

# CENERIC (HOLDINGS) LIMITED

## 新嶺域（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code : 542)



# 2016

Environmental, Social  
and Governance Report

# Environmental, Social and Governance Report

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# Environmental, Social and Governance Report

## 1. INTRODUCTION

### Company Profile

Ceneric (Holdings) Limited (the “Company”) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 542) in November 1989. The Group’s business development is diversified, including hotel investment and property development in China. In terms of property development, the Group is principally engaged in the sale of quality residential and commercial properties in Zhongshan, China and will continue to develop other development projects in Mainland China. In April 2014, the Group successfully acquired a five-star standard luxurious hotel — La Palazzo Hotel, Maoming. The Group’s business philosophy emphasizes on honesty and integrity. The Group has a team of dedicated staff, devoted to enhancing corporate value and maximizing returns for stakeholders.

### About the report

The present report is prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). The purpose of this report is not only to communicate with our stakeholders about our management practices and performance, but also to provide a comprehensive overview of the Group’s sustainable development activities for the society and environment it depends on.

The coverage of this report includes the Hong Kong headquarters and the Group’s hotel business in Mainland China, with La Palazzo Hotel located in Maoming as the operating subject. This report is based on the financial year of the Ceneric Group from January 1, 2016 to December 31, 2016, and it is complementary to the Company’s “2016 Annual Report”.

## 2. LETTER TO STAKEHOLDERS

To all stakeholders,

It is a pleasure to be here to show you the environmental, social and governance report of the Company in 2016.

2016 is the year of company development and progress. Based in Hong Kong, the Group’s main business in Mainland China is hotel operation. In this report, we have disclosed the sustainable development management approach and the performance of Hong Kong headquarters and the hotel in Maoming, China in accordance with the HKEX Listing Rules. We hope that stakeholders will gain a better understanding of our efforts for the community and the environment through this report and provide valuable advice to the Group’s future sustainable development.

### Feedback

Your feedback has important value in improving our future reports. If you have any comments or suggestions regarding this report, please feel free to contact us at [info@cenericholdings.com](mailto:info@cenericholdings.com).

## Environmental, Social and Governance Report

In the aspect of environmental responsibility, the Group is committed to leading the trend in environmental protection and integrating the concept into daily operations through close contact between the hotel industry and consumers. While providing quality services to customers, the Group reduces the negative impact of hotel operations on the environment. To this end, we strictly abide by the relevant national regulations, focus on efforts to energy-saving and emission reduction, strive to reduce the carbon emission and establish mechanisms encouraging employee's participation.

For a young hotel, active and motivated staff is undoubtedly the key to success. The Group is well aware of the value of its staff and is committed to creating a good working environment for employees and making progress together with them. At the same time, we consider the occupational safety and security as our focal point, through multi-channel monitoring to successfully guarantee that the hotel did not have any working injury in this year. In addition, we set up a love & help fund and carry out various activities, showing care for staff needs and to realise the potential of employees.

The Group strives to achieve a transparent, open and impartial internal management system that improves operational efficiency for development. While focusing on our own development, we also did not forget being grateful to contribute to the community and organize staff to participate in community activities and donations. With the development of the Group's hotel business, we uphold the integrity of the business philosophy from the beginning to the end, gaining glorious achievements together with our dedicated staff team. At the initial stage of sustainable development of the Group, we have carefully treated any omissions and deficiencies, aiming to improve in a timely manner and maintain transparent and smooth communication with our stakeholders. We look forward to your support from the beginning to the end!

On behalf of the Board  
**WONG Kui Shing, Danny**  
*Chief Executive Officer*

Hong Kong, 28 June 2017

# Environmental, Social and Governance Report

## 3. SUSTAINABILITY STRATEGY

### Communicate with stakeholders

With the development of the Group's business, we are increasingly aware of social and environmental impacts of our business operation, and have been communicating with our stakeholders actively. Internally, the communication between the Group and the staff blends in daily operations, ensuring effective exchange of views through regular meetings. Externally, we regularly communicate with customers, suppliers and government departments, and collect customer and community advice through website, giving timely feedback, improving services continuously.

