

Environmental, Social and Governance Report

環境、社會及管治報告

2018



Easyknit International Holdings Limited
永義國際集團有限公司

STOCK CODE 股份代號: 1218

This Environmental, Social and Governance (“ESG”) Report provides a detailed account of the Group’s sustainability performance, policies and strategies of Easyknit International Holdings Limited (“Easyknit” or “we”) and its subsidiaries (collectively, the “Group”) between 1 April 2017 and 31 March 2018 (the “Year”).

1. Reporting Standard and Scope

The Group’s ESG Report has been prepared in accordance with the ESG Reporting Guide (“ESG Guide”) issued by the Stock Exchange of Hong Kong Limited. An index is included at the end of this Report to demonstrate compliance with the ESG Guide.

This ESG Report provides an overview of our sustainability vision and related performance and initiatives in our operations, responding to our stakeholders’ interests in the environmental, social and corporate governance aspects of the Group. The reporting scope of the Year covers properties owned and operated by the Group in Hong Kong. This report also describes detailed key performance indicators (“KPIs”) progress towards our targets in the past year in accordance with the ESG Guide. The Group is committed to a reasonable standard of corporate social responsibility and strictly complies with relevant laws and regulations reporting.

Materiality Assessment

In line with the Reporting Principles of the ESG Guide, a Materiality Assessment was conducted to identify material sustainability issues for Easyknit in the Year. This process follows three steps:

Step 1: Identification
<ul style="list-style-type: none">○ ESG disclosures of five peer companies in the property industry were reviewed to identify the material issues common in the industry.
Step 2: Prioritisation
<ul style="list-style-type: none">○ The material aspects which were identified through peer benchmarking were consolidated, creating a list of relevant material ESG issues to be brought forward for validation.

Step 3: Validation

- Our independent consultant helped to prioritise the findings from the first two steps and our Senior Management then confirmed a list of material ESG issues and the relevant Aspects and KPIs for disclosure in this report.

2. Corporate Social Responsibility

Corporate Social Responsibility (“CSR”) is an essential part of our vision as Easyknit is dedicated to good corporate governance practices, promoting economic and social values for the community and minimising our impact on the environment. Our Group aims to contribute to the community and the wellbeing of the environment by continuing to enhance environmental awareness, deliver training for our employees, and engage in various charitable initiatives to serve the community.

An effective governance structure is essential to address sustainability issues and manage ESG-related issues. The CSR Committee was established to assist the Board of Directors in reviewing the policies and overseeing the issues with respect to sustainability issues. The Group has established its CSR policy which sets out long term goals to address sustainability issues effectively. A number of CSR issues, including workplace quality, environmental protection, operating practices and community involvement, were discussed in regular meetings during the Year.

We believe that helping the community to grow is an integral part of our business planning. In addition to sponsoring different external community programmes, we also support the community through Easyknit Charitable Foundation which was established in 2015. The Foundation focuses on providing better livelihoods for under served communities through donations and continuous support for charities. The Foundation also offers scholarships through different educational institutions to underprivileged youth who have outstanding achievements in academics.

3. Our Environment

3.1 Introduction

While there are no significant environmental impacts associated with the nature of our business, we recognise our responsibility to contribute to a greener future. We are committed to optimising energy efficiency and conserving natural resources at our office and properties. To effectively monitor and manage our environmental performance, the Group has introduced internal policies on environmental protection. The environmental policies allow us to identify and manage the environmental issues associated with our operations emphasising three main environmentally friendly practices in the office including paper usage reduction, water resource management and energy saving.

3.2 Energy Consumption and Emissions

The Group constantly seeks opportunities to reduce energy consumption and greenhouse gas emissions throughout our business operations in office and properties. We have taken a systematic approach to managing our energy use and carbon footprint. For instance, we have replaced incandescent lighting in offices with energy efficient lighting systems. Our office equipment is labelled with Grade 1 Energy Labels which contributes to saving energy throughout the year. To further reduce the consumption of energy, fan-coils in the commercial and industrial buildings are turned off after 8pm daily. In addition, the indoor temperature is maintained at 25.5°C in order to avoid excessive use of energy. These energy-saving measures contribute to managing the carbon footprint of our daily business operations.

