



國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Stock Code 股份代號：1788

開啟
Unlock

財富管理新紀元

THE GLOBAL WEALTH

2018

2019

2020

1995

2018

Environmental, Social and
Governance Report

環境、社會及管治報告

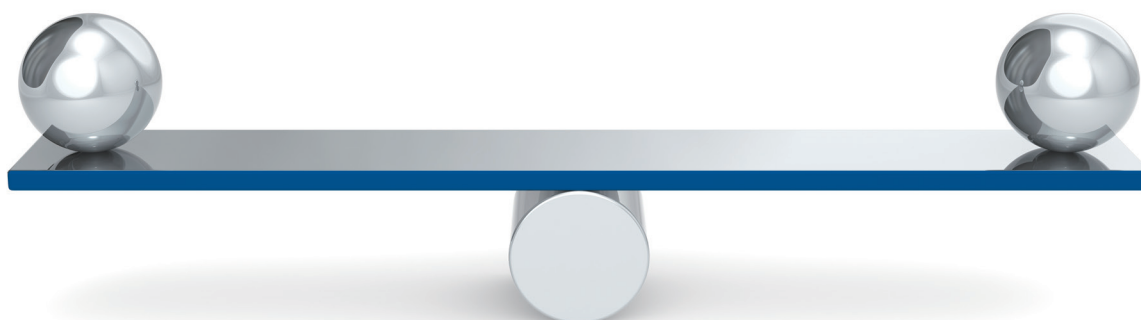


我們追求長期可持續發展，踐行更廣泛的社會責任，保持高水平企業管治。

We pursue long-term sustainable development, practice broader social responsibility, and maintain high standards of corporate governance.

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About the Company

Established in Hong Kong, one of the world's most vibrant global metropolises, Guotai Junan International Holdings Limited ("Guotai Junan International" or the "Company" or the "Group" or "We") (stock code: 1788.HK) serves as a bridge to connect enterprises and investors in China and the Globe. The Company provides a range of innovative financial products and services to facilitate investment opportunities for mainland Chinese and overseas companies and investors.

Guotai Junan International is the first Chinese securities brokerage house with the approval from China Securities Regulatory Commission to list its shares through initial public offering on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Founded in Hong Kong in 1995, we have core businesses including brokerage, corporate finance, asset management, loans and financing, financial products, market making and investments. The Company has diversified its business lines in recent years due to rapid and successful development of corporate finance, loans and financing, fixed income, structured products and market-making businesses, and has shifted its focus from the traditional brokerage to wealth management with a wide range of tailored financial products and services to create attractive returns for investors. Our team of dedicated professionals, who have in-depth knowledge and understanding of capital markets, has established a solid reputation for providing high quality financial services and tailored financial products to investors in China and across the world.

1995	<ul style="list-style-type: none"> Incorporated in Hong Kong
2009	<ul style="list-style-type: none"> Launched its online platform for United States securities trading
2010	<ul style="list-style-type: none"> Successfully listed on the Mainboard of the Hong Kong Stock Exchange with stock code 1788.HK Started its leveraged foreign exchange trading service
2012	<ul style="list-style-type: none"> Launched its online platform for Hong Kong securities trading Commenced its debt underwriting business, providing debt financing and advisory services
2015	<ul style="list-style-type: none"> Commenced business in Singapore market
2016	<ul style="list-style-type: none"> Assigned with rating of "Baa2/Prime-2" and "BBB/A-2" by Moody's and S&P respectively Commenced its equity derivatives business, providing customized financial products for institutional clients
2017	<ul style="list-style-type: none"> S&P upgraded the long-term issuer rating of the Company to "BBB+", along with "Baa2" rating assigned by Moody's, achieved the highest ratings among the Chinese financial institutions in Hong Kong Completed the H shares IPO project for our parent company, Guotai Junan Securities with stock code 2611.HK
2018	<ul style="list-style-type: none"> Being included in Hang Seng SCHK High Dividend Low Volatility Index Our wealth management center officially opened for business

Report Preparation

This report of environmental, social and governance (the "ESG"), the third we have produced, outlines the sustainability performance of the Group for the year ended 31 December 2018. The scope of this report covers our operations in Hong Kong and Singapore offices and their key performance indicators ("KPIs") except the environmental KPIs of the newly expanded office in Hong Kong in late 2018.

Reporting Standard

This report is prepared in accordance with Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Four reporting principles, namely materiality, quantitative, balance and consistency, form the backbone of this report.

This report provides stakeholders with key ESG information relevant to our operations during the year. To the extent that the Company has not covered all disclosure provisions as set out in the ESG Reporting Guide, it is because we have chosen to focus on the issues that we consider are material to our stakeholders and on which we can have an impact.

