



富 譽 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號 : 8269)

## 環境、社會及管治報告

# Environmental, Social and Governance Report 2017



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# WEALTH GLORY HOLDINGS LIMITED

(herein as “**WGH**” and together with its subsidiaries, the “**Group**”)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### OVERVIEW

#### PURPOSE

This “Environmental, Social and Governance Report” mainly introduces the Group’s vision, policies and measures taken and reports its performance regarding environmental and social issues.

#### SCOPE OF REPORT

This report mainly includes the data, information and business operations directly managed by and handled in the Group’s 2 offices in Hong Kong, the headquarter office in Central and the office of its subsidiary, MD Inc. Limited, in Kwun Tong, Hong Kong.

The Group’s businesses can be organized in 4 segments namely (i) trading of steam coal and palm oil; (ii) the trading of fashion items, camera bags and sport cars; (iii) money lending; and (iv) securities investment. The Group’s packaged food business was disposed of completely in July 2016 and we therefore excluded its operations in this report.

Trading of steam coal was our number one activity in terms of turnover. Although it was conducted through our associate company, it is included herein as it is under our direct management. Our palm oil trading was the 2nd largest business in terms of turnover, however such business is conducted on a back-to-back basis without taking any physical delivery by the Group. Our trading of fashion items, camera bags and sport cars accounted for only a minor portion of turnover in our overall activities as well as our lending and securities investment activities which are new, and such businesses with minor operations will therefore not be reported herein.

#### BASIS OF PREPARATION

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) under Appendix 20 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited (the “**HKEX**”). The content of this report covers two main subject areas, being Area A – ENVIRONMENTAL and Area B – SOCIAL as required by the Guide.

This Report reviewed and reported the Group’s main businesses and operations following the principles of materiality, quantitative, balance and consistency as recommended by the Guide.

#### REPORTING PERIOD

This report covers the reporting period from 1 April 2016 to 31 March 2017.

The Group aims to be a successful operator in our business operations, bringing returns to our investors, supporters and business partners, giving a healthy, safe and pleasant working environment to our employees, and helping to provide sustainable development of the environment and community.

The Board has approved its strategies and policies which have incorporated the related environmental and social issues contained in the Guide, and has delegated the Group’s Chief Executive Officer (“**CEO**”) to have the overall responsibility to implement accordingly. Through normal operation channels, all the department heads are required to report to and support the **CEO** on implementing the approved strategies and policies.

It is the duty of the CEO and the management level to examine and address all the environmental and social issues listed in the **Aspects** and **Areas** in the Guide, and to explore and develop **Key Performance Indicators** (“KPIs”) where appropriate and necessary for future reference and continuing action in line with the Group’s strategies and policies.

## **MATERIAL AREAS AND ASPECTS, AND KEY PERFORMANCE INDICATORS (“KPIs”)**

### **(A) ENVIRONMENTAL RESPONSIBILITY**

The Group is committed to the environmentally sustainable development of its on-going operations. The Group supports the “Clean World” and has implemented policies and taken measures to ensure our business and operations are energy, water, and resources saving. We have on our best effort tried to protect the environment by complying with the requirements of the national and local regulatory authorities and specific guides in the industry.

During the period reported, the Group had not breached any laws, rules and regulations in relation to its emissions and waste discharges or other environmental issues.

#### **A1. EMISSION AND WASTE**

As the Group is mainly a commodities and services trading and investment holding company, our activities (including steam coal and palm oil trading, sales of consumers goods branding and designs, lending and securities trading) are mostly under normal office environments without much adverse impact on the environment especially in terms of emissions and waste discharges. For our steam coal trading business, we do not own a transport fleet and have sub-contracted all our logistics and transportation works to local logistics companies. For our palm oil trading, our business is conducted totally on back-to-back trading patterns without taking any physical deliveries. These arrangements ensure that there will be no emissions and waste discharges, and the dangers of environmental damage during cargo transit will be the responsibility of sub-contracted logistics companies and the subsequent buyers. To our understanding and at our request, pollution and damage insurance coverage during transportation have been arranged. Our main emissions and discharges during our normal course of business and operation are indirect greenhouse gases, primarily carbon dioxide from energy consumption and employee travels, and living water usage of our offices. Therefore, reduction of energy and water consumption and efficient arrangement of employees’ travels are our priorities.

