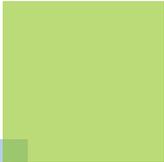


林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE: 1041



2017

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

Contents

About this Report	2
Letter to Stakeholders	3
ESG Management Approach	4
Lawful Operations	5
Our People	6
Environmental Management (A1-3)	8
ESG Content Index	9



About this Report

Engaging in property investment, securities trading and investment, securities brokerage, margin financing in securities trade, loan financing services and trading and manufacturing of electronic products, Lamtex Holdings Limited and its subsidiaries (the “Group”) prepared the third Environmental, Social and Governance (“ESG”) Report which aims to allow the Group’s stakeholders including shareholders, employees, customers, and the general public to have a more comprehensive and profound understanding of our practices and performance in the context of ESG.

Reporting Guideline

The ESG Report is prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). This report should be read in conjunction with our annual report. For corporate governance section, please refer to Pages 33–56 of our annual report.

Reporting Period and Scope

For the period from 1 January 2017 to 31 December 2017, this report covers the Group’s environmental performance and management approach of social aspects in Hong Kong.

Feedback

The Group welcomes stakeholders’ feedback on its performance and policies in the context of environmental, social and governance issues, including suggestions and views, via email at info@lamtex.com.

Letter to Stakeholders

I am glad to present our third ESG report, outlining the practices we have followed to take actions and disclose our non-financial performance. 2017 was a milestone year for global financial markets to pursue responsible investment and green development. Lamtex pays close attention to the ever-changing global economy in order to offer the best possible services to its clients.

Increasingly rigid regulation is the main concern in the global financial industry. As always, we have ensured our operations remain free of any money laundering and terrorist financing activities and complied with “Anti-Money Laundering and Counter Terrorist Financing Ordinance and Guideline”. This year, we also actively engaged in information security risk mitigation by setting out comprehensive monitoring procedures.

Our business reputation is rooted in the effort and persistence of our team members. As we strive to create a competitive edge manifested in financial markets, we value our talents who are the cornerstone of the Group’s achievements. Serving as the pillar in fostering team-building and healthy lifestyle, Lamtex offers sponsorships for participating in and organizing team sport activities for its employees. As part of our corporate culture, we encourage employees to maintain a work-life balance through joining flexible work arrangements and better allocation of time with their families. Employees’ valuable contributions are fully recognized by the Group.

We have stepped up efforts to promote green office and low-carbon development concepts throughout our business functions in response to climate change, though Lamtex’s operations are primarily office-based. In 2017, we began to collect the data on greenhouse gases emissions and resource consumption for strengthening our environmental stewardship. Followed by continual initiatives, we believe our environmental management measures will raise corporate awareness about green offices and the need to meet expectations of stakeholders and society.

The voice of our stakeholders will continue to be of greatest importance to steer the firm towards the right direction, and we are looking forward to your feedback for further improvements in our practices on ESG disclosure.

By Order of the Board

WU Xiaolin
Chief Executive Officer

Hong Kong, 2018



ESG Management Approach

The responsibility for our ESG management rests with our CEO and the Board of Directors. Our management team has the responsibility for day-to-day management of ESG aspects that have a significant impact on our business, such as data privacy, customer satisfaction, anti-corruption, etc, and review these policies and relevant practices on a regular basis.

Lamtex acknowledges that engagement with stakeholders is of fundamental importance in building a sustainable business model as it deals with clients from diverse segments of the economy. Due to the nature of our business, the Group has only a minor impact on the environment, compared to other industries. Nevertheless, through creating transparent and accessible communication channels, we listen to stakeholders' opinions and feedback on our ESG performance and improvement.

	Topics	Channels
Government	<ul style="list-style-type: none"> • Corporate governance • Business ethics • Taxation compliance • Employee protection 	<ul style="list-style-type: none"> • Assessment on current financial regulations • Communication with related governmental agencies • Compliance with relevant legislation and regulations
Investors and Shareholders	<ul style="list-style-type: none"> • Corporate governance • Operational risk • Business operation 	<ul style="list-style-type: none"> • Annual general meeting • Other general meetings • Financial reports and announcements
Customers	<ul style="list-style-type: none"> • Corporate governance • Operational risk • Information security risk • Customer satisfaction 	<ul style="list-style-type: none"> • Company website • Internal control and monitoring scheme • Enquiry calls and emails
Employees	<ul style="list-style-type: none"> • Career development and training • Occupational health and safety • Employee well-being and benefits • Remuneration 	<ul style="list-style-type: none"> • Annual general meeting • Performance appraisal • Feedback from training
Community	<ul style="list-style-type: none"> • Charity and volunteering • Environmentally friendly work environment 	<ul style="list-style-type: none"> • Community investment • Sponsorship and volunteering activities



