



與時創建

Building with the times

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About this Report

In 2016, in response to the community's expectations of and demands for environmental protection and social responsibility, S E A Holdings Limited (the "Company") and its subsidiaries (collectively the "Group" or "We") has advocated the concept of environmental protection and ecological harmony and pursued the principle of law compliance and integrity. With the continuously increased awareness of environmental protection and social responsibility among the Group and its employees, the Group has made fair improvement with certain results in these two aspects. We pursue environmental protection and cherishing resources as our mission and practice them in our operation. In view of social responsibility, the Group places high values on employees' conduct and development, and looks forward to the mutual growth with them. We maintain good communication and share the information about environmental and social responsibility with stakeholders on the basis of mutual benefit and trust, so as to develop a long-term relationship as working partners with our stakeholders. The board of directors of the Company has overall responsibility for the Group's environmental, social and governance strategy and reporting.



Scope

This is the first report of the Group outlining its environmental, social and governance performance. Its contents cover the environmental, social and governance performance of the Group's investment and sale of properties businesses. The Guangzhou Office and Chengdu Office of the Group are the main sources of reporting data collection. This report is prepared in accordance with Appendix 27 "Environmental, Social and Governance Reporting Guide" of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

Reporting Period

This is an annual report covering the period from 1st January 2016 to 31st December 2016.

Engagement with Stakeholders

The demands of the stakeholders represent the Group's risk and opportunities. Therefore, engagement with stakeholders is an indispensable activity of the Group. In accordance with the relevant regulations of the Hong Kong Stock Exchange, we convene annual general meetings and extraordinary general meetings and regularly publish annual reports and interim reports to announce the Group's latest development and financial status so that the shareholders can have a better understanding of the Group. During our daily operations, we interact and exchange knowledge with customers and suppliers through various channels including meetings, questionnaires and customer service so as to understand their expectations and development conditions, and maintain a good relationship as working partners with them.



1. Environment

1.1 Emissions

The Group's commitment to environmental protection and emission reduction is unquestionable. Pursuing the conscience and corporate responsibility, we have implemented a number of environmental protection policies and regulations on the operation, including *Greenhouse Gas Emission Management Policy* focusing on gas emissions and *Purchasing Management Policy* in support of local suppliers. In response to the community's power-saving and waste-reduction demand, we have formulated policies such as *Waste Reduction Policy*, *Water Conservation Policy*, *Energy Conservation Policy* and *Solid Waste Recycling Policy*. The specific management measures adopted by the Group include:

- 1) Support the carbon dioxide emission reduction policy of the PRC government by conducting the internal audit on carbon emissions and monitoring the carbon emissions of the building every month to ensure that the PRC government's emission requirements are fulfilled and the carbon emissions do not exceed the annual cap;
- 2) Guangzhou Office and Chengdu Office have installed LED lighting and power intensive equipment (e.g. chillers and boilers) were repaired and maintained regularly to ensure high operating efficiency. The startup and shutdown times, startup quantity and pre-set temperature of chillers and boilers are also adjusted based on the weather conditions to ensure high energy efficient operations;
- 3) The use of telephone conferences as internal communication channel to reduce carbon emissions arising from the increased business trips;
- 4) Support purchases from local suppliers to reduce carbon emissions generated during transportation;
- 5) Advocate activities such as energy conservation, emission reduction and green travel to the tenants;
- 6) Public areas and indoor units of each floor of Guangzhou Office and Chengdu Office are equipped with central air-conditioning systems and fresh air circulation systems to improve indoor air quality;
- 7) Sensor faucets and sensor flush facility have been installed respectively in the wash basins of the lavatories and men's lavatories on each floor of the Guangzhou Office and Chengdu Office to reduce water waste;
- 8) Any recyclable construction waste are recycled for secondary use or recycled by waste disposal companies; and
- 9) Actively promote the recycling of waste paper and plastic bottles.



The Group strictly complies with the laws and regulations of emissions. No relevant violations that had a material impact on the Group were occurred during the year of 2016.

1.2 Resources Conservation

The Group fully understands that the use of resources is indispensable in our operations. Therefore, we have formulated green policies to promote environmental protection and effective use of resources. For office operations, we take measures to reduce the use of resources such as lessening the number of printouts and promoting the use of electronic documents instead of paper documents for archive purpose. At the same time, we select power-saving electrical equipment for our Guangzhou Office and Chengdu Office to meet their needs and select power-saving products when the buildings are renovated to encourage reasonable use of resources and mitigate their loss. We firmly adhere to our green culture of reducing energy consumption as a social commitment.



