



SUNeVision Holdings Ltd.

新意網集團有限公司

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



# 2017/18 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”) are pleased to present our environmental, social and governance report (“ESG Report”). This ESG Report provides a summary of our environmental, social and governance performance during the financial year ended 30 June 2018.

The scope of this ESG Report covers our key business operations in providing data centre and IT facilities. 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.

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

As a professional practitioner in data centre industry, we are committed to maintaining high standards of sustainable development. The Group strives to create long-term value for our stakeholders. Our corporate responsibility is intrinsically connected to our dialogue with our stakeholders, including customers, employees, suppliers, shareholders, regulators, and the communities. Hence we place great importance in maintaining ongoing dialogue and engage with our stakeholders to understand their expectations and address their concerns. We reach out to our stakeholders through a range of channels such as meetings and interviews on an on-going basis to collect their views and act on their feedback. The disclosures in this ESG Report reflect and prioritise the key interests and concerns of our stakeholders obtained from the stakeholder engagement activities during the reporting period.

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
- Best Data Centre Facility for Cloud Excellence (MEGA-i) awarded by Computerworld Hong Kong

## Certifications:

- ISO27001 Information Security Management System
- ISO14001 Environmental Management System
- ISO9001 Quality Management System
- ISO20000 IT Service Management System

## ENVIRONMENTAL PROTECTION

Being a corporate citizen, we endeavour to operate our businesses and support our customers with minimal environmental impacts, through actively managing emissions and improving resources efficiency.

A quality and environmental policy is implemented at our data centres. Environmental performance is tracked and managed by designated representatives under the facility management department. Environmental performance is analysed and key results are reported to the management on a regular basis.

We adopt environmental management systems which are in line with internationally recognised standards, for example, ISO14001 in our data centre operations. Annual review is conducted to identify updates in relevant regulatory requirements that may potentially affect our operations. Objectives, metrics, targets and measures are defined to facilitate continuous improvement.

Electricity is the key source of energy for our business and our major source of greenhouse gas (“GHG”) emissions. While our electricity consumption is largely reliant on our clients’ servers, we make every effort to reduce energy consumption in other areas. We consider improving operational efficiency as our key priorities.

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The Group incorporates energy efficiency in building design and operation. Interior architectures including high density zone, raised floor and return air plenum, and the computer room air conditioning (“CRAC”) units with hot and cold aisles are installed to enhance cooling and energy efficiency in the operation of data centres. The Water Leak Detection System adopted provides leakage detection to maintain high performance of the CRAC system and optimises operational efficiency. Non-chlorofluorocarbon (CFC)-based refrigerants is used at our newly constructed data centre to help reduce the overall GHG emissions.

As a business committed to high operational efficiency and value creation for our stakeholders, we continue to explore best practices and apply them where feasible in our new construction as well as operation and retrofitting of existing data centres. Our measures include installing high-efficiency water cooling systems for the MEGA Plus data centre to minimise energy consumption for cooling. In 2017/18, we replaced fluorescent tubes with LED luminaires and replaced five sets of uninterruptible power supply system (“UPS”) at our existing data centres to reduce our carbon footprint and improve electricity cost-effectiveness in the long run. For the improvement on energy efficiency by the replacement plan, we will further elaborate on the following MEGA-i case.

Responsible waste management practices are adopted to promote the reduction, reuse and recycling of various types of waste. Waste generated from our operations such as florescent light tubes, replaced batteries from the UPS, obsolete computers and monitors and terminated cables are collected by licenced vendors for proper recycling and disposal. Recycling bins are provided at the premises to facilitate waste sorting and recycling.

Environmentally responsible practices are adopted at the office. Our employees would switch off idle electrical appliances to avoid wastage and promote energy saving. Employees are encouraged to avoid unnecessary business travels for GHG reduction by using alternative measures such as videoconferencing. Paper products from sustainable sources such as those certified by Forest Stewardship Council are preferred.

