



**TAI SANG LAND DEVELOPMENT LIMITED**  
**大生地產發展有限公司**

*(Incorporated in Hong Kong with limited liability)*  
(Stock code: 89)

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2016**

## ABOUT THIS REPORT

Tai Sang Land Development Limited (“the Company”) (Stock Code: 89) and our subsidiaries (collectively “the Group”) are pleased to present the Group’s Environmental, Social and Governance Report (“the ESG Report”) for the reporting period 1 January 2016 to 31 December 2016. This ESG Report focuses on the operation of property rental, as the property rental is the major operation of the Group.

This Report presents our approach and performance in the environmental and social aspects of our business, which was prepared in accordance to Appendix 27 ‘Environmental, Social and Governance Reporting Guide’ (“ESG Guide”) of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited. We have complied with the provisions set out in the Guide for the year 2016.

Information in relation to the Group’s corporate governance and financial performance can be found in our Annual Report 2016, which is available on the Company’s website: <http://www.tsld.com>.

### **Stakeholder Engagement**

Both internal and external stakeholders play a critical role in our ESG activities. To demonstrate our commitment in sustainability, we regularly communicate with them to understand their concerns. Actions will be taken to response if necessary.

We identify the stakeholders groups and will engage them in various methods as stipulated on the table below:

Stakeholder Groups	Methods of engagement	
Tenants and customers	- Customer hotline - Customer survey	- Company website - Email
Employees	- Annual performance review - Regularly Meetings	
Shareholders & Investors	- Annual and interim reports - Annual general meeting	- Announcements
Suppliers & contractors	- Regularly Meetings - Site visits	
Government departments	- Regularly Meetings - Site visits	

We appreciate stakeholders’ valuable feedback on the ESG report. Please send your comments to [esg@tsld.com](mailto:esg@tsld.com).

## ABOUT THIS REPORT (Continued)

### Materiality Analysis

In accordance with the ESG Guide, the ESG report will cover 12 aspects under three categories: environmental, workplace practices and product responsibility and society.

### 12 aspects in accordance with ESG Guide

Environmental	<ul style="list-style-type: none"> <li>◆ 1. Environmental protection policies</li> <li>■ 2. Environmental waste and emission</li> <li>▲ 3. Resources use policies</li> <li>× 4. Consumption and efficient measures</li> <li>✱ 5. Managements actions</li> </ul>
Workplace practices	<ul style="list-style-type: none"> <li>● 6. Employee engagement policies</li> <li>+ 7. Policies on safe working environment</li> <li>- 8. Occupational health and safety measures</li> <li>- 9. Employee development</li> </ul>
Product responsibility and society	<ul style="list-style-type: none"> <li>◆ 10. Supply chain management</li> <li>■ 11. Products satisfaction, safety and customer privacy</li> <li>▲ 12. Anti-corruption</li> </ul>

Survey has been conducted to collect the feedback from our stakeholders on the weighting of these 12 aspects towards our performance, strategies, risks and governance. Stakeholders took part in the survey included employees, tenants and customers, suppliers and contractors. Results of the materiality assessment are presented in a matrix in figure 1 below:

Figure 1



Employees working environment and anti-corruption are more concerned items of stakeholders. We have addressed them in this report in following sections.

## **OUR EMPLOYEES**

We believe that employees are the most valuable asset. They are the key factor in our corporate structure for business development and success. Therefore we place high importance on human resources management to attract, develop and retain our people. We committed to provide a safe, healthy and relaxed working environment for all employees. We also offer good career prospects, opportunities for career progression, and competitive remuneration incentives.

### **Employment Policies**

As at 31 December 2016, we have a workforce of 170 and 8 persons in Hong Kong in USA respectively. We are an equal opportunity employer and committed to provide equal opportunities for any individual during employment including recruitment, training, promotion, compensation, benefits provision, termination, etc., regardless of age, gender, health status, marital status, family status, nationality, race, colour, religion, political affiliation, sexual orientation, etc. Our employees are rewarded only based on their knowledge, skill and performance.

