



Master Glory Group Limited

凱華集團有限公司

(Carrying on business in Hong Kong as “275 凱華集團”)

2017/18
ENVIRONMENTAL,
SOCIAL
AND
GOVERNANCE
REPORT



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The board of directors of Master Glory Group Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to present the 2017/2018 Environmental, Social and Governance Report (the “Report”). This Report highlights the environmental and social performance of the Company’s major operations for the year ended 31 March 2018 and is to be read in conjunction with the Corporate Governance Report contained in the Company’s 2017/2018 Annual Report. This Report is prepared in accordance with the disclosure requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.



About the Group and this Report

The Company is an investment holding company with its principal office located in Hong Kong (the “HK Office”). The Group is principally engaged in property development, investment and trading, industrial water supply business, trading of securities and other strategic investments. During the year ended 31 March 2018, the Group owned properties mostly in Guangzhou and Hong Kong, and was engaged in industrial water supply business in Feicheng, Shandong. The Group has offices in Guangzhou (the “Guangzhou Office”) and in Feicheng (the “Feicheng Water Plant”, together with the HK Office and the Guangzhou Office, the “Offices”).

The Group is the developer of a commercial complex 捷登都會大廈 (also known as A-Mall) located in Guangzhou encompassing apartments, office space, shopping arcade and underground parking, construction work of which was substantially completed in 2016. During the year ended 31 March 2018, the shopping arcade of A-Mall was formally opened and anchor tenants launched consecutively. After the reporting period, the cinema centre of A-Mall began operation in May 2018. The Group owns three other developed commercial properties 黃金廣場 (the Golden Plaza), 珀東廣場 (the Podong Plaza) and 泰峰大廈 in Guangzhou. These major properties build up the property portfolio for the Group and contribute to secure rental income. Management of these properties have been outsourced to licenced property management company(ies) according to local laws and regulations.

This Report addresses all the “comply or explain” provisions of the ESG Guide with regard to the HK Office, the Guangzhou Office and the Feicheng Water Plant operations, and reported certain appropriate “recommended disclosures” under the ESG Guide.

Environmental

Environmental objectives and measures

The Company recognises the importance of achieving environmental sustainability for the long term success of our business. It is the Company's policy to minimise our environmental footprint through efficient use of resources and pro-environmental technology, and through reduced emissions during the course of our operations.

The major type of energy consumed by the HK Office and the Guangzhou Office is electricity. During the reporting period, both offices worked towards carbon reduction by using energy efficiently. Room temperature at the premises was maintained at between 24°C to 26°C in summer; the power source of lighting and office equipment will be switched off when not in use.

During the reporting period, more telephone/video conferencing has been used with an aim to reduce the frequency of business trips. Furthering the target to save fuel consumption and support green transportation, electric vehicles will be a priority consideration when a corporate vehicle is required to be replaced. We believe that by implementing these small adjustments, the savings of fuel and reduction of emissions will be immense in the long run.

Environmental

Both our HK Office and Guangzhou Office have implemented paper reduction initiatives. Internal communications and documents for distribution will be in electronic form; printers were pre-set to duplex print; cardboard boxes and papers will be reused or recycled. Staff are also encouraged to recycle plastic and aluminium cans, reduce food waste and save water.

We prioritize property management that foster a culture of energy saving and responsible practices. Examples of measures implemented at our shopping malls include installation of air conditioning systems with frequency converter; use of BA smart lighting control system; replacing traditional florescent tubes and light bulbs by energy-efficient LED lights; installation of infrared sensor faucets and dual flush toilets; posting of guidelines and gentle reminders to raise awareness on water and energy conservation; setting up of recycling bins to promote waste separation for recycling; and engaging qualified recyclers to collect kitchen waste and waste cooking oil from restaurants for disposal.

The Company is not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the reporting period. No hazardous waste was produced from our operations during the reporting period.

Environmental

We believe that increase environmental awareness is the key to environmental protection and wellness to the general community and so we endeavour to promote environmental conscientiousness among our employees and other stakeholders.

The Company will continue to engage our key stakeholders on an ongoing basis in reviewing areas of attention to minimise the impacts of our businesses on the environment.