#### **A2. USE OF RESOURCES**

Despite the Group’s innocuous nature of operations, we have clear guidelines and instructions on the efficient use of resources, and all employees have been notified to attend to this in day to day activities. Electricity, fresh water, printing paper and office consumables are the main resources used by our daily operations, and their usage volume and quantities have not been large or irregular.

All levels of the Group are informed of the importance of energy, water, paper and consumables saving and its implications to the community and the environment, and are encouraged to follow our approved Environmental Policies and Measures under the principles of “reducing, reusing, recycling, replacing and recovery” (as “5R”). Measures will continue to be explored on an ongoing basis and implemented for more appropriate ways and means to reduce, reuse, recycle, replace and recover all resources used in connection with environmental changes and our operational needs and visions. Educational programs and instructions are at present the main driving force in this aspect.



The Group has assigned the Administration Department of each office to carry out routine checks to ensure the promulgated measures have been effectively implemented, and have established the “**Electricity, Water and Paper Consumption**” and “**CO2 Emission**” records as the KPIs for the management to monitor accordingly.

### **A3. ENVIRONMENT AND NATURAL RESOURCES**

As aforementioned explained, the Group’s businesses and operations neither generate any hazardous emissions nor wastes, nor uses much of the natural resources. Electricity, fresh water, paper and office consumables for normal daily office use are the only key elements which have been used normally without irregularities reported. In line with the approved policies and promulgated measures under the “5R” principles of reducing, reusing, recycling, replacing and recovering as practicable as possible, the Group commits to be an environmentally friendly and responsible corporation. It is not just for cost savings, it is also for preserving natural resources for tomorrow. The Group has constantly reviewed ways and means to accomplish further resources savings and environmental protection.

## **(B) SOCIAL RESPONSIBILITY**

### **B1. EMPLOYMENT AND LABOUR PRACTICES**

The Group values its employees highly as we believe our business development and growth rely heavily on their skills, passion and commitment. We comply with all the laws, rules and regulations on the employment arrangements under the Employment Ordinances of the Hong Kong Special Administrative Region (“**HKSAR**”), and also provide equal opportunity to all employees on recruitment, promotion, compensation and benefits, and build happy, harmonious, safe and healthy working offices, and totally forbid the recruitment of child labor and forced labor. We have tried our best to manage our human resources with employee-oriented policies to encourage co-operation and motivation, and to protect the interests and rights of our employees, and ultimately to achieve a harmonious relationship with our employees.

The Personnel Administration Manager reports directly to the Group’s CEO and has the overall responsibility to implement the Group’s strategies and policies on human resources management. All employees have to sign proper and standardized employment contracts at the time of starting their services with the Group. The employment contracts will contain all the terms and conditions related to wages and salaries, holidays, over-time, severance and compensation pay, medical benefits arrangement, mandatory provident funds, accidents and injury, safety and health, performance assessment, and so on, which are in strict compliance with the Employment Ordinance of HKSAR. However, bonus payment will be assessed jointly by the Department Head, Personnel Administration Manager and the Group’s CEO, and will be awarded at management’s discretion.

On employment, the Group has adopted a transparent and equitable policy. All vacancies are open to all with equal opportunities, to be decided with no discrimination on sex, religion, gender, age and disability, and to be selected on qualification, skill and competency basis. The Personnel Administration Manager has been charged with the responsibility and duty to ensure all the statutory obligations of the Group have been legally fulfilled and complied with.

The Group provides and maintains statutory benefits to all qualified employees including but not limited to mandatory provident funds, medical and work injury insurance and compensation and statutory holidays pursuant to the requirements of the laws of HKSAR.

Employees' remuneration packages comprise basic salaries and performance bonus. The former one is determined with reference to the prevailing market level in line with their competency, qualifications and experience, whilst the latter one is determined by their performance, overall results of the Group and at the management's discretion. The Group honored all obligations to our employees including the payment of salaries and wages, holidays and leave, compensations, insurance and health benefits without disputes during the period reported.

The Personnel Administration Manager has prepared an **"Employment Record"** with breakdown of total number of employees in different levels and sectors, genders, ages and qualifications as a KPI for the management to constantly monitor the Group's employment situation.

