



閩港控股有限公司

**FUJIAN HOLDINGS LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 181)



**Environmental, Social and Governance Report 2018**

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## Environmental, Social and Governance Report

### Introduction

The Group strives continuously to incorporate sustainability initiatives into our daily operations and management. While sharing the vision of becoming the preferred choice of our stakeholders, the Group is committed to improving our Environmental, Social and Governance (“ESG”) performance by upholding good corporate governance standards, protecting our environment, engaging the community and promoting social integration.

This ESG Report aims to share our key sustainability performances and outline our milestones on our sustainability journey during the year ended 31 December 2018. Disclosed content of the report has been confirmed by the Board. Our reporting boundary is limited to Mainland China and Hong Kong unless specified.

This Report follows and complies with the “Environmental, Social and Governance Reporting Guide” in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. We value your feedback regarding the review and our overall sustainability practices. Please provide your comments by email to [info@fujianholdings.com](mailto:info@fujianholdings.com).

### Communication with Stakeholders

In order to maintain close relationships with customers, suppliers, distributors and investors, our senior managers are assigned to visit meetings and teleconferences with stakeholders from time to time and via email, company post boxes and customer service hotlines to keep stakeholders informed of the Group's latest developments, while our Customer Service Officer will continue to be in contact with all stakeholders to listen to their views and needs.

The overall performance of the Company is reported to the shareholders in the interim report and annual report on a yearly basis. The Company also provides opportunities for shareholders and the Board of Directors to communicate through general meetings. The Chairman of the Board of Directors and the Chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or their designated representatives answer shareholders’ questions at annual general meetings. To further facilitate effective communication with stakeholders, the Group has an official website at [www.fujianholdings.com](http://www.fujianholdings.com) for the extensive publication of the Group’s business development and operation news, financial information and other information. The Group leverages the feedback provided by stakeholders to highlight and prioritize subjects based on their materiality.

## Environmental Performance

We are committed to the long-term sustainability of the environment and communities in which we operate. To our best knowledge, we have complied with all relevant laws and regulations regarding environmental issues during the reporting year. This includes but not limited to the PRC Environmental Protection Law. During the year ended 31 December 2018, we measured and managed our environmental performance in several aspects throughout our operations.

### Air Emissions

With increased economic activities, air pollution has become a major environmental issue in the region we operate. In view of this, the Group is committed to controlling and reducing possible emissions from business trips. Business travel is avoided as much as possible when issue can be solved by telephone conferences ore-mails. When Group trips are organized, priority is given to public transportation and adjacent areas are chosen whenever possible.

During the year ended 31 December 2018, our air emissions data were as follows:

<b>Air emissions</b>	<b>Unit</b>	
Total NOx Emissions	g	956.31
Total SOx Emissions	g	29.04
Total PM Emissions	g	70.41

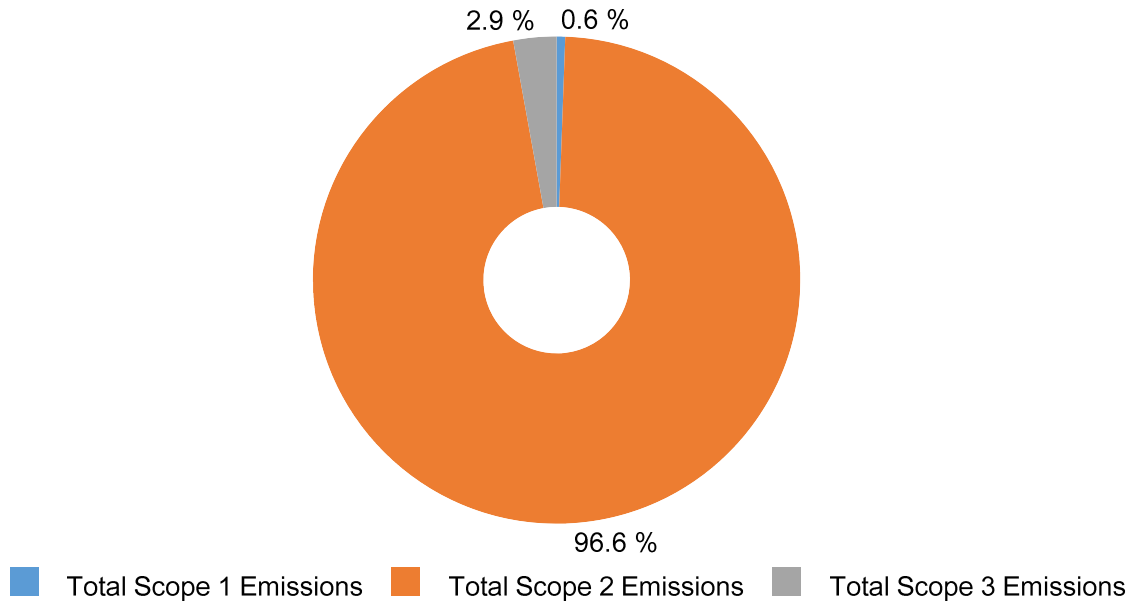
### Greenhouse Gas Emissions and Energy Conservation

