



TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

添利工業國際(集團)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00093)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 March 2019

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ABOUT THE REPORT

The Environmental, Social and Governance (“ESG”) report issued by Termbray Industries International (Holdings) Limited (“Termbray”) is prepared in compliance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This report is prepared to highlight the ongoing environmental and social initiatives carried out by Termbray and its subsidiaries (the “Group”), but also to enhance the stakeholder’s understanding regarding the Group’s ESG management approach.

SCOPE AND REPORT PERIOD

The scope of this report covers the Group’s operations in Hong Kong and the People’s Republic of China (“PRC”) for the financial year ended 31 March 2019 (the “Year”).

The principal activities of the Group are property development and investment and money lending business. The major operations for the Year under review are property management, leasing and sales of properties in the PRC, and money lending business of providing mortgage loans in Hong Kong.

ESG MANAGEMENT APPROACH

The Group is committed to become an eco-friendly corporation that helps to reduce the impacts of its operations on the environment. During the Year, most of its operations is office based with limited energy and water consumption, so the direct impact to the environment is limited. The major indirect effects are related to electricity consumption through the use of lights, air-conditioners and office equipments. After carefully considering its business nature, the Group has been focusing its efforts on aspects such as the environment, employee's occupational health and safety, supplier management and anti-corruption with measures have been incorporated into the Group's daily business operation, while assessments have been regularly conducted to evaluate and minimize the level of risks prevalent in the working environment. Accordingly, the Group adopts various practices to prevent pollution, reduce waste, increase recycling and minimize the use of natural resource by continually improving our environmental management practices and measures. Our employees are educated to adopt responsible behavior, to promote environmental protection in our working place and to prevent any misconduct from occurring within the Group.

ENVIRONMENTAL

A1 Emissions

The Group's major operation involving emissions is property management, sale and leasing of properties in the PRC. It aims at providing a comfort living environment for its customers and tenants. As the Group is not involved in any manufacturing activities, there is little and insignificant emissions by the Group's operation. In addition, the Group does not generate hazardous wastes in its operations. Pollutants such as waste water, domestic sewage and household solid waste are emitted into the environment. All the liquid pollutants are properly drained to the collection ducts of the urban facilities, while the solid pollutants are properly classified, treated and taken away by the licensed collection company. During the Year, there is no incident of non-compliance with the relevant rules and regulations that have a significant impact on the Group's operations.

A2 Use of resources

Greenhouse gas emission of the Group mainly comes from electricity consumption. The Group tries its best to reduce electricity consumption in the following ways:-

- use energy-saving light bulbs throughout the buildings
- notices are posted to remind our employees to turn off lights, air conditioners, and office equipments when unattended

During the Year, the electricity consumption of the offices of the Group was 17,178 Kwh (2018: 8,659 Kwh). The electricity consumption for the Year was increased due to the commencement of operation of the office for money lending business in Hong Kong.

The electricity consumption of the public area of the Group's Zhongshan operation was 269,925 Kwh (2018: 285,613 Kwh).

We encourage our staff for recycle usage of office supplies, using of recycled paper and minimize the use of photocopier by electronic means of communication and storage.

We also monitor the water consumption by:-

- regular checking of water usage for any unusual variance
- staff education to save water and posting of reminders in our premises

During the Year, the water consumption of the Group was 676 M³ (2018: 1,031 M³). The decrease in water consumption was due to the non-occurrence of large scale and in depth cleaning work of the commercial arcade of Ever Success Plaza for welcoming potential customers as last reporting year.

A3 Environment and natural resources

The Group aims at providing a comfort living environment for its customers and tenants, while it will take various means as mentioned above to minimize its impact on the environment and natural resources.

SOCIAL

B1 Employment

The Group views employees as its most important asset and has been offering a comprehensive and competitive remuneration package to attract and retain talent. The Group values the contribution by employees from all backgrounds regardless of their race, gender, age and nationality.

In addition to providing basic employee welfare such as statutory holidays, mandatory provident schemes and retirement benefit scheme in both Hong Kong and the PRC, the Group offers welfare benefits such as medical which includes both hospital and clinical benefits to employees who have passed their probation period.

The Group has established an “Employee Handbook” which is in compliance with the Employment Ordinance in Hong Kong and labour laws in the PRC. The handbook is communicated to all employees who are then held responsible for understanding and complying to the Group’s Code of Conduct and disciplinary actions are taken in case of any violations committed.

B2 Health and safety

The Group is committed to provide a safe working environment for its employees.

Risks assessments are conducted to identify potential health hazards in the working environment. The Group has laid down detailed safety instructions and has communicated to employees as part of their safety training sessions. Along with the provision of adequate training and guidelines, personal safety equipments are also provided. To prevent the occurrence of accidents, employees are also encouraged to report any unsafe measures to their department head for rectification works.

During the Year, there is no incident of non-compliance with the relevant rules and regulations that have a significant impact on the Group’s operations.

B3 Development and training

The Group encourages its employees, including directors, to attend training and development programs to enhance and develop their job skills and professionalism and to maintain their competitiveness and moral standards. The Group arranges appropriate training for its employees according to their nature of job. The Group will provide financial subsidy to motivate its employees to participate in relevant training courses, seminars and conferences organized by external bodies.

B4 Labour standard

The Group complies with the Employment Ordinance in Hong Kong and labour laws in the PRC. We strictly prohibit and have zero tolerance on any unethical labour practices such as child labour and forced labour.

B5 Supply chain management

The Group's major operation are property management, leasing of properties and money lending business which involve office administration works with a limited chain of purchases.

The Group deals with its business partners with the utmost integrity and sincerity, so as to maintain a solid and positive relationship with its suppliers. During the supplier selection process, the Group will emphasize on the reputation, previous track record and satisfaction of past cooperation of the suppliers. The suppliers are suitably selected based on their continuous ability to maintain satisfactory quality, pricing and on time delivery. The Group have adopted a multiple supplier strategy to reduce the dependent on a single supplier.

B6 Product responsibility

The Group's major operation are property management, leasing of properties and money lending business which involve a limited product responsibility.

The Group has committed to provide good quality management service and a safe and comfort living environment to its customers and tenants.

During the Year, there is no incident of non-compliance with the relevant rules and regulations that have a significant impact on the Group's operation.

B7 Anti-corruption

The Group has designed and implemented various internal controls to prohibit the occurrence of any bribery, extortion, fraud and money-laundering. Strict policies regarding the acceptance of money, gifts and entertainment have been established and communicated to the employees through the Employee Handbook. During the Year, there is no confirmed case of corruption.

The Group's whistleblowing mechanism enables employees to report any suspected case of bribery, extortion, fraudulent and money laundering to either their department head, CEO or Chairman of the Board. After carrying out thorough investigation, in case of any solid evidences found, report would be made to the police or other regulatory bodies for prosecution.

B8 Community investment

The Group cares for the development of the society and aims to promote a harmonious relationship between the Group and the community. The Group encourages its employees to participate in charity activities and to make contribution by money donation or volunteering services. The Group always pays high attention to the impact of its operation on the community, so as to fulfill its obligation as a member of the community.