



# HING MING HOLDINGS LIMITED 興銘控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8425

## 2017 Environmental, Social and Governance Report

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SCOPE

This report was approved by the board of directors (the “**Board**”) of Hing Ming Holdings Limited (the “**Company**”) and aims to provide a balanced representation of the efforts made by the Company and its subsidiaries (the “**Group**”) on corporate social responsibility and covers its operations in the business of provision of rental services of temporary suspended working platforms and other equipment such as tower cranes and generators; and the trading of equipment and spare parts including permanent suspended working platforms, motors and wire rope for the year ended 31 March 2017 (the “**Year**”).

## REPORTING FRAMEWORK

This report is prepared in accordance with the Environmental, Social and Governance (“**ESG**”) Reporting Guide in Appendix 20 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

## ESG WORKING GROUP

The Group views corporate social responsibility as one of the core values of its business operations for sustainable development. To demonstrate the Group’s commitment to sustainability with transparency and accountability, the Group has established an ESG working group, which has clear terms of reference that set out the powers delegated to it by the Board.

## CORPORATE SOCIAL RESPONSIBILITY (“**CSR**”) POLICY

The Group is committed to adhering to the highest standards of corporate governance and hence has adopted a CSR policy, in respect of the environmental, social, and governance dimensions, that aims to integrate CSR seamlessly into the Group’s business strategies and management approach.

## SUSTAINABLE DEVELOPMENT

Aspiring to persist as the leading temporary suspended working platform rental service provider in Hong Kong, the Group strives to operate its business in an economic, social and environmentally sustainable manner. Continuously resolute in providing good quality products and outstanding services, the Group firmly recognizes the importance of balancing its business objectives with the stewardship of natural environment, the need to meet market demand for resources, and the need to build a more prosperous and sustainable society.

## ENVIRONMENTAL EMISSION

The Group’s business predominantly focuses on rental services with respect to temporary suspended working platforms and other equipment and trading services with respect to equipment and spare parts including permanent suspended working platforms, motors and wire rope. Our rental services are not subject to significant environmental laws and regulations in Hong Kong; and our trading services, apart from the laws and regulations mentioned below, are not subject to other significant environmental laws and regulations in Hong Kong.

The Group integrates considerations of environmental preservation into its business and is dedicated to continuously improving environmental performance in conformity with all applicable laws and regulations in Hong Kong. Usage of electricity by the Group is the major source of emission of Green House Gases (“**GHG**”). In the end-use sector of electricity, the Group takes initiative in fighting climate change and global warming through understanding electricity demand across the entire Group and closely monitoring change in energy use over time.

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To be a responsible rental services provider, the Group strives to implement every possible measure to conserve energy in its business through increasing the energy efficiency for machineries and equipment sold or leased out. As such, the Group strictly adheres to the Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong) when applicable, which regulates the emissions of non-road mobile machinery including suspended working platforms. Also, the Group ensures that machineries sold or leased are approved with the Non-Road Mobile Machinery (NRMM) label issued by the Environmental Protection Department of Hong Kong, when applicable.

The Group is not aware of any non-compliance with the laws and regulations in Hong Kong relating to gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have or may result in significant impact on the Group during the Year.

### UTILIZATION OF RESOURCES

The Group is eminently devoted towards promoting a sustainable working and living environment through continuous emissions reduction and effective use of resources by introducing various guidelines pertaining to the efficient utilization of resources.

The Group is committed to promoting employees' environmental awareness and optimizing natural resource utilization among the Group. For example, the Group makes every effort to alleviate its environmental impact by properly maintaining vehicles, and encouraging environmentally friendly driving behaviours. Drivers are encouraged to drive at a reasonable speed to avoid sudden braking, and to switch off engine while waiting.

Moreover, the Group has proactively introduced measures and guidelines to raise employees' awareness of best practices for efficient use and conservation of resources in the office workplace, which include the use of energy saving lighting, e-statements and duplex print. The Group conducts video conferencing whenever possible as a substitute for overseas or cross-border business trips to reduce carbon footprints from flights, trains or other vehicles.

The Group also encourages its employees to set office equipment on energy-saving mode, to set temperature of air-conditioners to an energy-efficient level of 24-26 degrees Celsius, where appropriate, to draw blinds to keep direct sunlight out of offices, and to clean the air filters of air-conditioners regularly.

### THE ENVIRONMENT AND NATURAL RESOURCES

The Group preserves the environment and natural resources indirectly through providing rental services of temporary suspended working platforms and other equipment such as tower cranes and generators. Temporary suspended working platforms act as a substitute for traditional bamboo shed, which can significantly reduce wastes produced by traditional scaffolding. For example, according to the Construction Innovative Environmental Practices issued by the Hong Kong Construction Association, the use of temporary suspended working platforms for installation of a 22-floor high tower lift can prevent 1200 meters of bamboo from landfill disposal.