The Group is committed to minimising impacts on the environment by identifying and mitigating potential impacts from design, construction and operation of data centres. Our data centre, MEGA Plus, is certified with the green building standards including LEED and BEAM Plus.

## CASE STUDY – MEGA-i DATA CENTRE

MEGA-i, launched since 2000, is one of the largest Internet Service Centre buildings in the world. MEGA-i claims an approximate 350,000 square feet gross data centre space with a Tier 3+ data centre standard. MEGA-i data centre has won the “Best Data Centre Facility for Cloud” for two consecutive years, for the year of 2016 and 2017.

Highlights of some designs are as follows:

- High-performance air conditioning equipment has been applied at data centre areas to save electricity.
- Automatic lighting control is provided at the data centre areas, which helps reduce electricity wastage.
- Water-efficient flow devices such as faucets and shower heads have been installed for water saving.
- Air cooled chiller system has been installed to provide continuous chilled water supply to data halls.

To further optimise the energy efficiency of the data centre, MEGA-i facility has been upgraded in 2018. It enhances power capacity and density as well as connectivity to cater customer demand and changing needs.

Highlights of the upgrade project are as follows:

- 450 fluorescent tubes have been replaced with LED lights, which reduces overall power consumption of approximate 96,000 kilowatt-hour per year; and
- Replacement of five sets of UPS, which boots UPS efficiency from 79% to 95% and reduces overall power consumption of approximate 3,890,000 kilowatt-hour per year.

# Environmental, Social and Governance Report

## EMPLOYMENT AND LABOUR PRACTICES

### Employment

We recognise the important roles each and every employee plays to help deliver our services and solutions to the customers reliably and securely. As a responsible employer, the Group hires, supports, trains and retains our people and equips them with the skill set needed to suit the evolving business environment.

Putting people first is at the heart of the philosophy of Group's human capital management. 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. The purpose of the Scheme is to provide workplace attachment opportunities and industrial supervision to the students and help the Company in identifying qualified young talents to support its business ambitions.

The Group's human resources policies cover recruitment, promotion, working hours, equal opportunities and compensation benefits. Our employees are rewarded based on their competence, contribution and responsibility. Individual performance is reviewed based on a performance driven policy. Remuneration package is benchmarked with the market periodically to maintain competitiveness. Employees are also provided with other benefits including provident fund, discretionary bonus, retention bonus, medical insurance and leave entitlements. Shift allowance is available for employees who need to take shifts to serve clients in different time zones. 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.

The Group embraces diversity and equal opportunity and strives to provide a nurturing and collaborative workplace for all of its employees. We have zero tolerance to harassment and discrimination of any form. Employees are assessed and hired based on their capabilities, regardless of their age, gender, nationality, cultural background, religious belief, etc.

As part of our continuous efforts in improving productivity, retention, and overall engagement of our people, we invest in human capital through various employee engagement activities. The Group's social club regularly organises outings and other recreational events to engage employees, which create a harmonious working environment and promote a sense of belonging. During the past year, a number of employee engagement activities such as birthday party, day trip to Lantau Island, movie night, Christmas party and annual dinner have been organised, all of which were widely participated and well received. To improve the level of engagement, employees are also welcome to submit activity ideas that they are passionate about to the social club for consideration.

### Health and Safety

The health, safety and wellbeing of our employees is our first priority. The Group embraces and promotes a culture of safety by adopting safety-oriented operational procedures 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. Our safety culture also spans to our customers as their safeties in our premises are very crucial. We invited our customers to participate our periodic fire drill conducted with fire safety officer to ensure they are familiar with escape route, as same as our staffs, in the event of fire break out.

Additionally, we advocate the concept of healthy living and encourage work-life balance. Occupational health and safety talks on topics such as ergonomics and stress management are introduced to our employees to raise awareness of safe work practices.

