



**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

**Environmental, Social and Governance Report**  
**Year 2018/2019**

## **INTRODUCTION**

This Environmental, Social and Governance (“ESG”) Report covers the ESG performance of Pioneer Global Group Limited (the “Company”) and together with its subsidiaries (the “Group”) for the year ended 31 March 2019 and is prepared with reference to ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and in accordance with the operational status of the Group.

For the governance section, please refer to pages 21 to 32 of our Annual Report 2018/2019 for the Corporate Governance Report. During the year ended 31 March 2019, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules.

## **REPORTING PURPOSE**

The Group believes a successful enterprise should not maximize profit at all costs, but should endeavor to balance stakeholders’ interests and social responsibility for maintaining an enterprise’s sustainable development. Therefore, the purpose of this report is to improve stakeholders’ understanding and to introduce ongoing sustainability initiatives directed towards the community and the environment.

## **REPORTING BOUNDARY**

The Group’s business is mainly investing in office properties in Hong Kong for rental income and capital gain. This report covers our 3 major buildings in Hong Kong, namely Pioneer Place (“PP”), Club Lusitano Building (“CL”) and 68 Yee Wo Street Building (“68 YWS”) which together account for 95% of the Group’s total rental revenue. Savills Property Management Limited is the property manager of CL and 68 YWS. Jones Lang LaSalle Management Services Limited is the property manager of PP.

### **A. ENVIRONMENTAL**

#### **Aspect A1: Emissions**

Our policy is to minimize environmental impacts and to fully comply with laws and regulations in relation to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. In our business, we focus on minimizing our environmental footprint and making a positive impact on the environment. We also engage our staff, tenants and partners to promote environmentally sustainable business practices.

As a property owner, our environmental footprint is mainly comprised of GHG emissions from electricity and water consumption from our rental property operation and our operation does not result in significant air emissions, discharges into water and land or generation of hazardous and non-hazardous wastes.

**Key Performance Indicator:**

Types	Year 2018/2019		Year 2017/2018	
	Total (in kg)	Intensity (kg per sq. ft.)	Total (in kg)	Intensity (kg per sq. ft.)
GHG emissions <sup>1</sup>	<u>5,025,824</u>	<u>9.06</u>	<u>4,656,563</u>	<u>8.39</u>

1 The increase was due to

- (i) higher occupancy rate in year 2018/2019 for PP; and
- (ii) generally higher temperatures for some months in year 2018/2019.

We support environmental conservation at both office and rental property. At office level, we participate in the Green Office Awards Labelling Scheme organized by World Green Organisation to implement green initiatives, encourage staff to join environmental related training, initiate recycling programs at office, e.g. red packet envelopes recycling campaign and provide greenery in rooms and common areas of office. At rental property level, we advocate e-bill, e-receipt and e-circular to our tenants and actively participate in various energy saving programs, e.g. participating in Earth Hour and waste recycling programs, e.g. participating in moon cake box recycling program. Also, we replace traditional lightings with LED lightings and energy saving fluorescent light tubes in the common areas and carpark of our rental properties phase by phase.

In the future, we are planning to adopt more green management such as installation of reverse vending machines, broadcasting environmental related advertisements in our e-notice board and placing umbrella dryer in the lobby of the rental properties.

**Aspect A2: Use of Resources**

The Group mainly consumes electricity and water during the operation and our policy is to ensure efficient use of resources including energy and water in our rental properties. We place high priority on the efficient use of resources, and we have introduced saving measures in our properties to help reducing the energy and water consumption as follows:

- maintaining the indoor temperature of common areas at 25 degrees Celsius;

- using more environmental friendly water-cooled air conditioning system and reusing the wastewater from the cooling towers for toilets flushing;
- switching-off lighting installations of decorative, promotional or advertising purposes that affect the outdoor environment between 11:00 p.m. to 7:00 a.m.;
- using of water efficient and/or low-flow water fixtures including automatic faucet and automatic flushing system; and
- replacing energy wasting lights with LED lightings or energy saving fluorescent light tubes in most of the common areas and carparks.

**Key Performance Indicator:**

Types	Year 2018/2019		Year 2017/2018	
	Total	Intensity (per sq. ft.)	Total	Intensity (per sq. ft.)
Electricity (kWh) <sup>1</sup>	<u>6,803,326</u>	<u>12.26</u>	<u>6,367,844</u>	<u>11.47</u>
Water (m <sup>3</sup> ) <sup>2</sup>	<u>24,529</u>	<u>0.04</u>	<u>22,375</u>	<u>0.04</u>

1 The increase was due to

- (i) higher occupancy rate in year 2018/2019 for PP;
- (ii) full loading of chiller units in operation at CL and 68 YWS; and
- (iii) generally higher temperatures for some months in year 2018/2019.

2 The increase was due to

- (i) higher occupancy rate in year 2018/2019 for PP;
- (ii) more frequent of deep cleaning for common areas of 68 YWS including back staircases, lift lobbies, carpark and rooftop; and
- (iii) slightly increase in toilet usage throughout financial year 2018/2019 for CL.

