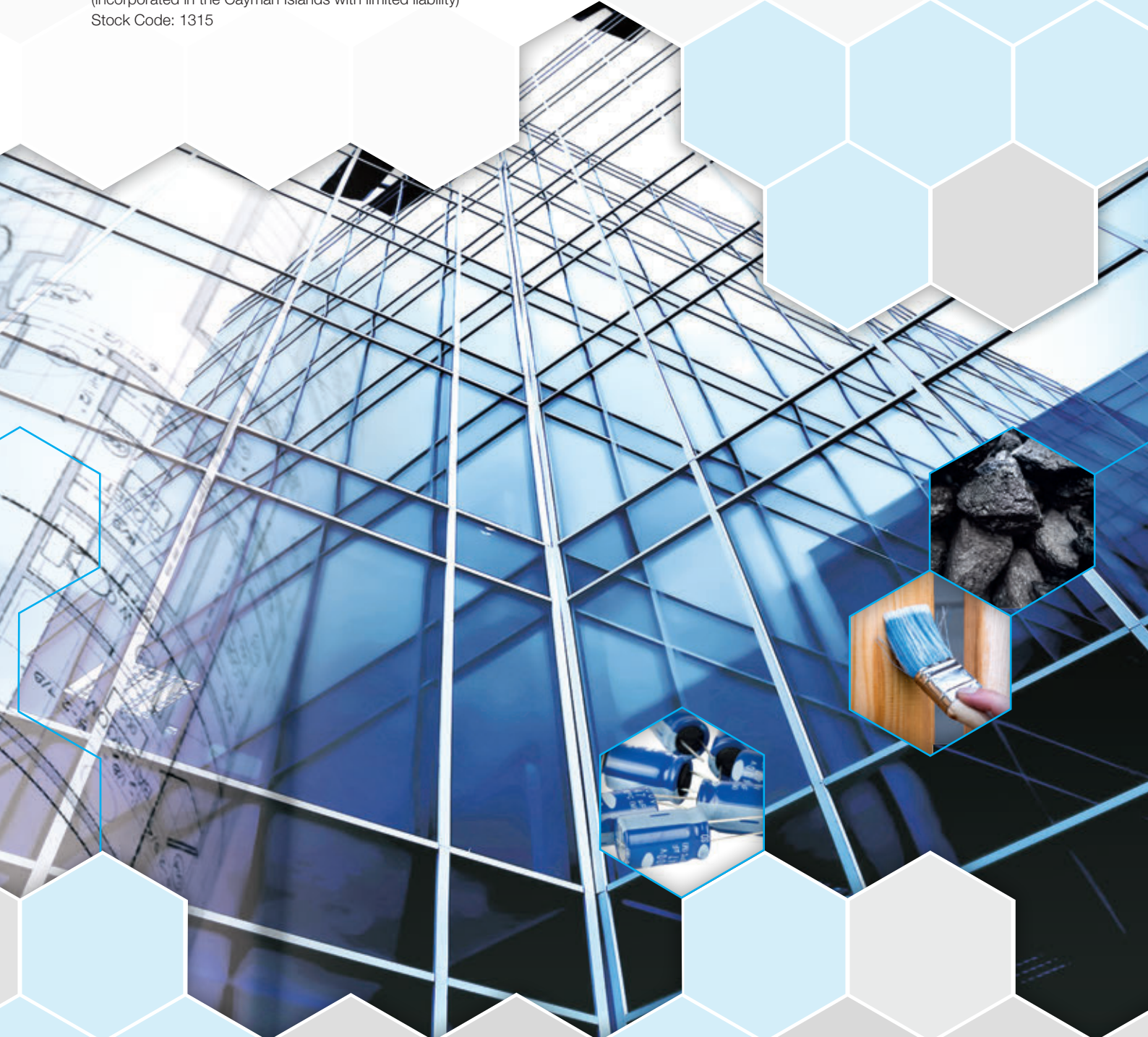


Vision Fame International Holding Limited

允升國際控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 1315



2018
Environmental, Social
and Governance
Report



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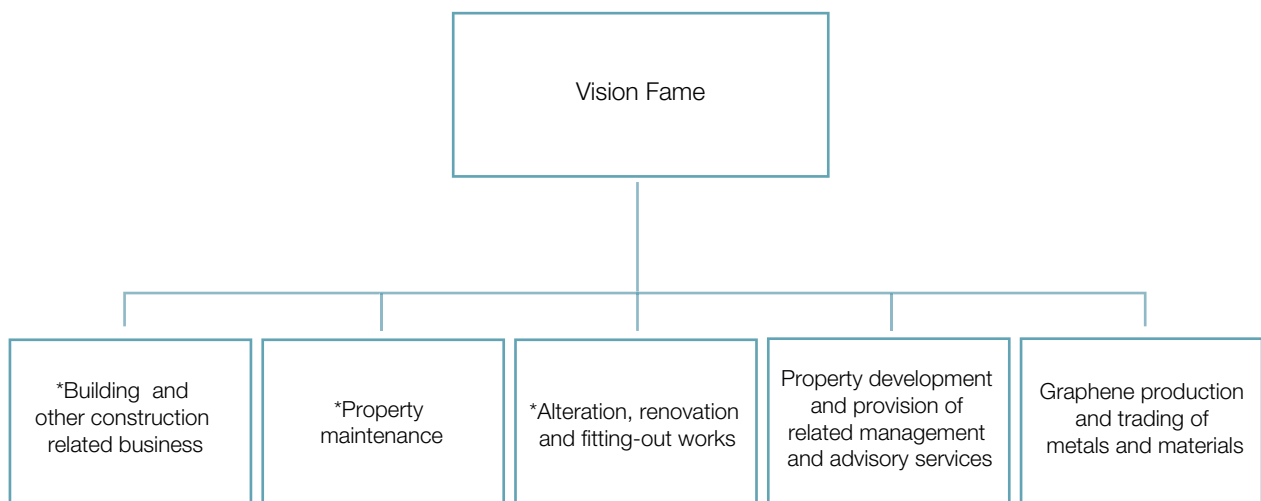
About the Group

