



SUNeVision Holdings Ltd.

新意網集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1686



2018/19
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

The technology arm of Sun Hung Kai Properties Limited

Environmental, Social and Governance Report

SUNeVision Holdings Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group” or “we”) endeavours to undertake responsibilities of a corporate citizen to contribute to the community. This Environmental, Social and Governance report (“ESG Report”) has been prepared in accordance with the “comply or explain” provision of the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This ESG Report provides a summary of our environmental, social and governance performance for the financial year ended 30 June 2019 (“Reporting Period”).

Being one of the largest data centre services providers in Hong Kong, our data centre premises are located across Hong Kong Island, Kowloon and the New Territories. The scope of this ESG Report covers our key business operations in providing data centres and IT facilities, including MEGA-i, MEGA Two, MEGA Plus, JUMBO and ONE.

ESG GOVERNANCE

In order to fulfil stakeholder expectations on our ESG practices, we have established a governance framework to structurally incorporate ESG strategies into our business operations. Our ESG governance structure is divided into two main components, the Board of Directors (the “Board”) and an ESG working group, which is comprised of the senior management and representatives from different departments, including Internal Audit Department, Human Resource and Administration Department, Business Development and Sales & Marketing Department, and Facility Management Department.

The Board bears the ultimate responsibility in ESG governance and sets forth the overall ESG managerial approach, strategy and priorities. Further, the Board is obligated to evaluate and determine ESG-related risks and ensure effective ESG risk management and internal control systems are in place. Risk mitigation performance is periodically reviewed and disclosures in this ESG Report are approved by the Board.

With powers delegated by the Board, the ESG working group implements the Board’s ESG strategies and policies across departments of the Group. The ESG working group also specialises in the collection of ESG data, carrying out of materiality assessments as well as the preparation of this ESG Report.

STAKEHOLDER ENGAGEMENT

As a professional practitioner in data centre industry, the Group strives to create long-term value for our stakeholders. Hence, to clarify and understand their expectations and concerns, we maintain ongoing dialogue with our stakeholders, including customers, employees, suppliers, shareholders, regulators, and the community. We actively engage and maintain relationships with them through a range of communication channels such as Annual General Meetings, Annual and Interim reports, company’s website, shareholders meeting, company activities, business meeting, community services etc. to collect their views and act on their feedback.

MATERIALITY ASSESSMENT

We have performed materiality assessment to identify relevant ESG issues and evaluate their corresponding materiality. Our materiality assessment process include 1) initial screening of related issues with reference to the ESG Guide and benchmarking suitable material ESG issues; 2) collecting and reviewing the feedback from our stakeholders through our established internal and external stakeholder engagement channels; and 3) validating and confirming the key material ESG issues, and how they link to the respective aspects and KPIs of the ESG Guide by our ESG working group.

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AWARDS AND CERTIFICATIONS

We have obtained the following awards, recognitions and certifications for our achievements in sustainable development during the Reporting Period:

Awards:

- Best Data Centre Services Provider awarded by Computerworld Hong Kong for 3 years
- Innovative Data Centre Gold Award from Communication Association of Hong Kong
- Platinum Award of the Charter on External Lighting launched by Environment Bureau of Hong Kong SAR Government
- Gold certification under the LEED 2009 Core and Shell Development rating system issued by the U.S. Green Building Council ("USGBC") achieved by MEGA Plus data centre

Certifications:

- International Organization for Standardization/International Electrotechnical Commission ("ISO/IEC") 27001 Information Security Management System
- ISO 14001 Environmental Management System
- ISO 10002 Complaints Handling Management System
- International Organization for Standardization/International Electrotechnical Commission ("ISO/IEC") 20000 Information Technology Service Management System
- Service Organization Control ("SOC") 2 Type II
- Payment Card Industry Data Security Standard ("PCIDSS") version 3.2.1

REGULATORY COMPLIANCE

The Group was not aware of any non-compliance cases with relevant laws and regulations that has a significant impact on the Group relating to the environmental protection, employment and labour practices, operating practices, anti-bribery during the Reporting Period.