### Materiality Assessment

Based on the concerns of various stakeholders, the Group, after understanding the aspects and impact of sustainability issues, determines the importance of sustainable indicators through internal discussions on the overall consideration and board approval. Since the coverage of this report mainly focuses on hotel operations, it will focus on the performance indicators related to the operation of the hotel, including the operation of the energy consumption and the hotel's talent management, etc. It is hoped that these disclosures will give stakeholders and the public a better understanding of the company's performance in creating social values and protecting the environment.

## 4. ENVIRONMENT

The Company is committed to improving energy efficiency. The Group has been in strict compliance with the relevant environmental laws and regulations. And in view of the characteristics that the hotel business contact with a large number of employees and customers, we take the hotel as a platform to increase environmental awareness of our employees and customers and look forward to raising their concerns. As the rest of the Group's operations are operating in the office, which involves relatively small environmental impact. Therefore, the following introduction highlights the main environmental performance of the Group's hotel in Maoming.

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The Group strives to provide customers with a healthy and high quality living environment and at the same time, is committed to improving the efficiency of resources usage and reducing the environmental footprints of the hotel operation. During the year, the Group, in addition to investing a lot of resources for energy-saving technological transformation, also set up energy-saving group, established energy-saving management system to enhance staff participation, and jointly promoted energy conservation.

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Effective use of energy has always been an important issue for operating a hotel. The Group is committed to providing customers with a healthy and high quality living environment and at the same time, to enhance the efficiency of resources usage and reduce the environmental footprint of the hotel operation. We strictly abide by the *Law of the People's Republic of China on Conserving Energy and Regulations of Guangdong Province on Conserving Energy* and meet the requirements of *Energy Consumption Limits of Hotels and Shopping Malls in Guangdong Province (Trial)*. During the year, no major fines and non-monetary sanctions were imposed due to breach of regulations.

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## Promote energy conservation

The Group has also invested a lot of resources for energy-saving technological transformation. According to the local government energy conservation monitoring centre, report shows that the integrated energy consumption of the hotel building area is 16.9 kg of standard coal per year ( $\text{kgce}/\text{m}^2 \cdot \text{a}$ ), far below the standard 35 kg ( $\text{kgce}/\text{m}^2 \cdot \text{a}$ ). During the year, we conducted the improvement of energy efficiency of electrical machinery inside the hotel according to the provincial and municipal motor energy efficiency requirements, making use of energy-saving frequency conversion technology to enhance energy efficiency. In addition, we carried out “air conditioning + hot water” energy-saving projects, improving energy efficiency through a variety of equipment replacement upgrades. Among them, we used solar hot water supply system and heat recovery system to recover the laundry heat ventilation. The hot air was used to heat up water and the resulting cold air was used to supply the elevator room, shaft and bridge box, reducing the air conditioning power consumption of corresponding locations.

In the aspect of air conditioning energy-saving, we implemented a large-scale chiller energy efficiency monitoring and optimization programme, including installing inverters for air-conditioning refrigeration pumps, reducing the current by nearly 60 percent during the operating process, and energy consumption is also declining. In addition, we reconstructed the energy-saving engineering programme in the staff kitchen gas equipment, adding the steam engines to the kitchen steamers so that each steamer saves 4 cubic meters of natural gas per hour. We also carried out a conventional energy-saving transformation, including replacing the old lamps with energy-saving lamps and installing body sensor switches in fire escapes. With the above measures, the Group hotel business consumed a total of 4.25 million kWh of electricity and 129,500 cubic meters of natural gas during the year, the energy efficiency being significantly improved. In the future, we will make persistent efforts to integrating energy conservation work into the constant operation of the hotel continuously.

### Energy saving group

To promote energy conservation and enhance staff participation, the Group set up an energy-saving group responsible for the establishment of energy-saving management system, including the establishment of energy-saving incentive rewards and penalty programme. The programme computed monthly statistics, basing on energy use of the same period of last year, taking into account two factors - the actual costs and cost proportion, and gave substantial economic incentives to departments and colleagues who did well in energy conservation.

