



**CTEH INC.**

**加達控股有限公司**

Incorporated in Ontario, Canada and continued in  
the Cayman Islands with limited liability

Stock Code : 1620

**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT  
2018**

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## ABOUT THIS REPORT

CTEH INC. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to present the Environmental, Social and Governance Report of the Company (the “**ESG Report**”) to provide an overview of the Group’s management on significant issues affecting the operation and the performance of the Group in terms of environmental and social aspects.

### PREPARATION BASIS AND SCOPE

The ESG Report has been set out in accordance with the standards as set forth in the “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) as contained in Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange (the “**Stock Exchange**”) and has complied with “comply or explain” provision of the ESG Reporting Guide. The details of the corporate governance issue of the Group have been set out in the section headed “Corporate Governance Report” in the annual report of the Company for the year ended December 31, 2018 (the “**Annual Report**”).

This ESG report summarises the performance of the Group in respect of corporate social responsibility, covering its major operating activities of the Group, namely (i) air ticket distribution; (ii) travel business process management; and (iii) travel products and services. Data was primarily collected from the Company’s office in Canada.

### REPORTING PERIOD

This ESG Report demonstrates the Group’s sustainability approach and performance in the environmental and social aspects of the Group’s business during the reporting period from 1 January 2018 to 31 December 2018, which is in line with that of the Annual Report.

### CONTACT INFORMATION

This ESG Report is published in both Chinese and English on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.toureast.com](http://www.toureast.com)). Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail. In the meantime, your feedback regarding the review and its overall sustainability practices is welcomed. The Company’s contact details are as follows:

#### CTEH INC.

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## INTRODUCTION

The Group is a long-established air ticket consolidator, travel business process management provider and travel products and services provider in Canada, founded in 1976 and with more than 40 years of operating history. The principal businesses of the Group include (i) air ticket distribution in which it distributes air tickets to travel agents and travelers and issue air tickets directly on behalf of contracted airlines; (ii) travel business process management in which it provides mid-office and back-office support services to travel agents; and (iii) travel products and services in which it designs, develops and sells package tours, as well as other travel products and services to travel agents and travelers.

Looking forward, the Group will continue to lead the management team under such circumstances, review the business strategy in a timely manner, and achieve satisfactory returns to the shareholders. In the meantime, the Group also recognises the importance of operating in a responsible manner for the environment and community. We strive to achieve sustainable development for affordable capital and long-term competitiveness by integrating environmental and social factors into management considerations. Sustainability strategy is based on the compliance with the legal requirements in the area where we operate and the opinions from stakeholders. The Group has established and implemented various policies to manage and monitor the risks related to environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this ESG Report.

## COMMUNICATION WITH STAKEHOLDERS

The Group attaches great importance to any opportunities to engage with our stakeholders to develop mutually beneficial relationships and to seek their views on the Group's business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment. The Group treasures all the feedbacks and opinions from them, which allows the Group to understand risks and opportunities.

With an aim to enhance mutual understanding, the Group provides various communication channels including website, email, hotline, etc. to facilitate stakeholders to access the Group's public information and communicate with the Group. The Group will continue ensuring effective communication and maintaining good relationship with its stakeholders.

### A ENVIRONMENT

#### 1.1 EMISSIONS

The major sources of air emissions of the Group during the reporting period are (i) direct emission generated by the Group; and (ii) indirect energy emission resulting from the use of electricity at its offices.

The Group believes that reducing and mitigating all forms of emissions from our business, to safeguard the well-being of humanity's future, is the duty of all businesses. The Group endeavours to observe environmental-benign practices in its operation. Measures include avoidance of appliances with high electricity consumption and adoption of efficient appliances to reduce emissions of greenhouse gases from our business. Furthermore, other recognized methods to reduce waste generation, such as double-side printing, and recycling waste paper are also adopted. As a result of the effective approaches and diligent implementation, the Group ensured wastes were handled in a responsible manner. Simultaneously, the Group's energy usage, and thus its corresponding greenhouse gas emissions, was also controlled to a sensible quantity. The Group considers the hazardous waste generated during the Group's operations is minimal as the Group's operating activities are generally in office buildings and the type of works carried out does not directly lead to the generation of hazardous waste.

The Group has complied and is not aware of any material non-compliance with the relevant environmental laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous waste, and has no violation during the reporting period.

