

**G&M** Holdings Limited  
信越控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 6038)**

**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT  
2017**

## **Content**

	<b>Page</b>
<b>About This Report</b>	<b>2</b>
<b>Stakeholders Engagement and Materiality Assessment</b>	<b>3 - 4</b>
<b>Environmental Protection</b>	<b>5 - 9</b>
<b>Our Talents</b>	<b>10 - 14</b>
<b>Our Suppliers and Customers</b>	<b>15 - 17</b>
<b>The Stock Exchange ESG Reporting Guide Index</b>	<b>18 - 20</b>

## **About This Report**

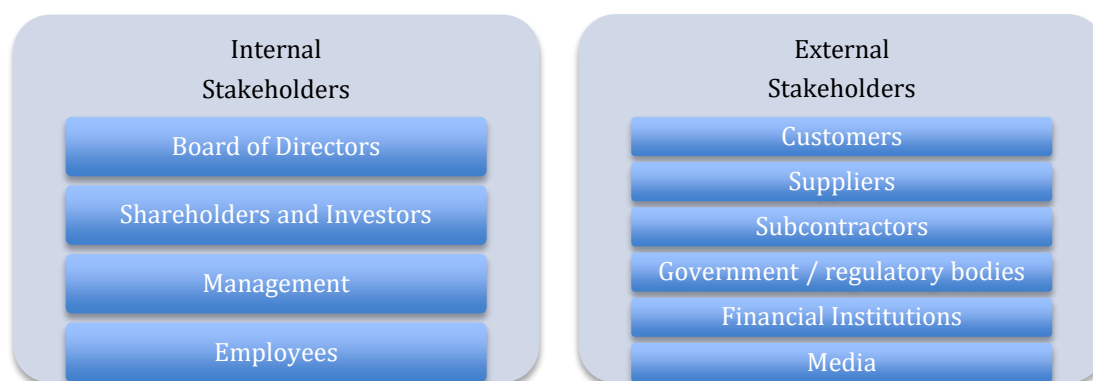
G&M Holdings Limited (the “**Company**” together with its subsidiaries as the “**Group**”) is pleased to present the Environmental, Social and Governance Report (“**ESG Report**”) for the year ended 31 December 2017 to provide an overview of the Group’s commitment to sustainable development of our business and the Group’s policies and initiatives on the environmental and social aspects.

This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Guide encourages a listing company to identify and disclose ESG information that is material and relevant to both its business and its stakeholders.

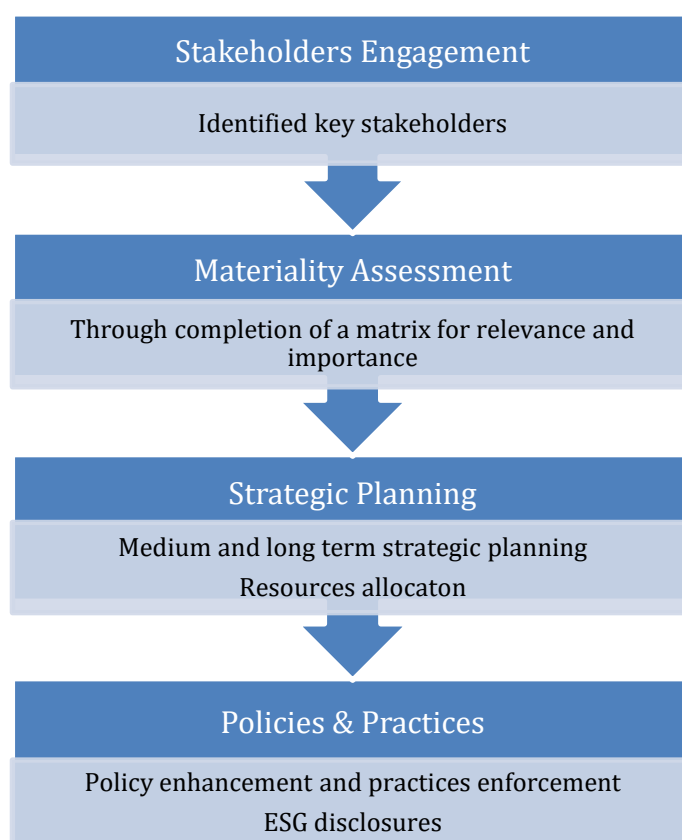
The Group is principally engaged in provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 June 2017. This ESG Report discloses the policies and initiatives of the environmental and social aspects on the operations of the Group in Hong Kong and it covers the period from 1 January 2017 to 31 December 2017 (the “**Reporting Period**”).

