

Stand Up, Buddies!

www.smartpartner.com.hk

2011 Corporate Social Responsibility Report

Smart Partners, Standing Up and Together

Speech of VIP

This is the first CSR report published by the smart partners since the formation in 2000.

Smart Partner is a self sufficient company with independent financial and administration capacities. We work closely with partner group companies and other external contractors, suppliers, consultants and organizations to perform and fulfill demanding tasks in one job after another job. We create values for our shareholders and employees whilst contribute to the overall success of various projects together with all our partners.

They are smart partner's social responsibilities and the true values of smart partners.

We are exciting in helping the successful transformation of an old office building into a trendy entertainment complex in Central, Hong Kong. Also, after we resolve the annoying water dripping problem of the basin mixer for the occupant by our part-time technical staff, we see smiles in both faces. We see professional architect and engineer overcome various constraints to transform the old building into a completely new look and we are also touched when we see hard working electrician works over-nightly to ensure the promptly repair of a defective external LED light.

Together, consultants, workers, full time or part-time contractors, we are buddies. We are working in different positions and heights and periods but all we together enable the projects' success and satisfaction of our clients and provide rewarding returns to our staff and shareholders.

Smart partners involve in working and coordination with different personnel and all aspects of the building and other industries. We interact with suppliers, individual workers, big contractors, consultants, landlords and tenants and building managers.

Now is the challenging time to Hong Kong people in terms of climate changes and financial hardship. Yesterday, today, tomorrow, all the times, smart partners maintain a platform for all willing individuals to gain, contribute and share.

We stand up, to create values and together with all our internal and external partners.

We are the world. We are the children.

Beatrice Mok, December 2011

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Inner Cover - Speech of VIP

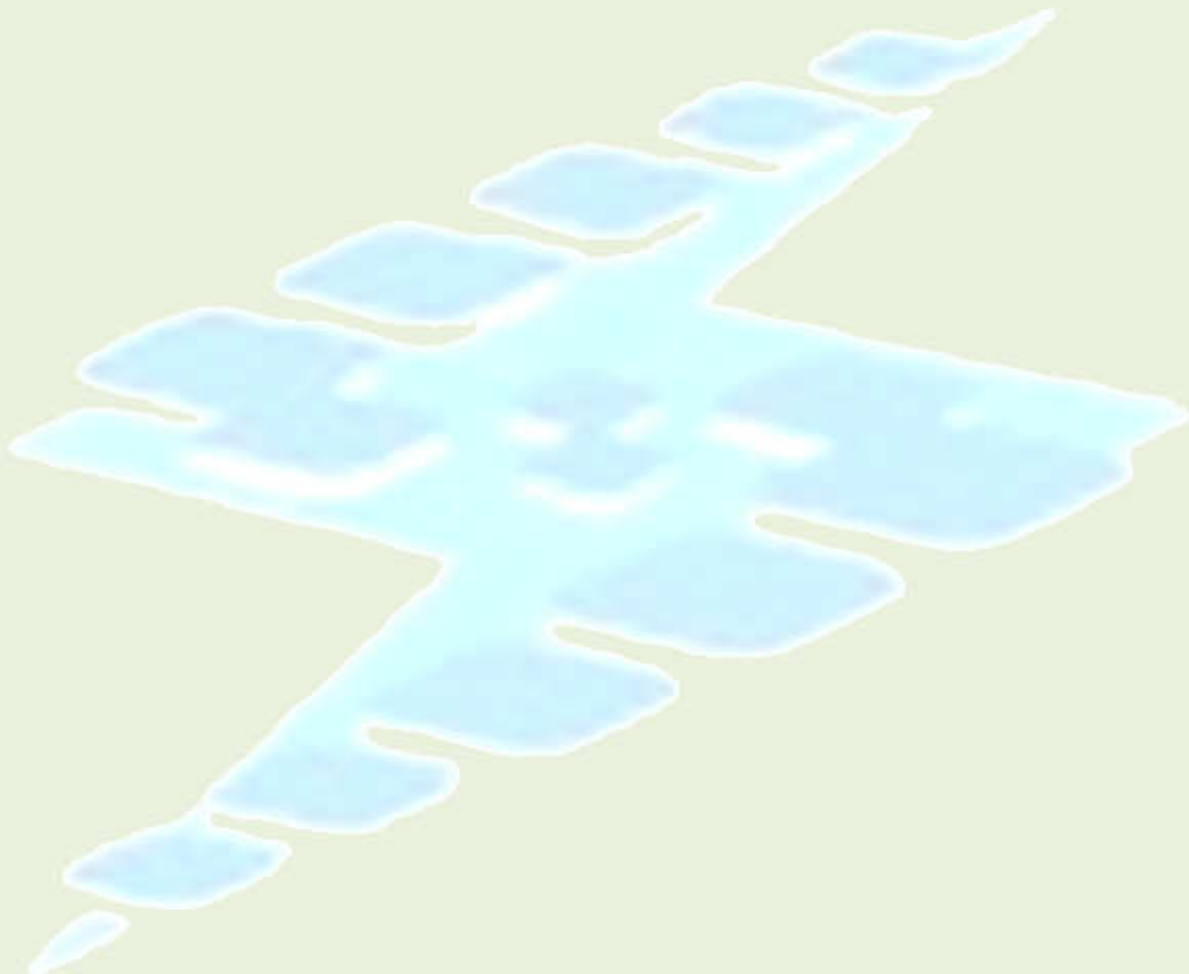
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Report Summary