The impact of global climate change is a challenge that businesses and organizations around the world must face and address. Fujian Holdings Limited is committed to minimizing the adverse impact that its operations may have on the environment. Using energy efficiently will help us conserve resources and tackle climate change.

We use energy-efficient equipment and lighting devices in our offices and turn on and off only when use and after. Light zone has been established and we encourage staff to switch off its individual light before leaving for a long time. Meanwhile, the time zone setting is turned on for the air-conditioners in the hotel control rooms in order to save electricity as much as possible. The lighting used in hotel has been replaced with LED energy-saving lighting. Electrical equipment should be shutdown promptly when not in use.

In the reporting year, we consumed 1,487,964kWh of electricity. The following table shows our GHG emissions and energy consumption during the year.

### Total Greenhouse Gas Emissions



GHG Emissions	Unit	
Total Scope 1 Emissions	tCO2e	5.51
Total Scope 2 Emissions	tCO2e	934.00
Total Scope 2 Emissions/ Employee	tCO2e/employee	7.08
Total Scope 3 Emissions	tCO2e	27.73
Total GHG Emissions	tCO2e	967.23
Total GHG Emissions/ Employee	tCO2e/employee	7.33

Energy Consumption	Unit	
Petrol Consumption	L	1,975.73
Alcohol Based Fuel Consumption	tonnes	13.89
Alcohol Based Fuel Consumption/ Employee	tonnes/employee	0.11
Electricity Consumption	kWh	1,487,964.10
Electricity Consumption/ Employee	kWh/employee	11,272.46

## Water Management

Water shortage and pollution has become a global problem, leading to health, food supply, ecological crisis and so on. In order to protect valuable water resources, we save water in our daily operation and explore more ways to reduce waste. The water resources of the Group are assigned to the appropriate units. The group has also developed a series of environmental policies to manage the use of water resources and reduce pollutant emissions.

In terms of protecting our valuable water resources, we encourage our employees to save water resources and minimize the waste of water. These measures include posting water-saving signs near water sources. We have designated responsible staff to check on water facilities, such as pipes and faucets, on a regular basis in order to repair water leaks promptly. Employees are required not to keep the water running when not in use to prevent leakage and dripping. We also educate our employees and visitors on water conservation and organize activities that promote water conservation to improve their awareness on water conservation and prevent water from running when not in use.

Results achieved:

<b>Water consumption</b>	<b>Unit</b>	
Water Consumption	cubic metre	38,698.0 0
Water Consumption/ Employee	cubic metre/employee	293.17

## Waste Management and Reduction

We work diligently in reducing our waste produced from operations by sorting of waste, and to reuse materials wherever possible. We recognize the importance of waste reduction and waste separation at source for recycling. We have put continuous efforts to implement various waste management initiatives among our operation boundaries. We have implemented waste reduction measures, for example we reduce paper consumption by using electronic means (e.g. email) for communication. We print only when necessary and reuse single-sided printed paper and stationeries. Initiative has also been taken to collect and recycle leftover at our restaurants.