Vision Fame International Holding Limited (“Vision Fame” or the “Company”, together with its subsidiaries, the “Group”) mainly focuses on construction services, property maintenance services, alteration, renovation, upgrading and fitting-out works, property development and provision of related management and advisory services.

The Group operates its building construction, maintenance and renovation business through its direct wholly-owned subsidiary, Wan Chung Construction Company Limited (“Wan Chung”), which has completed over 200 construction projects in Hong Kong in the past 20 years. With the steady growth of total construction expenditure in private and public sectors in the coming years, the Group will continue to maintain satisfactory margin and high work quality to secure business competitiveness.

The Group is also engaged in graphene production and trading of metal and materials, and signed cooperation agreements with universities and research institutes for development of downstream graphene products. The Group will extend the use of graphene in other areas, such as electrical equipment and other high-energy and high-power electronic products.

BUSINESS STRUCTURE OF THE GROUP



* These three business segments are directly operated by Wan Chung.

About the Report

This is the second Environmental, Social and Governance (“ESG”) Report (the “report”) published by the Group. By reporting the policies, measures and performances of the Group in environmental and social aspects, it allows all stakeholders to better understand the progress of the Group towards sustainability.

Available in both Chinese and English, the report has been uploaded to the website of the Company www.visionfame.com and SEHK.

REPORTING PERIOD

This report covers the Group’s sustainability performance for the financial year from 1 April 2017 to 31 March 2018. (“the reporting period” or “Fy2018”).

REPORTING SCOPE

This report covers the Group’s operations at the Hong Kong headquarters and five representative projects (“projects”) relevant to the three major business segments (referred to as “sites of operation”) as shown in the table below, while other operations are not included. While this report does not cover all of the Group’s operations, the aim of the Group is to consistently upgrade the internal data collection procedure and gradually expand the scope of disclosure.

Business segments	Projects
Building and other construction related business	1) Main Contract Works — Revitalization of Haw Par Mansion into Haw Par Music Farm
	2) Main Contract Works at Nos. 600-626 Shanghai Street, Mongkok, Kowloon.
Property maintenance	3) Hospital Authority Term Contract for Minor Works 2015 (HA-TMC-025) for Kowloon East and Central Clusters
	4) Term Contract for the Alterations, Additions, Maintenance and Repair of Buildings and Lands and Other Properties for which the Architectural Services Department (Property Services Branch) is Responsible for the Government of the Hong Kong Special Administrative Region Designated Contract Area: Sham Shui Po, Tsuen Wan and Kwai Tsing (Contract No. TC E941)
Alteration, renovation and fitting-out works	5) Main Contract for Renovation Works at Tsz Wan Shan Shopping Centre for Link Asset Management Limited (Contract No. 16-046028)



About the Report (Continued)

REPORTING STANDARD

This report is prepared in accordance with the 'comply or explain' provisions of the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") contained in Appendix 27 of the Rules Governing the Listing of Securities on SEHK. The four reporting principles: materiality, quantitative, balance and consistency form the backbone of this report. To ensure the accuracy of environmental key performance indicators, the Group commissioned a professional consultancy, Carbon Care Asia ("CCA"), to conduct a carbon assessment. In addition, selected key performance indicators that are categorised by the ESG Reporting Guide as 'recommended disclosures' for enhanced reporting. A complete index is inserted in the last chapter of the report for reference.

CONFIRMATION AND APPROVAL

Information contained in this report is sourced from the official documents, statistical data, management and operation information of and collected by the Group and its subsidiaries according to the policies of the Group. The report has been approved by the Board of Directors in October 2018.

OPINION AND FEEDBACK

The Group values the opinion of stakeholders. If you have any questions or suggestions regarding the content or format of the report, please contact the Group by the following channels:

Address: Room 2001 & 2010, 20/F, 118 Connaught Road West, Sai Ying Pun, Hong Kong

Email: info@visionfame.com

Tel: (852) 2283 0200

Fax: (852) 2887 0422



Management Message

To meet the increasing expectations of stakeholders and society at large in relation to sustainable development, Vision Fame is committed to improving its environmental and social performance by employing sustainability best practices. During the reporting period, we put our focus on the environment and our employees to enhance their wellbeing with a number of measures.

Our operations are managed according to the established requirements of our environmental and energy management systems, which effectively help our team to identify, assess and reduce environmental risks. In particular, we have included noise in our assessment of key performance indicators to present a fuller picture.