1. Objective

Smart partners publish this first CSR report in 2011. In future intervals, smart partners will publish more CSR reports to review, monitor and improve our continuing commitment to our corporation development and values.

CSR reports will be used as the guidelines for our internal staff and business partners.

We also wish to furnish the understanding, monitoring and participation from our employees, shareholders, clients, business partners and all parties, by publishing CSR reports from time to time.

2. Report content

This report contains 3 parts. The first part introduces the understanding and implementation of CSR by smart partners. The second part explains our accomplishments so far. The third part demonstrates our green works by examples in a renovation project.

Part I

Understanding and implementation of CSR by smart partners

We, smart partners, are a team of project management professionals, architects, designers and handyman/technicians with collective experiences in project developments, show flats and turnkey decoration projects for apartment owners. Since we joined force to start this company in September 2000, we have evolved from a design/contracting company into a unique resource for property owners, residents and developers providing comprehensive real estate services.

Apart from business development, smart partners understand the importance of social responsibilities by corporations. Nowadays, climate changes and the need to tackle them, fluctuating financial and market situations, poverty and social problems, government regulations are all challenges to businesses in Hong Kong. Companies who are not handling the challenges won't survive in long term.

To alleviate the problems, instead of placing too much focus on consumers, shareholders and regulators, smart partners should bestow more attention on employees, local communities, NGOs or other stakeholders to enhance a cooperative business environment and reduce some of the operational risks.

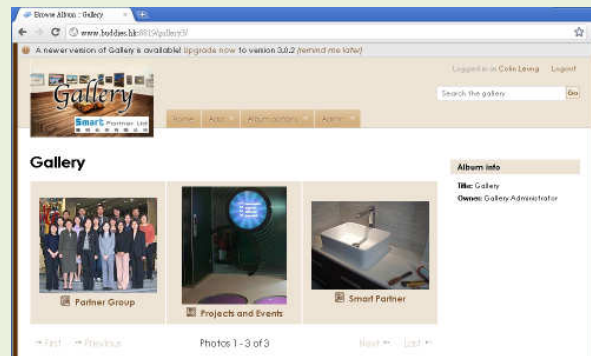
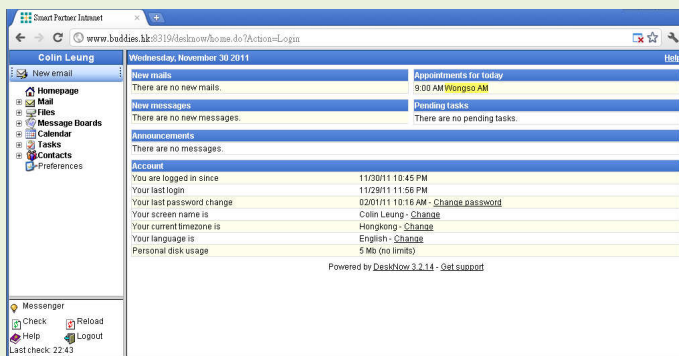
Adam Smith uses “the invisible hand” to describe the self-regulating nature of the marketplace, where individuals are eager to maximize own gains, which we believe. But smart partner would also take the initiatives to cooperate with workers, manufactures, distributors, clients, consultants all other stakeholders of the society as partners. By helping others and contributing more positive energy to the society, we believe eventually we together can enable more favourable business environments and provide us sustainable development.

Part I - Understanding and implementation of CSR by smart partners (continued)

Company culture and Internal controls

Smart Partner has an open and cooperative company culture. We encourage free interactions between our management and staff, with client, suppliers and contractors.