Lawful Operations

Anti-corruption (B7)

Advocating self-discipline and integrity, the Group has formulated specific requirements and guidelines across the Company's management system. The Board reviews corporate governance practices regularly to ensure that our business operations are in accordance with the legal and regulatory frameworks and provisions of all applicable ordinances. The Group is committed to preventing money laundering and terrorist financing by complying with "Anti-Money Laundering and Counter Terrorist Financing Ordinance and Guideline".

As stated by our policies, employees are prohibited from engaging in any corrupt behaviours including bribery, extortion and fraud. Any individual who engages in misconduct or fails to comply with all applicable laws and regulations is subject to disciplinary actions. With respect to our stakeholders, the Group reserves the right to terminate immediately any business relationship for violating or presenting the risk of violation of laws and regulations. If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, the matter is reported to the Independent Commission Against Corruption (ICAC). Employees and third parties have the duty to report corruption to the authorities if required to do so by local regulations.

The Group has implemented a whistleblowing policy to encourage employees, customers, and other stakeholders, to report any suspected misconducts, malpractices or irregularities related to the Group under confidentiality. During the year, we were not aware of any breach of laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

Data Privacy (B6)

Information security prevails among key issues in the financial service industry. Our operations undergo stringent monitoring to abide by all relevant laws and regulations to protect customers' privacy, including "Personal Data (Privacy) Ordinance". Stipulated in our privacy policy, the Group collects personal customer data when necessary and does not disclose the collected data to any third parties for direct marketing without customer consent. During the year, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redressal.

Striving for higher customer satisfaction, we believe that enthusiasm, focus and professionalism are the elements that help us to reach the goal. The Group aims to provide suitable financial products and high-quality services to meet the financial needs of our customers. We regularly interact with our customers through telephone as well as digital platform.

Considering the business nature, the impact from our supply chain is minimal compared to other industries. We do, however, communicate with key vendors and prefer to procure or outsource goods and services based on a resource saving principle. (B5)



Our People

Maintain a motivated workplace (B1, B3 and B4)

The Group remains committed to providing harmonious work environment and to protect its employees' role in its growth and development. Our human resources management policies abide by relevant legislations related to employee's rights, including but not limited to "Employee's Compensation Ordinance", and "Minimum Wage Ordinance". Any changes of employment policies and terms are notified and agreed in writing to protect the legal rights and interests of employees.

To prevent hiring of child and forced labour, our human resources department and responsible parties monitor the hiring process strictly to ensure compliance of "Employment of Children Regulations in Employment Ordinance". During the year, the Group was not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to employment and labour practices nor any cases of child and forced labour.

Our employment and hiring policies offer equal opportunity for all employees and applicants regardless of gender, physical disability, religion, pregnancy, political background, etc. As a responsible employer, the Group has established mechanisms to manage various types of leave which employees are entitled to, i.e. paid annual leave, sick leave, maternity leave, marriage leave, etc. Mandatory Provident Fund is also provided for fulfilling our legal obligations.

Lamtex aims at offering competitive remuneration packages to its employees to ensure talent retention. At the same time, the Group conducts regular review of its remuneration packages based on the overall development of Lamtex and market conditions. To bring motivation across the company, we implement a Share Options Scheme to grant share options to employees with outstanding performance.

The Group has established a systematic performance appraisal system and promotion mechanism for continuous development of employees' career paths.

The results generated from appraisals determine employees' bonuses, promotion opportunities, and other benefits.

In an attempt to optimize employee's potential, they are encouraged to discuss their career goals and plans so that the Group can arrange appropriate training and offer career opportunities. The content of training covers leadership, professional and general skills, which are bolstered to familiarize them with the corporate culture, operations framework and management system.