We will continue to develop and refine our reporting and disclosures on ESG issues in line with feedback received from stakeholders (i.e. those who have a considerable influence on our business and of whom our business has a significant impact on, including employees, service providers, customers and communities) and requirements of the ESG Reporting Guide.

Responsibility of the Board

The board of directors of the Company (the "Board") has overall responsibility for the Company's ESG strategy and reporting matters.

As at the date of this report, the Board comprises four executive directors, being Dr. YIM Fung (Chairman), Mr. WONG Tung Ching, Ms. QI Haiying, Mr. LI Guangjie, two non-executive directors, being Dr. XIE Lebin, Mr. LIU Yiyong, and four independent non-executive directors, being Dr. FU Tingmei, Dr. SONG Ming, Mr. TSANG Yiu Keung and Professor CHAN Ka Keung, Ceajer.

Feedback Mechanism

Stakeholders' comments and suggestions could help define and strengthen the Group's sustainability strategy. You are welcome to contact our Company Secretary by email at enquiry@gtjas.com.hk.



ESG Governance

The Board has ultimate responsibility for the oversight of the Group's policies, initiatives and performance on ESG matters, with the support of the senior management, who are responsible for the corporate sustainability and the formulation of the ESG goals and strategies, in respect of our operation practices, employment, environmental protection and community investment.

Risk Management

The Group emphasizes the sound risk management as the core competitiveness and foundation of our business development. The Board has overall responsibility of evaluating and determining the risk appetite and risk tolerance that the Group is willing to take in achieving its strategic objectives, maintaining a sound ESG risk management and internal control system and reviewing its effectiveness on regular basis. Under the Board, the Risk Committee has approved the risk framework, which sets out the risk culture and governance, defining the risk appetite and limits, key risk types and overall risk management process. The risk framework serves as an outline of the Group's overall risk management system and process, which facilitates the Board to identify and assess the nature and extent of significant risks, the Group's ability to respond to changes in its business and the external environment, as well as the scope and quality of management's ongoing risk monitoring and related internal control measures.

Moving Forward

Looking ahead, the Group will continue to strengthen its risk management system as an ongoing process to evaluate potential environmental and social risks, and ensure there are proper contingent plans in place.

Our Stakeholders

Understanding and meeting the needs of our stakeholders is of paramount importance for us to move forward on the path towards sustainability. The feedback from stakeholders allows the Group to identify material ESG issues and manage relevant risks and explore opportunities.

Our stakeholders are those who have a considerable influence on the Group's business, and of whom our business has a significant impact on. We engage our key stakeholders through multiple channels to gather their feedback and strive for continuous improvement. Meetings, workshops and other communicative events are held across daily operations for internal and external stakeholder groups.



Employees

Promoting healthy workplace, living and well-being amongst our employees with a wide range of activities, such as training on mindfulness and emotional intelligence.



Service providers

Taking into account the environmental impact of service providers and suppliers and their social risks associated with the delivery of products and services, as well as their quality and cost efficiency, with regular performance review.



Customers

Implementing policies and measures to protect customers' interest and enhance their satisfaction. Various communication channels are available on the website, customers can express their opinions and feedback through hotline and email.










Communities

Giving corporate philanthropic support and establishing community partnerships with non-governmental organisations to create benefits for the communities, such as sponsoring the Hong Kong Arts Festival.

