

ALTUS .

Altus Holdings Limited

incorporated in the Cayman Islands with limited liability
Stock Code: 8149



Environmental and Social Governance Report
FY2018



CONTENTS

	Page
Message from our Chairman	2
About the ESG Report	3
About the Group	3
Scope of the ESG Report	3
Reporting guidelines	3
Stakeholder engagement	3
Information and feedback	3
We protect our environment	4
Greenhouse gas and air pollutant emissions	4
Energy conservation	4
Water management	4
Waste management	5
Green operation	5
We value our employees	6
Recruitment	6
Employees' benefit	6
Occupational health and safety	7
Employees' development	7
Employees' training	7
We respect our clients and cooperative partners	8
Client protection principle	8
Complaints handling	8
Protection of intellectual property	8
Anti-corruption	9
Supply chain management	9
We assist to create value for the community	10
Key performance indicators	11
Appendix – Content index on key performance indicators of the ESG Report	12



MESSAGE FROM OUR CHAIRMAN

Dear Stakeholders,

As embodied in our business model, itself purposely designed to fortify our holding power, we at Altus are committed to long-term sustainable development of our business to create value and returns for our investors and stakeholders.

We believe social responsibility and commerciality can go hand-in-hand and more often than not, complement one another. For the financial year ended 31 March 2018, we captured investment opportunities from our Japan “kaigo” or nursing care and support services business network, providing shelter to the aged, handicapped and homeless, all the while adding value for our shareholders.

On the environmental front, our documentation-intensive advisory business has continued to wean off its customary “paper-hungry” diet with increased usage of smart mobile devices and work management applications. As part of our overall efforts to reduce paper usage, we have also moved our Environmental, Social and Governance Report online this year.

Meanwhile, our meritocratic modus operandi together with our systematic training programmes have continued to serve as a rigorous and conducive training ground for young aspiring corporate financiers, nurturing our talent pool for a sustainable career, the driving force for our future growth.

Going forward, we shall continue to align our strategies with the goal of sustainable development.

Yours truly,

Arnold Ip Tin Chee

Chairman and Executive Director

28 September 2018



ABOUT THE ESG REPORT

Altus Holdings Limited (the “**Company**”) and our subsidiaries (collectively referred to as the “**Group**” and “**we**”) are pleased to present the Environmental, Social and Governance Report (the “**ESG Report**”) for the financial year ended 31 March 2018 (“**FY2018**”). The ESG Report mainly summarises the Group’s social and environmental performance and states the Group’s continuous effort in the area of sustainable development for FY2018. For further information on our corporate governance structure and practices, please refer to the section headed “Corporate Governance Report” of our Annual Report FY2018.

About the Group

The Group focuses on corporate finance and property investment. In respect of corporate finance, the Group primarily offers sponsorship, financial advisory and compliance advisory services to its clients. For property investment, the Group invests in real estate in Japan and Hong Kong and derives rental income therefrom. Whilst we lease our property(ies)/unit(s) to individuals and corporations in Japan and Hong Kong, we also wish to highlight that we make available accommodation to organisations which provide care and services to the aged and less fortunate in Japan. As at 31 March 2018, amongst our portfolio of 21 investment properties in Japan, three of the properties are used (wholly or partly) to provide accommodation that comes with “kaigo” or nursing care and support services for the aged, one is used to provide accommodation mainly to the homeless, and an individual house is constructed and used as group home.

Scope of the ESG Report

For reporting purposes, the ESG Report focuses mainly on the Group’s business operations in Hong Kong, as well as its performance in relation to the environmental and social aspects of its business in FY2018 for the disclosure of key performance indicators (“**KPIs**”).

Reporting guidelines

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”), as set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”).

Stakeholder engagement

Our management and employees were actively involved in assisting us to understand and analyse our sustainability performance. The data collected does not only align with the Group’s sustainable initiatives in FY2018, but also sets direction to enhance the Group’s sustainability objectives. The Group will continue to increase stakeholders’ participation through constructive two-way dialogue.

