

Hong Kong Economic Times Holdings Limited
**Environmental, Social
and Governance Report**
2018/2019



Contents

2	.....	About this Report
2	.....	Scope of the Report
2	.....	Stakeholder Engagement and Materiality
2	.....	Reporting on Environmental Aspects
		Aspect A1: Emissions
		Aspect A2: Use of Resources
		Aspect A3: Environment and Natural Resources
7	.....	Reporting on Social Aspects – Employment and Labour Practices
		Aspect B1: Employment
		Aspect B2: Health and Safety
		Aspect B3: Development and Training
		Aspect B4: Labour Standards
9	.....	Reporting on Social Aspects – Operating Practices
		Aspect B5: Supply Chain Management
		Aspect B6: Product Responsibility
		Aspect B7: Anti-corruption
10	.....	Reporting on Social Aspects – Community
		Aspect B8: Community Investment

About this Report

Hong Kong Economic Times Holdings Limited (referred to in this report as “HKET Holdings” or the “Company”) (Stock code: 00423) is pleased to present this Environmental, Social and Governance Report (the “Report”). This Report focuses on certain sustainability aspects of the Company and its subsidiaries (collectively referred to as the “Group”) for the financial year ended 31 March 2019 (the “Reporting Period”). This Report is prepared in accordance with the disclosure requirements set forth in the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of the Company has overall responsibility for the Company’s Environmental, Social and Governance (“ESG”) strategy and reporting. The Board is responsible for evaluating and determining the Company’s ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Board had received from Management of the Group a confirmation on the effectiveness of these systems.

Scope of the Report

This Report covers the Group’s core businesses in Hong Kong, namely the media businesses, includes newspapers and magazines publishing together with the printing houses, financial news agency, information and solutions businesses.

Stakeholder Engagement and Materiality

Stakeholder engagement is one of the key drivers in the continuous improvement of our ESG performance. To further understand our key stakeholders’ concerns and expectations, and to identify the most relevant ESG aspects of our operations for this Report, we communicated with our staff, readers, customers, shareholders and business partners on their specific concerns through formal or informal channels, by conducting focus groups or surveys. We prioritize our ESG issues based on the results of stakeholder engagement. We identified the material areas that matter most to our stakeholders and reported as below.

Reporting on Environmental Aspects

The Group recognizes the importance of good environmental stewardship and is committed to protecting the environment. We integrate environmental considerations into our business processes and strive to continually improve our environmental performance in line with local regulations and industry-specific guidelines.

One of the Group’s printing plants had obtained ISO14001 certification in relation to environmental management system standards. These standards help minimize the negative impact of operations on the environment, comply with applicable laws, regulations, and other environmentally related requirements, and improve environmental performance continually.

This year, we have continued to partner with a third-party professional consultancy, in assessing our Group’s environmental key performance indicators. The assessment references local guidelines published by government bodies, as well as latest emissions factors as set out by relevant utility companies.

Aspect A1: Emissions

In reviewing the impact of our operations to the environment, in particular the greenhouse gases emission, we identified our newspapers and magazines publishing and printing operations to have the most significant impact to the environment. Our greenhouse gas emissions are primarily indirect emissions from electricity consumptions for printing plants and offices and direct emissions from machinery and fuel combustion for our fleet.

The printing operations of the Group produced chemical wastes. The printing plants are registered as chemical waste producers with the Environmental Protection Department. All chemical wastes are collected by licensed chemical waste collectors in compliance with the relevant regulations in Hong Kong. To reduce waste from source, our printing plant also adopted non-alcohol printing method to reduce the use of chemicals. On the other hand, in an effort to lower air emissions from our operations, we had erected a Regenerative Thermal Oxidizer in our printing plant. It can reduce over 90% of the volatile organic compounds emissions generated during the printing process.