## Natural Resources and Environment

While benefiting from the natural environment and resources, we should bear the responsibilities and fulfill the obligations of protecting them and making appropriate use. We have taken considerable efforts to minimize the impact generated from our business operations to our natural environment. Used paper is collected for recycling as our regular practice. It is our standard practice to return used toners of laser printers to suppliers for recycling and green trays are set up next to photocopiers and LAN printers to facilitate printing with paper that has been used on one side.

In addition, the Group also cooperates with both the Provincial Association of Environmental Protection and the Municipal Association of Environmental Protection to educate its employees on environmental laws and regulations in order to strengthen and promote its employees' awareness on environmental protection.

We measure different types of material used to gauge our environmental performance. The following tables show the figures of material consumption in our business operations in the current year :

<b>Material Consumption</b>	<b>Unit</b>	
Paper Consumption	kg	763.00
Toner Consumption	kg	9.07
Food Waste Generation	tonnes	117.85

## Social Performance

We recognize the importance of compliance with regulatory requirements and risk of non-compliance with the laws and regulations regarding social issues. We have complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group during this reporting year.

## **Employment and Labor Practices**

### **Employment**

The employees of the Group are one of our key stakeholders. It is an important cornerstone for the stable development of the Company to maintain harmonious employment relationships, therefore, other than complying to local labor laws and regulations such as the Labor Law of the PRC and the Employment Ordinance (Chapter 57 of the laws of Hong Kong), the Group has also developed sound wage systems and benefit policies to ensure all employees are treated fairly.

Each job candidate has an equal job opportunity, and the Group does not decline any candidate because of his or her gender, age, disability and ethnicity. Any candidate that meets the requirements of the position will be considered. We only refer to the employees' performance, experience and competence when making promotion decisions. Other attributes such as marital status and physical condition will not affect an employee's opportunity to be promoted.

Maintaining a good work and life balance is essential for employees' physical and mental health; therefore, the Group never forces employees to work overtime.

We provide good working environment including a workplace free from discrimination and harassment; and provide equal opportunities for all employees along with competitive remuneration. The Group has formulated remunerations and benefits in strict compliance with relevant laws and regulations. Our remuneration benefits include allowances, holidays and pensions. Discretionary bonus scheme is also in place to reward the employees with outstanding performance. We also provide paid wedding leave, causal leave and compassionate leave in addition to those stipulated under the Employment Ordinance of Hong Kong.

In the year ended 31 December 2018, Fujian Holdings Limited employed 132 staff in total.



Workforce statistic by gender, employment type, age group and geographical region:

	Staff Number	Turnover Rate (%)
(a) Breakdown by geographical region		
Employees – Hong Kong	6	0.00
Employees – Mainland China	126	46.03
(b) Breakdown by gender		
Employees - Female	60	35.09
Employees - Male	72	55.07
(c) Breakdown by age group		
Employees Age < 30	34	73.53
Employees Age 30 - 50	81	33.75
Employees Age > 50	17	83.33
(d) Breakdown by employment type		
Employees - Part-time	0	
Employees - Full-time	132	

## Occupational health and safety

Ensuring health and safety of our employees is one of our prime responsibilities. We strive to provide with our employees a safe working environment and reinforce their safety awareness by sharing safety information.

The Group has posted equipment safety procedures and operation instructions in the areas of office and operations of our hotel to remind employees of the safety practices for each process. The Group also provides appropriate protection measures for employees who work in positions with relatively higher risks to reduce the occurrences of occupational accidents and injuries.

No accidents related to serious injuries or death or property damage has been reported to our management. Furthermore, during the reporting year, we were not subject to any claims arising from any material accidents involving personal injuries or death or property damage that had a material adverse effect on our business, financial condition or results of operation. We complied with all relevant PRC laws and regulations regarding occupational health and safety, including but not limited to the Prevention and Control of Occupational Diseases of the PRC, during the reporting year.