Occupational health and safety is material to Vision Fame because the health and safety of our employees is always a priority. We strive to maintain a strong culture of safety to ensure that employees are safe and alert to potential risks in the working environment. Resources including the Occupational Health and Safety Manual and behavior safety programmes are provided to all employees to help prevent and control occupational hazards.

The talents of our people is essential to the achievement of our goals. In this reporting period, we offered new training programmes to employees to help them fulfill changing business and personal needs. Various employee activities were also organized to improve cohesion among employees as we believe that much more can be accomplished by a united team.

Together with our stakeholders, we aim at becoming an industry leader in contributing to the sustainable development of our society and building a better future for all.

Chau Chit

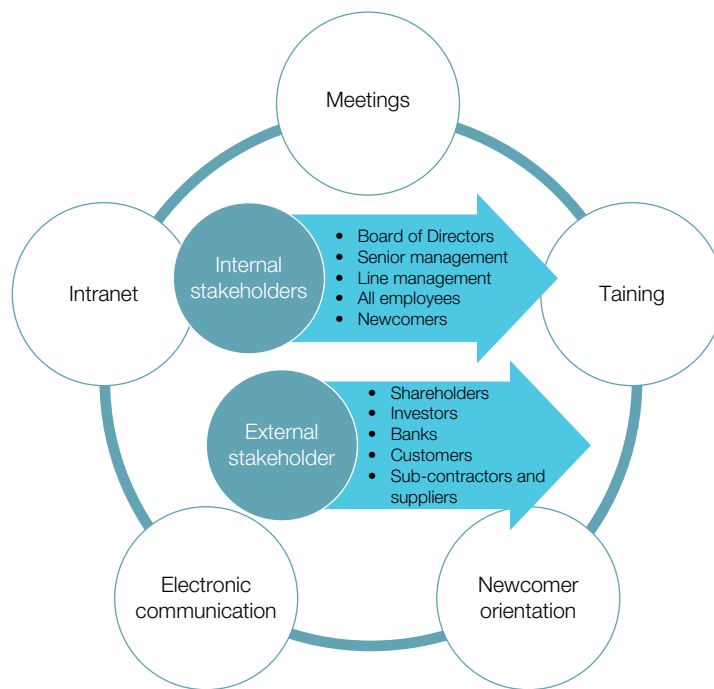
Chairman

Vision Fame International Holding Limited

Stakeholder Engagement

As a key in the business management of the Group, stakeholder¹ participation helps the Group review potential risks and business opportunities, and also facilitates the mitigation of these risks as well as the realisation of opportunities. Exchange with stakeholders and understanding their views allow the Group to better fulfil their needs and expectations with its business practice and manage different stakeholders' opinions. The Group constantly communicates with key internal and external stakeholders through various channels. In this reporting period, the Group has expanded the stakeholder engagement to ensure that every important stakeholder has the opportunity to learn about the Group's development and operation directions and offers the Group the chance to listen to them in order to identify the priority of issues and develop corresponding policies.

MAIN MEANS OF STAKEHOLDER ENGAGEMENT



¹ Stakeholders refer to groups or individuals materially influencing or affected by the Group's business. Internal stakeholders include Board of Directors, senior management, line management, all employees and newcomers. External stakeholders include shareholders, investors, bank, customers, sub-contractors and suppliers.

Stakeholder Engagement (Continued)



MATERIAL SUSTAINABILITY ISSUES IN THE REPORTING PERIOD

To formulate the Group's sustainability strategy and direction and to identify the most important environmental and social issues for the Group and its stakeholders, the Group commissioned CCA to conduct a management interview. Combining the results of interview and expert advice, the Group has identified three material issues from the 11 environmental and social aspects of the ESG Reporting Guide to be the material focus of this report.



To ensure the effectiveness of stakeholder engagement, the Group dedicates itself to establishing communication mechanisms for transparency, integrity and accuracy and providing timely response to stakeholders on an ongoing basis. In future, the Group will consider the possibility of strengthening its interaction with stakeholders to create mutually beneficial relationships.

Protecting the Environment

The Group believes that contributing to a more sustainable environment is imperative to maintaining a sustainable business and seeks to continually improve the environmental performance of its operations. The Group has developed the Environmental Policy Statement to ensure the environmental performance of its business operations while all detailed guidelines on controlling emissions and use of resources are provided in the Operational Control Handbook. The ISO 14001 Environmental Management System (“EMS”) and ISO 50001 Energy Management System (“EnMS”) have also been established to ensure the implementation and continuous improvement of environmental practices.

EMISSIONS

The Group has developed the Operational Control Handbook which sets out practical guidelines for employees on controlling the major emissions from its operations, which are air pollutants, effluents, waste, noise, etc.

Greenhouse gas emissions

To quantify the greenhouse gas (“GHG”) emissions (or “carbon emissions”) of its operations as the first step in establishing a carbon reduction strategy, the Group has employed a professional consultancy, CCA, to conduct a carbon assessment to quantify the GHG emissions of its operations in the reporting period. The quantification process is in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, with reference to other international standards such as the ISO 14064 standard and the GHG Protocol.