## **Stakeholders Engagement and Materiality Assessment**

The Group is committed to the long-term sustainability of its business, as well as providing support to environmental protection and the communities in which it operates. We believe that stakeholders' participation is critical in the sustainable value creation and sustainable development. The stakeholders' engagement is an important process to understand and identify the material ESG issues in our operations. To have better understanding of our stakeholders' views and to satisfy their expectations, we communicate with them through various channels, such as conferences, emails, mails, telephone calls, interviews and official website of the Group. We listen and collect their views and interests, and understand their expectations. In the stakeholders' engagement process, we identify opportunities and challenges, and also develop business development strategies to improve our corporate social responsibilities. Based on the scope of our operations, we have identified the following key stakeholders of the Group.



In the stakeholders' engagement process, materiality assessment is carried out by plotting a matrix of relevance and importance to get an insight of the relative importance of specific ESG issues for both internal and external stakeholders. With the help of the matrix, our decision process can prioritise the relevant issues and focus on these issues in long term planning, disclosure, policy enhancement and enforcement of practices. In this ESG report, we also consider the reporting principles as proposed in the Guide for materiality, quantitative, balance and consistency to incorporate more relevant contents and to present information in a way that can meet better the expectation of our stakeholders.



### **Stakeholders' Feedback**

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please share your views with us via email at [gmhk@gm-eng.com.hk](mailto:gmhk@gm-eng.com.hk).

## **Environmental Protection**

The Group is aware of the importance of environmental protection to the business sustainability and is playing a vital role to help protect the environment. We are committed to avoiding adverse impact and damage to the environment and the communities in which we operate our business. We have established in-house ESG policies to monitor our environmental and social sustainability.

## **Emissions and Use of Resources**

The Group is engaged in providing design and build solutions, and repair and maintenance services for podium facade and curtain wall in Hong Kong. Our operations are subject to certain environmental requirements pursuant to laws in Hong Kong, such as Air Pollution Control Ordinance, Noise Control Ordinance, Waste Disposal Ordinance.

We are committed to complying all applicable environmental laws and regulations and require our staff and subcontractors to follow our in-house rules which containing measures and work procedures governing the environmental protection compliance. As our subcontractors carry out most of our construction works, we also have stringent controls to ensure that our subcontractors fully comply with the relevant environmental laws and regulations.

During the construction process, we require our staff and subcontractors to take a range of measures to reduce adverse impact to our environment. In relation to the noise control, all equipment used is in compliance with the permitted noise level. Inspection and maintenance of the equipment are taken before use to maintain equipment in good condition. Construction works are also undertaken in accordance with the permitted work hours as specified by Noise Control Ordinance and the customers. For the waste management, wastes are segregated into general wastes and construction wastes before transporting to site rubbish collection point designated by the customers. In the Reporting Period, we did not aware of any non-compliance of the relevant laws and regulations in Hong Kong.

As the Group engages subcontractors to carry out the construction works, the Group's business operations does not directly produce greenhouse gas, air pollutants and hazardous waste in construction sites. The Group's emissions are mainly derived from the usage of motor vehicles, consumption of electricity and supplies for office use and air travel by staff.

### **Air Emissions**

During the Reporting Period, the usage of the Group's private cars for our staff to travel among the construction sites is the main source of air emissions for the Group. Therefore, we select vehicle models with lower energy consumption and less polluting gasoline to reduce negative impact on the environment from air emissions of the vehicles. Furthermore, proper and regular maintenance is carried out for our vehicles to avoid excess emissions and increase energy efficiency to reduce fuel consumption. It can also extend the life span of the vehicles.