We offer competitive remuneration package to our employees to attract and retain qualified talent. The employee benefits include performance bonus, medical insurance, Mandatory Provident Fund Scheme, and leave entitlement such as marriage, maternity, paternity and compassionate. The remuneration packages and policies are reviewed by the management annually.

During the reporting period, we are not aware of any material non-compliance with relevant laws and regulations in employment matters that have a significant impact for the Group.

### **Health and Safety**

We are committed to ensuring the high standards in occupational health and safety and providing a safe working environment for our employees. Our staffs are encouraged to attend relevant construction and occupational training and seminars, such as Construction Industry Safety Card course, Occupational Safety and Health Council courses and first aid courses.

In order to avoid accidents and ensure that all employees work in a safe manner, we have established safety rules and emergency response plans. Those established policies and guidelines will be reviewed periodically. First aid kits also available for all workplace to ensure any injury can be handled properly.

During the reporting period, no work related fatality or significant injury due to work were recorded. We also not aware of any material non-compliance with relevant laws and regulations in occupational safety and health matter that have a significant impact for the Group.

### **Development and Training**

We provide external training opportunities to our employees to enhance their skills and knowledge. These trainings are offered to different levels of staff from junior staff to senior management, which covered in leadership and management, customer service, occupational health and safety, regulatory compliance, and professional development. We also provide directors with regulatory updates and seminars.

### **Labour Standard**

We regularly review the employment practice and guidelines to ensure that comply with the Employment Ordinance and other regulations related to. During the reporting period, no child and forced labour have been employed by our operation and suppliers.

## **OUR VALUE CHAIN**

### **Supply Chain Management**

We require our suppliers and contractors to comply with all the applicable laws and regulations, such as the minimum wage ordinance, environmental and labour laws. We also require them to have no corruptions or unethical practices and safeguard workers's health and safety, Apart from consideration of pricing and quality, we also favour suppliers and contractors who have good records in environmental and safety performance.

We monitor and evaluate our suppliers and contractors performances regularly. Their performances are recorded and taken into consideration in future supplier selection processes. Any violation of our policies, law or involve in any scandal of them can result in being suspended for a period or exclusion from future tendering opportunities.

For hotel development project, our project team regularly monitors the performance of contractors through site inspections and project meetings. We also require all workers employed by contractors held the Construction Industry Safety Card to ensure that they have relevant safety knowledge in carrying out the site works.

Similarly, for procurement at hotel and catering, we have stringent requirement in selecting suppliers. Regular inspection of food ingredients are taken to ensure complied with the food quality and safety as well as related regulatory requirements.

### **Anti-corruption**

To prevent fraud and corruption conduct, we require tendering companies to declare any conflicts of interest. We also encourage reporting any suspected misconduct through a whistle-blowing mechanism. Appropriate actions will be taken if we discover any violation by suppliers and contractors.

Our employees are also required to perform their work with high integrity and comply with our guideline of conduct. Employees need to be aware to avoid conflicts of interest, receive valuable gift and related to bribery matter.

During the reporting period, we are not aware of any material non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact for the Group.

## **OUR VALUE CHAIN (Continued)**

### **Customer Health and Safety**

We are dedicated to safeguard our tenants' physical health and safety. Policies have been taken to ensure safe environments for our tenants including but not limited to:

- Provide comprehensive and effective security measures and facilities at our properties
- All facilities and equipment are in good condition
- Perform regular air duct cleaning to improve ventilation for fresh air intake at our properties
- Ensure good quality of water. We have already achieved the requirement of Quality Water Supply Scheme for building organised by Water Supply Department
- Regular pest control is conducted in common area of our properties. It is also conducted in our rental units before hand over to our tenants

During the reporting period, we are not aware of any material non-compliance with relevant laws and regulations in health and safety and quality matter relating to our products and services provided that have a significant impact for the Group.

### **Engaging our Customers**

We make every effort to understand the needs of our customers through difference channels to continuously improve our properties conditions and services to meet the requirement of our customers.