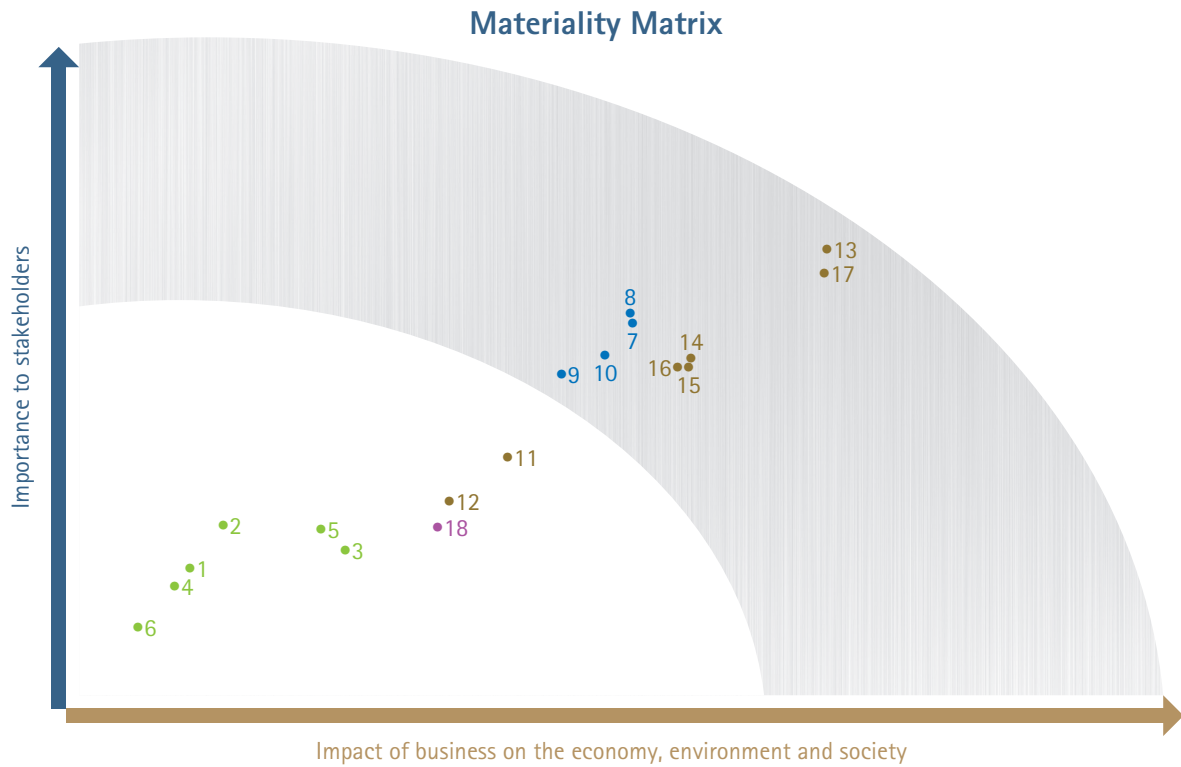
Materiality Assessment

Stakeholder engagement allows the Group to better understand the needs and expectations of our stakeholders. In 2018, the Group extended the scale of stakeholder engagement survey to external stakeholders so as to obtain their views in determining the materiality on various ESG issues.

Phase	Actions
 1. Identify relevant issues	<p>We conducted a review of previous stakeholder engagement results and made references to global sustainability issues as well as local and international reporting standards.</p> <p>18 relevant issues were identified, covering environmental, employment and labour practices, operating practices and community investment.</p>
 2. Collect stakeholder feedback	<p>We collected feedback and assessed the materiality of each relevant issue from our internal and external stakeholders through survey. 180 questionnaires were received.</p>
 3. Determine material issues	<p>The materiality of each relevant issue was assessed by taking into account its importance to the stakeholders and our impact on these issues. Based on the assessment results, a materiality matrix was plotted, 9 out of 18 issues were prioritised as material issues for us to address and report on.</p>

18 Relevant Issues Identified	
 Environmental	 Operating Practices
1) Energy use 2) Water resources use 3) Other materials use 4) Greenhouse gases and other air emissions 5) Waste generation and management 6) The environment and natural resources	11) Product responsibility 12) Supply chain management 13) Customer data and privacy 14) Quality management 15) Fair and responsible marketing communication and information 16) Intellectual property rights 17) Anti-corruption
 Employment and Labour Practices	 Community Investment
7) Employment management 8) Occupational health and safety 9) Training and development 10) Labour standards	18) Caring for society

The result of the materiality assessment for 2018 is set out below:



There are nine issues inside the grey area of the graph represent the material issues identified, which are ranked in descending order in terms of the level of importance:

Material issues

- 13) Customer data and privacy
- 17) Anti-corruption
- 8) Occupational health and safety
- 14) Quality management
- 7) Employment management
- 15) Fair and responsible marketing communication and information
- 16) Intellectual property rights
- 10) Labour standards
- 9) Training and development

Our Operation

The long-term viability of a business is built on ethical and responsible operations. The Group's approach is underpinned by a commitment to enhancing service quality, promoting ethical values and behaviours as well as managing risks along our value chain.

Customer Protection and Satisfaction

Being a financial service provider, it is our goal to protect customers' privacy and offer quality products and services to all of our clients. The Group has policies in place which set out the control and compliance procedures so as to ensure its compliance with legal and regulatory requirements and ethical standards regarding communication with the public and provision of information, such as tape recording, record keeping, custody of client assets, advertising and client complaint, etc..

Customer data and privacy protection and cybersecurity

The Group collects, transmits and stores a large number of customers' personal data and information during the course of business. We acknowledge the importance of cybersecurity, as cyber attacks can compromise clients' information and assets and thus we continue to invest significantly in our ability to prevent, detect and respond to cyber threats so as to maintain our market leading position on governance of cybersecurity and deter financial crimes.