Information and feedback

For detailed information about the Group, please refer to our official website (www.altus.com.hk). Your opinions are highly valued by the Group. If you have any advice or suggestions, please feel free to contact us at:

Tel: (852) 2522-6122

Fax: (852) 2522-6992

Email: co.sec@altus.com.hk



WE PROTECT OUR ENVIRONMENT

Greenhouse gas and air pollutant emissions

The Group is committed to reducing carbon emissions and mitigating the impact air travel has on climate change. As an entity focusing on providing corporate finance services in Hong Kong, our business operations mainly take place in office premises. In FY2018, our Group's greenhouse gas emissions are mainly attributable to electricity, water and paper consumption at our office premises and carbon footprint associated with business travel. The continuous use of recycling paper has reduced the Group's greenhouse gas emissions by 0.30 tonne CO₂ equivalent. The Group has not produced any air pollutant in FY2018 due to our business nature.

There are increasing economic, environmental and social incentives for us to be a more sustainable sponsor in the corporate finance industry. We believe implementing sustainable solutions, such as encouraging energy conservation by using energy efficient utilities and travelling in groups, will help reduce overall energy consumption and shrink carbon footprints. Measures taken to reduce greenhouse gas emissions will be further described under sections headed "Energy conservation" and "Green operation" in the ESG Report.

Energy conservation

As an environmentally friendly corporation, the Group is committed to protecting the environment. As part of our initiative to reduce energy consumption, we encourage our employees to switch off lights and electronic equipment when not in use. Currently, we divide the office into different light zones with independent lighting switches. We have adopted energy-efficient lighting and air conditioning system, multifunctional devices such as three-in-one printers and installed motion sensor for lighting in areas not frequently used.

We have also taken measures to improve energy efficiency of our office equipment by cleaning light fixtures and filters of the air conditioning system regularly and implementing Variable Refrigerant Volume to optimise refrigerant flow in order to reduce energy consumption of air conditioning. We have also conducted monthly analysis on the use of electricity to monitor power consumption in order to make improvement accordingly.

Water management

While the Group's business is not water-intensive in nature, the Group still actively promotes water conservation. The Group strictly abides by the laws and regulations regarding water management, such as the Water Pollution Control Ordinance. Our major wastewater is domestic sewage which is discharged to the municipal drainage system. To reduce water consumption, we have implemented various measures such as turning off the faucet tightly, installing automatic faucet, fixing dripping taps immediately, and periodically checking water meter readings and hidden water pipes to prevent water leakage. We have also put up water-saving reminder labels in the pantry and lavatories to raise employees' awareness on water conservation.



Waste management

As the Group's principal business operations are mainly based in the office premise, creation of solid waste such as paper and toner cartridges is inevitable. We have adopted the "3Rs" principle "Reduce, Reuse and Recycle" as our waste management strategy. We engage our employees to abide by the Group's internal environmental policy, such as encouraging double-sided printing and copying by putting up notices, and adopting electronic communication to reduce our paper consumption. Furthermore, Office Automation ("OA") system is implemented to substitute traditional paper-based office administration system to further avoid paper waste. Our employees are encouraged to use reusable products instead of non-refillable stationeries and office supplies. Recycling bins are set up to collect waste paper, which will be collected by licensed recycling companies. We also carry out monthly paper volume surveys to monitor paper consumption and make appropriate improvement.

Apart from the abovementioned waste management, hazardous wastes produced by the Group principally include toner cartridges and electronic waste. We arrange for responsible personnel to collect the hazardous waste.

Green operation

In consideration of the potential threats of climate change to the community, the Group has made steady progress in reducing our carbon footprints. Employees are encouraged to take public transport during local and cross-border business travel, while telephone conference is held whenever possible to avoid any unnecessary overseas business travel. Direct flights are chosen to reduce carbon emissions caused by inevitable business travel. Besides, the Group's activities are organised at locations easily accessible by public transportation to actively reduce indirect carbon emissions.