In addition, with the implementation of the above programme, we have strengthened the energy consumption statistics and analysis, using table statistics of the hotel energy costs of different departments to have a comprehensive grasp of the hotel energy consumption situation.

At the same time, we provided staff with energy-saving training and organized various energy-saving technology training courses, so that employees clearly understood the energy-saving initiatives and integrated energy-saving ideas into their duties. After the implementation of this programme, with the efforts of all the colleagues, every department have basically achieved energy-saving targets.



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In addition to focusing on energy consumption, the Group attaches great importance to the recycling of water resources. We used replacement water from the hotel pool for plant irrigation, landscape pool water, car wash floor cleaning and flushing, saving more than 3,000 cubic meters of municipal water per year. Under this measure, our water consumption during the year was 84,500 tonnes.

Resource type	Unit	2016
Electricity (Mainland China)	kWh	4,250,000
Electricity (Hong Kong)	kWh	53,395
Natural gas	m <sup>3</sup>	129,500
Municipal water	tonnes	84,500

## Reduce emissions

The Group implemented initiatives to reduce emissions and strictly abided by the relevant regulations on emissions during the operation of the hotel, including *Catering Industry Fume Emission Standards* and *Integrated Wastewater Discharge Standards*. During the year, there was no penalty due to irregularities.

Most of the wastes generated during the operation of the Group came from the hotel business, therefore, we carried out a thorough check in the process of hotel operations and controlled its emissions in line with relevant laws and regulations. Overall, the hotel did not emit any air pollutants. The fumes produced by the catering department were transported to high attitude after treatment with a water type exhaustion hood to meet the relevant emission requirements. In addition, according to the accounting requirements of Enterprises (Units) Carbon Dioxide Emissions Information Reporting Guidelines of Guangdong Province (2014 version), we calculated greenhouse gas emissions in the hotel business. The annual greenhouse gas emissions of Scope I and II were 2,994 tonnes of carbon dioxide equivalent.

Scope of emission	Unit	2016
Scope I	tonnes of carbon dioxide equivalent	283
Scope II	tonnes of carbon dioxide equivalent	2,711

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In the case of solid waste disposal, we commissioned a qualified waste collector to handle the daily food waste of the hotel, while other recyclable wastes were also disposed of by the relevant recycling agencies. With the effort to promote the recycling work, we only produced 12 tonnes of non-recyclable wastes during the year, which were commissioned by qualified collectors for collection and sanitary landfill.

Looking forward to the next year, the Group will further implement the relevant environmental protection strategies to reduce its own waste emissions and energy consumption, strive to build an energy-saving & environmentally friendly hotel, bringing energy conservation and environmental protection concept to every employee and customer, to jointly promote green work.

## 5. SOCIETY

### 5.1 People-oriented

The Group's hotel business has a comprehensive management programme for employment, dismissal, recruitment and promotion. We adhere to the principle of fair recruitment. Employment standards include the applicant's education, language skills, related working experience and work attitude, without any discriminatory requirements involved. The identity of a new employee is checked before entry in order to prevent child labour of less than 16 years old. We have signed a labour contract with every employee to meet the requirements of the relevant legislation and jointly fulfill the contractual obligations.

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We believe that employees are the most valuable resources of the Group, so we have been adhering to the people-oriented business philosophy, to provide the staff with a good working environment, welfare benefits and an upgrade development platform.

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We comply with *the Labor Law of the People's Republic of China* to arrange working hours and public holidays for our staff. The company will follow the attendance system to ensure that every member has at least one day off each week. When a staff member cannot rest regularly due to special circumstances, the labour supervisors will make recommendations to the department heads to arrange for leave and prevent any forced labor from happening. In addition, we provide competitive benefits to our employees. We pay salaries on time and provide additional compensation for employees who work at night. In addition to basic salaries and bonuses, we pay holiday subsidies for employees during the holidays and various internal benefits according the Employee's Handbook.