The Group adopts waste management policy of reduce, reuse, recycle and replace where possible. For example, to reduce waste, the used metal components of temporary suspended working platforms are disposed at a low price or at no cost to recycling companies.

## SOCIAL EMPLOYMENT AND LABOUR PRACTICES

### ***Employment***

The Group's workforce is its most valuable asset and is the key to its long-term growth and prosperity. The remarkable development of the Group in recent years is a concrete proof of the contribution from its professional and experienced employees. Therefore, the development and maintenance of its human resources through attracting and retaining appropriate and suitable talents have equally profound effect on maintaining competitiveness within the industry and delivering excellent services to clients. For this reason, the Group is committed to providing a healthy, safe, and friendly working environment for all of its employees.

The Group recognizes, rewards and remunerates its employees based on factors such as qualifications and years of experience, with competitive remuneration package, and welfare and benefits included in its comprehensive labour management policies.

The Group firmly believes that a diversified workforce can congregate a mix of talents of different skills, experience and knowledge, which in turn strengthens the Group's competitiveness, supports innovation capability and fulfills contemporary business challenges. The Group respects diversity across all levels by offering equal employment opportunities to all candidates and not differentiating them on the basis of factors including, but not limited to gender, race, age, and religion. The Group has thus formulated and implemented equal opportunity and non-discrimination policies and practices for recruitment and promotion.

For the Group's long-term success in the industry, the Group has a series of well-established promotion and succession programs to ensure professional knowledge and experience from our existing employees are inherited by our new employees. In addition, ongoing performance reviews and annual appraisal policies are well in place to ensure all employees are provided with equal career development opportunities.

The Group adheres strictly to all laws and regulations in relation to employment such as the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong).

No non-compliance with the laws and regulations in Hong Kong relating to labour and employment that have or may result in significant impact on the Group was identified during the Year.

### ***Health and Safety***

Health and safety are always of paramount importance. Due to the nature of works in construction sites, risks of accidents or injuries are inherent. To minimize occupational accidents and to provide a safe and secure working environment, the Group is highly committed to complying with applicable laws and regulations in the industry such as the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong), the Construction Sites (Safety) Regulations (Chapter 59I of the Laws of Hong Kong), and the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

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The Group has strictly complied with the requirements of the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), and has arranged insurance coverage for our employees, for which the Group believes the current insurance coverage is adequate and consistent with the industry norm, after taking into account the prevailing industry practices and the Group's current operations.

The Group takes every possible measure to attain the goal of zero injury in construction sites. The Group's recent efforts in this regard include:

1. establishing and regularly reviewing safety rules and policies and closely monitoring the implementation of such rules and policies;
2. reviewing reports of major accidents and incidents and using statistics to identify trends and monitor safety performance;
3. reviewing the effectiveness and sufficiency of safety training; and
4. continuously monitoring changes to relevant laws and regulations in Hong Kong and updating codes on safety issues.

The Group is dedicated to implementing sound safety management and thus offers hazard identification trainings to all employees, in which the individuals are trained to determine potential health risks and apply preventive measures to resolve such issues. Also, all necessary safety rules and policies are posted on conspicuous notice boards. Technicians are required to perform routine checks for every platform in use, and to wear safety helmets, footwear, gloves and safety belts when working in platforms and construction sites. All technicians are required to complete safety induction trainings before commencing work.

During the Year, no non-compliance with the laws and regulations in Hong Kong relating to occupational health and safety that have or may result in significant impact on the Company was identified.

### ***Development and Training***

The Group trusts that growth of employees remains key to sustaining market leadership. It is imperative to cultivate a learning culture within the Group and to encourage continual education and development in order for our employees to be well-equipped and competent in delivering high quality services and products to customers, and to raise their occupational safety awareness.

The Group thus invests in its employees to enhance their job competence and professional skills and knowledge in order for them to make continual contribution to the growth and success of the Group. For example, on-the-job trainings relevant to their current job duties are arranged to update and develop their skills and knowledge.

During the Year, the Group did not experience any strike or labour dispute which had a material effect on the business of the Group.

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## ***Labour Standards***

The Group is committed towards the growth and well-being of its employees. All the laws and regulations in Hong Kong pertaining to the prevention of child and forced labour are strictly followed. Any act of misconduct, such as sexual harassment, is seriously prohibited. Grievance mechanisms and disciplinary procedures are also set in place to enhance transparency and to ensure adequate governance of the business. The Group adheres strictly to the Immigration Ordinance (Chapter 115 of the Laws of Hong Kong) and has taken appropriate measures to ensure that no illegal workers are employed.

During the Year, no violation of related rules and regulations in Hong Kong on child labour and forced labour was identified.