KEY PERFORMANCE INDICATORS – AIR EMISSIONS	2017
	<u>kg</u>
- Nitrogen Oxides (“ <b>NO<sub>x</sub></b> ”)	2.99
- Sulphur Oxides (“ <b>SO<sub>x</sub></b> ”)	0.05
- Particulate Matter (“ <b>PM</b> ”)	0.22

## **Greenhouse Gas (“GHG”) Emissions and Energy Consumption**

To protect our environment, we should value our resources and strive to reduce the GHG emissions during our business operations. To achieve these goals, we are committed to improving the efficient use of resources. Energy conservation also plays an important part in this process.

In the year 2017, the Group generated GHG emissions of 121 tonnes and the GHG emissions per staff was 1.5 tonnes. Electricity consumption accounted for the major part of the GHG emissions and our offices in Hong Kong and the PRC consumed 137,000 kWh of electricity in the Reporting Period. Other sources of GHG emissions include the paper waste and business travel by air.

Electricity is the most consumed energy by the Group. The largest proportion of the power is consumed by air conditioning. We set the temperature of air conditioners at a proper temperature to save energy. Dust filters and fan coil units of the air conditioners are cleaned and replaced regularly to maintain the efficiency and lower the energy consumption.

The Group monitors office electricity consumption monthly and require our staff to take up the responsibility of reducing energy consumption by switching off unused lighting in their respective section of office and controlling air conditioning to a proper temperature. Furthermore, all computers, electronics devices, printers and lighting are required to shut down when the office is closed. Advanced multi-functions printers are installed at office to lessen the use of paper and the number of stand-alone printing devices, which can also reduce the energy consumption and the emissions.



**G & M Holdings Limited**  
**Environmental, Social and Governance Report 2017**

For other sources of GHG emissions, we encourage our staff to minimize photocopies and printing in order to reduce paper usage. Use of electronic communication, such as email, is also recommended to replace the use of paper. We set up a specific place to collect waste paper for recycling purpose. During the Reporting Period, we collected 780kg of waste paper for recycling, it helped to reduce the GHG emissions by more than 3 tonnes. To further control our GHG emissions, using of video conferencing, teleconferencing and emails are recommended instead of business travel trips and the number of staff travelling is also restricted to minimize non-essential travelling.

To control the use of gasoline, the fuel consumption / mileage usage from the motor vehicles are monitored. We encourage our staff to take public transportation to visit the construction sites or our suppliers' factories.

KEY PERFORMANCE INDICATORS – GHG EMISSIONS		2017
		<u>tonnes CO<sub>2-e</sub></u>
Scope 1 :	direct emissions from combustion of vehicle fuel	9.8
Scope 2 :	indirect emissions from purchased electricity	71.8
Scope 3 :	other indirect emissions from paper waste	21.0
	other indirect emissions from business travel by air	18.4
Total GHG Emissions		121.0
GHG Emissions Intensity (in terms of average no. of staff, tonnes CO <sub>2-e</sub> / staff)		1.5

KEY PERFORMANCE INDICATORS – ENERGY CONSUMPTION		2017
Direct energy consumption		<u>litres</u>
	- gasoline consumption	3,600
	- gasoline consumption / average no. of staff (litres / staff)	44
Indirect energy consumption		<u>kWh</u>
	- electricity consumption	137,000
	- electricity consumption / average no. of staff (kWh / staff)	1,670

## **Waste Management**

The Group's construction projects are carried out by subcontractors, therefore the Group does not generate hazardous waste directly. General non-hazardous wastes generated from offices are mainly waste paper and other office supplies. The Group produced 4.6 tons of non-hazardous wastes and 0.06 tons per staff during the Reporting Period.

In our offices, double sided printing is adopted and used papers are collected for printing draft documents to reduce paper usage and paper wastage. Used envelopes are reused for internal purpose. Paper recycle is an efficient way to reduce waste. We also keep the used toner cartridges of our printers and arrange suppliers to recycle those regularly, in order to reduce wastes.

## **Water Consumption**

The Group's offices do not involve high volume of water consumption. Water is supplied to our offices by municipal water supply or public organisations through the respective property management company where our offices locate. Although it is not feasible to measure our water consumption, we still promote the awareness of our staff to save water and reduce unnecessary wastage of water.