## **B2. HEALTH AND SAFETY**

As aforementioned disclosed, the Group implements "transparent, fair and employee-oriented" human resources policies, and has been working on building a pleasant, harmonious, safe and healthy working environment for our employees. The Group has arranged medical insurance to cover sickness, injuries and accidents, and have fully contributed the mandatory provident funds for all our employees. The employment contracts signed have contained details on health and safety protection, which the Group has fully complied with the employment ordinance of HKSAR. The Group has equipped our headquarter and Kwun Tong offices with all the required safety and medical equipment and facilities, and has satisfied all the governmental safety inspections.

In case an injury or an accident occurs to an employee during office work, regardless of location, type and seriousness, it is compulsory to notify the superiors and/or the senior management without any delays, who will need to take immediate and appropriate actions to ensure safety is strictly prioritized. Measures are in place to require corresponding remedial or compensatory actions arising from safety and health issues or work injuries in accordance with the Employment Ordinances of HKSAR and the agreed terms under the employment contracts. The Group had not recorded any claim on compensation or work related injury investigation in the period reported.

## **B3. DEVELOPMENT AND TRAINING**

The Group encourages and supports employees to continue learning and improving their knowledge and job skills for the benefit of our employees as well as the Group. Apart from the familiarization program covering the introduction of the Group's organization and operation process, rules and regulations, history, culture and visions, the Group has assigned the Personnel Administration Manager to provide care and guidance to newly recruited employees to assist them to settle and to adapt to the new positions with comfort. The Group has also regularly sponsored our employees to attend external training programs organized by professional institutions to enhance their knowledge, quality and ability. All employees can apply and it is the management who has the discretion to determine which program and who will be approved.

The Personnel Administration Manager is responsible for tailor-making the familiarization program for the newly recruited employees and has maintained a record on the external training programs provided to and sponsored for employees as a KPI for their department heads and CEO to monitor and to review their effectiveness.

## **B4. LABOR STANDARDS**

The Group strictly complies with the Employment Ordinances of HKSAR, and adopts its standards as its minimum labor standard on labor protection and welfare. The Group follows the laws of HKSAR as well as the local market practices on recruitment, dismissal, promotion, leave, holidays, benefits as well as equal employment opportunities to all sexes, genders, ages, races and religions. The Group totally forbids child and forced labor in any of our offices. The Group keeps and maintains personal details of the employees including their personal background information and credentials such as copies of ID and passport, academic qualifications and certificates, references and performance assessment under strict privacy rules and practices, and nobody will be allowed to access without the approval of the Group's CEO.

### **OPERATION PRACTICES**

The Group is mainly a commodities and services trading and investment holding company and operates strictly according to related contract laws and by-laws of the commodities and services with integrity, fairness and honesty. The employees are required to practice the social and industry code of standards.

## **B5. SUPPLY CHAIN MANAGEMENT**

Supply chain management refers to management of suppliers, products and/or services sourcing and purchasing. On our steam coal trading, we purchase directly from the coal mines and sell to the power plants or other traders, and we sub-contract and only supervise without direct involvement on all commodities handling and transportation works to logistic companies. On palm oil trading, we purchase directly from the planters and sell on back-to-back terms to buyers, and operationally we do not take any physical deliveries. On consumable designs and brands sales, we either develop our own designs and brands or we purchase directly from the market. On lending activity, it is from our own source of funds and there is no need for purchases.

The Group has a well-structured supply and purchase management policy detailing out each purchase step in a systematic manner. By adopting different approval authorities at different hierarchy levels of the management team, the system ensures that flaws and faults are minimized in a check and balance manner. The Purchase Manager, Finance Director and CEO form the execution and supervision purchase chain at different levels. Each level is assigned with a designated monetary approval authority and is accountable to their monetary limits they are authorized to approve. Purchasers orders are not allowed to be executed when the authorization cannot meet its designated level. The approval grantor is required to ensure that the requests for purchase have met all the terms and conditions and are in order before authorizing.