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ENVIRONMENTAL PROTECTION

In view of increasing global concern towards environmental protection, we are progressively raising the bar in environmental efforts through strategically managing emissions and improving resources efficiency. To this end, we have developed a waste management policy which is implemented at our data centres. Environmental performance is tracked, managed and reported by designated representatives under the Facility Management Department.

Our environmental management systems established and applied in data centres have been awarded the ISO14001 certification. The Air Pollution Control Ordinance (Cap. 311), Waste Disposal Ordinance (Cap. 354), Water Pollution Control Ordinance (Cap. 358) and Noise Control Ordinance (Cap. 400) as set out by the Environmental Protection Department are closely monitored to ensure compliance with legal requirements.

Due to our business nature of providing data centre and IT services, neither significant air emissions were generated directly by the Group nor packaging materials were used during the Reporting Period and thus relevant disclosures are not applicable. Nonetheless, electricity is the key source of energy for our business and our major indirect source of greenhouse gas ("GHG") emissions. While our electricity consumption is largely rely on our clients' servers, we make every effort to reduce energy consumption in other operational areas.

We have retrofitted systems and facilities to our data centres to reduce carbon footprint. High efficiency water-cooling system has been installed in MEGA Plus data centre, in a bid to reduce energy consumption for cooling. We have also adopted the Water Leak Detection System to provide leakage detection such that high performance of the Computer Room Air Conditioning ("CRAC") system can be maintained with optimal energy efficiency. Non-chlorofluorocarbon ("CFC")-based refrigerants is used at our newly constructed data centre to help reduce the overall GHG emissions. Facilities such as LED luminaires and uninterruptible power supply system ("UPS") are utilised for energy saving and emission reduction.

Responsible waste management practices are advocated to promote the reduction, reuse and recycling of various types of waste. Non-hazardous wastes like paper, office consumables and construction waste are handled by third-party collectors for recycling or disposal, while hazardous waste generated from our operations such as florescent light tubes and VRLA batteries from the UPS are wholly collected by licenced vendors for proper recycling. We source water from the government water supply system to maintain stability and quality of water consumed, thus we did not experience any problems in securing appropriate water sources in the Reporting Period.

Environmentally responsible measures are adopted at the office. Our employees would switch off idle electrical appliances to eliminate non-essential energy consumption. Employees are encouraged to avoid unnecessary business travels for GHG reduction by using alternative measures such as videoconferencing. Paper products from sustainable sources which fulfilled Forest Stewardship Council's requirement are preferred. 3-coloured separation bins are provided at the premises to facilitate waste sorting and recycling.

The Group is also committed to reducing impacts on the environment, in aspects such as noise and light pollution, by identifying and mitigating potential impacts from design, construction and operation of data centres. For instance, noise and light impact tests have been conducted before commencement of construction works to minimise nuisance to the surrounding.

Case Study – MEGA Plus Data Centre

MEGA Plus, the Group's latest data centre, was built in Tseung Kwan O on a plot of land that is set aside by the Government for high-tier data centres. MEGA Plus claims 474,000 square feet and was awarded LEED Gold Certification as a recognition of their adherence to sustainability principles. Highlights of some designs and environmentally-friendly initiatives carried out during the Reporting Period are as follows:

- CRAC units with hot and cold aisles are installed to enhance cooling and energy efficiency in its operation
- Rain water is collected at the roof which is converted for washroom water usage
- Exhaust fans are replaced as measures for noise control
- Exterior lights are turned off or kept at minimal level to reduce light pollution

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EMPLOYMENT AND LABOUR PRACTICES

Employment

We believe high calibre human capital is critical in forging the competitiveness of our Group. Therefore, we hire, support, train and retain our people with the objective of putting people first in mind.

To attract the most suitable talent in providing excellent data centre services, our wholly-owned subsidiary, iAdvantage Limited, collaborated with the Hong Kong Institute of Vocational Education on the Extended Industrial Attachment Scheme. Such scheme expands our potential talent pool through supporting the development of students to be qualified practitioners in our business.

