

# Altus Holdings Limited

**Stock Code : 8149**

# ENVIRONMENTAL AND SOCIAL GOVERNANCE REPORT FY2021



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## MESSAGE FROM OUR CHAIRMAN

Dear Stakeholders,

I trust I am not alone to say that being a frontline witness of social unrest in my hometown or a pandemic was not a life experience I expected despite the odds suggested by history. History also teaches us that there is nothing new under the sun – COVID-19, whilst unprecedented in scale, is not the first pandemic to have plagued humanity and undoubtedly a hurdle we will clear.

Events in the past two years are portents of what is to come if we continue to take our pre-COVID lifestyle for granted. They force all of us to snap out of autopilot mode, to re-examine our interdependence with each other, the damages we have inflicted upon nature and the dire consequences if we carry on in such blissful denial.

It is imperative that we make most of this window of heightened consciousness to reconsider our existing practices and to solidify sustainability within Altus's DNA. We shall continue to explore whether there are more effective ways to promote shared values. This is a tall order and one I will personally oversee.

Altus, as a business, enjoys the privilege denied to us mere mortals – it can continue beyond each of our careers and indeed lifetime. As a platform, it enables us to accomplish collectively what we cannot achieve alone. It is therefore our corporate responsibility to conduct business in such a way that benefits both this and latter generations. Ultimately, it is only in solidarity that we thrive.

Yours sincerely,

**Arnold Ip Tin Chee**

*Chairman and Executive Director*

13 August 2021

## 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 2021 (“**FY2021**”). 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 FY2021.

### ABOUT THE GROUP

The Group focuses on corporate finance and other consultancy services and proprietary investments. In respect of corporate finance and other consultancy services, the Group primarily offers sponsorship, financial advisory, compliance advisory services, equity capital market consulting, special situations consulting and investment consulting services to its clients. For proprietary investments, the Group invests in real estate in Japan and Hong Kong and derives rental income therefrom, as well as in securities to derive dividend income therefrom and aims for capital gain.

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 the 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 that provide care and services for them.

### SCOPE OF THE ESG REPORT

For reporting purposes and the disclosure of key performance indicators (“**KPIs**”), the ESG Report focuses mainly on the Group’s business operations in Hong Kong head office, as well as its performance in relation to the environmental and social aspects of its businesses in FY2021. The abovementioned reporting scope has been carefully determined based on the entities of the Group’s operation that have significant environmental and social impacts.

### 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 (the “**Stock Exchange**”).

#### Materiality

The content of the ESG Report is determined based on the stakeholder engagement and materiality assessment. The Group has identified ESG related issues, gathered and reviewed the opinions from internal management and various stakeholders, assessed the relevance and materiality of the issues, and prepared and validated information of the ESG Report. The ESG Report provides comprehensive coverage of the key ESG issues of concern to the Group’s stakeholders.

#### Quantitative

The Group has disclosed the qualitative environmental and social KPI in the ESG Report. The criteria, methods, references and conversion factors used to calculate the KPIs are stated whenever possible in order to provide stakeholders with a comprehensive understanding of the Group’s ESG performance.

## ABOUT THE ESG REPORT

### Consistency

To facilitate the comparison of ESG performance between years, the Group uses consistent reporting and calculation methods as far as reasonable, and details the significant changes in methodologies in the relevant sections.

### INFORMATION AND FEEDBACK

For detailed information about the Group, please refer to our Company's website ([www.altus.com.hk](http://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](mailto:co.sec@altus.com.hk)

## ENVIRONMENTAL, SOCIAL AND 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, including overseeing the assessment of its environmental and social impacts, identifying and managing the ESG-related risk of the Group through evaluating and determining ESG-related risks, and aligning with the expectation and requirement of the investors and regulators. The Board will enhance the Group’s risk assessment and management system to short and long-term ESG risks. To effectively put its sustainable development strategies into practice, a task team which comprises senior management staff of the Group is responsible for the execution of ESG policies and measures. The task team will report to the Board and assist the Board to oversee the Group’s execution of ESG related matters. Through the adoption of a top-down management approach, the Group ensures ESG considerations are taken into account in the business decision-making process.

To evaluate and prioritise material ESG issues, the Group has engaged a third-party ESG consulting firm in FY2021 to help identify material ESG issues and advise on its ESG performance. The consulting firm assisted in gathering and analysing the opinions of the Group’s stakeholders on ESG issues and conducted a materiality assessment. The Board reviews the results of the assessment and identifies material ESG issues of the Group. In addition, the Board will meet every quarter to review the financial results, while ESG issues and matters will also be discussed thereby.