The total GHG emissions of the sites of operation is 271.8 tonnes and the largest contributor to it is the generation of purchased electricity (Scope 2), accounting for approximately 69%; it is followed by direct emissions (Scope 1) from combustion of fuels in company-owned mobile combustion sources (i.e. vehicles and excavator), accounting for approximately 18%. Other indirect emissions (Scope 3) include methane gas generation at landfills due to disposal of paper waste, electricity used for fresh water and sewage processing as well as employee business travel, which collectively make up around 13% of the Group’s total emissions. Regarding detailed key performance indicators on emissions, please refer to the section of Key Performance Indicators on p.19.

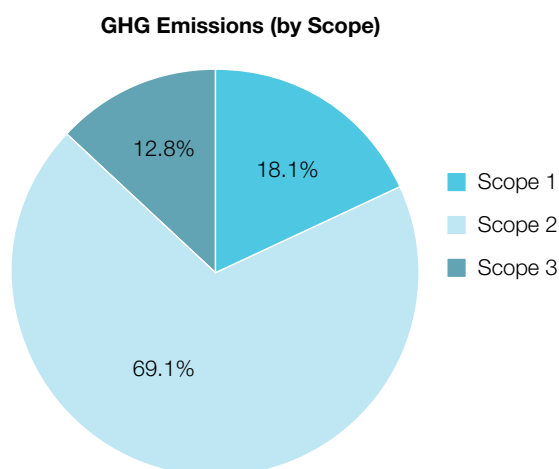


Figure 1 GHG emissions of the sites of operation, Fy2018

Protecting the Environment (Continued)

The Group will continue to assess, record and disclose its GHG emissions annually. Data in the reporting period will be used as a baseline for comparison against the data in the coming years, which will form the foundation for establishing a more refined carbon reduction strategy.

Air emissions

The key air pollutants from the sites of operation include nitrogen oxides, sulphur oxides and particulate matter. In the reporting period, these air pollutants were mainly generated by passenger cars as well as an excavator used in the projects related to the Group's building and other construction related business.

Air Pollutants	Air Emissions Emissions (in kg)	
	Fy2018	Fy2017
Nitrogen oxides	10.0 ²	15.0
Sulphur oxides	0.3	0.4
Particulate matter	0.7 ²	1.1

Understanding air pollutants seriously threaten the health of employees and the community, the Group has established specific monitoring and control measures in the Operational Control Handbook for different operations, such as loading, blasting, concrete production, etc.

Water

To minimize the impacts on marine water quality of the effluent discharge, the Group has formulated guidelines related to the potential water quality impacts, to set standards and associated control measures for effluent discharge. To avoid surface runoff into communal sewers, storm water drains, river courses, water bodies or soakaway system, the bottom of the hoarding is sealed with cement and the connection to the public sewage is blocked at the site of operations. Besides, exposed soil surface is paved and construction materials are covered to prevent soil erosion. The Group also provides sediment traps, pits or basins facilities to abstract wastewater and remove waste particles from the on-site sewage system. For projects of building and other construction related business, an off-site wastewater treatment system is also adopted for wastewater collection and treatment, including sedimentation tanks, chemical coagulation and pH adjustment, to ensure the quality of the effluent discharged meets the prescribed standard.

2 Covering emissions from passenger cars used by employees at the Hong Kong headquarters.

Protecting the Environment (Continued)

Waste

The Group has developed a comprehensive framework outlining the requirements of waste collection, storage, transport, treatment and disposal. Inert Construction and Demolition (“C&D”) material is disposed of at public filling area for reclamation purpose while non-inert C&D waste is disposed of at strategic landfills. In the reporting period, for hazardous waste such as chemical waste, 0.03 tonnes of spent fluorescent tubes were generated from projects related to property maintenance and all of them were collected by qualified contractors. For non-hazardous waste, 2,284 tonnes of non-inert C&D waste, 2,173 tonnes of inert C&D waste and 1,009 tonnes of mixed C&D waste were generated from the five projects.

Type of Waste	Waste Amount (tonnes)	
	Fy2018	Fy2017
Hazardous Waste³	0.03	0.62
Non-hazardous Waste⁴		
– Inert C&D waste	2,173	2,430
– Non-inert C&D waste	2,284	1,720
– Mixed C&D waste	1,009	944

To avoid illegal dumping, a Trip-Ticket System is implemented to monitor the waste material delivery record to ensure proper disposal of C&D materials for building and construction business. For chemical waste, a licensed waste collector is engaged for collection and removal. To minimise overall C&D waste, practical guidelines on source reduction, waste reuse, sorting and recycling are also provided to employees.

Since the amount of waste generated from the Hong Kong headquarters is not significant, the Group did not measure its waste generated during the reporting period. To better monitor waste generation, the Group plans to collect records of non-hazardous waste generated from the Hong Kong headquarters in the near future and disclose the amount generated in future reports.

Noise

To reduce noise disturbance to the community, the Group has developed a set of noise abatement procedures to control noise pollution during construction, such as using equipment which has been effectively silenced, enclosing machines within insulation materials and silencers as well as installing noise barriers. During the reporting period, the Group has one non-compliance case under the Noise Control Ordinance. An electric hand-held grinder was used to carry out construction work outside the site boundary with the Construction Noise Permit (“CNP”) granted and the Group was fined HKD30,000 for such violation. To ensure the employees understand the CNP requirements in the future, the Group has updated the Operational Control Handbook in 2017 that the project safety officer shall brief the frontline supervisor and workers for the detailed requirements of the CNP granted.