WE VALUE OUR EMPLOYEES

Recruitment

We are committed to providing a workplace free of discrimination and harassment, and employees are expected to treat colleagues with respect and dignity. The Group acts in strict compliance with the relevant labor laws and regulations, such as the Employment Ordinance. As an equal opportunities employer, the Group is committed to eliminate discrimination in its working environment. Vacancies are open to all applicants who meet the basic entry requirement irrespective of their sexual orientation, marital status and race. During FY2018, no breach of employment or labor practice has been identified by the Group.

All candidates receive fair treatment and are assessed qualitatively during the interview process. Our recruitment process involves age verification and identification examination, such as ID card check to avoid child or illegal labour. In FY2018, no case of child or illegal labour has been identified by the Group. Given the time sensitivity in our line of work, overtime work is inevitable occasionally. Under such circumstances, overtime work shall be consensual and compensated by discretionary bonuses in line with market practice. According to the Group's policy, our employees are also entitled to reimbursement of food and travelling expenses incurred during the overtime period for business purpose. Prior to commencement of employment, employees are required to enter into an employment contract with clearly set out job descriptions, duties and responsibilities to prevent any form of forced labour. The Group also provides new employees with orientation training, in which we familiarise employees with information such as house-keeping regulations, work etiquette, sick leave, study and examination leave procedures to help newcomers adapt easily to the new working environment. We also provide new comers with our operations and compliance manual to help them understand the modus operandi procedures and policies of the Group.

Employees' benefit

The Group abides by the Employment Ordinance and other relevant labour laws and regulations regarding working hours, sick leave and annual leave. Our competitive and merit-based remuneration package is subject to review at least annually to ensure retention and attraction of high-calibre employees. Apart from a monthly fixed salary, we also offer discretionary bonus based on individual performance of the employees and the Group's financial performance.

Our employees are the cornerstone of our success and the Group listens and responds to their needs and suggestions. Statutory holidays are provided in accordance with the relevant regulations. Employees are also entitled to different types of leave, including annual leave, sick leave, study and examination leave and maternity leave. Long service award is offered as an appreciation for the contribution and dedication of long-serving employees. In order to foster team spirit, we have organised a range of recreational activities during FY2018, including annual company retreat, Christmas party and annual dinner.

We implement a stringent and self-reflective employee termination policy. Upon receiving a letter of resignation, an exit interview would be arranged on or before the last working day of the departing employee to understand the reasons of leaving and areas of which the Group may improve, if any. The payment of salary of the final working month will be made on the last working day of the departing employee.



Occupational health and safety

Work safety is the cornerstone of sustainable development of the Group. We strictly abide by the laws and regulations regarding occupational health and safety, such as the Occupational Safety and Health Ordinance. We seek to create a pleasant and comfortable workplace for our employees by carrying out various measures, including provision of adjustable working chairs which are ergonomically designed to keep body and brain limber, providing sufficient storage space for a more spacious desk area, regular maintenance or replacement of office equipment and keeping office supplies readily accessible and conveniently located. During FY2018, dual-monitors are provided to employees to improve work environment and individual comfort.

Employees' development

Our employees are our most valuable asset and we are mindful about their career development. We are committed to offering the opportunity of merit-based promotion and a stable working environment to our employees in their career pursuit. Our promotion is executed on a fair and open basis and any form of discrimination is not tolerated. When evaluating an employee for promotion, thorough consideration is given to the employee's personal quality, ability and performance at work. Competent employees will be considered for promotion in recognition of their efforts and contributions.

We believe that two-way communication is essential for employees to attain job satisfaction, which will in turn lead to a more stable employee retention rate for the Group. The management hold morning briefings at the beginning of each work day to ensure effective work allocation amongst employees. In order to closely monitor employees performance whilst maximising their job satisfaction, the Group conducted annual performance appraisals and informal interim meetings throughout the year to provide an opportunity for employees to communicate with the management. At the annual appraisal, the management will conduct a two-fold assessment in order to evaluate the performance of employees. The management will conduct physical meetings with relevant individuals and subsequently consult his/her supervisors and peers for their comments on the employee's general performance. Employees are also encouraged to provide their opinion on the management and suggestions for their career development. Therefore, it is apparent that the Group does not only value employees' performance, but is also eager to learn about employees' career development needs.