3.3 Waste and Resource Management

Easyknit has implemented measures regarding waste management in order to responsibly managing our use of resources. For instance, we encourage our staff to adopt the use of electronic communication and documents instead of paper forms in their day to day operations. To further reduce paper usage, environmental initiatives such as double-sided printing are encouraged for all staff in our office. For water savings, reminders to switch off the tap after use are placed in the pantry and washrooms and inspections are performed regularly for water pipes and taps to prevent leakage. With this systematic approach of waste and resource management,

Easyknit aims to inspire environmental awareness to promote a more sustainable business and operating practices.

3.4 Cultivating Environmental Awareness

To facilitate sustainable growth, we aspire to foster a green culture within the Group. We have implemented internal environmental policies for our offices and properties. The policies stipulate practical guidance for staff on energy conservation, waste reduction and resource recycling. For instance, the practical guidelines include recommendations such as purchasing office equipment certified with energy efficient labels, replacing lighting basins with energy efficient lightings, and reducing the use of excessive printing. In addition, we have plans to install recycling bins in our office premises to further reduce waste. We believe the policies will serve as the cornerstone to foster behavioural change within the Group.

4. Our People

4.1 Introduction

Employees are the core of Easyknit's business and the Group is fully committed to providing a safe and caring work environment with a variety of on-the-job training and development opportunities.

4.2 Caring Company

The Group continues to take positive action to ensure equal opportunity in the conduct of employment activities: recruitment, hiring, compensation, training and promotion for all persons, regardless of race, religion, gender, family status, age or any other basis prohibited by law. Recruitment of child or force labour is strictly prohibited to protect human rights,

With our remuneration policy, employees are rewarded with fair and competitive remuneration packages and benefits in accordance with qualifications, performance and market salary trends. Annual performance appraisals are conducted to reward staff for past accomplishments, identify promotions and salary increments. In addition to pay mechanism, we provide our employees with a variety of others benefits to ensure their welfare. During the Year, there were no non-compliance cases relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and the relevant legislation, including the Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong) and the Employment Ordinance (Cap. 57 of the Laws of Hong Kong).

4.3 Occupational Health and Safety

One of the Group's top priorities is to provide a healthy and safe working environment for our employees. To demonstrate our commitment, safety guidelines are established to safeguard employees from any occupational hazards which are in compliance with the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong). Safety arrangements in cases of emergency such as during typhoons and rainstorm warnings are stated in the safety guidelines to ensure that all staff are aware of emergency procedures. With our staff following the safety guidelines, we are glad to announce that there were no work-related fatalities or lost days due to work injury during the Year.

4.4 Training and Development

Easyknit encourages and arranges training and development opportunities in order to further improve work performance and enhance career development within the Group. These external training opportunities include various training courses and seminars where our employees can advance their skills and knowledge and develop their career,

4.5 Business Ethics

We are committed to maintaining high levels of moral standards and integrity in our business operations. The Group's Employee Handbook states the requirements of professional conduct that all staff are required to follow at all times in accordance with Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong).

The Group has an established whistle-blowing policy for all employees to ensure that management is well aware of the situation where employees have concerns regarding corruption or bribery. The Group's gift policy sets out the basic standard of conduct and handling of conflict of interest. When a case regarding corruption or bribery is encountered, an employee may present the case in writing to the management directly and all information will be treated in strict confidence. This procedure allows employees and management to work together to resolve any issues and prevent further misconduct.

During the Year, there were no non-compliance with laws and regulations relevant to bribery, extortion, fraud and money laundering.

5. Our Value Chain

5.1 Supply Chain Management

Sustainability is one of the factors that Easyknit considers when choosing our supply chain partners since their sustainability performance is closely related to our business operations. As part of our policy, our suppliers and vendors will need to undergo our approval process and we will conduct evaluation on a regular basis. We are constantly improving our performance by integrating corporate social responsibility practices into the process of supply chain management. Related risks which may affect our operations are being well-managed through this systematic approach.

5.2 Responsible Services

Easyknit is committed to providing quality services by complying with both national and international standards. The Group has a comprehensive quality assurance process which includes the monitoring of supplier performance, quality control, employee training and development, and corrective and preventive actions. In addition, we comply with the Group's privacy policy which is developed in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) ensuring that all personal data are handled in strict confidence.