The Group abided by the environmental laws and regulations that apply to its sites of operation, including but not limited to the Air Pollution Control Ordinance (Cap. 311), Water Pollution Control Ordinance (Cap. 358) and Waste Disposal Ordinance (Cap. 354) of Hong Kong. During the reporting period, the Group did not identify any non-compliance cases in relation to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

3 Covering waste generated at the projects related to property maintenance.

4 Covering waste generated at the projects only.

Protecting the Environment (Continued)

USE OF RESOURCES

The Group's major use of resources include energy, water and construction materials. The Group has established the Environmental Policy Statement to emphasize its commitment in using the resources sustainably through source reduction, recycling and control measures.

Energy

The Group is committed to conserving energy and seeking continuous improvement of energy efficiency. For energy use in the reporting period, the Hong Kong headquarters and projects for the building and other construction-related business consumed petrol and diesel for passenger cars and an excavator respectively. The ISO 50001 EnMS has been developed to set out policy and various energy efficiency and conservation practices. The energy management team with employees from different departments assists the energy management representative to perform duties in achieving the Group's objectives and targets for improving energy performance. To ensure comprehensive energy management across its operations, EnMS implementation training, energy awareness training, and job-specific training are provided for relevant employees. Besides, the Group purchases energy efficient equipment, lights and appliances with reference to their energy labels.

Water

For efficient use of water, apart from water consumption analysis of individual supply points and remedial actions for large consumption, off-site wastewater treatment facilities were installed to treat sediment-laden wastewater to levels suitable for re-use in general site works for projects of building and other construction related business, such as wheel washing, dust suppression and general cleaning.

Construction Materials

To reduce the use of construction materials at source, the Group sets out policy on purchasing criteria such as ordering materials in varying lengths to meet different construction project uses, as well as adopting off-site prefabrication to reduce cut-off wastage, etc. In addition, building products made with recycled materials and salvaged building materials would be used whenever possible. At construction sites, a specific area is designated for on-site waste sorting to recover waste generated, which can be reused in the same or other construction projects to minimise waste.

Regarding key performance indicators on use of resources, please refer to the section of Key Performance Indicators on p.20.

Protecting the Environment (Continued)

Green Office Measures

The Group has provided practical green office tips in the Operational Control Handbook to encourage employees to save resources:

Resource	Highlights of measures
Electricity	<ul style="list-style-type: none">— Set up power-saving mode for electrical appliances;— Post “Energy Saving” labels to switches and layout plan for the utilities; and— Measure and monitor electricity consumption.
Water	<ul style="list-style-type: none">— Measure and monitor water consumption;— Install low-flow aerators on all faucets; and— Install automatic sensors to shut faucets off automatically for the Hong Kong headquarters.
Paper	<ul style="list-style-type: none">— Order 10% recycled paper in each order; and— Place a collection box next to printers for reusable paper.

Moving forward, the Group will regularly review its resources consumption and associated reduction measures to seek continuous improvement.

THE ENVIRONMENT AND NATURAL RESOURCES

The Group acknowledges its environmental impact and recognises the importance of proper management. A detailed emergency plan has been established regarding potential risks and incidents from its operations which may have a significant impact on the environment and natural resources, such as chemical spillage and oil spillage. The emergency plan, including procedures, preventive and responsive measures and training, etc., would be reviewed annually for continuous improvement.

As the Group has not developed its policy regarding the management of the significant impacts of its operations on the environment and natural resources, moving forward, the Group will refine the Environmental Policy Statement and address how to minimise its impact on the environment and natural resources.



Employment and Labour Practices

HEALTH AND SAFETY

The Group is committed to creating a healthy and safe working environment for employees. The Group has developed the Occupational Health and Safety (“OHS”) Policy statement in order to manage OHS risks and provide a safe and healthy environment. The Group has also established an OHS management system in accordance with OHSAS 18001 standards. Besides, a Site Safety & Environmental Committee (“SSEC”) has been established at site level to ensure the implementation of OHS measures and effective communication with employees at all levels.

Operational Procedures and Work Instructions

All employees are required to comply with the Safety, Health and Environmental Protection Guideline as stipulated in the Employee Handbook. To provide employees with practical guidelines on protecting themselves from occupational hazards, the Group continues enforcing its OHS rules regarding operation of machinery and equipment, fire safety, chemical safety, hazard management, housekeeping and personal protective equipment, etc.

OHS Risk Identification

To reduce the OHS risk, a systematic risk assessment mechanism was established to provide means of potential risk identification, evaluation and remedial actions. The Group has also developed procedures to identify various potential emergency situations and corresponding response plan, which includes alarm and communication system, emergency equipment, evacuation route, drills and training, so that employees can be acquainted with emergency responses.

Work Injury and Remedial Measures

During the reporting period, there were three work injuries resulted from slips, trips and falls (“STF”). One of the employees concerned has thereafter recovered and resumed their duties as of the date of releasing this report, while the other two employees are still taking paid leave after receiving medical treatment. The Group has investigated the incidents and reviewed operational safety procedures and work instructions concerning STF to improve safety awareness of employees. Regarding key performance indicators on health and safety, please refer to the section of Key Performance Indicators on p.21.