Key Performance Indicators	Description	FY2017/2018 Data	FY2018/2019 Data
KPI A1.1	Types of air emissions: The Group's air emissions mainly include nitrogen oxides ("NOx"), sulphur oxides ("SOx") and respiratory suspended particles ("PM") generated by the use of the motor vehicles owned by the Group.	NOx: 659.89 kg SOx: 0.79 kg PM: 57.94 kg	NOx: 621.37 kg SOx: 0.86 kg PM: 57.86 kg
KPI A1.2	Greenhouse gas (GHG) emissions:		
	Scope 1 – The Group's direct GHG emissions are contributed by stationary combustion of liquefied petroleum gas (LPG), as well as combustion of fuels in motor vehicles owned by the Group.	Scope 1: 1,107.31 tCO ₂ e-	Scope 1: 1,306.76 tCO ₂ e-
	Scope 2 – The Group's GHG emissions are primarily indirect emissions from electricity consumptions.	Scope 2: 8,555.20 tCO ₂ e-	Scope 2: 8,960.43 tCO ₂ e-
		Intensity: 0.01 tCO ₂ e-/ HK\$'000	Intensity: 0.01 tCO ₂ e-/ HK\$'000

Key Performance Indicators	Description	FY2017/2018 Data	FY2018/2019 Data
KPI A1.3	<p>Hazardous waste produced:</p> <p>The Group's printing operations generate hazardous chemical waste such as spent ink, developed plates.</p>	Chemical Waste 2,120.00 Litres	Chemical Waste 2,960.00 Litres
KPI A1.4	<p>Non-hazardous waste produced:</p> <p>The Group's non-hazardous wastes produced are mainly general office wastes and were not material.</p>	NA	NA
KPI A1.5	<p>Measures to mitigate emissions and results:</p> <p>The Regenerative Thermal Oxidizer erected in our printing plant reduces over 90% of the volatile organic compounds emissions generated during the printing process. The Group also adopted energy saving measures as described in Aspect A2 which in turn reduce the GHG emissions.</p>		
KPI A1.6	<p>Handling of hazardous and non-hazardous waste:</p> <p>All chemical wastes produced by the Group's printing plants are collected by licensed chemical waste collectors in compliance with the relevant regulations in Hong Kong.</p> <p>Waste paper is collected by recycling company.</p>		

Aspect A2: Use of Resources

The Group is committed to improving energy efficiency as energy consumption account for a significant proportion of our carbon emission. The Group is also devoted to optimising its use of resources, such as water and material. During the Reporting Period, the Group's efforts to reduce energy consumption and conserve resources include:

- installing energy-efficient lighting and water efficient fixtures
- adopting water cooled air-conditioning system in the Group's printing plants
- controlling optimal temperature settings for offices and data centres
- posting conservation signs to remind staff to save energy and live a low-carbon life

- reducing and replacing paper reports circulation by digital reports
- improving wastage control in printing operations
- using computer to plate imaging technology in our printing process that removes the use of traditional film and associated chemicals from the prepress process
- using eco-friendly printing ink,
- recycling water for plate developing
- recycling wastepaper and zinc plates

Key Performance Indicators	Description	FY2017/2018 Data	FY2018/2019 Data
KPI A2.1	Energy consumption: The Group's major energy consumption is for the printing operation and maintenance of data centre and server room.	63,707.88 GJ (53.53 MJ/ HK\$'000)	68,163.75 GJ (53.22 MJ/ HK\$'000)
KPI A2.2	Water consumption: Water consumption are mainly for the Group's printing and office operations.	21,955.75 cubic metres (0.02 m ³ / HK\$'000)	21,102.92 cubic metres (0.02 m ³ / HK\$'000)
KPI A2.3	Energy use efficiency initiatives and results achieved: The Group had adopted energy saving measures, including using energy-efficient lighting and water cooled air-conditioning system in the Group's printing plants, and controlling optimal temperature settings for offices and data centres. The Group also encourages staff to save energy and live a low-carbon life. The results of the above initiatives are not measured.		
KPI A2.4	Issue in sourcing water, water efficiency initiatives and results achieved: Water consumption is not significant for the Group's operations and the Group does not have issue in sourcing water. The Group uses recycled water for plate development and encourages staff to save water.		
KPI A2.5	Packaging material used for finished products: Minimal packaging materials are used by the Group for its finished products and therefore not reported.		