The following tables set out the greenhouse gas emissions and wastes disposal the Group has recorded during the reporting period:

#### **Total greenhouse gas emissions and intensity**

Total greenhouse gas emissions	100 metric ton CO <sub>2</sub> -e
Scope 1 Direct Emission	52
Scope 2 Indirect Energy Emission	48

- # Scope 1: Direct emission from sources that are owned or controlled by the Group.  
 Scope 2: Indirect emissions from the purchased electricity consumed by the Group.

## 1.2 USE OF RESOURCES

Conservation of resources is a worldwide movement, and the Group is committed to using resources watchfully and prioritising environmentally-friendly materials.

### **Office management**

Energy-efficient appliances are prioritised in the Group's premises whenever applicable. Sensible use of resources, such as turning off electronic equipment instead of standby mode and using e-statement and e-communication instead of printing where applicable, is encouraged among the Group's employees to cut energy consumption. As a result of the Group's energy-saving practices and water-saving campaign, its energy consumption, as well as water consumption, were kept to a sensible amount. Additionally, the Group provides necessary infrastructure to facilitate electronic documentation. In any cases that a hardcopy is necessary, double-side printing is always favoured to reduce consumption of paper, and in turn conserve forestry resources.

### **Total amount and intensity of direct and indirect energy consumption**

Total energy consumption	636,546 kWh
Electricity	340,726 kWh
Natural Gas <sup>1</sup>	295,820 kWh

### **Water usage**

Based on the business nature, the Group has not identified any issue in sourcing water. The water consumption is limited to the water usage in the office which is supplied by the landlord of the properties and not by the Group, thus water usage is considered to have minimal effect to the Group's business operation. The Group will continue to enforce prevention control by encouraging all staff to follow the water saving practice as set by the Group.

The use of packaging materials for finished products is not applicable to the Group due to its business nature.

<sup>1</sup> Natural gas data covers only some of the premises.

<sup>2</sup> Water consumption data covers only some of the premises.



The Group are dedicated to using the resources efficiently in its operation. The electricity and water consumed in its head office is the Group's key energy and water consumption, respectively. The consumption data during the reporting period are shown below:

**Total amount and intensity of water consumption**

Total water consumption <sup>2</sup>	739 cubic meters
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### 1.3 THE ENVIRONMENT AND NATURAL RESOURCES

The Group recognises that working closely with different stakeholders is one of the key factors to success. The Group encourages our employees to work in an environmentally responsible manner and is committed to procuring products and services that are environmentally-benign whenever feasible. The Group also strives to communicate our environmental commitment to customers, suppliers, and even the public and encourages them to support our cause.

## B SOCIAL

### 1.4 EMPLOYMENT

The Group agrees that employees are crucial in the sustainable growth of the Group and is committed to providing a pleasant working environment to its employees.

The Group attaches paramount importance to ethical employment practice and equal opportunities by adhering to all relevant employment legislations and regulations. The Group fully respects the age, gender, race, disability, religious belief, political stance, marital status, and sexual orientation of individual employees. Competitive remuneration packages based on the value of the job position and prevailing market practices are offered to employees so as to attract and retain talents. The Group generally determine its employees' salary based on their qualifications, experience and capability, and conduct annual performance reviews to assess the performance of its employees which forms the basis of the Group's decisions with respect to salary adjustments, bonuses and promotion. The Group also review the working hours, paid annual leaves and paid sick leaves, and other employment practices on a regular basis to ensure the compliance with up-to-date labour laws and regulations.

The Group strictly complies with the relevant employment legislation. During the reporting period, there was no case of prosecution for violating employment legislation and had not experienced any strikes or any labour disputes with its employees which would result in a material adverse effect on the business operation, results of operations or financial condition of the Group.

**Total workforce by gender**

Gender	Number of employees
Male	39
Female	97

**Total workforce by age group**

Age group	Number of employees
18-30	26
31-45	42
46-60	48
Above 60	20

## 1.5 HEALTH AND SAFETY

The Group takes health and safety seriously. The Group is committed to protecting the health and safety of our employees by running our business in a safe and responsible manner.

The Group have a health and safety policy and have implemented various measures at its head office, regional offices and retail branches to promote occupational health and safety and to ensure compliance with applicable laws and regulations. The Group conduct health and safety on-the-job training for all its new employees as and when appropriate for continuous improvement. The Group also publish bulletins with occupational health and safety guidelines, rules and procedures to remind and promote the importance of safety in the workplace at all times and maintain an internal record of workplace accidents.