#### Love & help fund

The company has set up a love & help fund, an internal organization composed of all employees promoting mutual aid. In case of sudden events, serious illnesses, economic difficulties, the fund is to give supplementary financial assistance to ease the temporary difficulties faced by staff and enhance the cohesion of enterprises as well as the team spirit of the staff. Since the establishment of the fund, more than 60 percent of employees have participated. During the year, we specially organized tourism activities funded by the Group for the purpose of commending outstanding staff, and enhancing the sense of belonging of hotel staff.

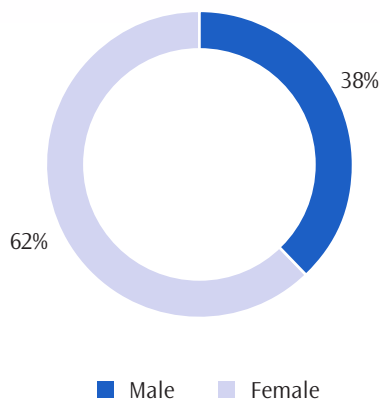


# Environmental, Social and Governance Report

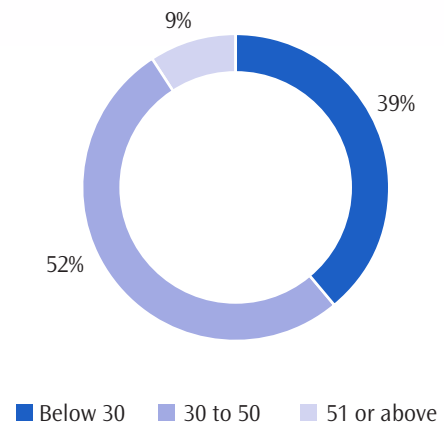
As at 31 December 2016, there were 26 employees in Hong Kong, with a male to female ratio of 8:5, among which 20 were corporate management. 16 employees were in the 30-50 age group and 9 members were 50 years old or higher. More than 75% of employees have university degrees or above. During the year, the Group's turnover rate in Hong Kong headquarters was 12.54%.

The management of the Group's hotel business is commissioned by a third-party hotel management company. The hotel staff under its management amounted to a total of 420, of which 160 were male employees and 260 were female employees, with a male to female ratio of 8:13. In addition, the Group's hotel business is attractive to young talents, with 40% of employees being less than 30 years old. We have also optimized the job allocation system. There are about 30% of the staff in management positions in the Group's hotel business and under this system there was no resignation among them during the year. The average annual turnover rate of frontline employees is 14%, which is the industry's normal level.

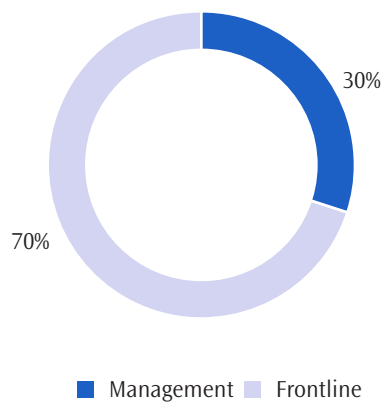
**Gender Distribution of Hotel**



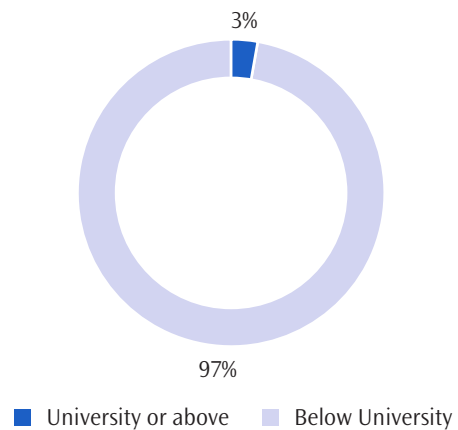
**Age Distribution of Hotel**



**Positions Distribution of Hotel**



**Education Distribution of Hotel**



# Environmental, Social and Governance Report

## *Anti-corruption policy*

A clean corporate atmosphere is a necessary condition for the Group to implement scientific operations management. The Group opposes corruption and all other acts that harm the interests of the company. The definitions, consequences and handling of various discipline offences are set out in details in the Employee's Handbook to alert staff and regulate management. There has been no corruption cases reported for the hotel during the year.

