



GLOBAL MASTERMIND CAPITAL LIMITED
環球大通投資有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 905)



**Environmental, Social
and Governance Report**
2017

* For identification purpose only

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ABOUT THIS REPORT

Global Mastermind Capital Limited (the “Company”), together with its subsidiaries (the “Group”), is pleased to present this Environmental, Social and Governance Report (the “Report”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance issues. This Report is prepared by the Group with the professional assistance of APAC Compliance Consultancy and Internal Control Services Limited.

PREPARATION BASIS AND SCOPE

This Report is prepared in accordance with Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) – “Environmental, Social and Governance Reporting Guide” and has complied with “comply or explain” provision in the Listing Rules.

This Report summarises the performance of the Group in respect of corporate social responsibility, covering its operating activities which are considered as material by the Group – investments in listed and unlisted securities business in Hong Kong. With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken initiative to formulate policies, record relevant data as well as implement and monitor measures. This Report shall be published both in Chinese and English on the website of Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

REPORTING PERIOD

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2017 to 31 December 2017.

CONTACT INFORMATION

The Group welcomes your feedback on this Report for our sustainability initiatives. Please contact us by email to info905@globalmastermind.co.



INTRODUCTION

Global Mastermind Capital Limited is a Hong Kong-based investment holding company principally engaged in securities investment. The main businesses of the Group include the investment in a portfolio of listed equity securities and the direct investment in unlisted equity securities. The investment portfolio of the Group mainly comprises equity securities in Hong Kong, Canada and the United States.

Sustainable development is an integral part of the Group's business strategy in order to achieve business excellence and enhance capabilities for long-term competitiveness. The Group is committed to operating in a manner that is economically, socially and environmentally sustainable while balancing the interests of our various stakeholders and fostering a positive impact on the society. Our sustainability strategy is based on the compliance with the applicable legal requirements, principle of sustainability and opinions from stakeholders. We have established and implemented various policies to manage and monitor the risks related to the environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this Report.

STAKEHOLDER ENGAGEMENT

The Group understands that stakeholder engagement is one of the key drivers in the continuous improvement of its performance. We have established a diverse array of effective communication channels to a broad spectrum of stakeholders to enable better formulation of our business strategies in order to respond to their concerns and expectations, strengthen our relationships and anticipate potential risks.

Key stakeholders	Expectations	Engagement channels
Government and Regulatory Authorities	- Compliance with laws and regulations	- On-site inspections and checks by regulatory body
	- Proper tax payment	- Research and discussion through work conferences, work reports preparation and submission for approval with relevant government departments
	- Community participation	- Publish necessary documents on the websites of the Stock Exchange and the Company according to Securities and Futures Ordinance (the "SFO") and Listing Rules
Shareholders and Investors	- Return on the investment	- Convene annual general meeting and other shareholder meetings if necessary
	- Information disclosure and transparency	- Publish interim and annual reports, circular, and announcements, and other necessary documents in accordance with SFO and Listing Rules
	- Protection of interests and fair treatment of shareholders	- Meeting with investors and analysts if necessary



STAKEHOLDER ENGAGEMENT

Key stakeholders	Expectations	Engagement channels
Employees	<ul style="list-style-type: none"> - Protection of the rights and interests - Career development opportunities - Self-actualization - Health and safety 	<ul style="list-style-type: none"> - Regular Staff Meeting - Encourage employees to participate training and seminars to reinforce knowledge and skills, and update on the latest development of rules and regulations - Employees Compensation Insurance and Medical Insurance - 5-days Work - Mandatory Provident Fund and Share Option Scheme
Financial Institution	<ul style="list-style-type: none"> - Compliance with the laws and regulations - Information disclosure 	<ul style="list-style-type: none"> - Consulting with Professional Parties - Reports to regulatory parties and disclosure of necessary information according to legal requirements
Public and communities	<ul style="list-style-type: none"> - Career opportunities - Community involvement - Environmental responsibilities - Social responsibilities 	<ul style="list-style-type: none"> - Encourage directors and staff participate in volunteering, charity and social investment - Publish relevant reports in compliance with SFO and Listing Rules

ENVIRONMENTAL ASPECTS

The Group’s principal business activities do not have significant impact on the environment and natural resource. In spite of this, we are committed to continuously improving the environmental sustainability of our business and ensuring that environmental consideration remains one of the key focuses in fulfilling our obligations to both the environment and community. To demonstrate our commitment to sustainable development, we have established relevant emission reduction and energy saving initiatives to manage the emission and maintain green operations.