We believe all our staff, managerial, administrative or technical, full-time or part-time, are buddies. Smart partners use the intranet at www.buddies.hk for our own collaboration server sharing of calendar, events, job lists and documents. We also house our own photo and video album server to make sure the free flowing of information among staff members.



On the other hand, smart partner firmly secure the baseline to ensure proper corporate governance:-

- Avoid conflict of interest and unauthorized disclosure of information

Separate information sheet and agreement will be prepared for all existing and new coming staff to make sure they are well aware of the prohibition and restrained in contract.

- Avoid bribery and corruption

No solicitation of gifts and benefits is allowed. But we understand in some occasions it may be embarrassing or worse hurting others' feeling by refusing friendly or seasonal goodies in good intention. Smart Partner has established registration and handling system for seasonal giving to our staff by external parties.

Transparency and standardized procedures are keys to our system.

Part I - Understanding and implementation of CSR by smart partners (continued)

Human resources

Trust and respect is the core of our human resources policy. Smart Partner always pays staff salary on time and MPF contributions are paid via bank's autopay system.

Smart Partner has invested in the computerized attendant system which reads proxy cards to reduce paper usage. And formatted attendance records with individual late-in/early-out entries will be produced and copied to the relevant staff each month for reference and checking. The system is especially useful for part-time staff and consultants and staff working on flexible hours.

We also believe in communication. Interactive forms have been used for annual staff appraisal. All smart partners can assess the necessary information from company file servers which stores HR and Administrative manuals as well as a lot of templates and company forms

Personal development is our treasured resources. New staff orientation and IT training will be provided to all new staff and also existing staff in need bases. Staff are also encouraged to attend seminars and courses provided by external parties such as 3D-drawing, licensing to improve their job skills and general knowledge.

Smart Partner is experimenting on the Mentor/Mentee system for new and young staff. Meanwhile, together with our sister companies, Smart Partner has been arranging staff functions, gathering and outings almost monthly to enable a friendly and cooperating working environment among the staff. For example, a team building training in Ma Wan Park on May 23, 2011 was well received by all the participants.

Other examples of our staff development and community involvement activities are also listed in the table in the later pages.

Part I - Understanding and implementation of CSR by smart partners (continued)

Procurement

Smart Partner usually selects contractors via competitive quotations. We have flexible contract arrangement to suit individual jobs and no special preference on particular type/sizes of contractors is allowed. We have worked with various types of contractors including established builders in turn key all inclusive projects, small/medium sizes contractors in labour only + temporary payment renovation jobs and free-lancer in handyman jobs.

Smart partners believe in “partnership” concept in cooperating with contractors and suppliers. First both Smart Partner and the contractor/supplier should agree on a detailed and well discussed contract to ensure fair and clear guidelines for smooth operation. Smart partners have an open mind and are always willing listeners to suggestions and recommendations by other parties. We will act as facilitators to healthy exchanges of ideas between the contractor and the client, especially if the changes are beneficent to the client. We focus on the values of the end products for the clients but not try to insist on maintaining pre-set courses and avoid making additional efforts for the project.

Last but not the least, work safety is always the first priority in our projects. Proper employee compensation and contractor all-risks insurances are required in all our jobs. Rather than squeezing supplier/contractors’ margin which in turn can lead to unethical practices, we try to work with suppliers to save costs and also to minimise safety issue.

Part I - Understanding and implementation of CSR by smart partners (continued)

We love Green

Smart partners love green. Working with Clients and contractors, we make sure green concepts are embedded in every project we handled.

Green buildings have to be designed for modern challenges like climate change, indoor comfort and, importantly, human factors. In many cases, simple solutions can be implemented in existing buildings that can help to improve the living conditions. For example, in renovation works in an old building in Robinson Road, we have allowed special spaces for the collection of recycling materials by the residents. Double-glazing windows have been installed in many renovation projects in Midlevel and Western district to save A/C energy. Day lighting is a key consideration in our layout and partition planning for client's renovation projects.

We have worked to reduce construction wastes by reserving the existing partition walls in renovation works whenever feasible. Existing wooden floors will be retained by adding new flooring materials directly on top in some cases.

In a recent project of replacement the external LED lights in the podium of the Central office building, we have worked with the contractor to reuse the existing aluminum light toughs in the external wall. The old LED light tubes will also be taken down for recycling purposes.

In our own office, Smart Partner is a member of the earth partner and has assigned an officer to monitor by checklist the electricity and carbon foot-print by office operation and staff activities.

Part I - Understanding and implementation of CSR by smart partners (continued)

Smart partners also apply small tricks in daily life to help environment protection.