John Sinclair House, Scotland

1.3 Environmental Protection

We are pleased to live in harmony with the nature and protect our natural resources. The Group advocates green education and green working attitude to reduce increasing damage to the environment. For this reason, we provide green products and operating processes, such as using telephones and e-mails for daily operations, and electronic payments for purchases in order to reduce energy and resources consumption during the working processes. We organize training programs for our employees to promote green environmental protection and reuse of office papers. In addition, as we believe that this concept needs to be promoted in the supply chain for the purpose of synergy, we encourage to select energy-efficient products in the first priority for the use in Chengdu Office, promote the green concept in the supply chain, and inform suppliers to provide environmentally-friendly and quality products so as to achieve energy conservation and consumption reduction.

2. Caring for Employees

2.1 Employment

Employees are the resources and capital of the Group and are also key to our development. We have been protecting our employees' rights through a series of employment policies, striving to provide them with a secure working environment so that they can work and develop with the Group. The policies we formulated include: *Equal Employee Recruitment and Promotion Policy*, *Remuneration Policy*, *Employee Benefits Policy*, *Dismissal and Retirement Policy* and *Labour Contract*. Through these policies, we can standardize and monitor employees' labour rights and obligations, promotion and welfare so that employees are entitled to legitimate rights and interests. Pursuing to the belief of "Men Are All Equal", we formulated the *Employee Diversity Policy*. Besides local applicants, applicants of expatriates and ethnic minorities are also considered during the process of recruitment of both professional and general staff.

We value equality of employees and create a discrimination-free workplace that encourages work-life balance for employees. We organize recreational activities every year to help employees relieve stress at work and provide opportunities for communication and exchange so that they can work and develop in a fair and secure environment.

As a result of the Group's protection to our employees and eliminate any violations against employment ordinance, we did not discover such cases in the reporting period.



2.2 Health and Safety

It is our basic responsibility to maintain the occupational health and safety of our employees. We have formulated occupational health and safety policies in accordance with the relevant requirements of national and local government. Employees are kept informed of the social security policies and related treatment in terms of the social security fund that they have contributed. In case of work-related injuries and incidents occurred, employees will receive timely treatment and protection. In respect of safety protection equipment, we provide employees with a workplace which complies with the national safety and health standards, labour protection products and first aid boxes, etc., so that they can work in a safe environment. We also provide employees with occupational safety training programs to mitigate work-related risks. To meet the mental health needs of employees, we regularly arrange tours and team development activities for staff and organize recreational and sport activities to strengthen the employees' sense of affinity to the Group and enhance their psychological quality. Meanwhile, we engage independent institutions to provide mental health services for our employees. In terms of monitoring the work safety of outsourced contractors, we require the contractors to provide public liability insurance and employers' liability insurance to protect the interests of the public and employees of the contractors. Strictly complying with the relevant laws and regulations, the Group is committed to zero major accidents and work accidents. During the financial year 2016, no violations against relevant health and safety regulations have been recorded.

2.3 Development and Training

We value the mutual growth and development with our employees. Therefore, the Group pushes forward career and staff development policies and subsidizes the training programs for employees such as further education, part-time study, full-time study and study abroad to consolidate and enhance employees' knowledge and competitiveness. Meanwhile, we present to the employees their promotion opportunities and career development paths, and provide on-the-job coaching and guidance for them. Catering to the needs of our employees, we conduct education and training on professional ethics, business techniques, job arrangements as well as the various rules and regulations of the Group. Through the training for employees and regular assessment of training programs, we have established an arena of knowledge and expertise teams.



2.4 Labour Standards

We respect the rights and interests of employees and formulated labour policies based on the PRC's Labour Contract Law. We only recruit adults aged 18 or above and shall never recruit child labour. We also do not force employees to work overtime. Standard working hour policies of no more than 8 working hours every day and 40 working hours every week have been implemented. If employees work overtime, we will provide compensation leave or overtime pay in accordance with the national regulations after obtaining the employees' consent. We have delegated the Human Resources and Administration Department to conduct monitoring so as to ensure that there is no child labour and forced labour. As a result, the number of case violating the labour standards was zero in 2016.



Crowne Plaza Hong Kong Causeway Bay, Hong Kong

3. Supply Chain Management

The Group regards suppliers as its development partners. We promote the concepts of environmental protection and social responsibility among them and urge them to comply with the relevant rules. Therefore, we propose that social responsibility shall be one of the criteria for selecting suppliers, and require every supplier to sign the Letter regarding the Supplier Code of Conduct and follow the supplier code of conduct we have formulated for them. Meanwhile, we have established a review mechanism on suppliers, pursuant to which monthly and annual performance evaluations are conducted with key performance indicators (“KPI”) included in reports so as to ensure that the products and services provided by the suppliers can meet the requirements of environmental protection, quality and social responsibility.