Employees' training

Our employees are the foundation of our success, therefore the Group provides career advancement opportunities with the aim to develop their full potential. To establish and manage a professional team with strong technical expertise as well as acute business acumen, much effort is made in offering comprehensive training on all fronts. To ensure that our service is comparable with industry standard, compulsory Continuous Professional Training for licensed representatives under the Securities and Futures Ordinance are organised regularly for our employees, which includes regulatory updates, case studies series as well as talks by external industry experts. Furthermore, all corporate finance members receive on-the-job training either through direct supervision of Responsible Officers or senior team members. We offer tuition reimbursement to support employees' training. Apart from internal training, employees are encouraged to attend external talks and seminars to enrich their industry knowledge, which will be useful in discharging their duties as a corporate financier. As an incentive for our employees to strengthen their potential through independent learning, study and examination leave in addition to education allowance are offered to our employees.



WE RESPECT OUR CLIENTS AND COOPERATIVE PARTNERS

Client protection principle

It is our obligation to protect clients' privacy by ensuring confidentiality. We strictly abide by the laws and regulations regarding privacy, such as the Personal Data (Privacy) Ordinance. In addition, rigorous policy and procedures are implemented to protect confidentiality and privacy during the process of collecting, processing and using clients' data. Access to confidential information or documents is restricted and granted only on a need-to-know basis. Besides firewall installation, anti-virus protection is enabled on all servers and computers in the Group to ensure adequate network security. Virus signatures, malicious code definitions as well as their detection and repair engines are updated regularly and whenever necessary. Employees are forbidden to store media and files from unknown sources onto the Group's main server unless the media and files have been scanned and cleared of computer viruses and malicious codes. We also regularly assess the risk and evaluate the need for protective measures against cyber-attacks to protect clients' information.

Complaints handling

The Group values clients' opinion. We are committed to improving the quality of client service and enhancing client satisfaction. We have established policy and procedures for the handling of client complaints. Complaints relating to regulated activities under the Securities and Futures Ordinance are handled by a Director or Responsible Officer who is not directly involved with the matter. We investigate and respond promptly to all client complaints. During FY2018, the Group has not received any complaints.

Protection of intellectual property

The Group respects and protects intellectual property. A software licensing policy is implemented to ensure the software used in the Group is in compliance with the relevant licensing agreement. Personal software installation on the Group's computers is strictly prohibited under any circumstances so as to respect others' intellectual property rights. We strictly abide by the laws and regulations regarding intellectual property, such as the Copyright Ordinance. Advertising activities are not applicable to our business operations.



Anti-corruption

With our uncompromising commitment to integrity and justice, we strictly abide by the Prevention of Bribery Ordinance, Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance, the Securities and Futures Commission Guideline on Anti-Money Laundering and Counter-Terrorist Financing, the Companies Registry Guidelines on Additional Licensing Conditions of Money Lenders Licence and other relevant laws and regulations regarding anti-corruption, bribery, extortion, fraudulent behavior and money-laundering. Anti-money laundering policy is implemented to detect and prevent money laundering and terrorist financing. Employees are required to fully understand the background of potential clients through documentation and communication in accordance with relevant procedures set out in our operations and compliance manual before engaging with clients. To protect our business from unintentional money laundering activities, any cash transaction with clients is strictly prohibited. All payments from clients should be made through bank transfer or cheque. Employees are prohibited from receiving anything of significant value from any parties related to the Group.

The Group is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we have whistle-blowing policy in place. Our employees, clients, suppliers and other stakeholders are encouraged to voice their concerns on any suspected misconduct or malpractice. The Group will investigate the reported misconduct or malpractice and take corresponding remedial measures against the irregularities. Whistleblowers are assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action. An employee who breaches the Group's anti-corruption policy will face disciplinary action, which could result in dismissal for gross misconduct. Apart from whistle-blowing policy, we also organise talks and internal training to ensure our employees' compliance with anti-money laundering and anti-corruption laws in relation to our business.