Moreover, only personal data that is necessary for our business activities be collected. Data privacy and security measures are designed to maintain the confidentiality and secrecy of information that we handle across our operations:

Internal guiding principles	The staff handbook and compliance manual provide guiding principles for employees to protect customer data and information. The Group also has data security measures to prevent unauthorised or accidental saving, transfer, deletion, loss or use of personal data.
Employee training	Internal trainings on cybersecurity and handling of customer data to reinforce employees' understanding.
System encryption	Internet trading platform is encrypted and the entire system is controlled and monitored by IT professionals to ensure cybersecurity. IT system upgrade is carried out regularly for performance enhancement. Data is handled by designated teams with restricted access and audit log for tracking.
Customer communication	Policy in relation to data handling and protection of customer personal data is set out on the website. Security tips for online trading are also available on the website and the online trading platform.

Moving Forward

Taking on the responsibility of safeguarding privacy along our value chain, the Group has planned to expand its customer data protection by introducing requirements and controls on outsourced services. For example, service providers shall provide an undertaking to abide by confidentiality rules in relation to data segregation or compartmentalisation to safeguard the Group's customer data.

Enhancing customer satisfaction

To protect customers' interests and enhance their satisfaction, the Group has policy with respect to different business activities, which sets out internal controls and compliance procedures. The policy covers the requirements of relevant laws, legislations, codes, regulations or guidelines applicable to the Group.

Marketing communication and information	We provide information regarding its products and services both on printed materials and digital platforms, such as leaflets, advertising media, online trading platform, webpage and email. These communication channels help customers to make informed decisions. The Group ensures all materials disseminated to the public is based on factual information and communicated in an unbiased way to avoid misrepresentation.
Customers' asset handling	Our compliance manual sets out guidelines and procedures on how to deal with customers' money and securities and to safeguard the client assets.
Suitability management	Customer risk profiling questionnaire is designed to assess clients' risk attitude based on their risk appetite. Customers who are classified as "conservative investors" based on the assessment result will be restricted from subscription of high-risk investment products.
Customer complaint handling	Designated hotline and email are set up for reporting complaints. All customer complaints shall be investigated, where appropriate the results shall be communicated with the complainants.

We strive to provide our customers with a convenient and secure trading and investment experience. In addition to the above policies and measures, we have upgraded the mobile trading platform and enhanced the cybersecurity-related control so as to protect customers' personal data and their investment assets.

The Group also provided trainings to familiarise employees with regulatory requirements such as suitability, anti-money laundering ("AML"), cybersecurity and product knowledge, etc. during the year.

Due to our business nature, product health and safety matter is not relevant to us. The Group abides by relevant product responsibility laws and regulations, such as the Securities and Futures Ordinance and its subsidiary legislation, and Personal Data (Privacy) Ordinance in Hong Kong and the Securities and Futures Act, Personal Data Protection Act and the Personal Data Protection Commission's guidelines in Singapore. During the year, no cases of non-compliance in relation to customer privacy, advertising and labelling of the Group were reported.



Training on suitability, AML, cybersecurity and product knowledge:
1,430 hours

Supply Chain Management

By committing itself to be an ethical enterprise, the Group takes into consideration the impacts of the business operations in the whole value chain.

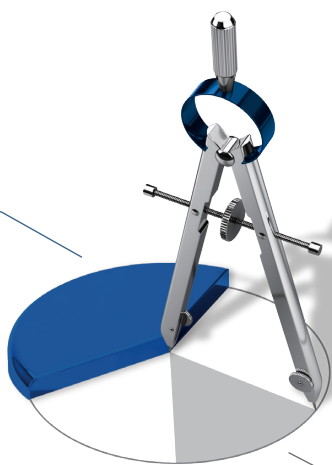
The Group has ESG Policy in place which sets out the criteria in screening investment projects.

Screening of investment projects

ESG considerations:

Negative scanning

Investment in alcohol, tobacco, unhealthy food, pornographic, military, or project that have explicit negative impact on environment is avoided.



Positive scanning

For investment projects with same return rate, priority will be given to green investment projects such as solar, wind, green building, small hydro-power, etc..

Moreover, the Group has measures for service providers and suppliers in place in order to build a fair and responsible supply chain.

Under the outsourcing policy, we conduct regular supplier performance review with a set of assessment criteria, such as their reputation, quality of services, financial stability as well as legal and environmental compliance concerns, etc.. To strengthen the ESG risk management on our procurement process, we have scheduled to update the procurement policy for office equipment, supplies and ancillary services.

Ethical Values and Behaviours

The Group is committed to upholding the highest ethical standard of corporate governance and business integrity.

The Group has policies on prevention of bribery, accepting and offering advantages and that all staffs are required to strictly comply with respective rules.

As part of our anti-corruption measures, the Group has enacted "Segregation of duties and functions" to ensure key duties and functions are appropriately segregated, particularly when certain duties and functions are performed by the same individual which may result in undetected errors or may be susceptible to abuses, causing the firm or its clients expose to undue risks.