Aspect A3: The Environment and Natural Resources

The Group is committed to environmental protection. Part of the papers used by the printing plants are supplied by paper mills that are members of Forest Stewardship Council ("FSC") or Programme for the Endorsement of Forest Certification ("PEFC"), promoting responsible and sustainable management of the world's forests. All paper wastes generated both from printing operations and office operations are collected by recycling companies. The Group's commercial printing plant has implemented a FSC product groups control system, according to the FSC certification system. FSC confirmed our conformation of the requirements of the FSC Chain of Custody standard, concerning the manufacture and sales of printed paper products certified FSC Mix and FSC Recycled. The commercial printing plant also obtained a certificate of conformity by PEFC, thereby confirming the meeting of the requirements for PEFC Chain of Custody Standard for paper printed products PEFC certified using physical separation method.

Key Performance Indicators	Description
KPI A3.1	Impacts of activities on the environment and natural resources: The Group publishes newspapers and magazines and provides printing services to other media and publishers. Therefore the Group deploys significant paper consumptions, which had impacts on natural resources. The Group strives to improve wastage control in printing operations to mitigate the impact.

Reporting on Social Aspects – Employment and Labour Practices

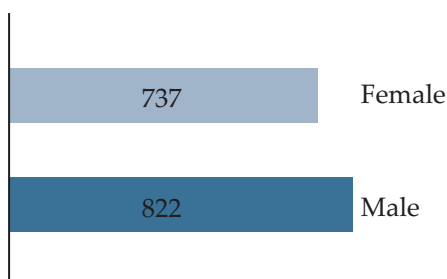
The Group employs around 1,500 employees, who are key to the Group's success. The Board believes that employees are the most valuable assets of the Group and we are committed to providing a rewarding working environment that encourages collaborations, self enhancement and development for our employees. The Group's Human Resources Department is responsible for planning and deployment of all human resources matters including but not limited to recruitment, training, retention, dismissal and other personnel matters. The Group is in compliance with all relevant laws and regulations of employment, including the Employment Ordinance in Hong Kong.

Aspect B1: Employment

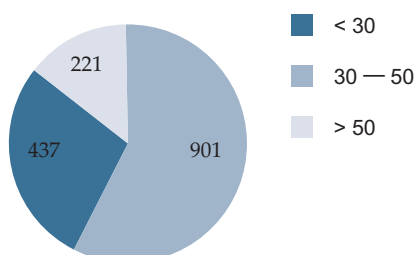
It is the Group's top priority to maintain a talent pool to fill the manpower requirements for the Group's business development. We promote fairness and equality in talent management. Recruitment, promotion and training opportunities are offered only to competent candidates with reference to their skills, qualifications, abilities and aptitudes without regard to factors that are irrelevant to the person's skill or ability to fulfil the job requirements. Our employment practices do not discriminate on grounds of gender, disability, pregnancy, family status, religion, age or other conditions recognized in law. The Group encourages fair employment opportunities and complies with legal regulations.

As at 31 March 2019, the Group's total full-time headcount was 1,559. The breakdowns of the employee number are shown below:

– by gender



– by age group



We provide employees with excellent career development opportunities, including skills development and leadership training and a “promotion from within” policy.

We offer competitive remuneration packages to retain quality staff. Employee benefits include medical insurance, discretionary bonus, provident fund schemes and other staff benefits.

For dismissal situations, Department Heads would consult the Human Resources Department to ensure that applicable legal requirements are observed.

Aspect B2: Health and Safety

The Group is committed to maintaining a healthy and safe work environment and complying with all relevant laws and regulations. The Group’s Human Resource and Administration Department are responsible to enact all necessary measures and guidelines for a healthy and safe work environment. The Administration Department would carry out workplace assessment periodically to assure office and production equipment is in compliance with occupational health and safety standards and maintain a clean and effective office ventilation system.

We care about the health and well-being of our employees. We therefore adopt some preventive measures to help combat the spread of diseases, such as respiratory infections or flu. We also encourage employees to do more relaxing and stretching exercises to reduce work stress, especially those whose work involve frequent use of computer or repetitive movements. Employees are encouraged to arrange a 5-10 minutes periodic rest breaks to do some stretching exercises to reduce muscle strain.

Safety Management System is implemented in our printing plants to enhance workplace safety. Each plant has its own Safety Committee that focuses on the continuous development and promotion of a safety culture through training, monitoring and transparent reporting.

The Group complied with the Occupational Safety and Health Ordinance (Cap 509) in Hong Kong during the Reporting Period.