- We understand in Hong Kong 70% of carbon relaxation comes from electricity usage. LED lights have been installed in office as supplement to the existing light tubes to save energy. With the help of a portable energy meter, smart partners have identified the power consumption and usage patterns for various appliances such as water fountain and microwave in office. A small rice cooker which consumes only HK\$0.05 per cooking has been installed in the Pantry to reduce the use of microwave.



LED ceiling light in SP office



Energy meter

- To reduce unnecessary paper wastage, smart partners have set the default printer in computers to print to pdf files instead of directly to printers. Staff can review and select the printing out contents in computer screen first, especially for emails with long history before printing to paper.
- Printing in double sides and reusing used paper as draft has long been our standard office green policy.

Part I - Understanding and implementation of CSR by smart partners (continued)

Client

Smart Partner has been providing formatted inspection records, photos reports and if necessary, site meeting minutes to Clients in individual projects for their updated information and records.

For temporary payment items, breakdowns on the original prices, transportation, handling and add-on fees will be presented with the original invoices from suppliers for Client's checking.

Smart Partner always fulfills the necessary government submissions required such as A&A submissions and Minor Work submissions to the Building Department.

Proper insurances in the joint names of the contractor and the client are always obtained.

Community

One cannot make CSR strategy without active stakeholder engagement.

We encourage community participation by our members. Smart partners can take leave and serve voluntary works for NGO with the approval of the Company.

Particularly, Smart Partner is a Gold Patron sponsor of the Suicide Prevention Services' Charity Walk 2011.

Smart Partner recommends all staff to pledge the numbers of hours for volunteer services every year and provides a registry for reference in arranging events with NGO and also for the staff's self-monitoring of his/her own fulfillment on the pledged hours.

With the help of sister companies, E-Circulars on CSR, Health and NGO activities have been prepared and distributed to staff, in-charged by an designated officer and with the help of voluntary CSR members.

Part I - Understanding and implementation of CSR by smart partners (continued)

Event calendar for company functions and community involvement by smart partners in 2011 and 2012 (coming)

Date	Event
Jan 21, 2011	<p>Annual Dinner</p> 
Mar 26, 2011	<p>Earth Hour (WWF-HK)</p> 
Mar 26, 2011	<p>FOE Eco Tour to EPD's Island West Transfer Station in Kennedy Town</p> 
Mar 27, 2011	<p>ORBIS - Bank of America Merrill Lynch Walk for Sight</p> 
Apr 17, 2011	<p>Tree Planting Challenge</p> 
Apr 30, 2011	<p>Stress Management Workshop</p> 

Part I - Understanding and implementation of CSR by smart partners (continued)

Event calendar for company functions and community involvement by smart partners in 2011 and 2012 (coming)

(page 2)

Date	Event
May 18-19, 2011	<p>GreenBuild Asia Pacific Conference</p> 
Jun 24, 2011	<p>Fruity Friday</p> 
Jun 30, 2011	<p>Move More Day</p> 
Sep 3, 2011	<p>Dialogue-in-the-Dark Exhibition</p> 
Oct 12-18, 2011	<p>Work-Life Balance Week - After Lunch Walk</p> 

Part I - Understanding and implementation of CSR by smart partners (continued)

Event calendar for company functions and community involvement by smart partners in 2011 and 2012 (coming)

(page 3)

Date	Event
Oct 13, 2011	<p>Work-Life Balance Week - Fitness Testing & Training</p>  <p>Work-Life Balance Week 生活與工作平衡周 17-21 OCT 11</p>
Nov 5, 2011	<p>WWF - Exploring Mai Po</p>  <p>Visit Mai Po</p>
Dec 3, 2011	<p>International Day of Persons with Disabilities</p>  <p>2011 International Day of Persons with Disabilities</p>
Dec 18, 2011	<p>River Walk</p>  <p>RIVER WALK 飲水思源 東江行</p>
Jan 8, 2012	<p>Ngong Ping Charity Walk</p>  <p>Ngong Ping Charity Walk 2012</p>
Jan 14, 2012	<p>Green Power Walk</p>  <p>綠色力量 GREEN POWER THE 19TH 環島行慈善行山比賽 GREEN POWER HIKE FOR A GREEN FUTURE</p>

Part II

Accomplishments

Safety

- No accidents recorded in all working sites supervised by smart partner.

Government submissions

- 4 Successful A&A submissions and approvals have been obtained from Building Department for various projects in Central and Midlevel
- 2 Successful A&A inspections on completion by Building Department have been carried out.
- 2 Minor Work Submissions have been accepted by Building Department for works in Western District

Community

- Smart Partner is an earth partner with the Friends of Earth
- Smart Partner is a Gold Patron sponsor of the Suicide Prevention Services' Charity Walk 2011
- Smart Partner received the Caring Company award for year 2011 and also be nominated for the same award for year 2012.