The Group has its whistle-blowing policy in place for employees to report on any misconduct and malpractices. We will keep the reporter's identity confidential and offer protection against unfair dismissal or unwarranted disciplinary action. The Group did not record any whistle-blowing case in 2018.

The Group abides by the relevant laws and regulations in relation to anti-corruption, including but not limited to the Prevention of Bribery Ordinance in Hong Kong, as well as the Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act in Singapore. During the year, there were no cases of non-compliance or legal cases in relation to bribery, extortion and fraud within the Group.

Besides, the Group has AML and Counter-Terrorist Financing ("CTF") manual in place which addresses the responsibilities and duties of different departments to deter money laundering and terrorist financing activities. The Group has revised the AML and CTF manual regarding those changes updated in the SFC's Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (for Licensed Corporations) in March and November 2018.

The Group respects intellectual property rights and makes every effort to protect the confidentiality of privileged information provided to us during business activities. Employees are required to comply with applicable legal requirements, including purchase of genuine copyrighted products.

Our Employees

As a caring and responsible employer, the Group is devoted to providing a health and safe working environment, maintaining a respectful and fair office culture, and supporting our employees' development.

Occupational Health and Safety

The Group considers employees' health and safety as a priority at all times across our business operations. We have outlined safety rules in the staff handbook to help them understand the relevant requirements and procedures regarding occupational safety.

The Group provides adjustable design work chairs to protect employees from neck and back injuries. We believe indoor air quality is equally important to employees' health, and has installed 84 air purifiers.

Moreover, we also consider the mental health and well-being of our employees. We provide training on mindfulness and emotional intelligence for employees in order to reduce stress. Besides, all employees are eligible for free annual physical check-ups.

The Group abides by the relevant laws and regulations, including but not limited to the Employment Ordinance and Occupational Safety and Health Ordinance in Hong Kong as well as Employment Act and Workplace Safety and Health Act in Singapore. During the year, there were no cases of non-compliance or legal cases in relation to providing a safe working environment and protecting employees from occupational hazards within the Group.



Employment Management and Labour Standards

The Group strives to ensure a fair, trust, respectful, inclusive and diverse culture. Our staff handbook outlines procedures and guidance regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination and other benefits.

1. Recruitment and compensation	2. Labour standards	3. Workplace management	4. Regulatory compliance
The assessment and selection of candidates are based on the job requirements, their relevant aptitudes, skills and abilities, while the remuneration packages are based on employee's ability, performance, local salary indices, etc. and are reviewed annually.	All kinds of forced labour and child labour are forbidden. Human Resources Department checked the identity documents of candidates before employment to prevent child labour. It is on the Group's agenda to provide more guidelines on prohibiting child labour and forced labour.	<p>Holidays and leaves Rest days, banking holidays, paid sick leaves, study leaves, exam leaves, marriage leaves and other compassionate leaves other than statutory leaves, etc..</p> <p>Fringe benefits Medical and dental insurance cover as well as annual body check-ups.</p> <p>Communications with employees Employees are welcome to report any complaints according to the Group's internal complaint procedures and/or whistle blowing policy.</p> <p>Equal opportunity and anti-discrimination Individuals are selected, appointed, promoted, developed and treated fairly, without discriminating against their sex, pregnancy, marital status, disability, family circumstances and race. In addition, breastfeeding facilities are available in offices for female employees if needed.</p> <p>Diversity The Group recognises the importance of a diverse composition of the Board which could enhance its effectiveness and has established the board diversity policy. We seek to extent the diversity policy coverage to all employees in future.</p>	<p>Relevant laws and regulations including but not limited to the Employment Ordinance in Hong Kong and Employment Act in Singapore.</p> <p>The Group did not record any non-compliance cases in relation to employment, child labour and forced labour.</p>

Number of employees ¹	Employee turnover	Ratio of number of male to female employees	Total remuneration ratio (male to female)	Child labour and forced labour
2017 ² : 416 2018: 497	2017 ² : 15.14% 2018: 13.28%	2017 ² : 1.21:1 2018: 1.22:1	2017 ² : 1.12:1 2018: 1.27:1	2017 ² : 0 2018: 0

¹ The number of employees excluded self-employed account executives.

² The number in 2017 excluded employees in Singapore.