The Group's human resources policies cover recruitment, promotion, working hours, equal opportunities and compensation benefits. Recruitment and performance management processes are conducted with objectivity principles. Our employees are rewarded based on their competence, contribution and responsibility, as evaluated through our formal appraisal system. Remuneration package is benchmarked with the market periodically, with employees being entitled to discretionary bonus, medical insurance, leaves and other benefits to maintain competitiveness. Shift allowance is available for employees who need to take shifts to serve clients in different time zones to ensure reasonable working hours. As an additional measure to enhance staff retention, the Group established the Travel Allowance for technical and frontline employees to address their concerns about traveling to and from MEGA-i, our data centre located in Chai Wan.

We value diversity and provide equal opportunities to our staffs, with zero tolerance to harassment and discrimination in any form. Employees are assessed and hired based on their capabilities, regardless of their age, gender, nationality, cultural background, religious belief, etc.

The four ordinances of anti-discrimination (sex, disability, family status and race), Employees' Compensation Ordinance (Cap. 282), Employment Ordinance (Cap. 57), Inland Revenue Ordinance (Cap. 112), Mandatory Provident Fund Schemes Ordinance (Cap. 485), Minimum Wage Ordinance (Cap. 608), Occupational Safety and Health Ordinance (Cap. 509) and Personal Data (Privacy) Ordinance (Cap. 486) are closely monitored to ensure compliance with legal requirements related to employment.

In a bid to strive for a more harmonious working environment and better staff morality, the Group regularly organises outings and other recreational events to engage employees. During the past year, a number of employee engagement activities such as TGIF party, movie night, Christmas party, and annual dinner were organised, all of which were widely participated and well received.

Health and Safety

Staff health and safety is a prime concern for us, hence we promote a culture of safety at our premises. Although our business operation is not typically associated with high health and safety risks as compared to other more labour-intensive industries, our safety performance is monitored, tracked and followed up at each data centre by a designated representative. Periodic review on safety performance and regulatory updates is conducted to prepare for changing safety standards and requirements, such that laws and regulations such as the Occupational Safety and Health Ordinance (Cap. 509) are strictly complied with. Employees are given chances to participate in first aid classes and periodic fire drills, so that their emergency-handling skills are boosted. In addition, healthy living and work-life balance have been consistently advocated among employees. Occupational health and safety talks on topics such as prevention of limb strain is introduced to our employees to raise awareness of safe work practices.

Development and Training

As a company in the technology industry, we attach great importance in the cultivation of talents, so that our strategic competitiveness can be maintained. We have devised and implemented a wide spectrum of training courses and induction programs. These courses, aimed at enhancing employees' technical knowledge and soft skills, cover a wide range of topics including business knowledge, communication skills, client-facing techniques, IT skills, business conduct and ethics, health and safety, as well as sustainable development. The courses are offered under the Sun Hung Kai Properties ("sHKP") Quality Academy, a training programme operated by our parent company. On boarding and orientation are available to help the new joiners settle into their positions.

Labour Standards

The Group strictly prohibits the use of child or forced labour in its operations and adheres to applicable labour standards, including the Immigration Ordinance (Cap. 115), in relation to unauthorised entrants to Hong Kong and employment of illegal workers. All of our employees have reached the statutory age with possession of identification documents and employment contracts are signed voluntarily without coercion. Our suppliers and contractors are expected to follow similar standards of labour practices when collaborating with us.

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OPERATING PRACTICES

Supply Chain Management

We emphasize on performance quality and corporate responsibility of our suppliers and contractors. At such, we work closely with our counterparts to minimise their associated environmental and social risks, and hence to achieve sustainable growth hand-in-hand.

Our procurement policies and procedures set out the requirements and expectations to our suppliers. The “4R” environmental principles (i.e. Reduce, Reuse, Recycle and Replace) are considered in our procurement process. For instance, equipment with energy saving, high energy efficiency and conformity to green standards such as Energy Star qualified equipment, equipment with Energy Efficiency Labelling, EPEAT and RoHS-compliant are preferred for purchase. Performance review of our qualified suppliers/contractors are conducted at least annually, encompassing assessment areas of environmental performance, quality of product/service delivery and so on to determine if business relationships can be continued.