Supply chain management

Due to the nature of the Group's business, there are no significant suppliers in the provision of corporate finance services. The Group requires merely utilities and general daily supplies such as electricity, water and stationery for our administrative operations. In order to integrate the concept of sustainability into the procurement of office utilities and supplies, priority is given to environmentally-friendly products, such as refillable ballpoint pens, mechanical pencils, and recyclable paper. The Group often make bulk purchases online or at nearby stationery stores in order to minimize carbon footprint. During FY2018, all our office suppliers are located in Hong Kong. With our strict adherence to the green purchasing principle, the usage of office stationery is constantly evaluated to avoid overstocking and squandering resources.



WE ASSIST TO CREATE VALUE FOR THE COMMUNITY

Under the corporate finance segment, the Group renders its services with a vision to create long-term value for our investors and stakeholders. In this respect, the Group aims to contribute to the growth and development of Hong Kong as one of Asia's leading financial hub by undertaking our business with integrity, in a responsible manner and serving as the quintessential training ground for young aspiring corporate financiers seeking to further their careers and in turn, sustain our, as well as, the market's long-term growth.

Concurrently, the Group seeks investment opportunities that adds to the well-being of society. To this end, the Group, through leasing part of its properties portfolio in Japan through our established contacts with various non government organisations, offers shelter to those that require social care services such as the aged, handicapped and homeless.



KEY PERFORMANCE INDICATORS

Environmental indicators

FY2018

Emissions

Total Greenhouse Gases Emission (tonnes CO ₂ equivalent)	119
Greenhouse Gases Emissions Intensity (tonnes CO ₂ equivalent/employee)	4.24
Total Non-hazardous Waste (kg)	8,824
Non-hazardous Waste Intensity (kg/employee)	315.15
Total Hazardous Waste by category (pieces)	
– Toner Cartridges	10
– Desktop Computers	2
– Computer Monitors	9

Use of resources

Total Energy Consumption (MWh)	89
Energy Consumption Intensity (MWh/employee)	3.18
Total Water Consumption (m ³)	114
Water Consumption Intensity (m ³ /employee)	4.07

APPENDIX

Content index on key performance indicators of the ESG Report

Subject Areas, Aspects, General Disclosures and KPIs Description	Chapters	Page No.
Environment		
A1 Emissions		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Greenhouse gas and air pollutant emissions, Waste management	4-5
A1.1 The types of emissions and respective emissions data.	Greenhouse gas and air pollutant emissions, Key performance indicators	4,11
A1.2 Greenhouse gas emissions in total and, where appropriate, intensity.	Greenhouse gas and air pollutant emissions, Key performance indicators	4,11
A1.3 Total hazardous waste produced and, where appropriate, intensity.	Waste management, Key performance indicators	5,11
A1.4 Total non-hazardous waste produced and, where appropriate, intensity.	Waste management, Key performance indicators	5,11
A1.5 Description of measures to mitigate emissions and results achieved.	Greenhouse gas and air pollutant emissions, Waste management	4-5
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste management	5
A2 Use of Resources		
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	Energy conservation, Water management	4
A2.1 Direct and/or indirect energy consumption by type in total and intensity.	Energy conservation, Key performance indicators	4,11
A2.2 Water consumption in total and intensity.	Water consumption, Key performance indicators	4,11
A2.3 Description of energy use efficiency initiatives and results achieved.	Energy conservation	4
A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water management	4
A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced.	The Group's business in Hong Kong does not require the use of packaging materials	N/A
A3 The Environment and Natural Resources		
General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Green operation	5
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green operation	5



Subject Areas, Aspects, General Disclosures and KPIs Description	Chapters	Page No.
Social		
Employment and Labour Practices		
B1 Employment		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefour and welfare.	Recruitment, Employees' benefit	6
B2 Health and Safety		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational health and safety	7
B3 Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employees' development, Employees' training	7
B4 Labor Standards		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Recruitment	6
Operating Practices		
B5 Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply chain management	9
B6 Product Responsibility		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Client protection principle, Complaints handling, Protection of intellectual property	8
B7 Anti-corruption		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering.	Anti-corruption	9
Community		
B8 Community Investment		
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure our activities take into consideration the communities' interests.	We assist to create value for the community	10