Greenhouse gas emissions in total and intensity	7
	A1.3	Total hazardous waste produced and intensity	Not material to Eminence.
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group's operations do not have a significant impact on the environment from production of non-hazardous waste. Please refer to Section 3 for the Group's approach on waste management.
	A1.5	Description of measures to mitigate emissions and results achieved	3
A2 Use of Resources	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	3
	A2	General Disclosure	3
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	7
	A2.2	Water consumption in total and intensity	7
	A2.3	Description of energy use efficiency initiatives and results achieved	3
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results	3
A3 The Environment and Natural Resources	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to Eminence.
	A3	General Disclosure	3
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	3

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Aspect	KPI	Description	Section/ Remarks
B. Social			
Employment and Labour Practices			
B1 Employment	B1	General Disclosure	4
B2 Health and Safety	B2	General Disclosure	4
	B2.1	Number and rate of work-related fatalities	7
	B2.2	Lost days due to work injury	7
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	4
B3 Development and Training	B3	General Disclosure	4
B4 Labour Standards	B4	General Disclosure	We abide by relevant employment ordinances and statutory requirements. No relevant cases of non-compliance were recorded.
Operating Practices			
B5 Supply Chain Management	B5	General Disclosure	5
B6 Product Responsibility	B6	General Disclosure	5
	B6.2	Number of products and service related complaints received and how they are dealt with	7
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	5
B7 Anti-corruption	B7	General Disclosure	4
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	7
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	7
Community			
B8 Community Investment	B8	General Disclosure	6
	B8.1	Focus areas of contribution	6