Aspect B3: Development and Training

The sustainable growth of the Group’s businesses can only be achieved with the growth of our employees. At this era of media transformation and with the rapid development of technology, our employees need to keep abreast of the latest digital media development for a smooth transition of their daily focus. The Group arranged and organized various training courses, seminars and sharing sessions to promote a learning culture among our employees.

The Group also encourages employees to attend external training programs to support their career development. Course fees may be subsidized or reimbursed on a case by case assessment on relevancy and achievement.

Aspect B4: Labour Standards

The Human Resource Department as well as department heads will ensure the Group's compliance of related labour standards including but not limited to the Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong) and Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong), throughout the process of recruitment and employment registration. During the Reporting Period, the Group complied with all applicable labour laws and regulations, and did not employ any child or forced labour.

Reporting on Social Aspects – Operating Practices

Aspect B5: Supply Chain Management

The main raw materials used by the Group include paper, ink, printing plates and chemical glue with paper being the Group's principal raw material. Purchase requisitions are placed with paper vendors based on sales forecasts and orders which are developed with the Group's print publications and external customers. The Group endeavours to work with FSC certified paper suppliers to ensure that paper purchased and used in the production of our publications or for its customers are in compliance with all standards of environmental care and social responsibility as required by customers.

We are committed to developing and maintaining effective and mutually beneficial working relationships with our supply chains.

Aspect B6: Product Responsibility

The Group is committed to delivering services and products with the highest level of quality and credibility that brings values to our customers and readers. The Group's publications organized regular focus groups with readers to rate the content published. We believe in continual improvement and advancement of our products for sustainable growth of the Group. Our products have received tremendous support and recognition from public.

Our flagship newspaper, *Hong Kong Economic Times*, continued to rank number one in media credibility among all paid and free Chinese newspapers in Hong Kong by a tracking research in 2016 – "Public Evaluation on Media Credibility". The research is conducted by the Centre for Communication and Public Opinion Survey of The Chinese University of Hong Kong every three years.

Our travel and lifestyle brand, *U Magazine*, is the winner in "Travel Magazine of the Year (Local) Award" by Marketing Magazine for 8 consecutive years (2011 – 2018).

We provide updates/trainings on relevant laws and regulations to our staff addressing health and safety, advertising labelling and privacy matters ensuring related staff are in pace with the development of legal requirements.

The commercial printing plant of the Group had obtained ISO 9001 certification confirming that the operation's products and services consistently meet customer's requirements, and that quality is consistently improved.

Aspect B7: Anti-corruption

The Group is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of our business. The Group had incorporated an anti-bribery guideline in the Staff Handbook distributed to all employees when they join the Group requiring staff to strictly comply with the Prevention of Bribery Ordinance.

We have a zero-tolerance policy regarding bribery and corruption in any form or at any level in association with any aspects of the Group's activities. During the Reporting Period, no legal cases relating to corruption, bribery or money laundering were brought against the Group.

Reporting on Social Aspects – Community

Aspect B8: Community Investment

We are committed to operating as a responsible corporate citizen and continually supporting the economic and social vitality of local communities through corporate sponsorships and charitable donations. etnet.com.hk, under the Group's financial news agency, information and solutions segment, operates an online Social Enterprise Gallery (社企廊), providing a platform for the social enterprises in Hong Kong to promote and share their business information. The platform supports social enterprises business to achieve specific social objectives, such as providing services (such as support service for the elderly) or products needed by the community, creating employment and training opportunities for the socially disadvantaged, and protecting the environment. The Social Enterprise Gallery (社企廊) once earned the Outstanding Partner of Social Enterprise award. etnet.com.hk also operates an innovative-driven online channel “社創SoIN” to promote social inclusion and provide a platform for business communities and professional sectors to support various social groups to become self-sustainable.

Several of the Group's business units have been awarded “Caring Company” for more than 10 years. These business units provided volunteer activities to nominators or participated in their volunteer services, provided cash or in-kind donations to the nominators. They support the rehabilitated people in returning to the work force with the Phoenix Clubhouse, under the auspices of The University of Hong Kong and the Queen Mary Hospital. These business units are caring for employee and the environment.

The Group, as a media and information provider, aims to deliver objective, insightful, trustworthy and quality reporting and content, demonstrates our commitment to being a socially responsible corporate citizen.