## **The Environment and Natural Resources**

Except for the energy consumption, paper usage and solid waste produced, our offices do not cause any direct and significant impacts on the environment and natural resources. For our construction projects, we pay close attention to the works carried out by our subcontractors and to ensure that they strictly comply with the relevant laws and regulations and do not cause any damage to the environment. During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations in respect of the environment and natural resources.

## **Our Talents**

### **Employment**

The Group regards that human capital is essential to the success of the Group. We value our talents and strive to provide a harmony and supportive working environment for them. We are committed to providing a fair workplace to protect existing and potential staff from being treated disadvantageously or excluded on the basis of characteristics such as gender, age, race, marital status and religious belief or others. We formulate policies in accordance with the relevant laws and regulations in Hong Kong and the PRC to cover recruitment, probation, termination, working hours and holidays. All these policies, together with policies on training, appraisal, occupational safety and health, and other benefits, are set out in the staff handbook for the staff to have better understanding of our policies.

We offer competitive remuneration package with benefits and welfare to our staff on the basis of their individual qualifications, working experience and performance. We also believe that a good performance appraisal system can facilitate performance management, provide a formal two-way communication channel for the staff and their supervisors, and can help the staff improve performance. During the annual appraisal process, staff performance assessments are carried out to evaluate the staff performance for salary adjustment and promotion. Our staff can also share with the Group's performance by way of the annual discretionary bonus. Apart from financial rewards, training and development needs of the staff also can be identified during the appraisal process, which is an essential process to enhance the professional development and competency of the staff.

At the end of the current financial year, the Group had 62 staff in Hong Kong and 29 staff in PRC. In 2017, there were no confirmed non-compliance incidents in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare of any employment that have a significant impact on the Group.

## **Development and training**

We are “Learning Organization” where we support continuous learning and improvement efforts by facilitating the acquisition of skills and knowledge for both personal and professional development. We believe in giving the staff every opportunity to acquire the knowledge and skills necessary for their job and future progress. Training and development focuses on strategic programs that assist all staff to maximize their full potential and contributions to the organization. We have policies on providing internal and external trainings to enhance the development of the staff.

The appraisal system helps to identify the training and development needs of our staff. Based on the specific training needs of the staff, we provide various vocational training programmes to staff in order to provide them with opportunities to advance their career. In addition, we also subsidise our staff to attend external job-related training courses and ensure that the development opportunities are equally open to staff at all levels.

During the Reporting Period, several internal trainings were provided by management to our general staff in form of workshops and seminars. These trainings included glass technology, equipment and tooling workshops, and laser welding seminars etc. The Group also provided financial subsidies to our staff for attending job-related training courses on building materials, site supervision, ISO and technical trainings etc., organized by professional bodies, such as the Vocational Training Council, Construction Industry Council, Hong Kong Facade Association and the Hong Kong Institute of Vocational Education.

## **Health and safety**

It is the Group's policy to assure the health, safety and welfare of all staff and all persons who are likely to be affected by the operations, including sub-contractors and the public where appropriate. Our objective is to establish and maintain a safe environment where there are systematic procedures, stringent supervision and sufficient training to each of our staff and hence to prevent accident from time to time. We comply with the current applicable Occupational Health and Safety legislation with all other applicable and reasonably implied requirements, as relevant to the nature of our business, for prevention of injury and ill health. We also provide appropriate and available resources for the achievement of defined safety standards in our construction activities and supporting services.

The Group's safety policies, safety rules and regulations and safety procedures are embedded in our safety handbook "Safety Plan", which is given to all our staff and subcontractors. In order to ensure the implementation of safety procedures for each construction project, we set up a safety team, including a safety supervisor, engineers, foreman, and work representative, under the supervision of the project management team. The safety supervisor carries out site safety inspection and gives instructions to workers on the correct and safe working practice. We also require our subcontractors to follow the applicable laws and regulations in relation to occupational health and safety at the construction sites. Our project managers are assigned to ensure that the subcontractors have met the safety and workmanship requirements.