Our management teams conduct surveys to collect feedback from customers on a regular basis to evaluate the quality of our services. A hotline service is in place for customers to communicate with us directly, all comments and suggestions are followed up in a timely manner.

We also value all complaints. We are committed that all customer complaints will be responded timely. Complaint handling procedure is in place to ensure the completeness of the complaints data we logged and allow us to take corrective action where appropriate.

### **Safeguarding Customers' Interest**

We make every effort to safeguard the marketing information is true and accurate and fully complied with relevant government regulations.

We treat customer data privacy seriously by strictly following the Personal Data (Privacy) Ordinance to handle customers' information. All collected personal data is treated confidentially, which are securely kept and only accessible by designated staff.

During the reporting period, we are not aware of any material non-compliance with the relevant laws and regulations or received complaints in customer privacy matter.

## **OUR ENVIRONMENT**

We understand that it is our responsibility to protect the environment to ensure that the idea of environmental sustainability can be integrated into our operations. We will continue to optimize our management practices aiming to minimize the environmental impacts of our business operations, and to ensure that our employees understand, support and carry out our sustainability policies.

In view of our business nature, we believe that no hazardous waste and direct emission produced by our operations. During the reporting period, we are not aware of any material non-compliance with the relevant laws and regulations on environmental matters that have a significant impact for the Group.

### **Green Office**

Our management team establishes some initiatives which focus on energy saving, waste reduction and recycling. These initiatives include:

- Turning off unused electrical equipment when leaving office
- Recycling paper and avoiding unnecessary photocopying and printing
- Re-use of envelopes for internal mail
- Use public transportation as often as possible
- Installing documents management solutions to reduce paper copies for record purposes

### **Waste Management**

In our hotel development and properties renovation works, we seek to use recyclable materials wherever possible. Environmental impact of the materials that we source is also considered.

At our offices, we have policies of reducing, recycling and reusing our materials, such as collected used paper and toner cartridges for recycling. We also continue to engage all our divisions to reduce waste generation at source. Our tenants are encouraged to adopt waste separation practices. Tri-coloured bins have been placed across our properties to encourage sorting and recycling. Wastewi\$e Certificate organized by Environmental Campaign Committee is applied in Gateway ts to demonstrate the achievement in waste reduction.

## **OUR ENVIRONMENT (Continued)**

### **Energy Efficiency**

We understand that we have a role to reduce greenhouse gas footprint by developing effective energy consumption strategies. In order to enhance energy efficiency performance at our properties and hotel development project, we regularly review energy efficiency policies to ensure the compliance with relevant laws and regulations, such as the Building Energy Efficiency Ordinance.

Our property management team continuously optimises the environmental performance of our leasing properties by taking actions as follows:

- Using LED or T5 tub to maximum energy efficiency
- Installing green roofs that lower the internal temperature
- Regular maintain appliances and facilities for better performance
- Using timer for outdoor signage to limit energy consumption
- Using eco appliances to maximise energy efficiency

At Gateway ts, various environmental protection campaigns are participated, which include applying Energywise Certificate organized by Environmental Campaign Committee to demonstrate the achievement in energy saving and joining the Earth Hour by World Wildlife Fund.

### **Water Quality Control and Conservation**

To ensure good water quality for our tenants, we carry out regular cleansing of freshwater and flushing water tanks at properties in accordance with the applicable regulations. Automatic sensor faucets are installed to minimise wastage and runoff.

## **COMMUNITY INVOLVEMENT**

Being a responsible corporation, we have actively contributed to our community for years. During the year, we have donated a total of approximately HK\$5,370,000 to different charity organizations and activities. It included HK\$4,700,000 to Tung Wah Group of Hospitals for their various fundraising events, including Charity Gala, service for children, youth and low income families, free medical services, Charity Bowling Tournament, Charity Challenge Race, etc, HK\$128,000 to UNICEF for children in crises , and HK\$165,000 to charity parade in Formula E Hong Kong ePrix.

We also encourage our employees to participate in various volunteerism activities to serve and support the needy.

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