

# REF Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8177

# 2016

Environmental, Social and  
Governance Report

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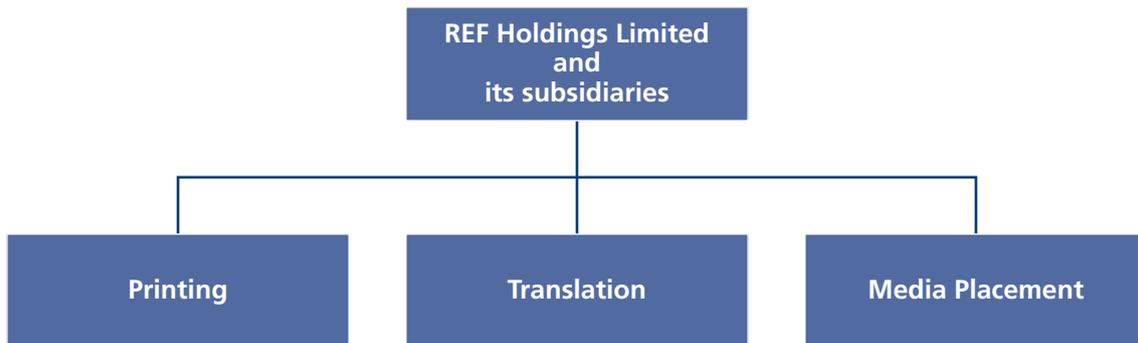
## ABOUT REF

Based in Hong Kong, REF Holdings Limited and its subsidiaries (“REF” or the “Group”) is a financial printing services provider that offers a wide range of services including typesetting, proofreading, translation, design, printing, web submission, media placement and distribution. The core business of the Group centres on the printing of listing documents, financial reports, compliance documents and other business documents.

With a design team that is renowned in the industry for its creativity and execution skills and with strong working relationships with its subcontractors, REF positions itself as a one-stop financial printing service provider. The Group will further enhance its core competitiveness and simultaneously explore new business opportunities.

Due to the fact that more and more enterprises in Mainland China are planning to list their securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), REF is confident that it will continue to capture market opportunities and achieve sustainable business growth meeting the increasing demand for high-quality, transparent and accountable financial printing services.

## BUSINESS STRUCTURE OF THE GROUP



## ABOUT THIS REPORT

This is the first environmental, social and governance (the “ESG”) report (the “Report”) issued by REF. It sets out the Group’s actions and performance on sustainability issues in a transparent and open manner with the intention of increasing stakeholders’ confidence in and understanding of the Group.

## REPORTING YEAR

Information in the Report reflects the performance of REF in environmental stewardship and social responsibility from 1 January 2016 to 31 December 2016 (the “Reporting Period”). In the future, the Group will publish the Report on an annual basis and make this openly available to the public to enhance transparency and accountability.

## REPORTING BOUNDARY

The Report focuses on the operation of REF’s head office located in Central, Hong Kong. The Group will extend the scope of disclosures and will ultimately cover all operations of the Group when the data collection system is better established and the ESG work is strengthened. The Report excludes the disclosure of environmental key performance indicators (KPIs). The Group will conduct a carbon assessment in 2017 to further refine and standardize the indicators for reporting.

## REPORTING GUIDELINE

The Report is published in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) issued by the Stock Exchange. The Report mainly outlines the ESG performance of REF in a concise manner. Information contained herein is sourced from the official documents and statistical data of the Group, and is aggregated from the monitoring, management and operational information provided by REF’s subsidiaries in accordance with the relevant rules of the Group. REF has complied with the “comply or explain” provisions set out in the ESG Guide for the Reporting Period. A complete index is inserted in the last chapter of the Report for reference. The Report is written in the Chinese and English languages and both are uploaded onto REF’s website at [www.ref.com.hk](http://www.ref.com.hk). In case of any conflict or inconsistency between the Chinese version and the English version, the English version shall prevail.

### We Value Your Feedback

Our continuous improvement relies on your valuable feedback on both the content and the form of this Report. If you have any questions or comments, please send us your views via [investor@ref.com.hk](mailto:investor@ref.com.hk) to help with our continued improvement in ESG performance.

