

ALTUS.

Altus Holdings Limited

incorporated in the Cayman Islands with limited liability

Stock Code : 8149



ENVIRONMENTAL AND SOCIAL GOVERNANCE REPORT FY2019

CONTENTS

MESSAGE FROM OUR CHAIRMAN	2
ABOUT THE ESG REPORT	3
About the Group	3
Scope of ESG Report	3
Reporting guidelines	3
Information and feedback	3
ESG GOVERNANCE	4
Communication with stakeholders	4
WE PROTECT OUR ENVIRONMENT	5
Emissions	5
Energy conservation	5
Water management	5
Waste management	6
Green operation	6
WE VALUE OUR EMPLOYEES	7
Recruitment	7
Employee benefits	8
Occupational health and safety	8
Employee development	9
Employee training	9
WE RESPECT OUR CLIENTS AND COOPERATIVE PARTNERS	10
Client protection principle	10
Complaint handling	10
Protection of intellectual property	10
Anti-corruption	11
Supply chain management	11
WE ASSIST IN CREATING VALUE FOR THE COMMUNITY	12
KEY PERFORMANCE INDICATORS	13



MESSAGE FROM OUR CHAIRMAN

Dear Stakeholders,

We at Altus believe that working to promote social, environmental and economic sustainability – both for our investors and the communities around us – is good business practice. This is reflected in our commitment to investments with positive social impact. This belief drives our continual efforts to reduce our operational carbon footprint, and to mitigate environmental risks in our work. Also, this belief aligns with our goal to deliver best results to our shareholders, and be responsible to our stakeholders and the planet.

“Impact investing” is one of our core values. We invest with the intention to not only bring about desirable financial returns, but also to generate positive social impact. We have continued to work with our network of NGOs in nursing, care and support in Japan. Some of our properties are providing accommodation to the aged, ailing and handicapped, who find it difficult to locate accommodation elsewhere. In the past year, we embarked on a new collaboration with an additional NGO, to add one further group home to the portfolio. We shall continue with efforts to expand our network and increase our investment in this area.

As a professional advisory service provider, we continually invest in training our professional team. Through both internal and external training programmes, we aim to provide all rounded business trainings to both our senior and junior members. We will continue to invest resources to provide an environment for the upcoming generation of finance professionals to develop sustainable careers.

From the environmental point of view, we strive to be eco-conscious. We see opportunities and potential for improvement in our work every day. Even for our small office in Hong Kong, we see potential betterment in energy efficiency.

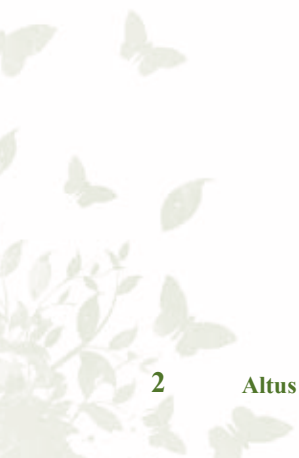
We are committed to pursuing the synergy in creating financial returns and generating positive social and environmental impact through our operations and investments. This is pivotal in producing meaningful and sustainable returns for our investors and stakeholders.

Yours truly,

Arnold Ip Tin Chee

Chairman and Executive Director

26 September 2019





ABOUT THE ESG REPORT

Altus Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**” and “**we**”) are pleased to present the Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) for the financial year ended 31 March 2019 (“**FY2019**”). The ESG Report mainly summarises the Group’s social and environmental performance and describes the Group’s continual efforts in the area of sustainable development for FY2019. For further information on our corporate governance structure and practices, please refer to the Corporate Governance Report in our FY2019 Annual Report.

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.

The Group has put in place compliance and risk management policies and procedures for compliance with all significant legal and regulatory requirements. It has also been committed to building an environmentally friendly corporation by paying close attention to reducing consumption of energy and natural resources. Meanwhile, the Group strives to establish a capable and all-rounded team through regular training programs and cultivating camaraderie among its advisory team members. Apart from bringing economic benefits to the society, the Group also highlights the beneficial social impacts brought by its “impact investing” in offering accommodation to the aged and the less fortunate in Japan through organisations which provide care and services for them.

SCOPE OF ESG REPORT

For reporting purposes and disclosure of key performance indicators (“**KPIs**”), 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 businesses in FY2019.

REPORTING GUIDELINES

The ESG Report has been prepared in accordance with the “Environmental, Social and Governance Reporting 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.

