



林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE: 1041



2018

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT



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About this Report

This report is the fourth Environmental, Social and Governance (“ESG”) Report of Lamtex Holdings Limited and its subsidiaries (the “Group”), which presents the material issues and impacts of the Group’s activities during the fiscal year ending 31 December 2018. The Board of the Group has reviewed this report and confirms its content to be true, accurate and complete.

Reporting Guideline and Scope

This report has complied with the Environmental, Social and Governance Reporting Guide as set out in the Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited and has been prepared in accordance with actual situation of the Group. This report should be read in conjunction with our annual report. Information relating to corporate governance has been set out in the Corporate Governance Report on Pages 37–59 of the annual report.

Unless otherwise stated, this report covers environmental and social performance of the Group’s business operations in Hong Kong. The Group will consistently enhance its data collection and gradually expand the scope of disclosure.

Feedback

This report is published in both English and Chinese version. In the event of discrepancies, the English version shall prevail. You are welcome to provide your valuable opinions via email at info@lamtex.com.



ESG Management Approach

The Group principally engages in investment in property, securities trading and investment, securities brokerage, margin financing in securities trade, loan financing services and trading and manufacturing of electronic products. The Group's operations in Hong Kong are office-based and do not involve any production activities.

The Group's ESG management is spearheaded by the CEO and the Board of Directors, overseen by the management team and cascades down to respective departments responsible for day-to-day operations, ensuring effective management of the Group's material topics including data privacy, customer satisfaction and anti-corruption. Policies are reviewed on a regular basis for progressive improvements of the Group's performance on the ESG front.

Managing our Operations

Anti-corruption and data privacy have always been the key issues in the financial services industry. We ensure our employees uphold ethical business practices in order to mitigate the risk of misconduct that may lead to customer harm, reputational damage or legal liability. Employees' actions are also subject to a number of internal policies, standards and guidelines.

Managing our People

The Group is committed to providing its people an inclusive environment in which they can engage in meaningful and fulfilling work. We retain employees with competitive remuneration packages, a workplace free from occupational hazards and adequate opportunities to grow in their careers.

Managing our Environment

The Group has relatively insignificant impact on the environment due to the financial setting. Despite that, the Group understands its responsibility to ensure effective energy and resources management in its operations. We continue to promote green office and low-carbon development throughout our business operations in response to the global risk of climate change.

ESG Management Approach

Stakeholder Engagement

There are many environmental, social and governance issues that demand our attention. The Group understands that stakeholder engagement is vital to identifying the risks and opportunities associated with ESG. We engage with stakeholders through a range of channels, identifying emerging issues of concern and act to respond to them.

Our Stakeholders	Issues of Concern	Communication Channels
Customers	<ul style="list-style-type: none"> • Corporate governance • Operational risk • Information security risk • Customer satisfaction 	<ul style="list-style-type: none"> • Company website • Internal control and monitoring scheme • Enquiry calls and emails
Employees	<ul style="list-style-type: none"> • Career development and training • Occupational health and safety • Employee well-being and benefits • Remuneration 	<ul style="list-style-type: none"> • Annual general meeting • Performance appraisal • Feedback from training
Community	<ul style="list-style-type: none"> • Charity and volunteering • Environmentally friendly work environment 	<ul style="list-style-type: none"> • Community investment • Sponsorship and volunteering activities
Government	<ul style="list-style-type: none"> • Corporate governance • Business ethics • Taxation compliance • Employee protection 	<ul style="list-style-type: none"> • Assessment on current financial regulations • Communication with related governmental agencies • Compliance with relevant legislation and regulations
Investors and Shareholders	<ul style="list-style-type: none"> • Corporate governance • Operational risk • Business operation 	<ul style="list-style-type: none"> • Annual general meeting • Other general meetings • Financial reports and announcements



Operating Practices

Anti-corruption (B7)

The Group has high expectations of its staff and business partners in terms of integrity and honesty. In compliance with the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, the Group prohibits any form of corruption such as bribery, extortion, fraud, and money laundering.

Anti-corruption standards have been incorporated into the Group's policies. Within the Group, any individual who engages in misconduct or does not comply with all applicable laws and regulations is subject to disciplinary actions. The Board reviews corporate governance practices regularly to ensure that our business operations are within the legal and regulatory frameworks and provisions of all applicable ordinances.