## *A safe working environment*

The company is committed to providing employees with a safe working environment. As businesses in the Hong Kong headquarters are operating in the office, occupational safety and health risks are low, and there was no work injury during the year. For the hotel business, the company provides employees with protective equipment free of charge, and sets up standardized regulations to manage its use. For the handling of injuries in the line of duty, the company has set up complete processing procedures, giving priority to handle employee injuries; the company would pay the medical expenses in advance. At the same time, the departments comply with the accountability system. After the occurrence of an injury, the department involved should compose a work injury report within 12 hours, identify the cause of work injury and accountability of relevant personnel, and further improve the relevant management system.

In line with the implementation of the relevant security system measures, we carry out regular safety education and training for the staff. New staff members are informed of the safety rules and emergency treatment methods in details in the distribution of the Employee's Handbook, and also they are organized to participate in fire safety training (theory and practice) as well as equipment and facilities safety training courses. In the daily operation process, the departments will train staff about the skills of safe operation before and after the working shift. We arrange a suitable number of review trainings in off-seasons to ensure that employees are familiar with and keep in mind safe operating practices. At the same time, we also conduct a popular science lecture on health care every year to raise awareness of healthy lifestyles. As of September 30, 2016, a total of 1,940 attendants participated in safety training, with the coverage of training reaching 100%. In the strict system of management and continuous safety training, no work injury occurred within the hotel during the year.

# Environmental, Social and Governance Report

## *Development and training*

Talent training is indispensable to the hotel's long-term development. The Group attaches importance to the development of individual capacity of employees, establishing a sound training system, and providing targeted training for employees at all levels actively. The group would organize all new staff to participate in a two-day induction training before their entry. In order to help new staff to adapt as soon as possible, the company arranges a welcome ambassador to lead the way for new staff to quickly adapt to the environment. When employees start their position, we regularly arrange on-the-job training for our staff. We hold trainings on staff duties and skills by supervisors, managers or department managers. We also organize full-time classroom training for all staff in every department to study the hotel's routine process. At the same time, in order to make the staff to develop more comprehensively, we also send staff members to other branches, departments or hotels for cross-training, so that they learn skills and knowledge which are difficult to gain in their own jobs. When appropriate, the management also dispatches some of the staff to the relevant education institutions to receive training so that employees improve themselves.

Through the induction training and on-the-job training, the hotel staff strengthens their professional skills from all aspects. During the year, our average staff training rate was more than 46% every season, skills training hours amounting to nearly 2.5 hours per employee. At the same time, in order to draw lessons from the excellent hotel management experience, we also arranged for senior management to visit Qingdao to study in the year, further enhancing the hotel management level. In June of this year, the Group's hotel business held the second staff job skills contest. All departments selected their business elite to

compete, carried out competition on the room finishing, electrical maintenance, front-desk reception, catering services, security work and other jobs. The participating staff performed well in the competition, demonstrating high level of service in the hotel business. Through the competition, models of various departments were set up. Employees learned to communicate with each other, promoting employee progress and enhancing team cohesion.



## 5.2 Scientific operations

### *Product responsibility*

In order to ensure the health of customers, all employees must obtain the health certificate before beginning work, and fees would be reimbursed by the company for the staff. In ensuring the health of diners, the hotel strictly abides by the *Standard Requirements for Catering Service Industry*, *Food Safety Regulations in Guangdong Province* and *Publicity Requirements on Food Additives Use*, recording the use of additives and sources of each dish and strictly controlling the added dose. Through strict checks on food issues, we were rated the provincial catering service food demonstration unit and the provincial food safety A Grade title honor. In the aspect of hotel hygiene, we purchase professional hygiene cleaning tools and conduct cleaning work according to different places, time, batches, the flow of people and weather conditions. In order to ensure the quality of indoor air, we use regular ventilation system to change the indoor air regularly. During the year, we also replaced the mold-proof glass glue in the bathroom to avoid frequent blackening and minimize the health risks of residents. By adhering to strict hygiene standards, we have also received the title of level A unit in public health.