During the reporting period, the Group was not aware of any non-compliance with relevant laws and regulations that had significant impact on the Group related to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste.

EMISSIONS

Air Pollutants Emission

Regarding the business nature of the Group, the amount of air pollutants is insignificant. The air pollutants emitted by the Group are mainly generated from vehicles.

During the reporting period, the air pollutants emission was as follows:

Type of air pollutants	Unit	Amount
Nitrogen oxides (NO _x)	kg	36.21
Sulphur dioxide (SO ₂)	kg	0.21
Particulate matter (PM)	kg	2.67

Greenhouse Gas (“GHG”) Emission

Greenhouse gas is considered as one of the major contributors to the climate change and global warming. In the operation of the Group, energy consumption accounts for a major part of our GHG emission. The Group places great emphasis on improving energy efficiency and reducing energy consumption. We have adopted energy saving initiatives mentioned in the section “Use of Resources” of this Report.



ENVIRONMENTAL ASPECTS

During the reporting period, the GHG emission was as follows:

Type of GHG emission	Units	Amount
Scope 1 ¹	tonnes of CO2-e	38.05
Scope 2 ²	tonnes of CO2-e	31.68
Total GHG Emission	tonnes of CO2-e	69.73
GHG Intensity	tonnes of CO2-e/employee ³	5.81

Hazardous and Non-hazardous Wastes

Our operational activities do not generate any hazardous waste. Our non-hazardous waste can be classified into two categories, including domestic waste generated from daily operation and recyclable waste. The Group strives to reduce the amount of non-hazardous waste generated and strengthen the environmental awareness of employees by introducing various waste reduction measures and education as follows:

- Recycling bins are available in the office for effective recycling of used paper, letter and envelop to minimise the paper waste.
- The use of paper is maximised by printing or photocopying on both sides of paper, where applicable.
- Electronic communication is promoted, such as using emails instead of letters or fax.
- Excessive packing materials and decorations are avoided.
- Employees are encouraged to participate in training and workshops related to environmental issues, including food waste problem and air pollution.
- Employees are encouraged to participate in waste reduction and recycling events such as No Plastic Bottle Day.

During the reporting period, the non-hazardous waste generated by the Group was as follows:

Type of waste	Units	Amount
Non-hazardous waste	tonnes	0.19
Non-hazardous waste intensity	tonnes/employee ⁴	0.015

¹ Scope 1: Direct emission from sources that are owned or controlled by the Group.

² Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group.

³ The intensity refers to tonnes of carbon dioxide equivalent (CO2-e) per the total number of employees at the end of the reporting period.

⁴ The intensity refers to tonnes of non-hazardous waste per the total number of employees at the end of the reporting period.

ENVIRONMENTAL ASPECTS

USE OF RESOURCES

The Group places a great emphasis on environmental protection to ensure efficient use of energy and resources. The Group aims to promote resource saving by implementing energy and water efficiency initiatives and motivating our employees to participate in resource conservation activities.

Energy consumption

The energy consumption of the Group mainly comes from purchased electricity for premises operation and fuel used by vehicles. In view of the scarcity of resources, we have advocated various energy conservation strategies as follows:

- Use of natural lighting is encouraged.
- Energy-saving lightings are installed.
- Unnecessary lighting and electrical appliances are switched off when they are not in use.
- Temperature of air-conditioners is maintained at an energy-efficient level of 24 degrees Celsius to 26 degrees Celsius.

During the reporting period, the energy consumption was as follows:

Type of energy	Units	Amount
Purchased electricity	MWh	40.11
Petrol	MWh	107.88
Diesel	MWh	21.18
Total energy consumption	MWh	169.17
Energy intensity	MWh/employee ⁵	14.10

Water consumption

The business of the Group is operated in leased office premises where the water supply is solely controlled by the building management company. In this case, it is not feasible for the Group to provide water consumption data as there is no separate sub-meter to record the water consumption data. In spite of this, we strive to reduce water consumption in daily operation by encouraging employees to turn taps off tightly to prevent dripping of water and giving priority to effective water-saving products.

THE ENVIRONMENT AND NATURAL RESOURCES

Regarding the business nature of the Group, we are not aware of any significant impact of our business activities on the environment and natural resources. Despite this, we endeavour to consistently improve our environmental performance by implementing aforementioned waste reduction measures and resources saving initiatives. The Group will continue to seek opportunities to further reduce emission and resources consumption with the aim to reduce the impacts on environment and natural resources to minimal.

⁵ The intensity refers to MWh per the total number of employees at the end of the reporting period.



SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group believes people are important assets and the keys to maintaining its competitiveness. We aim to attract and retain talents, maintain a safe and equal working environment for our employees, provide development opportunities and promote employee health and well-being. The commitments are incorporated into staff handbook. The staff handbook covers the Group's standard in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods and other benefits and welfare.

Equal Opportunities, Diversity and Anti-discrimination

The Group strives to create a diverse and inclusive workplace where all our employees are treated with dignity and respect. The Group is dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination or harassment against any individual on the basis of seniority, nationality, gender, age, marital status, disability, race, color, religion or sexual preference.

The Group is in strict compliance with the Hong Kong Bill of Rights Ordinance (Chapter 383 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong) and other applicable laws and regulations in Hong Kong relating to equal opportunities, diversity and anti-discrimination.

Remuneration and Promotion

Remuneration and promotion opportunities are important to attract, retain and motivate talents in achieving key goals of the Group. We provide remuneration for our employees according to their qualifications, experience and work performance. Taken into considerations the individual performance, inflation and salary movement in the market, the salary structure is reviewed annually to ensure that it is fair and competitive.

We offer fair promotion opportunities based on conditions such as qualifications and work performance, which serve as motivations for employees to continue learning and improving work performance.

SOCIAL ASPECTS

The Group is in strict compliance with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (the “Employment Ordinance”), the Minimum Wage Ordinance (Chapter 608 of the laws of Hong Kong) and other applicable laws and regulations in Hong Kong relating to employees’ remuneration and promotion.

Benefits and Welfare

We strive to create a comprehensive welfare and benefit system for employees by offering an all-encompassing package of benefits and insurance to uphold adequate living standards for employees. Most of the employees enjoy the benefits including five-day work per week, medical insurance, mandatory provident fund and share option scheme. Employees are also entitled to annual leave, maternal leave, compassionate leave as well as statutory holidays.

The Group is in strict compliance with the Employment Ordinance, the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) (the “MPF Schemes Ordinance”), the Employees Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and other applicable laws and regulations in Hong Kong relating to employees’ benefits and welfare.

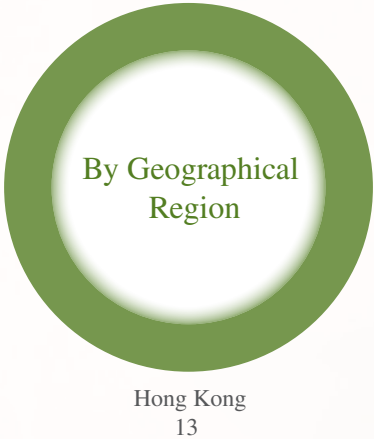
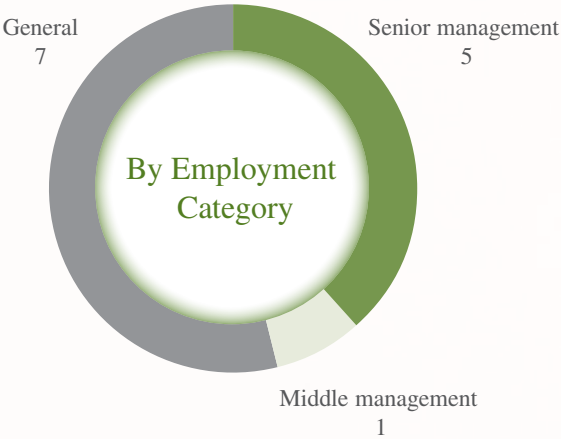
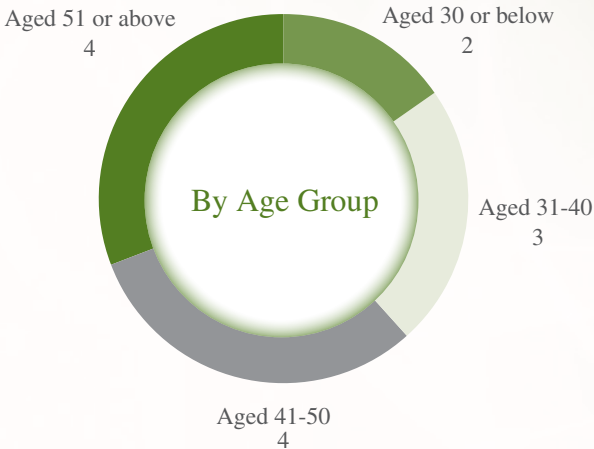
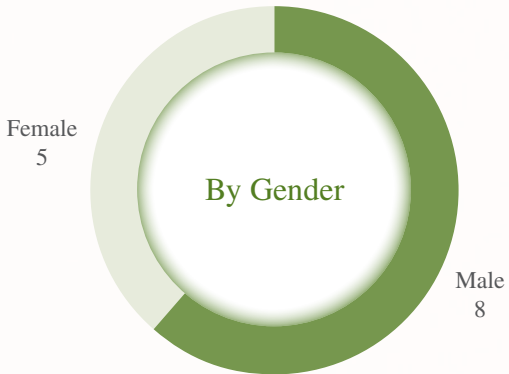
Dismissal