Externally, the Group reserves the right to terminate immediately any business relationships for violating or presenting the risk of violation of laws and regulations. If there is sufficient evidence to suggest that a case of possible criminal offense or corruption exists, the matter is reported to the Independent Commission Against Corruption (ICAC). Employees and third parties have the duty to report corruption to the authorities if required to do so by local regulations.

Whistleblowing Policy

The Group has implemented a whistleblowing policy to encourage employees, customers, and other stakeholders, to report any suspected misconducts, malpractices or irregularities related to the Group under confidentiality.

During the year, we were not aware of any violation of relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. The Group was not involved in any corruption cases.

Data Privacy Protection (B6)

While data security continues to be among key issues in the financial services industry, it is also the key to a trusting relationship between the Group and its business partners. The Group strictly abides by the Hong Kong Personal Data Privacy Ordinance to protect the benefits of its customers, business partners and employees, including protection of their privacy and the commercial agreements made with the Group. As stipulated in our privacy policy, the Group collects personal customer data only when necessary and does not disclose the collected data to any third parties for direct marketing without customer consent.

Operating Practices

Service Responsibility (B6)

As a financial services provider, our services are designed to meet our customers' needs. We constantly strive to live up to the trust that our customers place in us.

Striving for higher customer satisfaction, we maintain enthusiasm, focus and professionalism in providing suitable financial products and high-quality services to meet the needs of our customers. We regularly interact with our customers by telephone as well as digital platforms to understand their concerns and collect feedback.

During the year, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redressal.

Supply Chain Management (B5)

Considering the nature of our business, the impact of the supply chain is minimal to the Group. Nevertheless, we constantly communicate with our suppliers and prioritize goods and services with high efficiency and low energy consumption, promote effective energy and resources management of the Group.

Caring for Communities (B8)

The Group is committed to contributing to the communities in which it operates and creating value for the local society. Every year, the Group supports the needy through donations, fundraising activities and volunteering service campaigns. We also actively encourage our employees to take part in charitable activities and contribute to the society. Participation in such activities is part of the criteria for annual performance evaluation. We will invest more in the communities with an aim to thrive together with our communities and achieve sustainable development.



Our People

Talent Attraction and Retention (B1)

At Lamtex, we believe our people are our greatest asset. Our success depends on our ability to attract, develop and retain the best talent.

The Group offers competitive remuneration packages to its employees to ensure talent retention. The remuneration packages are reviewed based on the overall development of the Group and market conditions. In terms of benefits, the Group has established mechanisms to manage various types of leave which employees are entitled to, i.e. paid annual leave, sick leave, maternity leave, marriage leave, etc. Mandatory Provident Fund is also provided for fulfilling our legal obligations. To bring motivation across the Group, we have implemented a Share Options Scheme to grant share options to employees with outstanding performance.

The Group upholds integrity and transparency in all its conduct. As a responsible employer, we offer equal opportunity to all employees and applicants regardless of gender, physical disability, religion, pregnancy and political background. Our employment policy does not tolerate any form of discrimination and harassment, while recruitment processes are undertaken with impartiality.

We abide by the relevant legislation related to employees' rights, including but not limited to Employee's Compensation Ordinance and Minimum Wage Ordinance. Any changes in employment policies and terms are notified and agreed to in writing to protect the legal rights and interests of employees. There were no significant fines nor non-monetary sanctions for non-compliance with labour laws and regulations during the year.

Development and Training (B3)

The Group attaches great importance to the development of its employees. We deploy adequate resources to empower our employees to build the skills they need to grow today and well into the future.

In the Group, a systematic performance appraisal system and promotion mechanism are in place to ensure human capital development. We take into consideration results of appraisals to determine employees' bonuses, promotion opportunities and other benefits. To optimize employees' expectations and potential, we encourage employees to discuss their career goals and plans with the Group. We support employees' development with training programs which cater to the needs of our staff, with contents covering leadership, professional and general skills.

Our People

Health and Safety (B2)

Despite the Group's work setting having relatively low risks of work injury and accident due to the office-based nature of its business, it is our responsibility to provide a safe and healthy working environment for our employees. We oversee and review relevant occupational health and safety laws and regulations through our internal monitoring procedures.

Safeguarding our employees' health, we provide medical and personal injury insurance to our employees in compliance with the Occupational Safety and Health Ordinance. We also communicate safety related issues with our employees to enhance their safety awareness. In terms of fire safety, we conduct regular checks on fire-fighting equipment and fire-escapes, making sure that our work environment fulfils the fire safety requirements.