Employees by gender, age group and employee category										
Gender	Employee category	Age group					Total workforce		Male to female ratio	
		18–25	26–35	36–45	46–55	Above 55	2018	2017 ¹	2018	2017 ¹
Male	Management	0	10	33	25	4			1.22:1	1.21:1
	Manager	0	34	25	13	1	273	228		
	General staff	13	84	19	11	1				
Female	Management	0	12	37	8	2			1.22:1	1.21:1
	Manager	0	21	17	6	3	224	188		
	General staff	19	71	14	11	3				
Total workforce		32	232	145	74	14	497	416		

Employees by core business functions							2018	2017 ¹
Brokerage							60	54
Corporate finance							120	107
Asset management							29	20
Loans and financing							12	14
Wealth management							22	0
Financial products, market making and investments							32	26
Middle office and back office							222	195
Total							497	416

New employees								Total number of new employees (divided by number of each gender)
Gender	Employee category	18–25	26–35	Age group 36–45	46–55	Above 55		
Male	Management	0	4	12	4	1		72 (26.37%)
	Manager	0	7	4	0	0		
	General staff	9	26	2	3	0		
Female	Management	0	3	7	2	0		65 (29.02%)
	Manager	0	7	4	2	0		
	General staff	10	26	1	2	1		
Total number of new employees (divided by number of each age group)		19 (59.38%)	73 (31.47%)	30 (20.69%)	13 (17.57%)	2 (14.29%)		137 (27.57%)

Employee turnover								Employee turnover and rate (divided by number of each gender)
Gender	Employee category	18–25	26–35	Age group 36–45	46–55	Above 55		
Male	Management	0	2	3	1	1		30 (10.99%)
	Manager	0	6	3	0	0		
	General staff	1	11	1	0	1		
Female	Management	0	1	3	1	0		36 (16.07%)
	Manager	0	5	3	2	0		
	General staff	2	15	4	0	0		
Employee turnover and rate (divided by number of each age group)		3 (9.38%)	40 (17.24%)	17 (11.72%)	4 (5.41%)	2 (14.29%)		66 (13.28%)

¹ Figures in 2017 excluded employees in Singapore.

Training and Development

We believe employee investment is essential. Facing the rapid change of financial industry such as artificial intelligence transformation and customer expectation, the Group is devoted to providing learning and development opportunities for employees to acquire up-to-date and relevant professional knowledge and skills to enhance their competencies in terms of career growth and development.



Over **1,900**
training hours
were provided
during the year

100% of employees
have completed
performance
appraisal

Continuous enhancement of technical knowledge and professional expertise are vital to our employees. The Group has designed training programmes covering various topics according to the needs of employees in different positions and roles. The Group provided the following trainings in 2018:



The Group requires all SFC licensed employees to attend at least five hours of mandatory continuous professional training to fulfil SFC annual licensing renewal requirement.

To facilitate the training requirement for employees at different locations, the Group implemented an e-learning platform in 2017. The platform enables colleagues to attend courses in relation to information security and cyber risk awareness, AML and CTF.

The Group values the career planning and development of employees and has formal performance appraisal procedures. The purpose of the annual appraisal is to create a mutually agreed appraisal framework for evaluating employees' performance, recognising their achievement and identifying areas for improvement, which consists of three stages below:

1	Goal and KPI setting	The appraisees and supervisors discuss and set goals together. Considering the appraisees' interests, goals are set based on their job duties and in line with the Group's strategy.
2	Mid-year review	The supervisors rate appraisees' progress in achieving the goals/KPIs.
3	Annual review	The supervisors rate the appraisees' performance (goals and KPIs achievement) and core competency.


Our Environment

Climate change represents an urgent and potentially irreversible threat to human societies and the planet. Going beyond the compliance, the Group is committed to reducing the environmental impacts associated with its activities and services. In line with the ESG policy, the Group strives to prevent pollution, reduce waste, encourage recycling and minimise the use of natural resources by continually improving its environmental management practices and educating its employees.

Emissions and Energy Management

Greenhouse gas ("GHG") emissions and energy use

The Group has engaged a professional consultant to conduct a carbon assessment to quantify the GHG emissions (or "carbon emissions") of its operations in 2018. The quantification process of GHG emissions follows the guidelines, namely "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong" published by the Electrical and Mechanical Services Department and the Environmental Protection Department, with reference to the international standards such as the Greenhouse Gas Protocol and the ISO 14064-1 standard.

 GHG Emissions	2018	Unit
Scope 1 emissions*	61.3	tonnes CO ₂ -e
Scope 2 emissions^	722.8	tonnes CO ₂ -e
Scope 3 emissions#	462.9	tonnes CO ₂ -e
Total GHG emissions	1,247.0	tonnes CO ₂ -e
GHG intensity (per employee)	2.5	tonnes CO ₂ -e
GHG intensity (per square foot)	0.023	tonnes CO ₂ -e

* Scope 1 includes direct emissions from combustion of fuel (i.e. petrol) in mobile sources and fugitive releases from equipment and systems.

^ Scope 2 includes energy indirect emissions by electricity purchased from power companies.