The Group abided by the laws and regulations on health and safety that apply to its sites of operation, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509), Factories and Industrial Undertaking Ordinance (Cap. 59), Boilers and Pressure Vessels Ordinance (Cap. 56) and Electricity Ordinance (Cap. 406) of Hong Kong. During the reporting period, the Group did not identify any non-compliance cases in relation to health and safety.

TRAINING AND DEVELOPMENT

The Group believes that training and development is key to career development of its employees and therefore continuously invests in relevant measures. The Group has developed the Training and Development Policy Statement to set out its approach and commitment to training and development for employees.

Employment and Labour Practices (Continued)

Training

The Group has developed a comprehensive training programme for all employees. To build up a learning culture in line with the “five core values”⁵, sufficient training opportunities are provided for employees to enhance their knowledge and skills. Four working days of study leave and unlimited examination leave are also granted for employees per academic year. Highlights of the training courses include:

New employees

- Orientation, and
- Safety card training

Existing employees

- Monthly training for junior employees for personal development and soft skills;
- Monthly training for senior employees to learn about business intelligence of different countries and industries;
- The OHS training programme covers regular site-specific training and tool-box talks for different employees based on their job nature.;
- External job-related training (sponsored by the Group); and
- Seminars and workshops.

Percentage of employees trained
Fy2018: 88%
Fy2017: 62%

Total training hours:
2,403 hours

99% of employees received performance appraisal

Development

To encourage continuous self-development and improvement, counselling, training and career planning are provided for employees. Job relocation to other subsidiaries under the Group is also allowed for better career development and job fit. The Group also recognises the significance of two-way communication. During annual performance appraisal with employees, employees can discuss their performance, personal goals and plans with their supervisors, after which supervisors would propose training needs based on appraisal results for further evaluation and approval.

Regarding key performance indicators on training and development, please refer to the section of Key Performance Indicators on p.22.

⁵ The five core values are system thinking, personal mastery, mental models, shared values and team learning.



Employment and Labour Practices (Continued)

EMPLOYMENT

As a caring and responsible employer, the Group emphasizes the importance of creating an encouraging, fair, safe and healthy working environment. Employment-related practices, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination and benefits for employees are communicated through the Employee Handbook.

The Group is dedicated to creating a fair working environment in which decisions regarding recruitment is based on the candidates' experience and qualifications. Besides, no harassment or discrimination of race, religion, nationality, age, sex, pregnancy, disability, marital status and family status is tolerated in the Group. Since one of the projects was completed during the reporting period, there was an increase in employee turnover rate in the reporting period.

Employees can express their opinions, suggestions or complaints through different means. They can report to their department heads, the Human Resources Department or senior management directly. The Human Resources manager will investigate the report and discuss with senior management for further actions. The Group did not receive any employee grievances in the reporting period. Regarding key performance indicators on employment, please refer to the section of Key Performance Indicators on p.21.

The Group abided by the employment laws and regulations that apply to its sites of operation, including but not limited to the Employment Ordinance, Employee Compensation Ordinance, Sex Discrimination Ordinance, Disability Discrimination Ordinance, Race Discrimination Ordinance and Family Status Discrimination Ordinance of Hong Kong. During the reporting period, the Group did not identify any non-compliance cases in relation to employment.

Moving forward, the Group will consider refining its employment policies to include measures on promoting diversity at the workplace.

LABOUR STANDARDS

The Group recognises that child labour and forced labour violate fundamental human rights. As articulated in the Group's Policy Statement of Labour Standard, the Human Resource Department would conduct inspection of identity documentations or working visa at recruitment to prevent recruiting child labour. To prohibit forced labour, employees are free to terminate their employment contracts with sufficient notice time as stated in their employment contracts, and are entitled to overtime compensation for overtime work.

The Group abided by the relevant laws and regulations that apply to its sites of operation. During the reporting period, the Group did not identify any non-compliance cases in relation to child labour and forced labour.

Operating Practices

SUPPLY CHAIN MANAGEMENT

The Group acknowledges its responsibility in playing an important role in managing the social and environmental risks of the lifecycle of its business operations, in which a group of sub-contractors and suppliers are engaged to provide products and services for the Group.

The Procurement and Tendering Department shall evaluate potential sub-contractors and suppliers of their past performance of safety, health and environmental works, quality of equipment or materials and thereafter list the approved parties for the Contract Administration Department for their further assessment. Sub-contractors and suppliers are evaluated at least once every three years or after completion of their contracts so as to review their suitability to remain on the approved list.

To manage social risks, the Group requires sub-contractors and suppliers to conduct their business in accordance with the Prevention of Bribery Ordinance under the Code of Conduct (“CoC”) established by the Group. The Group also encourages both suppliers and sub-contractors to procure environmentally friendly products according to its “Green Purchasing Tips”.

Moving forward, the Group will consider refining its CoC for sub-contractors and suppliers regarding environmental and social risks.

PRODUCT RESPONSIBILITY

Quality Management

The Group is dedicated to providing quality products and services. The Group has established a Quality Management System (“QMS”) in accordance with the ISO 9001:2015 standards, with a QMS Manual that sets out policy and practical guidelines for each responsible department to continuously improve the products and services provided. Before the intended use or delivery of products or services to the clients, respective inspection and testing as well as re-verification are carried out. If non-conformance is identified, the Group will review the situation and require relevant parties to remedy and prevent the non-conformance from re-occurring. There were no recall cases reported in the reporting period.