Mental and Social Wellbeing

The Group offers resources to support employees' mental and social wellbeing, including sponsorships for team sports activities such as badminton, basketball and billiards to boost team spirit and promote healthy living at the workplace. The Group has also established a flexible work arrangement scheme to encourage work-life balance.

During the year, we were not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. There was no reported case regarding work-related fatalities or occupational illness during the year.

Labour Standards (B4)

To prevent the hiring of child and forced labour, the Group's human resources department and responsible parties monitor the hiring process strictly to ensure compliance of applicable laws and regulations, including the Employment of Children Regulations in Employment Ordinance.

During the Year, the Group was not aware of any non-compliance with 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. Nor did the Group identify any incidents relating to the use of child or forced labour.



Environmental Protection

Environmental Management

Due to the financial nature of our business setting, our business neither generates hazardous wastes nor consumes any packaging materials, and we have relatively insignificant impacts on the environment. Nevertheless, the Group is committed to managing and minimising the environmental impacts of its business operations. The management of the Group has the overall responsibility of assuring that environmentally friendly and resources conserving practices are incorporated into the Group's business practices. It is also responsible for reviewing and ensuring compliance with relevant environmental laws and regulations, including but not limited to the Waste Disposal Ordinance. There were no significant fines and no non-monetary sanctions for non-compliance with environmental laws and regulations during the year.

Resources Conservation (A2 and A3)

The Group continues to enforce proper resources management to enhance overall environmental performance. As our operations are office-based, they comprise a limited consumption of natural resources. During the year, the total electricity consumption of the Group was approximately 16,818 kWh and the total gasoline consumption of private vehicles was approximately 5,497.82 litres. Water consumption amounted to approximately 93 cubic metres. The Group did not have any issue in sourcing water that is fit for the purpose.

Energy	Unit	2018
Electricity	kWh	16,818
Gasoline	Litres	5,497.82
Total Energy Consumption	GJ	235.77
Energy Intensity	GJ/million HKD revenue	1.39

Water	Unit	2018
Total Water Consumption	Cubic Metres	93
Water Intensity	Cubic Metres/million HKD revenue	0.55

The Group has implemented various measures to support and promote green office. We maintain the average temperature at 25.5°C and have installed LED lightings at our office to enhance energy efficiency. We also encourage recycling by putting a paper recycling box next to the printers. Followed by the implementation of a variety of measures, our employees have realised the importance of managing resources usage at work and collaborating at all levels to achieve responsible and sustainable resources usage.

Environmental Protection

Emissions Control (A1)

The Group's direct greenhouse gas ("GHG") emissions were generated from the use of gasoline by its private vehicles and indirect GHG emissions were generated from purchased electricity. In 2018, the Group's total GHG emissions amounted to 23.20 tonnes of carbon dioxide equivalent ("tCO₂e"), of which, direct emissions (Scope 1) and indirect emissions (Scope 2) were 14.62 tCO₂e and 8.58 tCO₂e, respectively. The emission intensity was computed as 0.14 tCO₂e per million HKD revenue. All departments of the Group are committed to using resources in a responsible manner to reduce its carbon footprint.

The Group's operations involve emissions of sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matter (PM) generated by fuel consumption of vehicles. During the year, the Group's SO_x, NO_x and PM emissions were 0.08 kg, 3.20 kg and 0.24 kg, respectively. In terms of waste, the non-hazardous waste generated from the Group's office operations was minimal. They are properly handled by management personnel of the office building.

During the year, the Group was not aware of any violation of 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.



HKEX ESG Content Index

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management, Emissions Control
KPI A1.1	The types of emissions and respective emissions data.	Emissions Control
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Emissions Control
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	The Group's operations do not involve in the production of hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions Control
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Emissions Control
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions Control
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management, Resources Conservation
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Resources Conservation
KPI A2.2	Water consumption in total and intensity.	Resources Conservation
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Resources Conservation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Resources Conservation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations do not involve in the consumption of packaging materials.

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Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuers' significant impact on the environment and natural resources.	Environmental Management, Resources Conservation
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management, Resources Conservation
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent Attraction and Retention
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	Labour Standards



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Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Service Responsibility, Data Privacy Protection
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Caring for Communities