



**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 2017**

## ABOUT THIS REPORT

Tai Sang Land Development Limited (“the Company”) (Stock Code: 89) and its 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 2017 to 31 December 2017. This ESG Report focuses on the operation of property rental in Hong Kong, as Hong Kong property rental business is the major operation of the Group, contributing to over 70% of the Group’s total revenue in 2017

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 2017.

Information in relation to the Group’s corporate governance and financial performance can be found in our Annual Report 2017, 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.

Our key stakeholders and communication channels are as follows:

Stakeholders	Communication channels	
Tenants and customers	- Customer hotline - Daily personal contact - Site visits - Customer survey	- Company website - Email
Employees	- Annual performance review - Regularly meetings	
Shareholders & Investors	- Annual and interim reports - Annual general meeting	- Press release, announcements and circular
Suppliers & contractors	- Tendering process - 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)

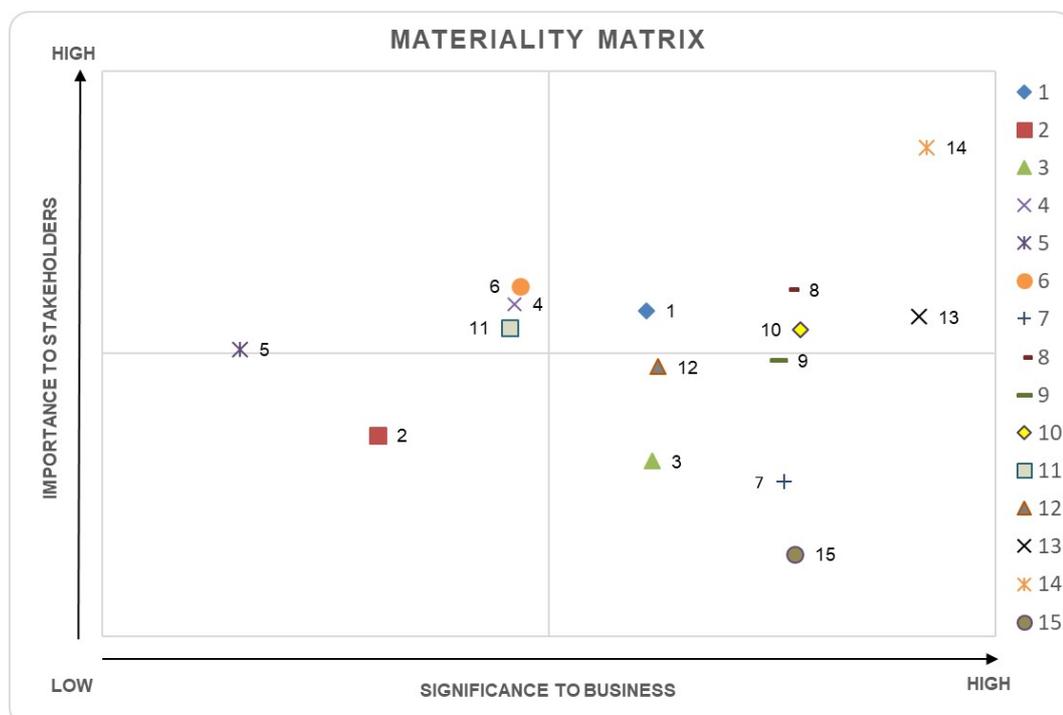
### Materiality Analysis

In accordance with the ESG Guide, the ESG report will cover 15 aspects under three categories: environmental, workplace practices and product responsibility and society.

### 15 aspects in accordance with ESG Guide

Environmental	◆	1. Environmental protection policies
	■	2. Monitor and mitigate on emission
	▲	3. Monitor and reduce on waste matter generation
	×	4. Resources use policies
	✖	5. Resources consumption and efficient measures
	●	6. Managements actions
Workplace practices	+	7. Employee engagement policies
	-	8. Policies on safe working environment
	—	9. Occupational health and safety measures
	◇	10. Employee development
Product responsibility and society	□	11. Supply chain management
	▲	12. Products and services satisfaction and safety
	×	13. Customer data protection policies and privacy
	✖	14. Anti-corruption
	●	15. Community involvement

Survey has been conducted to collect the feedback from our stakeholders on the weighting of these 15 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 below:



Customer data protection policies and anti-corruption are two highly concerned items of stakeholders and significant to business. 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 the 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 2017, we have a workforce of 176 and 8 persons in Hong Kong and 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 discretionary 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 perform comprehensive security measures to safeguard workers' & tenants' 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.

To ensure project quality, most of our major contractors engaged have industry accreditations such as ISO 9001, ISO 14001 and OHSAS 18001. 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 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 environment 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 Buildings" 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 different 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. Recyclable waste will be further handled by third-party waste collectors for further handling. Wastewi\$e Certificate organized by Environmental Campaign Committee is applied in Gateway ts to demonstrate the achievement in waste reduction. We also engage qualified garbage disposal companies to clear-up and dispose of the wastes produce by tenants.