Product Responsibility

We are committed to delivering high connectivity, reliable and excellent customer services. As the leader in data centre services in Hong Kong, we have over 13,000 cross-connects for high-speed and reliable interconnectivity to provide cutting-edge solutions to our customers. Our MEGA Campus, comprised of MEGA-i, MEGA Two and MEGA Plus data centres, are connected by high-performance dedicated fibers, providing security, high connectivity and scalability to our customers to support their business growth.

Reliable power supply and a high level of safety and security is critical for preventing data centre outage, and disruptions to our customers. Our data centres are installed with the Power Monitoring Module (“PMM”) which is connected to the Building Management System to monitor uninterrupted power. Built with multiple-redundancy power supply, our data centres are readily supported by UPS and backup power generators, to ensure resilience and deliver a high level of uptime availability. Fuel tanks connected to the generators are designed to have sufficient capacity for disaster recovery, whilst refuelling services are in place with a pre-determined response lead time. In addition, preventative maintenance such as regular on-load test is carried out for the backup power generators to make sure that the generators are capable of operating effectively at any critical point of time. Fire protection and suppression systems are installed across data halls to detect and respond to potential fire hazards.

In addition to the state-of-the-art infrastructure, the Group strives to offer its customers an enhanced customer experience, and the ISO 10002 Complaints Handling Management System – Customer Satisfaction Certification was achieved by the Group. Customer relationship management mechanisms and procedures are in place to offer 24/7 customer support, handle general and technical enquiries, drive performance improvement and enhance complaint management. Service-related enquiries and complaints received are recorded, responded to and resolved by highly trained professionals in a timely manner.

The Group is committed to protecting data privacy and preventing customer data leakage or loss by adopting stringent physical security measures and good industry practices. Accredited with ISO 27001 Information Security Management System, we adopt strict security measures at data centre premises to ensure around-the-clock security. A sophisticated Building Management System has been implemented to ensure only authorised individuals and technicians to access data centres, with visit logs being properly maintained. Closed circuit television surveillance system is installed at all common areas, plant rooms and equipment rooms with 24-hour armed guards ready for on-site support. Secure customer data disposal procedures are implemented and monitored to ensure the proper destruction of data and minimise the risk of sensitive information leakage. Additionally, cybersecurity measures such as the latest anti-hacker firewall and a regularly-updated anti-virus programme has been applied to safeguard customer data integrity.

Anti-corruption

The Group upholds high standards of conduct and integrity. All staff are required to comply strictly with the code of conduct of our Group. Under our established whistle-blowing policy, employees are encouraged to report concerns about any malpractice, fraudulent and unethical act which come to their attention. Suspected irregularities are reported directly to senior management level, such as the Chairman or Chief Executive Officer (“CEO”), through confidential means to protect employees from any form of intimidation and retaliation. Further, business ethics seminars and anti-corruption trainings given by Hong Kong Independent Commission Against Corruption are arranged for staff participation to raise their awareness towards bribery. Our requirements on conduct and integrity are also communicated to our contractors and service providers who are expected to comply with the same.

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COMMUNITY INVESTMENT

We are committed to undertaking corporate social responsibility and contributing to social harmony. Donations are raised through participation of sports events to support non-profit organisers in tackling existing social problems.

Supporting Children and Youth Together with The Community Chest of Hong Kong

In January 2019, our employees participated in the 10-km run and half marathon races organised by the Community Chest of Hong Kong (the "Community Chest"), a non-governmental organisation that raises funds to support its member social welfare agencies in addressing social challenges. We also supported Innothon 10 km 2018, which was organised by the Hong Kong Information Technology Joint Council and Hong Kong Science and Technology Parks Corporation, as well as participated in the Hong Kong Cyclothon and Vertical Run for Charity – Race to Hong Kong ICC, which were both organised by SHKP. We provided cash donation and sponsorship to our employees to encourage participation of the events. Those activities were aimed at promoting a healthier lifestyle to the community.

Creating Efficient Education

In April 2019, we entered into an AI Education Cloud Collaborative Agreement with SenseTime. We collaborated with SenseTime in forging an AI-oriented education cloud tailor made for primary and secondary schools in Hong Kong that empowers them with stable and reliable AI education solutions at remarkably competitive costs and high efficiency.