Our Group often looks into any measures and options for consuming energy and water more conservatively in our future operations and maintenance works, for examples, we consider to install sensors to turn off lighting and air-conditioning automatically when not in use and to provide EV charging parking spaces at our carparks.

### **Aspect A3: The Environment and Natural Resources**

Apart from electricity and water consumption as discussed above, our Group's business activities on the impacts of the environment and natural resources during the reporting year is immaterial.

## **B. SOCIAL**

### **Aspect B1: Employment**

The Group recognizes that employees are important and valuable assets to the corporate contribution and is committed to building a pleasant and valued-adding workforce and workplace. As recruiting and retaining talent is vital for us to stay competitive, attractive and competitive remuneration packages are offered to our employees and reviewed on performance basis within the general framework of the Group's salary and bonus system. Benefits such as medical care, retirement scheme, training subsidies are provided to our staff. We also encourage our staff to maintain a well-balanced life and support them to actively pursue their personal development by participating in different roles and activities in the community.

Being an equal-opportunity employer, we implement fair employment practices and no one will receive less favourable treatment on the ground of race, disability, age, gender, sexuality and religion. We believe that each individual has his or her unique strengths and contributions that can add value to our Group and the society at large.

During the reporting year, the Group complied with laws and regulations in relation to labour and human resources practices that had a significant impact of the Group and our Management provided confirmation on the compliance. Also, our employees are encouraged to have direct dialogue with the Management and can freely bring up issues to the Management when they considered necessary.

### **Aspect B2: Health and Safety**

The Group endeavours to provide a safe and pleasant working environment for our staff. Periodic cleaning of air-conditioning systems, steaming treatment of office furniture and chairs, pest control services and regular floor care maintenance are carried out to ensure a hygienic working environment. Due to the nature of our business operation as a pure landlord, work related injuries and occupational health hazards are not significant risk factors to us.

During the reporting year, the Group complied with laws and regulations in relation to health and safety that had a significant impact of the Group and our Management provided confirmation on the compliance.

**Aspect B3: Development and Training**

Continuing education and development of our employees is a priority for our Group. In order to create a supportive workplace which develop the competency of our employees and support their personal growth, the Group provides job-related training (both external and internal courses) to all employees. Training and workshops on topics such as compliance and regulatory, management skills, global economic development are recommended to relevant staff to attend in enhancing and refreshing their knowledge with the fee and expense paid by the Company. This ensures our employees are constantly updated with adequate skills and professional knowledge to perform quality work.

**Aspect B4: Labour Standards**

As a pure landlord with no industrial/manufacturing operation, we comply with the Employment Ordinance and respect human rights. All employment with the Group is voluntary and child & forced labour is prohibited in any of our operation.

**Aspect B5: Supply Chain Management**

Our main business suppliers include management companies, professional and other business service providers, sales and leasing agents as well as vendors for office supplies. Among the suppliers, the management companies are our key supplier which pose a significant impact.

The management companies engaged by our Group are top tier and well established property management companies. These companies have their own set of internal guidelines and policies on environmental, health and safety and social aspects. Even though our Group does not maintain a separate policy on managing environmental and social risks of our suppliers, we believe that the management companies have embedded the relevant concerns in their policies. Also, our Group has frequent direct dialogues and regular meetings with the management companies and the management companies are requested to integrate the Group's value into its operation process when practicable.

**Aspect B6: Product/Service Responsibility**

Tenants are the Group's main customers. We endeavor to maintain a close and lasting relationship with them and pursue their satisfaction. The tenants can contact our asset management team directly via telephone and emails as and when needed. We also pay attention to the tenant's dissatisfaction and put the best effort to respond instantly to the problem and complaint submitted by the tenants.

**Aspect B7: Anti-corruption**

The Group prohibits all forms of bribery, extortion, fraudulent, money laundering and corruption activities in connection with any of its business activities. Code of conduct with anti-bribery and anti-corruption principles are established to provide guidance to our staff when discharging their duties and obligations. All directors and employees are required to possess high ethical standard and demonstrate professional conducts in our business operation. They are notified not to engage in any form of corruption and not to request, receive or accept any form of benefits from any persons, companies or organizations having business transactions with the Group. Also, the Group complies with relevant laws and regulations and implements proper reporting mechanism for reporting unlawful conduct, incident of corruption, incorrect or improper financial reporting and other fraudulent activities.

During the reporting year, the Group was not aware of any non-compliance with relevant laws and regulations in relation to anti-corruption and our Management provided confirmation on the compliance.

**Aspect B8: Community Investment**

The Group, being a global corporate citizen, is committed to making positive contribution to the society and community with love and care through various charitable services and donations.

During the reporting year, the Group made donations to HK Hereditary Breast Cancer Family Registry Ltd. and World Green Organisation.