Environmental

Environmental Performance and Supplementary Information

Greenhouse gas emissions and intensity	
HK Office	
Greenhouse gas emissions	81.27 tonnes CO ₂ eq.
Greenhouse gas emissions per floor area	0.221 tonnes CO ₂ eq./m ²
Guangzhou Office	
Greenhouse gas emissions	34.07 tonnes CO ₂ eq.
Greenhouse gas emissions per floor area	0.135 tonnes CO ₂ eq./m ²
Feicheng Water Plant	
Greenhouse gas emissions	72.64 tonnes CO ₂ eq.
Greenhouse gas emissions per floor area	0.071 tonnes CO ₂ eq./m ²

Energy consumption and intensity	
HK Office	
Energy consumption	142.94 MWh
Energy consumption per employee	5.105 MWh/employee
Guangzhou Office	
Energy consumption	88.96 MWh
Energy consumption per employee	3.068 MWh/employee
Feicheng Water Plant	
Energy consumption	145.44 MWh
Energy consumption per employee	5.387 MWh/employee



Environmental

Non-hazardous waste and intensity

HK Office

Non-hazardous waste	224.53 kg
Non-hazardous waste per employee	8.019 kg/employee

Guangzhou Office

Non-hazardous waste	1,036.64 kg
Non-hazardous waste per employee	35.746 kg/employee

Feicheng Water Plant

Non-hazardous waste	9.98 kg
Non-hazardous waste per employee	0.370 kg/employee

Notes

During the reporting period, air emission from the Offices was the exhaust gas emitted from fuel combustion of motor vehicles which consist of 63.07kg of nitrogen oxides, 0.43kg of sulphur oxides and 5.71kg of particulate matters.

Apart from exhaust gas, fuel combustion of mobile transportation was also a direct source of greenhouse gas emissions. Greenhouse gas emissions arose indirectly from the consumption of electricity and disposal of paper waste at landfills. Other indirect sources of emissions included business air travel and use of electricity for fresh water and sewage processing.

The energy consumed by the Offices was in the form of gasoline and electricity.

Non-hazardous waste, mainly office paper, was derived from the daily operation of the Offices.

Due to the business nature, no packaging materials was involved and the water consumed by the Offices was only in an insignificant amount. The annual water consumption data was not available as the water supply was controlled by the building management of the HK Office and the Guangzhou Office.

Social

Employment and Labour Practices

Employment

We place significant emphasis on the interests and rights of our employees as they represent a precious asset of the Group.

The Group executes open recruitment. Our remuneration policies are formulated on the basis of performance and the prevailing salary trends. Equal opportunities are given to candidates who will go through comprehensive assessment in accordance with our recruitment policy.

We provide our employees equal opportunity in respect of promotion, appraisal, training, development and other aspects in order to build up a sound career platform for them. We embrace differences and individuality in the belief that diversity can bring energy and new ideas to our operations. All employment arrangements are based on personal capabilities and qualifications regardless of gender, ethnic background, religion, colour, sexual orientation, age, disability, marital status and family status. We respect our employee's roles and responsibilities to their families, and we are committed to supporting the well-being of our employees.



Social

The Group has established standard practices with respect to compensation and dismissal, working hours, rest periods and other benefits and welfare, which terms will be specified in employment contracts. The Group also provides comprehensive medical insurance to our employees, mandatory provident fund scheme for our Hong Kong employees and social insurance coverage for our PRC employees. In addition, the Company has adopted a share option scheme under which options may be granted to directors and employees of the Group. The purpose of the share option scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its shares.

The Company is not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare during the reporting period.





Social

Our Workforce

	Male	Female
HK Office	17	11
Guangzhou Office	16	13
Feicheng Water Plant	6	21
Total workforce by gender	39	45

	Age under 36	36-45	Above 45
HK Office	7	3	18
Guangzhou Office	4	11	14
Feicheng Water Plant	9	11	7
Total workforce by age group	20	25	39



Social

Our Workforce

	Male	Female
HK Office	75%	25%
Guangzhou Office	93.3%	6.7%
Feicheng Water Plant	100%	0%

Employee turnover rate by gender	90%	10%
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	Age under 36	36-45	Above 45
HK Office	25%	25%	50%
Guangzhou Office	26.7%	20%	53.3%
Feicheng Water Plant	0%	100%	0%

Employee turnover rate by age group	25%	25%	50%
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Social

Employment and Labour Practices

Health and Safety

The Group is committed to offering a safe and healthy working environment for our employees. Our PRC employees are required to provide pre-employment medical examination report, the Group will arrange them to undergo annual health check as from the subsequent year. Safety training is arranged to raise their awareness of emergency responses and procedures. Regular site inspections and evacuation drills are also conducted. Safety instructions and protective equipment according to job requirements are provided to all employees at Feicheng Water Plant in compliance with applicable laws, safety practices are monitored strictly during operations. HK Office adopts an open plan working environment with soft music to provide a relaxing atmosphere that enhances communication between different levels of personnel and among different departments.