Scope 3 includes other indirect emissions by methane gas generation at landfill in Hong Kong due to disposal of paper waste and business travels by employees.

In 2018, the total GHG emissions of offices were approximately 1,247 tonnes of CO₂ equivalent. The primary source of carbon emissions was purchased electricity by offices, accounting for nearly 58% of carbon emissions. The secondary source was business travels by employees, accounting for nearly 32% of the total emissions.

 Energy Use	2018	Unit
Petrol	72.2	MWh
Electricity	921.9	MWh
Total energy consumption	994.1	MWh
Intensity of energy consumption (per employee)	2.0	MWh
Intensity of energy consumption (per square foot)	0.018	MWh


Since electricity consumption is the largest generator of the Group's GHG emissions and energy consumption, the Group has adopted a series of initiatives to improve energy efficiency and reduce carbon emissions:

Purchase electrical appliances with energy-efficient label	Use T5 and LED lights	Place light zone diagram and zoning labels reminding employees to switch off the lights at unoccupied areas	Place energy saving signs next to electrical appliances
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To reduce unnecessary business travels, the Group encourages employees to adopt the most efficient means of communications, such as email, video or telephone conferences.

Air emissions

The key air pollutants from our operations included nitrogen oxides, sulphur oxides and respiratory suspended particles, which are mainly generated by passenger cars.

 Air Emissions*	2018	Unit
Nitrogen oxides (NO _x)	3.39	kg
Sulphur oxides (SO _x)	0.12	kg
Respiratory suspended particles (RSP)	0.25	kg

* The operations of Singapore office did not involve air emissions (e.g. vehicle use).

To reduce air emissions and the health impacts associated with air pollutants, the Group has been exploring ways to further reduce our emissions. Apart from reducing unnecessary travels, we also give priority to the most fuel-efficient model when purchasing new company vehicles.

To minimise the environmental impacts of our business operations, moving forward, the Group will revise the ESG policy to provide further guidance on reducing air emissions and GHG emissions.



Resources and Waste Management

Apart from energy use, the Group understands that its operation impacts on other natural resources in certain extent that including water, air and land. We have integrated efficient and sustainable resources use in our business operations. Proper waste management also helps the Group conserve resources and minimise adverse impacts on the environment.


Resources management

In addition to energy conservation, the Group has a number of continuing environmental measures to reduce the use of water, paper and other resources. We contribute to the continual improvement of our business processes and the conservation of natural resources. Our business does not involve the use of packaging materials.

The Group's business operations consume a significant amount of paper. To reduce and monitor the use of paper in our operations, the Group has adopted the following measures:

 Paper reduction practices	<ul style="list-style-type: none"> – Initiated paperless board meetings – Adopted electronic HR Management System – Implemented Office Automation (OA) System to encourage the use of e-forms for internal communications, such as expenses claim – Send e-notifications through internal emails – Adopted e-fax system automatically turning fax messages into emails – Customer is encouraged to receive electronic statements – Implemented Uniflow System to minimise false printing – Defaulted double-side printing
 Continuous monitoring	<ul style="list-style-type: none"> – Track paper usage on monthly basis – Give paper consumption reduction advice to those with high consumption


The Group advocates water saving practices, such as placing water-saving signage at offices. The water consumption in Singapore office was 2.2 m³ in 2018, while the water consumption record in Hong Kong offices was not available because no individual water meter was installed. To promote efficient use of water, the Group will introduce more water saving practices in offices in future. The Group has no issue in sourcing water for its operations.

 Water use*	2018	Unit
Total water consumption	2.2	m ³
Intensity of water consumption (per employee)	0.24	m ³

* This figure only includes the usage from November to December 2018 for operations in Singapore since the record of water consumption was not available due to no individual water meter was installed before mid-October. Besides, record of water consumption for operations in Hong Kong was not available due to no individual water meter was installed.

Waste management

The operation in Hong Kong produced 1.1 tonnes of non-hazardous wastes in 2018, which were mainly office equipment and facilities. The Group will implement non-hazardous waste measurement for Singapore office in 2019.

 Waste^	2018	Unit
Total non-hazardous waste produced*	1.1	tonnes
Intensity of non-hazardous waste produced (per 1000 employees)*	2.3	tonnes
Intensity of non-hazardous waste produced (per 1000 square foot)*	0.021	tonnes

^ The Group did not record the amount of hazardous waste produced (such as waste batteries, waste toner cartridges and waste fluorescent tubes) in 2018.

* Non-hazardous waste produced for operations in Hong Kong only.