### *Customer first*

It is our top priority to protect the safety of our customers. We monitor the hotel safety in real-time and give staff “four anti” security education on anti-fire, anti-theft, anti-sabotage, anti-natural disasters. We implement the safety and security responsibility system, the development of fire safety contingency plans, security work contingency plans and provide guidance and assistance for the various departments to do a good job in security protection. We also cooperate with the police to carry out the detection of cases and help the public security departments to combat illegal and criminal activities, to ensure the hotel places safe and stable and to prevent illegal and criminal, fights and other vicious incidents. The hotel is equipped with a closed-circuit electronic monitoring system and full-time staff are on duty at all times in the monitoring room.

In the aspect of fire control, we also equipped with advanced fire alarm system and voice broadcast system. If danger occurs we can promptly notify the fire department and organize orderly evacuation of all customers and employees. And we also do preventive work, establishing the hotel fire safety team and voluntary fire brigade, with full-time fire supervisors on duty all day in fire monitoring centre, ensuring rapid response in event of a fire.

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Protecting customer privacy is also an important responsibility for us. The Group's hotel business implemented company confidentiality rules and established a confidential audit team, with the general manager of the hotel as the head of the team and the chief financial officer as the deputy head, conducting the company's confidential work; personnel administrator is in charge of daily affairs, responsible for the daily supervision and implementation of confidential work; and the head of every department is responsible for the department's confidential work. We classify confidential contents by confidential grades, delegate responsibilities among the corresponding departments, and set up confidential measures and procedures of use of confidential contents. All information about customers is classified as confidential, including their consuming information, identity whereabouts and other information are strictly monitored by the confidentiality team to prevent from leakage. On the other hand, we strictly keep the hotel food recipes confidential and strive to maintain the hotel competitiveness.

We pay great attention to the customer experience. We established a customer satisfaction survey system, collecting customer feedback and actively improving the quality of service. The highest management personnel on site is responsible to address customer complaints and general manager of the hotel handles the matter personally when necessary. Under the premise of maintaining the quality of service and good communication with customers, we did not receive a major complaint about the hotel services during the year. Hotel services have been recognized by the majority of customers.

## *Supply Chain Management*

Hotel business operations need to carry out a large number of regular procurement work. Ensuring the quality of procurement of products is our prerequisite to guarantee the quality of hotel services. The hotel business of the Group has a total of 13 bulk raw material local suppliers and 4 of those outside the city. Most of the food suppliers are local suppliers. Local procurement on the one hand would reduce the impact of the transport process on the ingredients, and on the other hand would strengthen monitoring on the quality of the supplier and the transport process, reducing food safety risks.

At the same time, the hotel established the list of raw materials suppliers, verifying the expiry dates of the suppliers' business licenses and other certifications, having strict control on the suppliers' business qualifications and credentials. When establishing new procurement or update the procurement project, we compare the price and quality to make a comprehensive decision. We regularly collect feedback from the department of food and beverage as well as customers to decide whether to make the appropriate adjustments.

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## 5.3 Care for the community

The Group actively participates in community building and encourages employees to participate in social welfare activities. In coordination with blood demand of local medical institutions, the Group organized voluntary blood donation activities for employees, paying 50 Yuan as nutrition subsidies to those who participated. A total of 11 employees participated in voluntary blood donation during 2016. Meanwhile, the Group attaches great importance to cooperate with local colleges and universities, providing a visit and practice platform for the students of relevant majors. In June of this year, the hotel received a visit by the students of relevant majors from Guangdong Institute of Petrochemical Technology. Students were introduced to the hotel management profile and passed on lessons of food and beverage services, room finishing and so on. During the visit, students carefully took notes and actively communicated with the hotel staff, promoting the healthy communication between local industries and colleges.