### Development and Training

As a company in the technology industry, the competency and skills of our employees is a key differentiator. We believe that continuous training and upskilling of our people is key to maintaining our strategic competitiveness. Employees are encouraged to take part in various self-development training courses tailored for general-grade and management-grade employees. These courses, aimed to enhance employees' technical knowledge and soft skills, cover a wide range of topics including business knowledge, communication skills, personal development, IT skills, business conduct and ethics, health and safety, as well as sustainable development. The courses are offered under the 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 adheres to applicable labour standards and strictly prohibit the use of child or forced labour in its operations. 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

As our business grows, so does our supply chain. We are well aware of the potential environmental, health, safety, social and other risks associated with our supply chain. In an effort to mitigate such risks in a supply chain of this scale, we work closely with our suppliers and service providers towards responsible and sustainable growth as a shared objective.

Our procurement policies and procedures set out the requirements and expectations to our suppliers. Our procurement policy required the consideration of the "4R" environmental principles (i.e. Reduce, Reuse, Recycle and Replace) in the purchasing requirements. Environmental criteria are incorporated with other assessment criteria as much as possible, including performance, maintenance requirements, life expectancy, and quality. For example, when purchasing computer equipment, we favour models that are more energy efficient and conform to other green standards such as Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment ("RoHS").

Supplier/contractor performance review is carried out at least annually, covering various areas including quality and timeliness of product/service delivery and environmental performance. Suppliers/contractors who fail to meet our standards may lose future opportunities to participate in our procurement processes.

### Product Responsibility

We are committed to delivering high connectivity, reliability and excellent customer services. As the leader in data centre services in Hong Kong, we have over 10,000 cross-connects for high-speed and reliable interconnectivity to provide cutting-edge solutions to our customers. In particular, our MEGA Campus, comprised of MEGA-i, MEGA Two and MEGA Plus data centres, are connected by high-performance dedicated fibers, providing 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 loss of data and minimising potential business 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 equipped with power facilities that 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 fully dependable and capable of handling the highest possible load 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. Our highly trained professionals provide 24/7 customer support and handle technical and other enquiries in an efficient manner. Customer relationship management mechanisms and procedures are in place to help understand customers' business needs, drive performance improvement, facilitate change management and enhance complaint handling. Service-related enquiries and complaints received are recorded, responded to and resolved by dedicated, highly skilled frontline manager-level staff in a timely manner.

Protecting customer data privacy is a priority in our relationship with customers. The Group is committed to preventing customer data leakage or loss by adopting stringent physical security measures and good industry practices. Accredited with ISO27001 Information Security Management System, we adopt stringent security measures at data centre premises to ensure around-the-clock security. A sophisticated Building Management System has been implemented to monitor the access of people, goods and vehicles in and out of the data centres. Closed circuit television surveillance system is installed at all common areas, plant rooms and equipment rooms; the 24-hour armed guards are ready for on-site support. Data centre access is only granted to authorised individuals, and technicians who need to access controlled areas must use custom-configured identity cards. Secure customer data disposal procedures are implemented and monitored to ensure the proper deletion/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.



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## Anti-corruption

The Group upholds high standards of conduct and integrity. Every one of our employees is obliged and encouraged to report concerns about any malpractices and impropriety which come to their attention. These include but are not limited to breach of legal or regulatory requirements, malpractice, impropriety or fraud that may adversely affect the reputation and the image of the Group, and violation of codes of conduct or internal protocols.

We implement policies and procedures to minimise risks of fraud, corruption and bribery. Our whistleblowing policy in place allows our employees to report suspected irregularities at a high level, including direct reporting to the Chairman or Chief Executive Officer (“CEO”). Reporting can be conducted through various channels such as hotline and email. For reported cases where an investigation is warranted, the outcomes and recommendations of the investigation will be reported to the Chairman and CEO; and major issues of the case will be further reported to the Audit Committee for review. Our policies and practices aim at treating all disclosures in a confidential and sensitive manner and protecting our employees from any form of intimidation and retaliation.