Tapping into Capabilities of Innovative Start-Ups

In 2018, we sponsored JUMPSTARTER, a Hong Kong start-up accelerator programme organised by the Alibaba Entrepreneurs Fund with the aim to build, empower and boost Hong Kong's startup ecosystem and entrepreneurship by bringing entrepreneurs, corporates, investors and the public together, helping to transform Hong Kong into a leading hub for global innovation and technology.

Grooming Talents

We joined SmarTone Hackathon to unleash the potentials of children, inspire the young generation as well as nurture outstanding technical professionals. The programme was held in October 2018. Themed "Smart Life" and "Smart Property Management", this cross-industry hackathon gave 100 developers, designers and start-ups from Hong Kong, the Greater Bay Area, South East Asia, Europe and America a unique chance to unleash their creativity in shaping new experiences and smarter ways of living.

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ENVIRONMENTAL PERFORMANCE DATA

The table below summarized the environmental performance of the Group. Our total emissions and waste production increased from previous year, which is in line with our business growth as more data centre facilities were deployed for customers use. However, the intensity of related emissions and waste production dropped, showing our efficiency improvement in various waste outputs. The Group has invested in energy saving and environmentally friendly mechanisms aiming at enhancing our efficiency to reduce emissions and wastage in the long run.

	For the year ended 30 June 2019	For the year ended 30 June 2018
Greenhouse gas (GHG) emissions		
Total GHG emissions (tonnes CO ₂ e)	125,247	103,167
Total GHG emissions intensity per carrying value of Property, plant and equipment (tonnes CO ₂ e/HK\$ thousand)	0.0114	0.0226
Greenhouse gas emissions – Scope 1 ^a (tonnes CO ₂ e)	2,403	1,833
Greenhouse gas emissions intensity per carrying value of Property, plant and equipment – Scope 1 ^a (tonnes CO ₂ e/HK\$ thousand)	0.0002	0.0004
Greenhouse gas emissions – Scope 2 ^b (tonnes CO ₂ e)	122,844	101,334
Greenhouse gas emissions intensity per carrying value of Property, plant and equipment – Scope 2 ^b (tonnes CO ₂ e/HK\$ thousand)	0.0112	0.0222
Hazardous waste produced		
Total hazardous waste produced (kg)	0	9,714
Total hazardous waste produced intensity per carrying value of Property, plant and equipment (kg/HK\$ thousand)	0	0.0021
Non-hazardous waste produced		
Total non-hazardous waste produced (kg) ^c	330,500	244,470
Total non-hazardous waste produced intensity per carrying value of Property, plant and equipment (kg/HK\$ thousand)	0.0301	0.0536
Direct and/or indirect energy consumption		
Total energy consumption (kWh) ^d	186,870,018	149,380,877
Total energy consumption intensity per carrying value of Property, plant and equipment (kWh/HK\$ thousand)	17.0491	32.7396
Total diesel consumption (kWh)	331,678	1,393,504
Total diesel consumption intensity per carrying value of Property, plant and equipment (kWh/HK\$ thousand)	0.0303	0.3054
Total electricity consumption (kWh)	186,538,339	147,987,373
Total electricity consumption intensity per carrying value of Property, plant and equipment (kWh/HK\$ thousand)	17.0189	32.4342
Water consumption		
Water consumption (m ³) ^e	35,831	28,291
Water consumption intensity per carrying value of Property, plant and equipment (m ³ /HK\$ thousand)	0.0033	0.0062

- a) Scope 1 emissions generated from HFC emissions for refrigeration and diesel from generators. The increase was mainly due to replacement of refrigerant in JUMBO which was not recurrent.
- b) Scope 2 emissions generated from the electricity consumed by data centres.
- c) Non-hazardous waste mainly contained construction waste from fit-out work which was just one-off event. The increase mainly came from the construction waste from the fit-out work in MEGA Plus, while the related intensity decreased.
- d) The energy consumption increased mainly due to increase in MEGA Plus and MEGA Two which have more corporate client entered this year, while the related intensity decreased.
- e) The increase in water consumption was mainly due to the higher utilization of the water-cooling system which required more water consumption, while the related intensity decreased.



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