The Group is also very concerned about the physical and mental health of its employees. Therefore, in addition to providing physical examination, it also organizes activities such as spring outings to encourage employees to get together outside of work, improve the communication among employees and departments, build teamwork and create a pleasant work atmosphere.

### Development and Training

To enable our talents to develop themselves to their fullest potential and to provide them with the essential skill sets to deliver the best, a comprehensive development plan has been established.

The Group provides diversified on-the-job training based on the needs of respective positions and the talents of employees. We provide them with all-rounded development opportunities and develop their potentials in different positions.

Detailed breakdown of staff training are as follows:

	Percentage of staff members received training (%)	Average training hours completed per employee
Employee Category		
- General	91.95	60
- Middle Level	50.00	20
- Senior	71.43	25
–Supervisory Level	88.00	13
Gender		
- Male	86.11	46
- Female	58.33	45

## **Labor Standards**

The Group strictly prohibits the use of child labor and forced labor. It only employs employees' over the age of 18 years and never forces employees to work overtime to create a work environment that respects human rights.

During the recruitment process, Human Resources Department eliminates candidates who are under the age of 18. Since the policy was implemented, no minor has ever been employed. The Human Resources Department also reviews the attendance records on a regular basis. If overtime work is discovered, investigation will be conducted immediately to ensure that employees are not forced to work overtime.

The Group has zero-tolerance to employment of child labor and forced labor by our suppliers. The Group is not aware of any non-compliance with relevant rules and regulations on preventing child or forced labor.

## **Operating Practices**

### **Green Supply Chain Management**

Green supply chain management actively promotes the importance of reducing carbon emissions in the supply chain, and requires all suppliers to comply with relevant laws and environmental protection standards, and establish and comply with a reasonable environmental management system. The Group has made continuous improvement in environmental protection to minimize environmental pollution.

Taking transportation cost, environmental protection, raw material quality and other factors into consideration, the Group prefers local suppliers and selects the nearest suppliers as well as appropriate transportation means.

To further raise awareness among stakeholders in our value chain, we integrate the concept of environmental protection into the education and training of our employees, promoting the importance of reducing carbon emissions among suppliers, visitors, and sales customers.

### **Product Responsibility**

As a responsible company, we are fully aware of the importance to comply with relevant laws and regulations concerning the provision and use of our products and services, relating to health and safety, advertising, labeling and privacy matters.

Star-rated hotel operation is the main source of revenue for the Group. Ensuring customer information privacy and safety are our main priorities under our hotel operations. We have implemented a series of policies and guidelines to regulate the transmission and storage of customers' information, thus ensure compliance with the Consumer's Rights and Interests Protection Law of the PRC. In addition, the Group is also committed to providing a comfortable and safe hotel environment for our customers.

## **Anti-corruption**

The Group is committed to maintaining high standard of integrity as stipulate by the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong) when doing business as we strongly believe that it is essential to meeting the expectations of our stakeholders.

The Group promotes integrity and prevents unethical pursuits. The Group has implemented an effective whistle-blowing policy for reporting fraud and corruption. We encourage the reporting of suspected business irregularities and provide clear channels specifically for this purpose. When suspected wrongdoings are identified, such as breach of duty, abuse of power, receiving bribes, staff should report to the Board of Directors for investigation and verification, and report to the regulator and or to law enforcement authority when necessary.

The Group has developed the Procurement and Bidding Management System for the procurement of materials. Public bidding must be performed for all of the Group's procurement activities, including all materials, projects and labor outsourced, purchased, leased and commissioned through contracts. The bidders' qualifications, including the quality, quantity, price and delivery timeframe of the materials purchased at the end, are used as the evaluation and assessment criteria.

During the reporting year, the Group has not violated any law or regulation regarding corruption.

## **Community Investment**

The Group pursues sustainable development of our community by assessing and managing the social impact of our operations on the marketplace and by supporting initiatives that create effective and lasting benefits to communities in our operating boundaries.

The Group encourages staff to take part in community welfare and voluntary work, our Directors actively maintain communication with our stakeholders to understand community needs.