Our principle on conduct and integrity, consistent with that of our parent company, is well conveyed to our employees through daily communication, seminars and training. Employees are encouraged to attend business ethics seminars given by Hong Kong Independent Commission Against Corruption, arranged by the human resources department of the Company under the anti-corruption training programme of our parent company. Our requirements on conduct and integrity are also communicated to our contractors and service providers who are expected to comply with the same.

## COMMUNITY INVESTMENT

Our community engagement initiatives are centred on promoting a healthier lifestyle in the community. As an advocate of healthy living, the Group endeavours to support not only its own employees but also talents in the IT industry. In advocating for a healthier lifestyle, we participate in various sports events. Donations raised from these sports events allow us to support the non-profit organisers to tackle existing social problems and help others in need.

In January 2018, 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. The race not only promoted public awareness in healthy living, but also raised funds to enhance the “Services for the Mentally & Multiple Handicapped” supported by the Community Chest.

During the reporting period, we supported Innothon 10km 2017, organised by the Hong Kong Information Technology Joint Council and Hong Kong Science and Technology Parks Corporation. We provided cash donation and sponsorship to our employees to encourage participation in the race. Those activities were aimed to promote a healthier lifestyle to the IT industry workers and the community.

Besides promoting healthier lifestyle, we also foster student’s interests in technology. We had arranged site visit events with university and primary school.

## REGULATORY COMPLIANCE

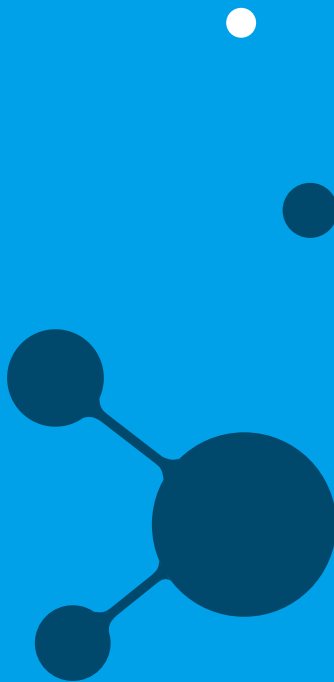
The Group was not aware of any non-compliance with relevant laws and regulations that has a significant impact on the Group relating to environmental protection, employment and labour practices, and operating practices during the reporting period.

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## ENVIRONMENTAL KPIs

2017/18

Total GHG emissions	103,167 tonne CO <sub>2</sub> e
Total GHG emissions intensity (per capital expenditure in HK\$'000)	0.0226 tonne CO <sub>2</sub> e
Greenhouse gas emissions (Scope 1)	1,833 tonne CO <sub>2</sub> e
Greenhouse gas emissions (Scope 1) intensity (per capital expenditure in HK\$'000)	0.0004 tonne CO <sub>2</sub> e
Greenhouse gas emissions (Scope 2)	101,334 tonne CO <sub>2</sub> e
Greenhouse gas emissions (Scope 2) intensity (per capital expenditure in HK\$'000)	0.0222 tonne CO <sub>2</sub> e
Total hazardous waste produced	9,714 kg
Total hazardous waste produced intensity (per capital expenditure in HK\$'000)	0.0021 kg
Total non-hazardous waste produced	244,470 kg
Total non-hazardous waste produced intensity (per capital expenditure in HK\$'000)	0.0536 kg
Total energy consumption	149,380,877 kWh
Total energy consumption intensity (per capital expenditure in HK\$'000)	32.7396 kWh
Total diesel consumption	1,393,504 kWh
Total diesel consumption intensity (per capital expenditure in HK\$'000)	0.3054 kWh
Total electricity consumption	147,987,373 kWh
Total electricity consumption intensity (per capital expenditure in HK\$'000)	32.4342 kWh
Water consumption	28,291 m <sup>3</sup>
Water consumption intensity (per capital expenditure in HK\$'000)	0.0062 m <sup>3</sup>



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