Green Project – Renovation of Director’s Apartment

Introduction

One director of the Smart Partner has recently renovated his own flat in Western district and he applied many of the green concepts in the design and construction.

The flat originally was a small 2-BR unit with separate kitchen and bathroom. When the flat was taken over, the existing interior’s finishes and fixtures were in deteriorated and poor stages. It was later decided to demolish all walls and return the unit to bare shell conditions for hygiene and safety concerns.






Smart partners love green ! And the flat must be transferred into a comfort new home with all green design and features to take care both the environmental and occupant’s needs.

Green design

1. There are Multi-purposes rooms created by Flexible fabric as well as glass partitions for better space enjoyment by users and maximizing the use of day lights;
2. Japanese style tatami is included for more storage spaces and a better thermo environment for the interior in both hot summers and cold winters.
3. Wall lights have been used instead of ceiling mounted one for better lighting effects and easy maintenance. The hacking into concrete ceiling for electrical cables is omitted.
4. Smart positioning of sockets and switches and also using of remote-controlled switches help easy user experiences. More importantly, the cabling wiring and concrete hacking have been greatly minimized.
5. Double glazing window panels have been installed to the original window frames. The panel sizes have been enlarged for better views to exterior but the original window/wall ratio has been retained for thermo performance of the external walls.




Green Project (continued)

Green features

<p>Curtain – flexible partition, multi purpose rooms</p> <ul style="list-style-type: none"> - without brick walls, cement plaster and wall planting - better utilization of day lighting - allow for future changes 	
<p>LED lights</p> <ul style="list-style-type: none"> - low running costs and electricity usage - long life of fittings and no environment harmful by-products - low operation temperate helps the reduction in air-conditioning requirement 	 <p>12V LED light strip for Kitchen cabinet</p>  <p>220V Wall lights for Living, Bath and Kitchen</p>
<p>Ventilator – to replace Air conditioners</p> <ul style="list-style-type: none"> - sound insulation to separate noise from the street - fresh and filtered air for healthy interior atmosphere 	
<p>Floor heating</p> <ul style="list-style-type: none"> - high efficiency heating to replace air-conditioners and reduce electricity usage - timer /controllers to help energy control. 	

Green Project (continued)

Green features (Con'td)

<p>On spot heating for mixer</p> <ul style="list-style-type: none"> - saving in extra pipe work in construction and heat loss in future 	
<p>Glass with blind embedded</p> <ul style="list-style-type: none"> - maximizing the use of day lighting - for flexible partitions and multi-purposes rooms 	
<p>Water filter</p> <ul style="list-style-type: none"> - built-in installation under kitchen countertop 	
<p>Japanese style tatami and retractable table</p> <ul style="list-style-type: none"> - for extra storage spaces - for multi-purposes rooms 	
<p>Wall-mounted WC with concealed watertank</p> <ul style="list-style-type: none"> - for tidy and clean wall and floor surfaces - easy cleaning and maintenance\ 	

Epilogue

The SME CSR Guide (www.csrsme.com.hk) lists the following six key components of responsible entrepreneurship:-

1. Corporate Governance
2. Environmental Protection
3. Human Resources Management
4. Responsible Procurement
5. Consumer Issues
6. Community Involvement and Development

In this report, we have regrouped the content to suit our company characteristics and activities. Nevertheless, the basics are of the same. We have identified key CSR issues and challenges. We have also assessed current CSR performance and initiatives taken.

SP has been deploying the resources, knowledge and experience to organise systematic CSR policies and systems. Contents in this report will be used as our guidelines in practicing CSR in a systematic and sustainable way. In future, we will also adopt other international CSR standards and research, and also successful experience of our sister companies and industrial pioneers in implementing CSR practices.

But smart partners don't wait for other people to solve problems, and would rather take the initiative. By the end of this year, our board of directors and staff will jointly review and determine CSR priorities in the coming 12 months and set goals for improvement and achievable strategic targets in CSR.

Sincerely

Board of Directors, Smart Partner Limited

December 2011

Reference

Reports from Council for Sustainable Development (www.susdev.org.hk)

CSR Guide for SME in Hong Kong (www.csrsme.org.hk)



Project Green – Small farm under office desk



Project Green – Tree Planting Challenge 2011



Project Green – No Air-Con Night 2011

*All things bright and beautiful, All creatures great and small,
 All things wise and wonderful, The Lord God made them all.*

聰明伙伴有限公司
 Smart Partner Ltd