Electronic wastes such as computers were collected periodically by registered recyclers, while other non-hazardous and hazardous wastes were collected and handled by property management service providers in 2018. The Group also promoted waste recycling and waste reduction measures during the year:

Waste recycling	
Scheduled to install more recycling bins in offices.	101 used cartridges were returned to suppliers for recycling. Paper waste was also collected for recycling.

Waste reduction	
Water dispensers installed in meeting rooms in order to lower the generation of plastic water bottles.	Reusable tableware is available at pantry to reduce the use of disposable ones.

Moving Forward

To review the effectiveness of our practice and identify the rooms of improvement, the Group will conduct continuous assessment and develop reduction plans and targets on emissions, electricity, paper and other resources consumption.

The Group abides by the relevant laws and regulations on emissions, including but not limited to the Air Pollution Control Ordinance, the Water Pollution Control Ordinance and the Waste Disposal Ordinance in Hong Kong, as well as the corresponding legislations in Singapore, including but not limited to the Environmental Protection and Management Act and the Environmental Public Health Act. In 2018, there were no non-compliance cases reported in relation to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste within the Group.

The Environment and Natural Resources

Apart from emissions and use of resources, the Group's business operations do not have a significant direct impact on the environment and natural resources. Nevertheless, the Group understands that the extent and nature of investment projects may affect the surrounding environment, therefore we have established guidelines incorporating both positive and negative environmental impacts in screening and assessing investment projects.

Due to our business nature, paper consumption is unavoidable. Apart from the adoption of paperless measures to reduce paper consumption, we further lessen our environment impacts by only procuring office paper certified with FSC and/or Green Label.

Our Community

Supporting the communities is one of our ways to create value. With this in mind, the Group ensures its activities take into consideration the communities' interests.

We strive to make positive contributions to the communities across our operations and set out our community investment strategy in ESG policy. To create effective and lasting benefits to the community, we constantly reach out to the community and provide support to local bodies through:

 <p>Giving corporate philanthropic support</p>	 <p>Establishing community partnerships</p>	 <p>Mobilising employees to participate in volunteer works</p>
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Building connection and establishing a long-term relationship with local bodies are important to driving direct and positive impact to the community. The Group has participated in the Walk for Millions organised by The Community Chest since 2015 and the fund raised by them is to support the Chest's member social welfare agencies in enhancing "Family and Child Welfare Services". In 2018, we organised various community programmes, such as:



Total contributions made
during the year:
HKD1,175,000

Hong Kong Arts Festival	The Group sponsored HKD1,000,000 to the Hong Kong Arts Festival, aimed to promote cultural exchange on traditional Chinese performing arts and dramas by inviting the China National Peking Opera team for performance in Hong Kong.
Donation to the Tai Po Road Traffic Accident	Donation of HKD100,000 was made to the deaths and injuries from the traffic accident happened in Tao Po on 10 February 2018 through the Hong Kong Chinese Enterprises Association.
The Community Chest – Walk For Millions	Donation of HKD50,000 was made to the local social welfare agencies to help those in need.
Warming the Chinese New Year – Old Clothes Give Away	The Group co-organized with the Salvation Army of Hong Kong to give away unused second-hand clothes to the elderly living alone and homeless individuals, etc..
Mid-autumn Mooncake Donation Campaign	The Group co-organized with the "Harmony House", this campaign not only promoted the reduction of food waste, but also sent festive wishes to families in need and a total of 15 boxes of mooncakes were collected and donated.
Metro Broadcast Charity Cup 2018 – A Fundraising Activity for the Community Chest of Hong Kong	<p>The Group advocated work-life balance lifestyle and encouraged our staff to participate in different social activities, thereby developing team spirit and actively discharging its corporate social responsibility.</p> <p>Contribution of HKD25,000 was made to the Metro Broadcast, the organizer, and they had donated part of the funds raised from this charity cup to the Community Chest of Hong Kong.</p>
Earth Hour 2018	In supporting the "Earth Hour 2018" organized by the World Wildlife Fund, we encouraged our staff to switch off the lights for one hour in the evening on 24 March 2018. We pledged to preserve natural resources, safeguard the future of the planet, adopt sustainable consumption practices and reduce wastage. This event was actively participated by our staff.
Christian Action	We offered working opportunities in supporting the employment schemes organized by Christian Action

Warming the Chinese New Year
— Old Clothes Give Away



Metro Broadcast Charity Cup 2018



Earth Hour 2018

The Community Chest — Walk For Millions



Awards and Recognition

Being a caring employer and a responsible enterprise, our contributions to the environment, society and the economy are widely recognised by the community. Below are some of the major ESG-related awards and recognitions received by us in 2018:

Happy Company
2018



Good
Employer Charter
2018



ECO-Healthy
Workplace
2018



Caring Company
2014-2018



GOALS Award
2018



Family-Friendly
Employers
2017/2018





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