Protection of Intellectual Property and Customer Privacy

The Group has formulated the Intellectual Property Policy and requires employees, suppliers and sub-contractors to respect intellectual property by complying with relevant laws and regulations. Employees and directors are also required to protect customers’ personal data in the CoC to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486).

The Group’s operations in construction services, property maintenance services, and alteration, renovation and fitting-out works do not involve advertising and labelling of services and products provided.

The Group abided by the relevant product responsibility laws and regulations that apply to its sites of operation as detailed above. During the reporting period, there were no cases of non-compliance in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided.

Operating Practices (Continued)

ANTI-CORRUPTION

The Group upholds its values in honesty, integrity and fair play and has zero tolerance for bribery, extortion, fraud and money laundering. The Group has formulated relevant policies in the CoC and Employee Handbook which discourage employees from soliciting or accepting advantages. If receiving gifts or money is unavoidable under special circumstances, employees are required to report to management and the Group will decide on the disposal methods to prevent any conflict of interest. The Group also requires its suppliers and sub-contractors to comply with their CoC in terms of acceptance of advantages and declaration of conflict of interest.

The Group abided by the relevant anti-corruption laws and regulations that apply to its sites of operation, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) of Hong Kong. During the reporting period, the Group did not identify any cases of non-compliance or legal cases in relation to in relation to bribery, extortion, fraud and money laundering.

Community Investment

As a caring company with a vision of “Care for the needs of the community, shoulder social responsibility”, the Group has established the Corporate Social Responsibility Statement which emphasizes the Group’s commitment in making a positive impact on the society by engaging in community and charitable activities, supporting those in need and encouraging its employees to contribute to the communities where the Group operates.

The Wan Chung Volunteer Team is formed, which consists of employees and their family members as well as contractors, to organise various volunteer activities focusing on community, environment and education in the reporting period. The Group recognises employees’ contribution by granting early release or paid time-off for volunteering employees, subsidising volunteering activities, providing company facilities and venue for volunteer activities, etc.

Highlights of activities	Number of volunteers	Number of volunteer hours	Amount of contribution (HKD)
---------------------------------	-----------------------------	----------------------------------	-------------------------------------

A total of 17 activities organised in the reporting period, such as:

– Let’s Do It World Cleanup Day;			
– 2nd Chance 2nd Life;			
– Blood Donation;	284	812 hours	67,000
– Food Angel Volunteering; and			
– Elderly visit.			

To fulfil its role as a responsible corporate citizen, the Group plans to team up with volunteer teams of other corporations or local charities to organise various community programmes for those in need.

Key Performance Indicators

ENVIRONMENTAL PERFORMANCE

The types of emissions and respective emissions data	Quantity	Unit
Nitrogen oxides (NO _x) ⁶	10.0	kg
Sulphur oxides (SO _x)	0.3	kg
Particulate matter/Respirable suspended particles (RSP) ⁶	0.7	kg
Total hazardous waste produced		
Total hazardous waste ⁷	0.03	tonnes
Hazardous waste intensity (by revenue)	0.12	tonnes per thousand HKD
Total non-hazardous waste produced		
Total non-hazardous waste ⁸	5,465.7	tonnes
Non-hazardous waste intensity (by revenue)	12.7	tonnes per million HKD

GHG Emissions

Scope/emission source	FY2018 Emissions (tonnes of CO ₂ equivalent)				Total
	Hong Kong headquarters	Alteration, Renovation and Fitting-out Works	Building and Other Construction Related Business	Property Maintenance	
Scope 1 – Direct emissions from sources					
Combustion of fuels in mobile sources	47.2	Not applicable	2.1	Not applicable	49.3
Scope 2 – Energy indirect emissions					
Electricity purchased from power companies	78.4	1.5	85.9	22.0	187.8
Total GHG emissions (Scope 1 and 2)					237.1
Scope 3 – Other indirect emissions that occur outside the company					
Disposal of paper waste	15.9		3.2	4.2	
Fresh water processing by the Water Services Department	0.1	Not applicable	1.1	0.0	
Sewage processing by the Drainage Services Department	0.0		0.6	0.0	
Business travel by employees	9.6		Not applicable	Not applicable	
Total GHG emissions (Scope 1, 2 and 3)					271.8
GHG Intensity	2.1 tonnes of CO ₂ equivalent per employee		0.28 tonnes of CO ₂ equivalent per million HKD revenue		

6 Covering emissions from passenger cars used by employees at the Hong Kong headquarters.

7 Covering waste generated at the projects related to property maintenance.

8 Covering waste generated at the projects only.

Key Performance Indicators (Continued)

Use of Resources

Energy Use (by type)	FY2018 Amount of Energy Consumed				Total
	Hong Kong headquarters	Alteration, Renovation and Fitting- out Works	Building and Other Construction Related Business	Property Maintenance	
Direct energy use					
Petrol (GJ)	577.5	Not applicable	Not applicable	Not applicable	606.7
Diesel (GJ)	Not applicable	Not applicable	29.2	Not applicable	
Indirect energy use					
Electricity (MWh)	153.7	2.9	134.8	43.1	334.4
Total energy consumption (MWh-equivalent)					502.9
Energy intensity (Hong Kong headquarters by number of employees) (MWh-equivalent per employee)					4.4
Energy intensity (projects by revenue) (MWh-equivalent per million HKD)					0.4