## STAKEHOLDER ENGAGEMENT

The Stock Exchange has set forth four principles for reporting in the ESG Guide: Materiality, Quantitative, Balance and Consistency, which should form the basis for preparing the Report. As the Stock Exchange emphasizes, stakeholder engagement is the method by which materiality is assessed. Through stakeholder engagement, companies can understand wide-ranging views and identify material environmental and social issues.

For REF, stakeholders refer to groups and individuals materially influencing or affected by the Group's business. The Group's stakeholders include employees, management and directors, as well as external stakeholders such as clients, suppliers, business partners, investors, regulatory authorities and various types of community groups. In the Reporting Period, the Group communicated with the key stakeholders through a variety of methods. While preparing the Report, the Group commissioned a professional consultancy firm to conduct the materiality analysis in the form of management interviews. With expert advice, the Group identified the material aspects for this Report and these will in turn guide the formulation of the Group's sustainability roadmap.

### METHODS OF STAKEHOLDER ENGAGEMENT IN THE REPORTING PERIOD

Internal Stakeholders	External Stakeholders
<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Senior Management</li> <li>• Administration Executives</li> <li>• General Staff</li> </ul>	<ul style="list-style-type: none"> <li>• Clients</li> <li>• Suppliers</li> </ul>
Engagement methods: Meeting, E-mail and Phone Call	

The business of REF affects different stakeholders, and these stakeholders have various expectations of the Group. To enhance the materiality analysis, the Group will in future continue and expand stakeholder engagement, and will collect a diverse range of stakeholders' views through various activities. At the same time, the Group will consider advancing the reporting principles of Quantitative, Balance and Consistency in order to present the Report in a way that continues to improve alignment with stakeholder expectations.

## CHAIRMAN'S FOREWORD

*"We are confident that we can achieve our business goal while we strive to become a model of corporate social responsibility."*

REF always upholds a professional attitude and we strive to establish REF as one of the top financial printing service providers. To operate a sustainable business, we not only provide services that exceed customers' expectations, but also that fulfill environmental and social responsibilities.

We believe that developing a good sense of belonging and loyalty among our employees is also crucial to our success as a reliable financial printer. We are strictly opposed to discrimination and strive to provide a working environment that is equal and fair. We also support people with disabilities by offering job opportunities and thereby helping them to develop their capabilities fully and achieve more complete integration into the community.

The satisfaction of our customers is the cornerstone of the sustainable development of REF. In addition to providing high-quality services, we are determined to strengthen the protection of customers' privacy and intellectual property. Our employees are professionally trained to maintain the confidentiality of our customers' information.

We are well aware that, by its nature, our printing business consumes large amounts of paper. To protect natural forests, we encourage our customers to use FSC (Forest Stewardship Council) certified paper/recycle paper for their reports and documents. We also reuse non-confidential waste paper and implement paper recycling in workplace. We have invested in a range of energy efficient facilities and equipment to further achieve energy conservation in our operations.

Being environmentally and socially conscious not only helps our business to contribute to society, but also enables our business to realize sustainable development. We are confident that we can achieve our business goal while we strive to become a model of corporate social responsibility.

**Lau Man Tak**  
*Chairman*  
**REF Holdings Limited**

## OUR EMPLOYEES

### EMPLOYMENT

Employees are the most valuable asset of REF and a central part of its business growth. The Group respects every employee and strives to establish an inclusive workplace. As stated clearly in its “Staff Manual” and “Corporate Social Responsibility Policy”, the Group is committed to providing equal opportunities in recruitment and promotion, regardless of age, gender, race, skin colour, religion, nationality, marital status, disability or sexual orientation. The Group makes every effort to ensure that there is no harassment, including sexual harassment, in the workplace.

As a financial printer, REF believes that hiring and retaining qualified employees is a crucial part of its success. The Group regularly reviews the remuneration policy to ensure its market competitiveness. The Group also carries out staff evaluations to assess performance of all employees on a yearly basis. Employees are recognised and rewarded according to their individual performance, working experience, respective responsibilities, merit, qualifications, competence and time commitments.

The Group observes relevant ordinances and statutory requirements, such as the Employment Ordinance, Employees’ Compensation Ordinance and the Mandatory Provident Fund Schemes Ordinance of Hong Kong. During the Reporting Period, the Group has had no non-compliance cases regarding violation of any laws and regulations on employment.