INFORMATION AND FEEDBACK

For detailed information about the Group, please refer to our Company’s website (www.altus.com.hk). Your opinions are highly valued. Should 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



ESG GOVERNANCE

The Group believes that good ESG governance is the key to corporate sustainable development, thereby leading to its long-term success. The board of Directors (the “**Board**”) takes full responsibility for the supervision of the Group’s ESG governance and risk management. To effectively put its sustainable development strategies into practice, the Board delegates authority to the management of functional departments for the formulation and execution of ESG policies and measures.

COMMUNICATION WITH STAKEHOLDERS

Our management and employees were actively involved in assisting us in understanding and analysing our sustainability performance. The data collected not only reflect the performance of the Group’s sustainable initiatives in FY2019, but also set the direction for improving the Group’s sustainability approach.

The Group is fully aware of the importance of stakeholders’ opinions for its continual success. Therefore, it strives to effectively communicate with its stakeholders through various channels to build a trusting and supporting relationship with them, so as to understand and respond to their expectations and needs.

Stakeholders	Expectations and Needs	Means of Communication and Response
Government and Regulators	<ul style="list-style-type: none"> Compliance with government policies, laws and regulations Supporting local economic growth Driving local employment Paying taxes in full and on time 	<ul style="list-style-type: none"> Regular information reporting Dedicated reports
Shareholders	<ul style="list-style-type: none"> Returns Compliant operation Rise in company value Transparent information and effective communication 	<ul style="list-style-type: none"> Shareholders conferences Announcements Email and company website Dedicated reports
Partners	<ul style="list-style-type: none"> Operational integrity Equal rivalry Performance of contracts Mutual benefit and win-win result 	<ul style="list-style-type: none"> Business communications Exchanges and discussions Engagement and cooperation
Customers	<ul style="list-style-type: none"> Outstanding products and services Performance of contracts Operational integrity 	<ul style="list-style-type: none"> Customer feedback
Environment	<ul style="list-style-type: none"> Energy saving and emission reduction 	<ul style="list-style-type: none"> Implementation of environmental protection measures
Industry	<ul style="list-style-type: none"> Establishment of industry standards Drive industry development 	<ul style="list-style-type: none"> Participation in industry forums Participation in consultations
Employees	<ul style="list-style-type: none"> Protection of rights Remunerations and benefits Career development 	<ul style="list-style-type: none"> Employee communication meetings Training and workshops Employee activities
Community and the Public	<ul style="list-style-type: none"> Transparent information 	<ul style="list-style-type: none"> Company website Announcements

The Group will continue to enhance stakeholders’ participation and engagement to collect their constructive feedback and valuable opinions.



WE PROTECT OUR ENVIRONMENT

EMISSIONS

Being an environmentally friendly corporation, the Group makes conscious efforts to reduce greenhouse gas (“GHG”) emissions. As an entity focusing on providing corporate finance services in Hong Kong, we operate our business mainly in office premises. In FY2019, the Group’s GHG emissions are mainly contributed by business air travel as well as electricity, water and paper consumption at our office premises. The Group’s business operation did not generate any significant air pollutants in FY2019 due to its business nature.

The increasing economic, environmental and social incentives drive us to develop sustainably 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 GHG emissions will be further described under sections “Energy conservation” and “Green operation” in the ESG Report.

ENERGY CONSERVATION

While enhancing operational efficiency, the Group is committed to protecting the environment. We encourage our employees to switch off lights and electronic equipment that are not in use as part of our initiatives to reduce energy consumption. Our office is divided into different light zones with independent lighting switches. We have adopted energy-efficient lighting and air conditioning system, employed multifunctional devices such as three-in-one printers and installed motion sensors 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 employing a variable refrigerant flow air conditioning system to optimise refrigerant flow in order to reduce energy consumption of air conditioning. We also conduct monthly analysis on the use of electricity to monitor power consumption so as to make improvement.

WATER MANAGEMENT

Although the Group does not operate a water-intensive business, it still actively integrates the concept of water conservation into its daily operation. The Group strictly abides by the laws and regulations regarding water management, such as the Water Pollution Control Ordinance of Hong Kong. Our major wastewater is domestic sewage, which is discharged into and further treated by the municipal drainage system.

To reduce water consumption, we have implemented various measures such as turning off the faucets tightly, installing automatic faucets, 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 signs in the pantry and lavatories to remind employees and raise their awareness on water conservation.



WE PROTECT OUR ENVIRONMENT

WASTE MANAGEMENT

The Group strictly complies with the laws and regulations relating to waste disposal, such as the Waste Disposal Ordinance and Product Eco-responsibility Ordinance of Hong Kong. As the Group's principal business operations are mainly based in the office premises, generation of solid waste such as paper and general waste is inevitable. We have adopted the "3Rs" principle -- "Reduce, Reuse and Recycle" as our waste management strategy. Employees' participation is crucial for putting the Group's internal environmental policy into practice. Therefore, we encourage our employees to adopt double-sided printing and copying by putting up notices, as well as to use electronic communication as far as possible so as to reduce paper consumption. Furthermore, office automation system is implemented to substitute traditional paper-based office administration system to further reduce paper waste. Our employees are encouraged to use reusable products instead of non-refillable stationery and other office supplies. Recycling bins are in place to collect waste paper, which will be collected by qualified recycling companies. We also carry out monthly paper volume surveys to monitor paper consumption and make appropriate improvement.