Any complaints from customers are handled and investigated in a thorough and efficient manner. During the Year, there were no complaint cases relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

6. Our Community

Easyknit is dedicated to contributing and giving back to the community through our engagement activities and community-based programmes. The Group has a strong will in serving the underserved community. Throughout the Year, we supported various charitable initiatives such as the Christmas Charity Drive where we raised funds to purchase Christmas gifts for youth supported by J Life Foundation and donated computers and books to charitable organisations. We also continue to provide student scholarships at educational institutes such as Huzhou Vocational and Technical College and support Principal Chan Free Tuition World. We engage our management, employees and members of our community to make a positive impact through charitable sponsorships, donations and volunteering services.

7. KPI Data Table

KPI		Unit	The Year		
A. Environmental					
A1.2	Greenhouse gas emissions in total and intensity				
	Scope 1 emission	Tonnes of CO ₂ e	37.81		
	Scope 2 emission	Tonnes of CO ₂ e	62.05		
	Scope 3 emission	Tonnes of CO ₂ e	0.26		
	- in total	Tonnes of CO ₂ e	100.1		
	- by intensity	Tonnes of CO ₂ e /FTE	3.13		
A2.1	Energy consumption by type				
	Direct Energy Consumption				
	- in total	'000 kWh	126.99		
	- by intensity	'000 kWh/FTE	3.97		
	Indirect Energy Consumption				
	- in total	'000 kWh	121.67		
- by intensity	'000 kWh/FTE	3.80			
Total Energy Consumption					
- in total	'000 kWh	248.66			
- by intensity	'000 kWh/FTE	7.77			
A2.2	Water Consumption in total and intensity				
	Water Consumption				
	- in total	m ³	645		
- by intensity	m ³ /FTE	20.16			
B. Social					
B1.1	Total workforce by employment type and gender		Male		Female
	Full-time	No. of people	13		19
	Part-time	No. of people	0		0
	Total workforce by employment type and age group		Under 30	30-50	Above 50
	Full-time	No. of people	4	13	15
	Part-time	No. of people	0	0	0
B1.2	Employee turnover rate by gender		Male		Female
			0		26.32
	Employee turnover rate by age group		Under 30	30-50	Above 50
		50.00	23.08	0	
B2.1	Number and rate of work-related fatalities				
	- By number	No. of people	0		
	- By rate	%	0		
B2.2	Lost days due to work injury				
	- Staff	Days	0		
B6.2	Number of products and service related complaints received				
	No. of complaints		0		
B7.1	Number of concluded cases regarding corrupt practices brought against the company				
	No. of cases		0		

8. ESG Reporting Guide Content Index

Aspect	KPI	Description	Section/ Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure	3
	A1.1	The types of emissions and respective emissions data.	The Group's operations do not have a significant impact on the environment from air emissions. Please refer to Section 3 for the Group's approach on air pollution control.
	A1.2	Greenhouse gas emissions in total and intensity	7
	A1.3	Total hazardous waste produced and intensity	Not material to Easyknit.
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	The Group's operations do not have a significant impact on the environment from production of non-hazardous waste. Please refer to Section 3 for the Group's approach on waste management.
	A1.5	Description of measures to mitigate emissions and results achieved	3
A2 Use of Resources	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	3
	A2	General Disclosure	3
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	7
	A2.2	Water consumption in total and intensity	7
	A2.3	Description of energy use efficiency initiatives and results achieved	3
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results	3
A3 The Environment and Natural Resources	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable to Easyknit.
	A3	General Disclosure	3
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	3

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Aspect	KPI	Description	Section/ Remarks
B. Social			
Employment and Labour Practices			
B1 Employment	B1	General Disclosure	4
B2 Health and Safety	B2	General Disclosure	4
	B2.1	Number and rate of work-related fatalities	7
	B2.2	Lost days due to work injury	7
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	4
B3 Development and Training	B3	General Disclosure	4
B4 Labour Standards	B4	General Disclosure	We abide by relevant employment ordinances and statutory requirements. No relevant cases of non-compliance were recorded.
Operating Practices			
B5 Supply Chain Management	B5	General Disclosure	5
B6 Product Responsibility	B6	General Disclosure	5
	B6.2	Number of products and service related complaints received and how they are dealt with	7
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	5
B7 Anti-corruption	B7	General Disclosure	4
	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	7
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	7
Community			
B8 Community Investment	B8	General Disclosure	6
	B8.1	Focus areas of contribution	6