The Group sources its purchases from all suppliers on a fair and equitable manner. All purchase transactions are open and transparent. Suppliers are chosen primarily on competitive pricing, availability, delivery terms and quality. Reliability, reputation and track records of the suppliers will also be considered. Before effecting any purchase, the purchase department will perform a due diligence check on the ability and quality of the suppliers either through self-assessed customary market checking or engaging external professional firms to carry out a trade and credit checking. New suppliers are required to provide relevant certifications and documents for reference and record.

On quality and quantity checking of steam coal and palm oil trading, inspectors either from our own office or a third party from an international surveying company will be on site to jointly sign with the suppliers to confirm the quality and quantities prior to taking any delivery under the purchase contract. On their payments, once our inspectors and/or appointed surveyors have signed on the cargo receipt together with other required documents such as Invoices and Certificate of Origin, and accepting delivery of the cargo, we are liable to effect payment according to our internal approval system.

The complete and well-structured purchase processes have always been subject to regular scrutiny of the internal hierarchy supervisions and the external independent audit checks, and the Group is confident that malpractice and fraud have been greatly minimized.

## **B6. PRODUCT RESPONSIBILITY**

Steam coal, palm oil and consumable designs and brands are the significant areas where products supplies are involved. On steam coal trading, either an inspector from or a third-party surveyor appointed by the Buyer will again be engaged to jointly inspect the cargoes at delivery point to reconfirm the quality and quantity. On palm oil trading, as this product has been subject to joint inspection and acceptance prior to their deliveries, and owing to the direct back-to-back sale practice, the delivery time lag will therefore be zero, hence, the products quality and quantities to the ultimate buyer should not be different. On consumable designs and brands, the product will be sold as in its form, images or designs at the time of contracts entered, and there will not be any changes or quality issue after sales. However, there may be an issue on quality of after-sale supporting services, as the buyers may need our advice or request for modifications. Except under unforeseeable and uncontrollable circumstances, the Group had so far not encountered any significant impact on our sales in term of qualities and quantities. To minimize the risks, the Group sticks to the principle of reliable track records, reputation and integrity in selecting our trading partners and properly following the cargoes inspection procedures.

On our lending activity, the employees are required to follow strictly the Hong Kong Monetary Authority rules and regulations in conducting our business, and are not allowed to misrepresent and give any warranties without the senior management approval.

To ensure that all customer complaints or concerns are addressed at the appropriate levels in a timely manner, the related sales officer is obligated to report any incidents received instantly to his superiors who will then decide the appropriate remedial actions to be taken.

During the design and development phases of the consumable images, designs and branding, the Group has constantly advised our designers not to use faded or copied software, not to infringe on the intellectual property rights of others. The Group warranties to the client that all the images, designs and brands sold have valid and effective legal rights.

Given the aforementioned sales inspection processes, the internal approval and signature procedures, and the contract management and maintenance processes, the Group firmly believes that its sales policy and processes have complied with the local and international laws and practices, and have substantially minimized malpractice and fraud. As a result, the Group had no sales returns or complaints, as well as no claim on intellectual right infringement during the period reported.



The Group's business operations and activities have generated a substantial volume of private, confidential and sensitive information on the buyers, suppliers, business partners including their operation, financial and technical capabilities, commercial terms of contracts, and legal status, etc., These types of information are extremely sensitive, and pursuant to the Privacy Laws of HKSAR and international conventions, they need to be kept in strictest confidence, and are not allowed to be disclosed to any other third parties without the knowledge and approval of the owner. The Group fully understands its obligation and has taken security measures to ensure protection of the information against any unauthorized access and disclosures. No privacy and confidential information leakage was recorded during the period reported.

## **B7. ANTI-CORRUPTION**

The Group established an "Internal Control System", under which the Audit Committee is authorized by the Board to create an anti-corruption and anti-fraud process and procedure to regulate the conduct and behaviour of employees, create an atmosphere of integrity and honesty, and prevent prejudice to the Group's interest. The internal control department is responsible for whistle-blowing and taking up the remedial actions. With the implementation of clear policies and well-structured processes on purchases, sales, operation and finance, and the adoption of a high Code of Standard especially on the senior management, the Group reported no bribery nor corruption case during the period reported.

## **B8. COMMUNITY INVESTMENT**

The Group has carried out its business and operation in an environmentally friendly manner, and has provided support to our employees to grow and develop. We also encourage our employees to provide voluntary and charity services to support and to repay the society and local community.