Apart from non-hazardous waste generation, the Group also generates a minimum amount of hazardous waste during its daily operation, such as toner cartridges and obsolete desktop computers. Responsible personnel are arranged to collect the hazardous waste, which will be handled by qualified units afterwards.

GREEN OPERATION

Being a corporate citizen, the Group continues to work on reducing its carbon footprints as an effort to combat climate change. 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. Additionally, 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 be treated with respect and dignity. The Group acts in strict compliance with the relevant labour laws and regulations, including but not limited to the Employment Ordinance, Employment of Children Regulations and Employment of Young Persons (Industry) Regulations of Hong Kong. As an equal opportunities employer, the Group strives to eliminate discrimination within workplace. Vacancies are opened to all applicants who meet the basic entry requirements. All candidates receive fair treatment and are assessed qualitatively during the interview process, irrespective of their gender, sexual orientation, marital status and race.

We carry out identification check during our recruitment process to verify the identity and age of the applicants, so as to avoid child or illegal labour. Given the time sensitivity in our line of work, occasional overtime work is inevitable. Under such circumstances, overtime work shall be consensual and compensated by discretionary bonuses in line with market practice. According to the Group's policy, employees are also entitled to reimbursement of meal and travelling expenses incurred during the period of overtime work. Prior to commencement of employment, employees are required to enter into an employment contract with job descriptions, duties and responsibilities clearly set out to prevent any form of forced labour.

The Group also provides new employees with orientation training, which familiarises employees with information such as housekeeping rules, work etiquette, leave application procedures to help newcomers adapt more easily to the new working environment. We also provide newcomers with our operations and compliance manual to help them understand the modus operandi procedures and policies of the Group.

During FY2019, no violation of laws and regulations relating to employment and labour practice, avoiding child labour and forced labour had been identified by the Group.

In FY2019, all employees, including 30 full-time and 1 part-time employees, were from Hong Kong. Detailed employment data of the Group during FY2019 are as follows:

Employment Indicators	FY2019 Number of employees
By gender	
Male	20
Female	11
By age group	
Aged below 30	19
Aged 30 to 50	8
Aged above 50	4



WE VALUE OUR EMPLOYEES

EMPLOYEE BENEFITS

We care about the well being and interests of our employees. The Group abides by the Employment Ordinance of Hong Kong and other relevant labour laws and regulations regarding working hours, medical 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 employees' individual performance and the Group's financial performance.

The success of the Group relies on the continual support from employees, and the Group listens and responds to their needs and suggestions. On top of statutory holidays provided in accordance with the relevant regulations, employees are entitled to different types of leave, including annual leave, medical leave, study and examination leave and maternity leave. Long service award is also offered as an appreciation for the contribution and dedication of long-serving employees. In order to foster team spirit and promote the concept of work-life balance, we have organised a variety of recreational activities during FY2019, including annual company retreat, Christmas party and annual dinner.

We implement a 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 in 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

The Group attaches great importance to the work safety of its employees. We strictly abide by the laws and regulations regarding occupational health and safety, including but not limited to the Occupational Safety and Health Ordinance of Hong Kong. We seek to create a pleasant and comfortable workplace for our employees by carrying out various measures, including easy access to office supplies, regular maintenance or replacement of office equipment, and the provision of adjustable and ergonomically-designed working chairs and sufficient storage space in a more spacious desk area.

During FY2019, no violation of laws and regulations relating to occupational health and safety had been identified by the Group, and no safety accidents were observed during its operation.





WE VALUE OUR EMPLOYEES

EMPLOYEE DEVELOPMENT

Our employees are our most valuable assets and we are mindful of 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 conducted on a fair and open basis and we adopt a zero tolerance approach regarding any form of discrimination. When conducting promotion evaluation of employees, thorough consideration is given to each 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 strengthening bonding among employees, which will in turn improve the employee retention rate. Morning briefings are held at the beginning of each working day to ensure effective work allocation amongst employees. In order to closely monitor employees' performance whilst maximising their job satisfaction, the Group conducts annual performance appraisals and informal interim meetings throughout the year to provide an opportunity for employees to communicate with the management. In order to evaluate the performance of employees in the annual appraisals, the management will conduct a two-fold assessment, in which the management will conduct face-to-face 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 opinions on the management and suggestions for their career development. Therefore, the Group while valuing employees' performance, caters also to employees' career development needs.