The Group are subject to certain applicable health and work safety laws and regulations in Canada and the United States. To ensure compliance with the relevant laws and regulations, it has set up joint health and safety committees to review health and safety matters from time to time to oversee safety in the work environment, review any recent workplace accidents and to design any required remedial actions. As part of its internal reporting protocol, any workplace accidents, identified cases of occupational diseases and health and safety incidents are recorded and kept on file.

The Group complies with all relevant occupational health and safety legislation and regulations, through identification of hazards and management of risks whenever necessary. The Group also highlights communication by raising occupational health and safety awareness among employees.

The Group strictly complies with relevant occupational health and safety legislation. During the reporting period, the Group did not have any material accidents in the course of its operations nor any accidents related to the health or safety of its employees and the Group had not received any claims for personal or property damage by its employees nor paid any compensation as a result, and the Group is not aware of any material breach of the relevant occupational health and safety laws and regulations applicable to its business in all material respects.

### **Total number of work-related fatalities and lost days due to work injury**

Work-related fatalities	Nil
Lost days due to work injury	Nil

## 1.6 DEVELOPMENT AND TRAINING

The Group treasures employee development as an investment of the corporation and be certain of that training and development aids both the individual and the Group in order to warrant the sustainable success of the Group.

The Group have adopted a training program, pursuant to which employees regularly receive training from management or external consultants on technology, regulations and knowledge. It is the Directors' intention to nourish talents and strengthen their loyalty through sponsoring them with necessary trainings. All new joiners are required to attend introduction programs to get familiar with the Company, the Group's services as well as work safety standards.

The Group ensures employees are empowered to confront the everchanging market and assists employee development by broadening, deepening and enhancing employees' skill base. The Group strives to provide a working environment in which continuous learning and development are encouraged.



## 1.7 LABOUR STANDARDS

The Group strictly prohibits forced labour and child labour, adheres to ethical labour practices and refuses to engage in or support the use of child labour and forced labour. The Group always confirms that all employees are providing their service willingly and all employees have reached the minimum statutory age for work and.

During the reporting period, there was no case of child labour or forced labour.

## 1.8 SUPPLY CHAIN MANAGEMENT

The Group is committed to purchasing products and services in an environmentally-benign and socially-responsible manner. The Group expects suppliers and service providers to deliver their goods and services in accordance to the Group's environmental, social and governance commitments.

## 1.9 PRODUCT RESPONSIBILITY

The Group competes morally in the active and challenging market, and is committed to complying with all relevant trade description and product liability legislations and regulations. The Group endeavours to provide professional and responsive services to customers and continuously improve service quality with regard to feedbacks and comments from them. The Group have in place a complaint handling system which strives to resolve any dissatisfaction by its customers in an amicable manner acceptable to its customers. The Group respects intellectual property rights and takes all feasible measures to protect the confidentiality of customer information. The Group have adopted a data privacy policy, pursuant to which its employees are required to keep confidential personal information they have knowledge or access to, in order to avoid any breach or misappropriation of personal information.

The Group complies with the relevant product liability legislation. During the reporting period, there was no case of prosecution for violating product liability or privacy-related legislation.

## 1.10 ANTI-CORRUPTION

The Group does not tolerance bribery, corruption and money laundering, and advocates honest operation and fair competition. The Group endeavours to comply with all applicable legislation and regulations relevant to bribery, extortion, fraud, money laundering and counter-terrorism.

The Group prohibits employees from soliciting, accepting or offering any bribe in conducting business or affairs. The Group also actively communicates relevant conduct, integrity and procedural requirements to employees and stakeholders. Whistle blowing channel is provided by the Group and every possible step is taken to keep the confidentiality of the whistle-blower.

The Group strictly complies with legislation relevant to money laundering and anti-corruption. During the reporting period, there was no case of prosecution for violating related legislation.

## 1.11 COMMUNITY INVESTMENT

The Group assimilates community investment with the business to gain the trust of relevant stakeholders and explores collaboration opportunities with reputable organizations to support community programmes so as to meet the needs and expectations from community.

## LOOKING AHEAD

The Company will continue to take more environmentally-benign and socially-responsible steps in response to changing international trend and government policy.

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