Water Consumption	Amount of Water Consumed		Unit
	Fy2018	Fy2017	
Total water consumption	3,054	1,699	m ³
Water intensity Hong Kong headquarters by number of employees	1.9	Not disclosed	m ³ per employee
Water intensity (projects by revenue)	7.4	Not disclosed	m ³ per million HKD
Fy2018 Total packaging material used for finished products			
Total packaging material used		Not applicable	
Packaging material used per unit produced		Not applicable	

SOCIAL PERFORMANCE

Total workforce by gender, age group, employee category and region

Region	Gender	Employee category	Age	Age	Age	Age	Total (by gender)	Total
			<30	30-40	41-50	>50		
Hong Kong	Male	C-level executives	0	0	0	0	112	157
		Senior management	0	0	3	8		
		Middle management	1	0	12	7		
		General employees	25	20	19	17		
	Female	C-level executives	0	0	0	0	45	
		Senior management	0	0	2	2		
		Middle management	0	1	1	2		
		General employees	12	8	14	3		
Total (by age group)			38	29	51	39		

Key Performance Indicators (Continued)

Total workforce by employment type

Region	Employment type	
	Full-time employees	Part-time employees
Hong Kong	5	0
	8	0
	72	1
	71	0
Total	156	1

Employee turnover rate by region, age group and gender

Region	By age group				Total (By region)	
	Age <30	Age 30-40	Age 41-50	Age >50	Fy2018	Fy2017
Hong Kong	81.60%	48.30%	37.30%	23.10%	46.5%	21%
	By gender					
	Male		Female			
	49.10%		40%			

Ratio of workforce and average salary (male to female employees)

	Fy2018	Fy2017
Ratio of number of male to female employees	2.5:1	2.8:1
Ratio of salaries of male to female employees	1.4:1	1.4:1

Work related fatality and injury

Gender	Number and rate of work-related fatalities	Number of worked-related injuries	Number of days lost due to work injury	Rate of worked-related injuries (per thousand employees)
Male	0, 0%	3	273	19.11
Female	0, 0%	0	0	
Total	0, 0%	3	273	

Key Performance Indicators (Continued)

Percentage of trained employees by gender and employee category

Employee category	Male (Person)	Female (Person)	Percentage of trained employees (by employee category)
C-level executives	0	0	0%
Senior management	8	4	80%
Middle management	13	4	70.8%
General employees	73	36	92.4%
Percentage of trained employees (by gender)	83.9%	97.8%	

Average training hours by gender and employment category

Employee category	Male (Hours)	Female (Hours)	Average training hours per employee (By employee category)	Overall average training hours per employee	Fy2018	Fy2017
C-level executives	0	0	0	15.3		16
Senior management	233	205	29.2			
Middle management	272	111	16.0			
General employees	896	686	13.4			
Average training hours per employee (By gender)	12.5	22.3				

Percentage of employees having received regular performance review

Employee category	Male (Person)	Female (Person)	Percentage of employees having received regular performance review
C-level executives	0	0	
Senior management	10	4	98.7%
Middle management	20	4	
General employees	81	36	

ESG Reporting Guide Content Index

Material Aspect	Content	Page Index/ Remarks
A. Environmental		
<i>A1 Emissions</i>		
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.	8-10
A1.1	The types of emissions and respective emissions data.	9, 19
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8, 19
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10, 19
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	10, 19
A1.5	Description of measures to mitigate emissions and results achieved.	8-9, 19
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	10, 19
<i>A2 Use of Resources</i>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	11-12
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	20
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	20
A2.3	Description of energy use efficiency initiatives and results achieved.	11-12, 20
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	11-12, 20; No issue in sourcing water
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	20
<i>A3 The Environment and Natural Resources</i>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	12
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

ESG Reporting Guide Content Index (Continued)

Material Aspect	Content	Page Index/ Remarks
B. Social		
<i>B1 Employment</i>		
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.	15
B1.1	Total workforce by gender, employment type, age group and geographical region.	21
B1.2	Employee turnover rate by gender, age group and geographical region.	21
<i>B2 Health and Safety</i>		
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.	13
B2.1	Number and rate of work-related fatalities.	21
B2.2	Lost days due to work injury.	21
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	13
<i>B3 Development and Training</i>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	13-14
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	22
B3.2	The average training hours completed per employee by gender and employee category.	22
<i>B4 Labour Standards</i>		
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 and forced labour.	15
B4.1	Description of measures to review employment practices to avoid child and forced labour.	

ESG Reporting Guide Content Index (Continued)

Material Aspect	Content	Page Index/ Remarks
<i>B5 Supply Chain Management</i>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	16
B5.2 (Partial)	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
<i>B6 Product Responsibility</i>		
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.	16
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	16
B6.3	Description of practices relating to observing and protecting intellectual property rights.	16
B6.4 (Partial)	Description of quality assurance process and recall procedures.	16
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	16
<i>B7 Anti-corruption</i>		
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.	17
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
<i>B8 Community Investment</i>		
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.	18
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	18
B8.2	Resources contributed (e.g. money or time) to the focus area.	18