EMPLOYEE TRAINING

Our employees are the foundation of our success, therefore we provide career advancement opportunities with the aim to realise their full potential. To establish and manage a professional team with strong technical expertise as well as acute business acumen, much effort has been made in offering comprehensive training on all fronts. In order to ensure that our service is comparable with industry standards, compulsory Continuous Professional Training for licensed representatives under the Securities and Futures Ordinance of Hong Kong 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 through direct supervision of either 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 abilities through learning, study and examination leave in addition to education allowance is offered to our employees.

During FY2019, all employees had received training, with an average of 17 training hours per employee.



WE RESPECT OUR CLIENTS AND COOPERATIVE PARTNERS

CLIENT PROTECTION PRINCIPLE

The Group places great emphasis on protecting clients' privacy and ensuring confidentiality. We strictly abide by the laws and regulations regarding privacy, including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong. In addition, rigorous policies and procedures are implemented to protect confidentiality and privacy during the process of collecting, processing and using clients' data. Both the Group and its business partners are required to comply with the terms of confidentiality stated in the contracts. Access to confidential information or documents is restricted and granted only on a need-to-know basis. Apart from 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 had the computer viruses and malicious codes removed. We also regularly assess the risks and evaluate the need for protective measures against cyber-attacks to protect clients' information.

COMPLAINT HANDLING

Client's opinions are vital for optimising the Group's business strategies. We are committed to improving the quality of client service and enhancing client satisfaction. We have established policies and procedures for the handling of client complaints. Complaints relating to regulated activities under the Securities and Futures Ordinance of Hong Kong are handled by a director or responsible officer who is not directly involved in the matter. We investigate and respond promptly to all client complaints. During FY2019, the Group had not received any complaints.

PROTECTION OF INTELLECTUAL PROPERTY

The Group respects and protects intellectual property. We strictly abide by the laws and regulations regarding intellectual property, including but not limited to the Copyright Ordinance of Hong Kong. A software licensing policy is implemented to ensure the software used by the Group is in compliance with the relevant licensing agreement. Before installation of any software, request has to be made to the Group, so as to prevent the infringement of intellectual property. Advertising activities are not applicable to our business operations.



WE RESPECT OUR CLIENTS AND COOPERATIVE PARTNERS

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 Ordinance, the Securities and Futures Commission Guideline on Anti-Money Laundering and Counter-Financing of Terrorism, the Companies Registry Guidelines on Additional Licensing Conditions of Money Lenders Licence and other relevant laws and regulations of Hong Kong regarding anti-corruption, bribery, extortion, fraudulent behaviour 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 should take all reasonable efforts to avoid situations giving rise to any conflicts of interest, and are prohibited from receiving anything of significant value from any parties related to the Group's businesses.

The Group is committed to the highest possible standards of openness, probity and accountability. In pursuit of that commitment, we have a 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. Employees breaching the Group's anti-corruption policy will face disciplinary action, which could result in dismissal for gross misconduct. Apart from the whistle-blowing policy, we also organise talks and internal training to ensure our employees' compliance with anti-corruption laws in relation to our business.

During FY2019, no violation of laws and regulations relating to anti-corruption had been identified by the Group.

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 makes bulk purchases online in order to minimise carbon footprints. During FY2019, all our office suppliers were 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 of resources.



WE ASSIST IN CREATING 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 hubs 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 in properties that bring reliable returns as well as positive social impacts. To this end, the Group, through "impact investing" by leasing part of its property portfolio in Japan in supporting "kaigo" or nursing care and support services, will continue bringing measurable beneficial social impacts alongside satisfying financial returns.



KEY PERFORMANCE INDICATORS

ENVIRONMENTAL INDICATORS

	FY2019	FY2018
Emissions		
Total GHG Emission (tonnes CO ₂ equivalent)	148	119
GHG Emission Intensity (tonnes CO ₂ equivalent/employee)	4.76	4.24
Total Non-hazardous Waste (kg)	8,330	8,824
Non-hazardous Waste Intensity (kg/employee)	268.70	315.15
Total Hazardous Waste by category (pieces)		
– Toner Cartridges	10	10
– Desktop Computers	1	2
	No such waste has been produced during FY2019	
– Computer Monitors		9
Use of Resources		
Total Energy Consumption (MWh)	105	89
Energy Consumption Intensity (MWh/employee)	3.40	3.18
Total Water Consumption (m ³)	111	114
Water Consumption Intensity (m ³ /employee)	3.58	4.07