The majority of waste generated by the Group for the year is paper, which used in normal business operation and printed materials distributed to shareholders, which used a total of approximately 5.4 tonnes (2016: 5.0 tonnes). The total CO<sub>2</sub> equivalent emissions for the paper used was approximately 26.1 tonnes (2016: 23.9 tonnes).

### **Recycled waste from our properties**

<b>Type of resource</b>	<b>Unit</b>	<b>2017</b>	<b>2016</b>
Paper	Tonnes	55	30
Metal	Tonnes	9	7
Plastic	Tonnes	12	8

## **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 fluorescent tube to maximum energy efficiency
- Installing green flat roofs that lower the indoor temperature
- Regular maintain appliances and facilities for better performance
- Using timer control for outdoor signage to limit energy consumption
- Using eco appliances to maximise energy efficiency
- Engage a Registered Energy Assessor to certify that the major retrofitting works comply with the Building Energy Code

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

### **Water Resources Utilisation, Quality Control and Conservation**

The water consumption of the Group for the year was 13,442 m<sup>3</sup> (2016: 12,423 m<sup>3</sup>), water consumption intensity (average by gross floor area) of 0.11 m<sup>3</sup> per m<sup>2</sup> (2016: 0.10 m<sup>3</sup>), it mainly used for property management operation and hotel and catering operations.

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

## OUR ENVIRONMENT (Continued)

### Data in Environmental Performance

<b>Consumption of resources</b>			
<b>Type of resource</b>	<b>Unit</b>	<b>2017</b>	<b>2016</b>
Electricity	kWh	4,492,394	3,533,300
Towngas	MJ	1,086,480	1,094,160
Diesel	L	386	2,180
Unleaded petrol	L	56,295	60,716
Water	m <sup>3</sup>	13,442	12,423

<b>Greenhouse gas emission</b>			
<b>Type of resource</b>	<b>Unit</b>	<b>2017</b>	<b>2016</b>
Electricity	Tonnes, CO <sub>2</sub> e	2,596	2,175
Towngas	Tonnes, CO <sub>2</sub> e	13	14
Diesel	Tonnes, CO <sub>2</sub> e	1	6
Unleaded petrol	Tonnes, CO <sub>2</sub> e	133	143
Water	Tonnes, CO <sub>2</sub> e	8	7

Due to renovation works and equipped of new building facilities in Gateway ts, and the new factory canteen which have been in full operation since May 2017, the electricity and water consumption rates in 2017 are both higher than previous year.

## 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\$5,500,000 (2016: approximately HK\$5,370,000) to different charity organizations and activities. It included HK\$5,270,000 to Tung Wah Group of Hospitals for their various fundraising events, including Charity Gala, service for education and community services and free medical services, etc, HK\$67,000 to The Community Chest, and HK\$79,000 to The Hong Kong Award for Young People.

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

<b>A. Environmental</b>		<b>Pages</b>
<b>Aspect A1</b>	<b>Emissions</b>	
General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste (a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer	6 - 7
KPI	A1.1 The types of emissions and respective emissions data	8
	A1.2 Greenhouse gas emissions in total	8
	A1.3 Total hazardous waste produced	N/A
	A1.4 Total non-hazardous waste produced	6
	A1.5 Description of measures to mitigate emissions and results achieved.	6 - 7
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	6
<b>Aspect A2</b>	<b>Use of Resources</b>	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	6 - 7
KPI	A2.1 Direct and / or indirect energy consumption by type in total	8
	A2.2 Water consumption in total and intensity	7
	A2.3 Description of energy use efficiency initiatives and results achieved	7
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	7
	A2.5 Total packaging material used for finished products and, with reference to per unit produced.	N/A
<b>Aspect A3</b>	<b>The Environment and Natural Resources</b>	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	6
KPI	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	6

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX (Continued)

<b>B. Social - Employment and Labour Practices</b>		
<b>Aspect B1</b>	<b>Employment</b>	
General	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	3
Disclosure	(a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer	
<b>Aspect B2</b>	<b>Health and Safety</b>	
General	Relating to providing a safe working environment and protecting employees from occupational hazards	3
Disclosure	(a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer	
<b>Aspect B3</b>	<b>Development and Training</b>	
General	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities	3
Disclosure		
<b>Aspect B4</b>	<b>Labour Standards</b>	
General	Relating to preventing child and forced labour	3
Disclosure	(a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer	
<b>B. Social - Operating Practices</b>		
<b>Aspect B5</b>	<b>Supply Chain Management</b>	
General	Policies on managing environmental and social risks of the supply chain	4
Disclosure		
<b>Aspect B6</b>	<b>Product Responsibility</b>	
General	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	5
Disclosure	(a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer	
<b>Aspect B7</b>	<b>Anti-corruption</b>	
General	Relating to bribery, extortion, fraud and money laundering	4
Disclosure	(a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer	
<b>Aspect B8</b>	<b>Community Investment</b>	
General	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	8
Disclosure		