### HEALTH AND SAFETY

REF believes that the operational efficiency of an enterprise and the maintenance of a healthy and safe working environment for all employees are closely related. The Group is committed to maintaining a healthy and safe working environment for its employees. Regulatory authorities have established basic requirements for health and safety in the workplace. The Group not only complies with all relevant occupational health and safety regulations, but also provides work safety rules for its employees to follow.

There has been no high-risk or safety-sensitive type of work identified in REF’s workplace. However, the Group understands that employees need to work for long periods daily with computers due to the nature of its operation. Hence, the Group provides employees with occupational safety education by circulating office safety guidance which covers the safe use of display screen equipment, correct working postures and encourages workplace stretching exercises to minimise the risk of work-related injury and strain.

During the Reporting Period, the Group has had no non-compliance cases regarding violation of relevant laws and regulations on occupational health and safety.

### DEVELOPMENT AND TRAINING

Staff development is an important aspect of REF’s human resources strategy. The Group places a strong emphasis on providing training to its employees to retain appropriate and suitable personnel for its long-term development.

Aiming to help its employees continuously develop their capacity through further education, REF has invested resources and provided its employees with on-the-job training relevant to their current roles. The Group has also sponsored employees to attend relevant job-related courses to enrich their knowledge and skills.

## LABOUR STANDARDS

The International Labour Organisation (“ILO”) is the United Nations specialised agency that promotes working and living standards around the world through the promulgation of labour standards through a range of International Labour Conventions and Recommendations. China is a founding member of the ILO and a permanent member. Hong Kong has currently adopted 41 International Labour Conventions which therefore apply to working conditions and employment policies.

REF is fully aware that child labour and forced labour violate fundamental human rights, International Labour Conventions and Recommendations and pose a threat to sustainable social and economic development. Therefore, the Group strictly complies with relevant laws and regulations. The Group prohibits the use of child labour by reviewing the actual age of the interviewee in the recruitment process, including the examination of identity documents and detailed records. The Group only carries out the requirements of standard labour contract and does not use any means to unfairly restrict the employment relationship between employee and the enterprise by, for example, withholding a deposit or identity documents.

Being people-oriented, REF has hosted various social events and activities such as company trips and parties for its employees with the aim of promoting work-life balance.

During the Reporting Period, the Group has had no non-compliance cases regarding violation of relevant child labour and forced labour laws.

## OUR OPERATION

### PRODUCT RESPONSIBILITY

In today's competitive market environment, the quality of products and services that customers demand continues to increase. REF understands that it can only gain, maintain and enhance their trust and support by creating the most value for customers in a responsible manner.

In the financial printing service sector, timely response and high quality of services are critical. REF has implemented a quality control system through a thorough proofreading service to ensure the accuracy of the typesetting of the documents. The Group continues to review its production process with the aim of enhancing the quality of its financial printing services. To further enhance its competitive edge, the Group has also acquired new facilities and equipment to react to the changing needs of its customers.

REF has routinely handled important, confidential and price-sensitive information related to its customers. Securing customer information is essential for maintaining good corporate governance and building long-term trust with the Group's customers. The Group adheres to the Personal Data (Privacy) Ordinance of Hong Kong and expressly reiterates confidentiality obligations in its Staff Manual. Employees are required to sign a confidentiality agreement and the Group has engaged a confidential material destruction service provider to collect and handle used papers that could possibly contain customers' confidential information.

During the Reporting Period, the Group has had no non-compliance cases regarding violations of relevant laws and regulations on product responsibility and data privacy.

### SUPPLY CHAIN MANAGEMENT

Outsourcing is a common business practice around the globe, and REF acknowledges its responsibility to monitor ESG performance of suppliers along its supply chain and throughout its service lifecycle.

REF's major suppliers are its subcontractors which mainly comprise printing factories and translation companies. In order to maintain high quality services, REF selects and maintains a list of approved subcontractors, which is reviewed and updated on a continuous basis. Site visits are arranged by the Group where necessary to ensure the overall quality of the printed documents.

In addition to such factors as technical capabilities, delivery times and price competitiveness of subcontractors, REF is also considering extending environmental and safety requirements and focuses along the supply chain, and requires its subcontractors to focus more on sustainability performance. REF aims to cooperate more with companies who share the common sustainability goals with the Group.