Whenever an employee resigns or gets laid off, an exit interview is conducted by department head to find out the reason of departure or dismissal, so that the Group can further improve its business operations. The final salary payment, severance payment and long service payment (if any) are calculated and paid in accordance to the Employment Ordinance, the form 56F to Inland Revenue Department is filled in accordance to section 52(5) of the Inland Revenue Ordinance (Chapter 112 of the laws of Hong Kong) and the MPF trustee is notified with the termination of employment in accordance to MPF Schemes Ordinance.



SOCIAL ASPECTS

As at 31 December 2017, the employee compositions (in numbers of employees, excluding independent non-executive directors) by gender, employee category, age group and geographical region were as follows:



SOCIAL ASPECTS

The employee turnover rates by gender and age group during the reporting period were as follows:

Employment	Unit	Turnover rate
By gender⁶		
– Male	%	50.0
– Female	%	40.0
By age group⁷		
– 30 or below	%	50.0
– 31-40	%	33.3
– 41-50	%	100.0
– 51 or above	%	–
Overall⁸	%	46.2

During the reporting period, the Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

Health and Safety

Regarding the business nature of the Group, employees are mainly engaged in office work. The Group is committed to providing a safe and comfortable working environment for its employees. We comply with the Occupational Safety and Health Ordinance (Chapter 509 of the laws of Hong Kong) and other applicable laws and regulations in Hong Kong to ensure occupational health and safety of our employees. We spare no effort to provide and maintain a safe and healthy working environment for employees to protect them from work-related injuries by adopting the following key measures:

- Smoking is prohibited in all enclosed areas within the office.
- Unsafe conditions are fixed immediately.
- Medical and employment injury insurance is provided to eligible employees.
- Work arrangement for typhoon and rainstorm warning is established.

⁶ Turnover rate refers to total number of employee turnover of the gender group per total number of employees of the corresponding gender group at the end of the year.

⁷ Turnover rate refers to total number of employee turnover of the age group per total number of employees of the corresponding age group at the end of the year.

⁸ Turnover rate refers to total number of employee turnover during the reporting period per total number of employees at the end of the year.

SOCIAL ASPECTS

With the above measures implemented, there was no work-related fatal or injury during the reporting period. The Group was not aware of any non-compliance with relevant laws and regulations that had significant impact on the Group in providing a safe and healthy working environment during the reporting period.

Development and Training

The Group considers the skills and knowledge of our employees as the key elements of sustainable development of the Group. We provide training opportunities for our employees to enhance their working capabilities. Employees are provided with on-the-job training by their respective department heads to enable prompt fulfillment of job responsibilities and enhance their skills in discharging their duties. Employees are also encouraged to enroll in relevant courses and examinations to enhance personal performance.

Labour Standards

The Group is committed to prohibiting the use of child labour and forced labour in its operation. The Group complies with the Employment of Children Regulations (Chapter 57B of the laws of Hong Kong) and strictly prohibit recruitment of children aged under 15. During the hiring process, applicants are required to present their identity documents to Human Resource Department for verifying the age as prevention of engaging child labour.

During the reporting period, the Company was not aware of any non-compliance with relevant laws and regulations related to recruitment of child labour or forced labour practices.

OPERATING PRACTICES

Supply Chain Management

The Group maintains business relationships with general office supplies suppliers. In selecting suppliers, we take considerations into their scale of business and reputation. Our suppliers are required to comply with all relevant local and national laws and regulations in relation to unethical behavior, bribery, corruption and other prohibited business practices. When suppliers are found to be non-compliant with our policy or contractual requirements, partnership will be terminated to uphold our stringent standards.

We integrate sustainability into supply chain by procuring products that cause minimal impacts on the environment, including eco-friendly stationery, reusable items and energy efficient appliances with energy labels.



SOCIAL ASPECTS

Customer Data Protection and Privacy

The Group regards data privacy and security as a key operating principle. We are in strict compliance with Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong) and committed to protecting confidentiality of the personal data of our employees, business partners and other identifiable individuals.