Health and Safety (B2)

With the belief that building a harmonious workplace and a sense of belonging among employees is critical for sustainable development, the Group has set out several rules and regulations to protect the employees' livelihood. Devised to secure office environment, our internal monitoring procedure oversees the working process and relevant work policies that abide by labour laws and regulations, despite the nature of business operations mainly consisting of office work which has lower risk of work injury and accident compared to other work settings. During the year, we were not aware of any non-compliance with laws and regulations have a significant impact on the Group relating to occupational health and safety.

Education regarding ergonomics for office environments and other similar hazards is given to keep employees safe and healthy. Besides, we conduct regular checks on fire-fighting equipment and fire escapes to ensure our work environment fulfils the fire safety requirements. Medical and personal injury insurance are also provided to every employee in compliance with "Occupational Safety and Health Ordinance". Sponsorships for participating in and organizing team sports activities such as badminton, basketball and billiards are offered to boost team spirit and healthy living among employees at the workplace.

The Group strives to promote work-life balance among its hard-working employees. We have established a flexible work arrangement scheme wherein employees are encouraged to strike a proper balance between work and family commitments. In order to apply the flexible work arrangement, employees are required to submit a written form stating reasons for application, preferred working hours schedule and sending the documents to their corresponding Department Head or Human Resources for approval.



Environmental Management (A1-3)

The Group is committed to minimize the environmental impact of its business operations. Due to the nature of our business setting, our operations are without plant facilities, and therefore have relatively less significant impact on the environment. Our business neither generates hazardous wastes, nor consumes any packaging materials. In 2017, no fines or non-monetary sanctions were faced for non-compliance with environmental law or regulations.

Since our operations are office-based, office waste is the only source of non-hazardous waste generated which is handled by personnel of management of the office building. Nevertheless, the Group has implemented relevant measures to support and promote green office. Paper recycling is encouraged with boxes placed next to printers to facilitate recycling. During the daily business operations, energy saving measures are taken in offices through maintaining average temperature at 25.5°C and installing LED lighting which is turned off if not in use.

Resources Consumption

The Group's operations involve a limited consumption of natural resources. In the year, the total electricity consumption of the Group was approximately 47,831 kWh. And the total gasoline consumption from private vehicles was approximately 59,329.39 litres. Since the Group is an office-based operation, water consumption is for purpose of direct consumption only.

Emissions

The Group's direct carbon emissions were generated from the use of gasoline from private vehicles and indirect carbon emissions from purchased electricity. In 2017, the Group's total carbon emissions were 25.99 tCO₂e. The emission intensity was 0.21 tCO₂e per million HKD revenue. Also, the air emissions generated from the company vehicles were amounted to 0.87 kg of sulphur oxide and 2.95 kg of nitrogen oxide.

Community Involvement

Striving to be a responsible corporate citizen, the Group has been promoting the principle of "give back to community" in our business practices, incorporating employee participation and enthusiasm. Every year, the Group supports the needy through donations, fund raising activities and volunteering service campaigns. To encourage employee involvement in public welfare and environmental protection activities, such as Walk for Million, elderly visiting, waste recycling, and tree planting, etc., we deliver discretionary support for employees in the forms of travelling subsidy, lunch allowance, paid leave and donation sponsorship. Also, participation in such activities is part of the criteria for annual performance evaluation.

ESG Content Index

KPIs	HKEX ESG Reporting Guide Requirements	Section/ Remarks
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 Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Management
Aspect A2	Use of resources	
General disclosure	Policies on efficient use of resources including energy, water and other raw materials.	Resources Consumption
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Resources Consumption
KPI A2.2	Water consumption in total and intensity.	Resource Consumption
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Resource Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Resource Consumption
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Management



Aspect A3	The environment and natural resources	
General disclosure	Policies on minimizing the issuers' significant impact on the environment and natural resources.	Environmental Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management,
B. Social		
Aspect B1	Working conditions	
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, diversity and other benefits and welfare.	Our People
Aspect B2	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.	Health and Safety
Aspect B3	Development and training	
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People
Aspect B4	Labour standards	
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 prevention of child or forced labour.	Our People
Aspect B5	Supply chain management	
General disclosure	Policies on managing environmental and social risks of the supply chain.	Lawful Operations

Aspect B6	Product responsibility	
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.	Lawful Operations
Aspect B7	Anti-Corruption	
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.	Lawful Operations
Aspect B8	Community investment	
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.	Community Involvement