### ANTI-CORRUPTION

REF believes that the integrity of business is the foundation of corporate social responsibility, as well as a fundamental element for a business's competitive advantage and sustainability. The Group is committed to the highest possible standards of openness, probity and accountability.

REF adopts a policy of zero tolerance towards corruption. All employees must fully comply with relevant local laws and regulations as well as the Group's own policies on prevention of corruption. All employees have a responsibility to report any suspected violations to a supervisor or senior management. A "Whistleblowing Policy" was put into effect in February 2017 to assist individual employees to disclose malpractice or impropriety within the Group.

During the Reporting Period, the Group has had no non-compliance cases regarding violations of relevant laws and regulations on anti-corruption.

## **ENVIRONMENTAL PROTECTION**

### **USE OF RESOURCES**

REF set forth its “Environmental Protection Policies” in 2016 with the intention of minimizing negative impacts on the environment and to seek environmentally friendly methods of operation. Given the nature of the Group’s business, electricity and paper are the most significant resources consumed in the office.

Energy conservation will not be effective without the support of employees. REF has been encouraging employees to establish energy-saving habits in the office, such as switching off lights and electronic appliances before leaving the office, as well as setting indoor temperature at 25.5°C. To further conserve electricity, the Group has leased energy-efficient high-speed printers for daily operation.

Paper consumption by REF mainly involves paper used in the office and printing paper for customers. The Group has been promoting a paperless office to employees, customers and shareholders by encouraging the application of e-files and e-documents via on-screen reviewing and/or checking. For unavoidable paper printing, the Group encourages employees to use double-sided printing instead of single-sided printing and to reuse all printed single-sided paper. Since 2015, the Group has been encouraging customers to use FSC/recycle papers to print their financial reports and other documents, extending green practices to its value chain.

### **EMISSIONS**

REF’s office does not emit a large amount of air pollutant. Nevertheless, the Group strives to reduce greenhouse gas emissions from electricity consumption. Waste paper is the major type of waste generated in the Group’s office. The Group has commissioned qualified recycler to collect and recycle non-confidential waste paper to avoid waste paper being sent to landfill. Since 2015, the Group has been participating in a “zero landfill” program organized by suppliers, which includes returning multifunction devices and consumables such as used toner cartridges to the supplier for proper recycling.

As a financial printer, REF is aware that in its supply chain, high-speed printers emit high concentrations of particulates into the air. REF will continually review the environmental impact along its supply chain and explore environmentally friendly options in its operations.

During the Reporting Period, REF has had no non-compliance cases regarding violation of relevant environmental laws and regulations.

### **ENVIRONMENT AND NATURAL RESOURCES**

REF does not have direct significant impact on the environment and natural resources beyond the resource consumption and emissions issues discussed above. The Group will explore ways of integrating environmental considerations into its business decisions and the services it provides, including promoting and supporting ways to combat climate change.

## **COMMUNITY INVESTMENT**

The focuses of REF’s community investment are education, social welfare and environmental protection. The Group believes that it can act effectively to help alleviate social problems and responds positively with charitable programmes and volunteering services.

During the Reporting Period, 20 employees of REF joined the “Voluntary Works for Celebration of Children’s Day” at one of the nursery schools operated/managed by the Tung Wah Group of Hospitals. The Group had donated HK\$10,000 in total to the school and over 100 children benefited from this event. The Group also participated in the program of “7th Trees Planting and Conservation Day — 2016 — Hong Kong Region”, which was co-organised by International Million Trees (Forest) Project & Network — HK & Hong Kong Green Nature Union, L’association d’écologie de Hong Kong, Plant for the Planet Foundation (Hong Kong), and HIMA Foundation (Hong Kong) Ltd.

## ESG REPORTING GUIDE CONTENT INDEX

Material Aspects	Content	Page index
<b>A1 Emissions</b>		
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<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	9
<b>A3 Environment and Natural Resources</b>		
General Disclosure	Policies on minimising REF's significant impact on the environment and natural resources.	9
<b>B1 Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on REF relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6
<b>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 REF relating to providing a safe working environment and protecting employees from occupational hazards.	6
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6
<b>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 REF relating to preventing child and forced labour.	7
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	8

Material Aspects	Content	Page index
<b>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 REF relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	8
<b>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 REF relating to bribery, extortion, fraud and money laundering.	8
<b>B8 Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where REF operates and to ensure that its activities take into consideration the communities' interests.	9