# Environmental, Social and Governance Report

## 6. PERFORMANCE DATA SUMMARY

		Unit	2016
<b>Environmental</b>	Total consumption of resources		
	Electricity	kWh	4,303,395
	Gas	m <sup>3</sup>	129,500
	Municipal water	tonnes	84,500
	Pollution emission		
	Wastes		
	Non-hazardous wastes	tonnes	12
	Greenhouse gas emissions <sup>1</sup>		
	Total emissions	Tonne of carbon dioxide equivalent	2,994
	Scope I	Tonne of carbon dioxide equivalent	283
Scope II	Tonne of carbon dioxide equivalent	2,711	
<b>Suppliers</b>	Distribution of suppliers		
	City of Maoming		13
	Other cities		4
<b>Social</b>	Public welfare input	RMB (Hundred yuan)	5.5

<sup>1</sup> The scope of greenhouse gas emission includes the hotel business in Mainland China.

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	Unit	2016
<b>Employee Status</b>	The total number of staff	
	Distribution of regions of employees	
	Maoming	420
	Hong Kong	26
	Toal	449
	Distribution of employee by age	
	<30	165
	30-50	233
	>51	48
	Distribution of employee by gender	
	Male	176
	Female	270
	Distribution of employee by education	
	University or above	31
	Below University	415
	Distribution of employee positions	
	Management	147
	Frontline	299
	Turnover rate of employees	
	Maoming	14%
	Hong Kong	12.5%
	Employee training performance	
	The percentage of employees participated	46%
Training hours per employee	2.5	
Safety and occupational health education		
Total training participants	1,940	
Total training hours	4,768	
Employee participation in safety training	100%	

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## 7. ESG CONTENT INDEX

KPI	Requirements of HKEX ESG Reporting Guide	Page Number/Notes
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, P.4
KPI A1.1	The types of emissions and respective emissions data.	No significant emissions during operation.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental, P.4
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No hazardous waste produced during operation.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental, P.7
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental, P.6
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental, P.7
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental, P.5
KPI 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).	Environmental, P.6
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental, P.6
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental, P.5
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental, P.6
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable

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KPI	Requirements of HKEX ESG Reporting Guide	Page Number/Notes
<b>Aspect A3</b>		
The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	No significant impact on the environment or natural resources during operation.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not applicable
<b>B. Social</b>		
<b>Aspect B1</b>		
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.	People-oriented, P.7
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	People-oriented, P.8
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	People-oriented, P.8
<b>Aspect B2</b>		
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.	People-oriented, P.9
KPI B2.1	Number and rate of work-related fatalities.	No case reported during 2016
KPI B2.2	Lost days due to work injury.	No case reported during 2016
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	People-oriented, P.9
<b>Aspect B3</b>		
Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-oriented, P.10
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People-oriented, P.10
KPI B3.2	The average training hours completed per employee by gender and employee category.	People-oriented, P.10

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KPI	Requirements of HKEX ESG Reporting Guide	Page Number/Notes
<b>Aspect B4</b>		
<b>Labour Standards</b>		
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.	People-oriented, P.7
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-oriented, P.7
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People-oriented, P.7
<b>Aspect B5</b>		
<b>Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Scientific operation, P.12
KPI B5.1	Number of suppliers by geographical region.	Scientific operation, P.12
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Scientific operation, P.12
<b>Aspect B6</b>		
<b>Product Responsibility</b>		
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, labeling and privacy matters relating to products and services provided and methods of redress.	Scientific operation, P.11
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Scientific operation, P.12
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Scientific operation, P.12

# Environmental, Social and Governance Report

<b>KPI</b>	<b>Requirements of HKEX ESG Reporting Guide</b>	<b>Page Number/Notes</b>
<b>Aspect B7</b>	<b>Anticorruption</b>	
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	People-oriented, P.10
KPI 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.	No case reported during reporting period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	People-oriented, P.10
<b>Aspect B8</b>	<b>Community Investment</b>	
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.	Care for the community, P.13
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Care for the community, P.13
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Care for the community, P.13