## **OPERATING PRACTICES**

### ***Supply Chain Management***

The Group believes that building stable and mutually trusted relationships with suppliers is imperative in managing potential environmental and social risks while enhancing operational efficiency and securing the long run prosperity of the Group.

For this purpose, the Group closely collaborates with stakeholders along the supply chain to improve overall environmental, social, and governance performance and to ensure all supply chain management processes are in line with the best practice incorporated. The Group's approach to this includes developing good relationships with suppliers based on honesty, fairness and mutual trust, and procuring only from suppliers on our approved list of suppliers.

With nearly 20 years of experience engaging in the temporary suspended working platform industry, the Group has successfully maintained good business relationships with suppliers, some of which are large international equipment manufacturers. This helps to secure stable supply of equipment at competitive prices.

The Group has not experienced any material shortage or delay of supplies nor material price increases by the suppliers because of the well-established relationships with major suppliers. The Group regularly conducts performance reviews with major suppliers and communicates with them for rectification and improvements.

### ***Product Responsibility***

With a strong determination in provision of equipment with high degree of safety, quality and reliability, and delivery of excellent and professional services, the Group adopts dual-controls in product quality management through stringent quality control in the procurement process and equipment maintenance. The Group also closely monitors the level of customer satisfaction for continual self-improvement.

The Group is committed to consistently delivering high quality products and offering superior services, and thus adheres strictly to all applicable laws and regulations in Hong Kong on the safety of our rental equipment.

During the Year, no non-compliance with the laws and regulations in Hong Kong relating to the health and safety, advertising, labelling and privacy matters relating to products and services that have or may result in significant impact on the Company was identified since we impose a stringent quality control regime.



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## ***Incoming Quality Control***

The Group enhances sustainable performance through aligning its goal with suppliers. A comprehensive supplier monitoring mechanism has been duly established and put into practice as baseline management to assure that the quality of equipment supplied to the customers are stringently controlled and monitored.

The Group insists to purchase materials, temporary and permanent suspended working platforms and spare parts only from the list of approved suppliers, for which all suppliers are subject to a thorough assessment process and supplier performance review.

All these measures are to ensure that our rental equipment are of good design and good quality, and all these machineries are made of appropriate material, properly installed and maintained.

## ***Equipment Quality Control***

The Group attaches much attention to the quality and maintenance of its equipment so as to enhance occupational safety and reliability, and ultimately gain prominence among customers.

For the temporary suspended working platforms operation, the Group has dedicated a quality assurance team, comprising quality assurance officers and Competent Persons as defined under the Factories and Industrial Undertakings (Suspended Working Platforms) Regulation (Chapter 59AC of the Laws of Hong Kong), to formulate, implement, and monitor systematic quality control policies and standard operating procedures.

The Group strictly follows the safe use and operation of temporary suspended working platforms. In that regard, a series of meticulous inspections, testing and examination on specific and regular basis are strictly adhered to by the Group.

## ***Customer Satisfaction***

The Group values every feedback from customers and takes them into heart in the process of improving the quality of services and satisfying the needs of existing and potential customers. To encourage customers to share their needs, expectations and views of the services and products provided, various communication channels, such as on-site staff communications with customers, have been established to solicit feedback. As a way of self-improvement, the Group insists in promptly and properly reviewing, reacting and responding to every valuable feedback collected.

The Group respects customer privacy and strives to safeguard customers' data through adhering to all requirements under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). During the Year, no breach of customer privacy or data loss was reported.

## ***Anti-Corruption***

With determination to live up to a high standard of ethics, transparency, responsibility and integrity in every aspect of the Group, robust corporate governance practices have been established and adhered to.

No bribery and corruption is tolerated. The Group aims to carry out its business in a professional and ethical way, and thus takes every possible measure to ensure that all of its operations are in compliance with all applicable laws and regulations in Hong Kong.

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A Code of Conduct (the “**Code**”) and various internal guidelines regarding bribery, money-laundering, gifts and entertainment are well in place and are mandatory for every employee to strictly follow. Whistleblowing policy is established to encourage reporting, in real name or anonymously, of any incident of bribery, corruption, extortion, fraud and other acts of dishonesty among the Group. The Board investigates into every reported non-compliance with the Code and internal guidelines and allegations of bribery. Disciplinary action is undertaken against such culpable employee when violation of the Code or internal guidelines is noted.

During the Year, no violation of related rules and regulations in Hong Kong on bribery, extortion, fraud and money laundering was identified.

### COMMUNITY

#### ***Community Investment***

The Group believes that a sustainable community plays a vital role in its long-term growth and success. Therefore, the Group has portrayed immense dedication in contributing to the amelioration of the society through collaborating with the local communities it operates in and addressing the community’s needs.

The Group contributes to the community not only by monetary support but also by encouraging its employees to devote time and to actively get involved in community engagements and charity works.