We also recognise that the provision of adequate health and safety information and training for all levels of personnel makes a vital contribution towards an effective accident prevention program and will therefore ensure that suitable structure of information and schedule of training are adopted by all parties throughout the project. All workmen and supervisory staff are required to attend various vocational training, such as safety instruction course, toolbox training and manual lifting training etc. The supervisory staff is also provided with safety courses organized by the Labour Department, Occupational Safety and Health Council, the Construction Industries Training Authority and the Hong Kong Construction Association. We also encourage the managerial and senior supervisory staff to enrol safety conferences and seminars organized by external organizations to upgrade and update the knowledge and concept on health and safety management.

**G & M Holdings Limited**  
**Environmental, Social and Governance Report 2017**

For our offices in Hong Kong and the PRC, the Group is also committed to providing the staff with a safe and healthy workplace by complying with the Occupational Safety and Health Ordinance in Hong Kong and relevant laws and regulations in the PRC. To maintain a safe and healthy working environment in our offices, we prohibit indoor smoking, and provide regular office cleaning and first aid kit at the office.

In addition, we encourage our staff to participate in recreational and sports activities to improve their health condition and to promote work-life balance. Different social functions are held for our staff not only to enhance the team cohesion but also to promote healthy lifestyle. In the Reporting Period, we organized staff gathering on monthly birthday celebration parties and annual dinner. We also sponsored our staff to participate in charity run event in Hong Kong Disneyland to promote healthy lifestyle.

During the Reporting Period, the Group strictly complied with the relevant laws and regulations in Hong Kong and the PRC and no major accidents involving death or injuries had occurred.

### **Labour standards**

The Group pursues fair employment practices in every aspect of its business and is committed to respecting the labour and human rights of all our staff through our human resources policies, which are clearly stated in our Staff Handbook and Code of Conduct. We strictly comply with the Employment Ordinance in Hong Kong and the Labour Law and Labour Contract Law in the PRC.

The Group stresses the importance of safeguarding human rights and labour rights and prohibits the employment of child labour and forced labour. To prevent any employment of child labour, our human resources department, before any employment is confirmed, will examine the applicant's original identity documents with photo that indicates the age of the applicant. The Group ensures that the terms of employment are voluntary and would not be changed arbitrarily without communicating with the staff. Our staff work on their own free will and are free to leave the Group upon reasonable notice under the Group's relevant policies. We do not require our staff to lodge deposits or hand over passports or work permits as a condition of employment, unless required by applicable law.

## **Anti-corruption**

The Group is committed to conducting business in fair, integrity and legal manner. We do not tolerate bribery, kickbacks, or corrupt acts of any kind or in any circumstances from our staff or our agents. Our Code of Conduct states clearly that our staff and agents must comply with The Prevention of Bribery Ordinance. We also require our staff to declare any conflicts of interest. Guidelines for the giving and receiving gifts among our business partners are also given to our staff in the Code of Conduct.

Our staff are encouraged to report known or suspected fraud, corruption, dishonest practices and other similar matters to their supervisors or to the Managing Director directly. All reports will be kept confidential and will be investigated thoroughly. Appropriate actions and corrective measures will be taken based on the findings. We will take appropriate disciplinary actions or report to the regulators in the event of contravention by any subcontractors or suppliers.

During the Reporting Period, the Group did not have any case of corruption and litigation involving the Group and our staff.

## **Our Suppliers and Customers**

### **Supply Chain Management**

Supply chain management is crucial to the Group's sustainable operations. The Group establishes a supply chain sustainability working group to share best practices and to develop sustainability policies and guidelines. The working group monitors the quality of the suppliers and subcontractors. We follow ISO 9001 procurement procedures to engage suppliers and subcontractors.

The Group's major suppliers, which are located in Hong Kong and the PRC, supply the building materials to be used in our design and build projects, such as aluminium, metal and glass. We select the suppliers based on a number of criteria including, but not limited to their technical capability, track records, prices, product quality and timely delivery. Besides, our suppliers are also required to comply with the relevant laws and regulations in Hong Kong and the PRC.