The Group also believes that it is essential to help our employees to achieve a balance between work and life and it is the Company's policy that overtime work is not encouraged unless necessary and unavoidable.

The Company is not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

During the reporting period, no work related fatalities or lost days due to work injury were recorded.



Social

Employment and Labour Practices

Development and Training

Development and training is an ongoing process to ensure the continuous enhancement of the skills and knowledge of employees.

It is the Group's policy to provide training and development opportunities to employees in accordance with their career advancement potential and job interest, and to support their professional and personal development. Tailor-made training courses are provided to the employees at the Feicheng Water Plant. Employees at the HK Office can apply for subsidy or reimbursement on attending job-related training courses. Employees are encouraged to attend seminars relevant to their position to enhance their role within the Group.



Social

Employment and Labour Practices

Labour Standard

The Company is committed to protecting labour rights and strict compliance with the relevant employment laws and regulations.

The Group establishes practices with reference to relevant laws and regulations to ensure prevention of child and forced labour, mechanisms for employees to report violation of labour rights are also in place.

The Company is not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.



Social

Operating Practices

Supply Chain Management

Suppliers are indispensable to our value chain as their responsible business practices are crucial in contributing to our success in the pursuit of quality excellence and in enhancing our reputation. It is the Group's policy to undertake procurement so as to advance our economic, environmental and social objectives. New suppliers will be assessed and their products will be evaluated before engagement. With comprehensive assessment, we have been able to monitor and evaluate different aspects of their performance including product and service quality. We are choosing local suppliers whenever possible in order to reduce the carbon footprint attributed to product transportation. Preference will be given to socially responsible entities, energy efficient equipment and environmental friendly products. Ongoing quality monitoring and supervision is in place to ensure procurements are conducted specific to the Group's requirement.



Social

Operating Practices

Product Responsibility

Health and Safety is a critical focus in our operation and stipulation on the management of our properties.

Video surveillance equipment has been installed in public areas for safety and security purposes in A-Mall. All A-Mall workers, who must carry their warrant cards when they are on duty, are made aware of the routine procedures as well as the contingency plan in case of emergency. Training covers safety, occupational health, emergency responses and more is given to relevant employees so that they can handle different circumstances at all times. We demand our shopping mall tenants to observe high standards of health and safety requirements in the operation of their business, which will be under close and frequent reviews. Advertisement and publicity materials in the shopping mall are subject to specific regulations and must be submitted for approval before release.

The Group sees the needs of different customers as equally important. The Guangzhou Office evaluates barrier-free facilities requirements in our properties and will upgrade the amenities whenever necessary and feasible.



Social

The Group recognises the importance of continuous communication with our tenants and customers in assuring that our service quality meets with their expectation. Complaint mechanism is implemented at A-Mall to solicit feedback on the level of satisfaction with our services among tenants and customers. All comments and suggestions are carefully followed up by responsible teams from respective divisions within a reasonable timeframe.

The Group takes customer privacy issues very seriously. We closely follow relevant laws and regulations when handling customer data and require all employees to treat customer data in strict confidence.

The Company is not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided during the reporting period.



Social

Operating Practices

Anti-corruption

Integrity forms an important part of our social responsibility. The Group has internal control in place to prevent bribery and fraud, employees are encouraged to report suspected cases of corruption, bribery, extortion, fraud and money laundering. Vigorous enforcement will be undertaken against any unlawful conduct.

The Company is not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud and money laundering during the reporting period.



Social

Community

Community Investment

The Group is grateful to the local communities for their support of our business and targets to dedicate itself to take up its corporate social responsibility for the communities. The Group aims to address community concerns through engaging in volunteer work and donation. We hope to benefit the community by promoting and enhancing the prosperity of the community. During the reporting period, the Guangzhou Office staff participated in the event organized by a local non-profit organisation promoting regional communication which aimed at promotion and enhancement of prosperity of the community.





Master Glory Group Limited
凱華集團有限公司

(Carrying on business in Hong Kong as “275 凱華集團”)
(Incorporated in Bermuda with limited liability)
(Stock Code : 275)