We instruct our employees to exercise strict standards of care in handling the personal information of customers and remind them of their obligations with regard to the confidentiality of customer information. The use of the information is restricted for the purpose consistent with those identified in the contracts to ensure the information is used in a responsible and non-discriminatory manner.

Anti-Corruption

The Group strictly complies with the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong) enforced by the Independent Commission Against Corruption to prevent unethical pursuit. We place great importance in maintaining the highest standards of integrity and honesty and have no tolerance for any misconduct case. Once misconduct case is discovered and confirmed, the employee will be subject to disciplinary action and the case will be reported to related governing body when necessary.

Our Fraud Detection and Whistleblowing Policy provides a dedicated confidential reporting channel for all staff members to report on observed and suspected non-compliance and questionable practices. No matter the allegations are being proven, employee will not be at risk of suffering any form of retaliation.

During the reporting period, the Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on the Group relating to bribery, extortion, fraud and money laundering.

COMMUNITY

Community Investment

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. We encourage our employees to pursue their personal passions and dedicate their time and skills to supporting local communities. The Group strives to develop long-term relationships with our stakeholders and bring a positive impact on community development.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Section	Pages
A. Environmental				
A1: Emissions				
General Disclosure			“Emissions”	6-7
KPI A1.1	The types of emissions and respective emissions data		“Emissions – Air Pollutants Emission”	6
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity		“Emissions – Greenhouse Gas Emission”	7
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity		Not applicable to the Group’s business.	N/A
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity		“Emissions – Hazardous and Non-hazardous Wastes”	7
KPI A1.5	Description of measures to mitigate emissions and results achieved		“Emissions – Greenhouse Gas Emission”	7
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved		“Emissions – Hazardous and Non-hazardous Wastes”	7
A2: Use of Resources				
General Disclosure			“Use of Resources”	8
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity		“Use of Resources – Energy Consumption”	8
KPI A2.2	Water consumption in total and intensity		Not feasible for the Group to obtain water consumption data.	N/A
KPI A2.3	Description of energy use efficiency initiatives and results achieved		“Use of Resources – Energy Consumption”	8
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved		“Use of Resources – Water Consumption”	8
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced		Not applicable to the Group’s business.	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Section	Pages
A3: The Environment and Natural Resources				
General Disclosure			“The Environment and Natural Resources”	8
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	No significant impact of activities on the environment and natural resources was noted.		N/A
B. Social				
Employment and Labour Practices				
B1: Employment				
General Disclosure			“Employment”	9-10
KPI B1.1	Total workforce by gender, employment type, age group and geographical region		“Employment”	11
KPI B1.2	Employee turnover rate by gender, age group and geographical region		“Employment”	12
B2: Health and safety				
General Disclosure			“Health and Safety”	12-13
KPI B2.1	Number and rate of work-related fatalities	No case of work-related fatality was noted.		N/A
KPI B2.2	Lost days due to work injury	No case of lost days due to work injury was noted.		N/A
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored		“Health and Safety”	12
B3: Development and Training				
General Disclosure			“Development and Training”	13
KPI B3.1	The percentage of employee trained by gender and employee category	–		–
KPI B3.2	The average training hours completed per employee by gender and employee category	–		–
B4: Labour Standards				
General Disclosure			“Labour Standards”	13
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour		“Labour Standards”	13
KPI B4.2	Description of steps taken to eliminate such practices when discovered	–		–

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Section	Pages
Operating Practices				
B5: Supply Chain Management				
General Disclosure			“Supply Chain Management”	13
KPI B5.1	Number of suppliers by geographical region	–	–	–
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	–	–	–
B6: Product Responsibility				
General Disclosure			“Customer Data Protection and Privacy”	14
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	–	–	–
KPI B6.2	Number of products and service related complaints received and how they are dealt with	–	–	–
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights	–	–	–
KPI B6.4	Description of quality assurance process and recall procedures	–	–	–
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	–	“Customer Data Protection and Privacy”	14
B7: Anti-corruption				
General Disclosure			“Anti-corruption”	14
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 case	No concluded legal case regarding corrupt practices was noted.		N/A
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	–	“Anti-corruption”	14

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Section	Pages
Community				
B8: Community Investment				
General Disclosure			“Community Investment”	14
KPI B8.1	Focus areas of contribution (e.g. – education, environmental concerns, labour needs, health, culture, sport)			–
KPI B8.2	Resources contributed (e.g. money or time) to the focus area			–