As the Group subcontracts all installation works of design and build projects, and one-off repair and maintenance works to external subcontractors, we set up stringent standards for selection of subcontractors. We carefully evaluate the subcontractors' company background, job references, scope of work, warranty and quality system information, and also require all subcontractors to follow the applicable laws and regulations in Hong Kong.



## **Product Responsibility**

The Group provides one-stop design and build solutions to its customers on developing facade and curtain wall system design. Services include structural calculation and shop drawings, sourcing and procurement of materials, arrangement for material fabrication and processing, installation works and post-completion maintenance services for the relevant works within the defect liability period and the warranty period. The Group is also responsible for overall project management.

For curtain wall system projects, curtain walls are designed and constructed in compliance with the Buildings Ordinance with stringent design and construction standards. Our qualified design engineers are responsible for system design and structural calculation to assess the feasibility of the design and installation works. The system design and structural calculation are required to submit to the customers and the Buildings Department for approval before work execution. In addition, the curtain wall systems are required to undergo a series of tests by independent laboratories to confirm the performance comes up to the stringent safety standards. Podium facades are not required by the Buildings Department to undergo any test, but testing will be arranged upon request of our customers.

In order to ensure the quality of the Group's works, the Group is operating under a set of procedures that complies with the ISO 9001:2015 quality standard. A project management team will be formed for each design and build project and a project manager will be assigned to oversee the project. The assigned project manager will communicate with the customers from time to time throughout the project. Since the Group is involved in every stage of a design and build project, the Group can effectively monitor the progress of the projects and minimize the possibility of having significant deviation from the original design provided to its customers.

## **Community Investment**

We believe that we have the social responsibility to contribute and re-invest to the local community where we operate. To promote and increase the awareness to our community, we support different volunteer services and community programs. We also encourage our staff to engage in charity and community services. The participation of our staff in the community not only helps the community but also contributes to the personal development of our staff. The Group will further improve our policy and plans for the community investment to make greater and better contribution to the community.

During the Reporting Period, the Company has successfully listed on the Stock Exchange. To celebrate this event, the Group participated the "Stock Code Balloting for Charity Scheme" jointly held by the Stock Exchange and The Community Chest and for re-investing to the local community by making a donation of HK\$1 million to The Community Chest.

Besides, the Group also made donations to different charity organisations to benefit people with different needs. In 2017, we donated a total of about HK\$130,000 to Rainbow Foundation and World Vision Hong Kong. Rainbow Foundation was established in 2009 as charitable institution in Hong Kong. It integrates resources from corporations, schools, organizations, and individuals, and co-operates with social welfare and charitable institutions to bring love and care to the underprivileged people, and to improve social harmony in Hong Kong.

In additions to the donations, we also encourage our staff to participate in meaningful activities. In 2017, the Group sponsored our staff to participate in an outdoor sport and charity activity "MSF Orienteering Competition" organized by Medecins Sans Frontieres; and a charity run in Hong Kong Disneyland.

**THE STOCK EXCHANGE ESG REPORTING GUIDE CHECKLIST**

ASPECTS	DESCRIPTION	PAGE REF
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
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.	5 - 9
KPI A1.1	The types of emissions and respective emissions data.	5 - 6
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7 - 8
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable for disclosure
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9
KPI A1.5	Description of measures to mitigate emissions and results achieved.	5 - 8
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	9
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5 - 9
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	7 - 8
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	9
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	5 - 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.	Not applicable for disclosure
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable for disclosure

THE STOCK EXCHANGE ESG REPORTING GUIDE CHECKLIST (continued)

ASPECTS	DESCRIPTION	PAGE REF
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	9
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
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, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	10
<b>Aspect B2: Health and Safety</b>		
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.	12
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	11
<b>Aspect B4: Labour Standards</b>		
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 preventing child and forced labour.	13

THE STOCK EXCHANGE ESG REPORTING GUIDE CHECKLIST (continued)

ASPECTS	DESCRIPTION	PAGE REF
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	15
<b>Aspect B6: Product Responsibility</b>		
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.	16
<b>Aspect B7: Anti-corruption</b>		
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.	14
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
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.	17