4. Product Responsibility

Product responsibility is crucial for performing the Group’s social responsibility and fundamental for our business survival. Therefore, we have strict requirements on our products and services and have formulated relevant management policies in accordance with laws and regulations. Our policies include:

Products and services quality assurance policy: We provide relevant training for each employee and conduct daily quality inspections.

Health and safety policy for products and services: The products sold by suppliers shall comply with the relevant safety policies. The products shall be energy-saving, environmentally friendly and have no side effect on users. Suppliers shall provide third party liability insurance.

Quality purchasing policy: For projects, procurement is made through online price comparison or on-site quotation from multiple suppliers and selection of suppliers with better corporate integrity, service quality and at a relatively cost-effective price. Suppliers are required to provide business license and other relevant information for assessment.



After-sales service policy: Suppliers shall guarantee the quality of their products sold and include it in the KPI Quality Assessment Report. If any quality issue arises, the products will be replaced free of charge.

Asset recycling policy: We register all assets of our buildings, conduct regular inventory check every quarter and recycle the damaged assets, which fail to be repaired, at a discount effectively.

Due to the Group's effective implementation of product responsibility, no violation against any product responsibility cases occurred during the reporting period.

5. Anti-corruption and Integrity

The Group has established good corporate governance advocating honesty and humility, and maintaining zero tolerance towards corruption. We have formulated various policies against corruption, including: corporate governance policy, bribery, anti-money laundering, extortion and fraud prevention policy, open tender and service contract approval policy, whistle-blowing policy and policy on financial audit by an independent party. As stipulated in the labour contracts, our employees are required to conform to the code of business ethics and shall not commit corruption and bribery. We also require our employees to declare conflict of interest(s) to the Human Resources Department and set up mitigating measures based on the terms of reference of the relevant employees. We provide professional training to our employees and designate professional ethics experts to be responsible for supervising employees in compliance with the code of business ethics. If any violation occurs, the Company will notify Greater China district and take corrective measures to eliminate corruption.

Due to the effective implementation of the above measures, no corruption case occurred in the Group in 2016.

6. Community Integration

The Group cares about our community and actively responds to and participates in community activities. In 2016, we participated in the voluntary blood donation activities regularly organized by neighborhood committees of the community. For the collaborations with community groups, we not only participated in blood donation activities, but also cooperated with blind schools for exchanging views and offering support to students and staff members, enabling our employees to gain valuable experience. Meanwhile, we also actively followed the relevant requirements of the sub-district offices of the community and completed the regional joint activities, firefighting work and hygiene work, providing opportunities for our employees to perform social responsibility, promote love and compassion.

7. Corporate Branding

The Group has been pursuing the belief of "Taking the Lead in Fulfilling Responsibilities, Striving for Innovations". In 2016, we won the following awards in our operations, including:

- 四川省房地產業協會 (Sichuan Province Real Estate Association): 四川省物業服務最高殊榮 (the Highest Award of Sichuan Province Property Service);
- Voted by the world's leading real estate executives: H. Bruce Russell 2016 Global Innovator's Award;
- World Workplace ASIA Conference: Asia-Pacific Annual Best Facility Management Award;
- Frost & Sullivan Asia-Pacific "Excellence Award" Awards Association: Excellence Award for Facilities Management;
- The 14th Annual Conference of Mall China International Symposium and 2016 Asia-Pacific Commercial Asset Management Summit: Excellent Business Management Company;
- LinkedIn: The World's Most Attractive Employers.

Prospect

During the reporting year, the Group upheld the concept of “Respecting the Ecology, Protecting the Society”. Stepping up our efforts to complete the environmental, social and governance tasks through team work, we have achieved gratifying results, won social recognition and brand awards. We are cautious and optimistic about the future, and will continue to take stakeholders’ demands as our development direction. Also, upholding our operating principles of fulfilling legal and compliance matters, we will firmly safeguard our corporate brand and pursue excellence.



Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited

Key Areas/Aspects of the Environmental, Social and Governance Reporting Guidelines	Environmental, Social and Governance Report Sections	Page Number
A. Environment		
Aspect A1: Emissions	Environment	3
Aspect A2: Use of Resources	Environment	4
Aspect A3: Environment and Natural Resources	Environment	4
B. Society		
Employment and Labour Practices		
Aspect B1: Employment	Caring for Employees	4
Aspect B2: Health and Safety	Caring for Employees	5
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Community		
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