The Board will continue to oversee ESG-related work and keep abreast of the latest ESG disclosure requirements of the Stock Exchange to lead the Group’s ESG progress effectively. The Board also ensures that all departments work closely together to achieve operational compliance and social responsibility. ESG risks will be included into the quarterly perform risk management assessment, so as to develop clearer ESG goals and targets for the Group in the future.

### 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 reflects the performance of the Group’s sustainable initiatives in FY2021, but also sets the direction for improving the Group’s sustainability approach.

The Group is fully aware of the importance of stakeholders’ opinions of its continual success. Therefore, it strives to effectively communicate with its stakeholders through various channels to build a trustful and supportive 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"><li>• Compliance with government policies, laws and regulations</li><li>• Supporting local economic growth</li><li>• Driving local employment</li><li>• Paying tax in full and on time</li></ul>	<ul style="list-style-type: none"><li>• Timely information reporting</li></ul>
Shareholders	<ul style="list-style-type: none"><li>• Returns</li><li>• Compliant operation</li><li>• Raise in company value</li><li>• Transparent information and effective communication</li></ul>	<ul style="list-style-type: none"><li>• General meetings</li><li>• Announcements</li><li>• Email</li><li>• Company website with the latest information of the Group</li><li>• Quarterly and annual reports</li></ul>



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Stakeholders	Expectations and Needs	Means of Communication and Response
<b>Partners</b>	<ul style="list-style-type: none"> <li>Operational integrity</li> <li>Equal rivalry</li> <li>Performance of contracts</li> <li>Mutual benefit and win-win result</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings with valuers, bankers, accountants and lawyers</li> <li>Business communications and calls</li> <li>Discussions and exchange of opinions</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Outstanding services</li> <li>Performance of contracts</li> <li>Operational integrity</li> </ul>	<ul style="list-style-type: none"> <li>Direct communication with the Board/ CEO/CFO</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Energy-saving and emission reduction</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of environmental protection measures such as using less paper and recycling waste paper</li> </ul>
<b>Industry</b>	<ul style="list-style-type: none"> <li>Establishment of industry standards</li> <li>Compliance with industry standards</li> </ul>	<ul style="list-style-type: none"> <li>Participation in industry forums</li> <li>Participation in consultations launched by the Securities and Futures Commission and the Stock Exchange</li> <li>Comply with rules and regulations of the Securities and Futures Commission</li> <li>Comply with the relevant listing rules of the Stock Exchange</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Protection of rights</li> <li>Occupational health</li> <li>Remunerations and benefits</li> <li>Career development</li> <li>Humanity cares</li> </ul>	<ul style="list-style-type: none"> <li>Employees communication meetings</li> <li>Regular employee performance assessment</li> <li>Training and workshops</li> <li>Regular employee team building activities</li> </ul>
<b>Community and the Public</b>	<ul style="list-style-type: none"> <li>Transparent information</li> </ul>	<ul style="list-style-type: none"> <li>Announcements</li> <li>Continuous enhancement of company website</li> <li>Quarterly and annual reports</li> <li>Regular meetings with valuers, bankers, accountants and lawyers</li> </ul>

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## MATERIALITY ASSESSMENT

For the development of a clear and effective ESG management approach, the Group has conducted a materiality assessment to identify ESG issues that are material to the Group's business and stakeholders. The materiality assessment was based on stakeholder surveys, materiality maps provided by well-known external institutions<sup>1</sup> and opinions from third-party ESG consultants. The material ESG issues identified were as follows.

Aspects	Material Issues
Environmental	<ul style="list-style-type: none"><li>• Greenhouse gas (“GHG”) emissions</li></ul>
Employment and Labour Practices	<ul style="list-style-type: none"><li>• Remuneration and benefits</li><li>• Training and education</li><li>• Diversity and equal opportunity</li></ul>
Operating Practices	<ul style="list-style-type: none"><li>• Operational compliance</li><li>• Service quality management</li><li>• Customer service management</li><li>• Business ethics</li></ul>

<sup>1</sup> The materiality maps referenced in the materiality assessment have included the ESG Industry Materiality Map and the SASB Materiality Map produced respectively by Morgan Stanley Capital International (MSCI) and the Sustainability Accounting Standards Board (SASB).



## WE PROTECT OUR ENVIRONMENT

The Group spares no effort in environmental protection and attaches great importance to implementing different policies that regulate emission, resources conservation and waste management. The Group does not engage in business activity that would cause a notable impact on the environmental and natural resources.

### EMISSIONS

Being an environmentally friendly corporation, the Group makes conscious efforts to reduce GHG emissions. The Group acts in strict compliance with laws and regulations relating to emission control, including but not limited to the Air Pollution Control Ordinance. As an entity focusing on providing corporate finance and other consultancy services in Hong Kong, we operate our business mainly in office premises. In FY2021, the Group's GHG emissions were 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 and water pollutants in FY2021 due to its business nature.

The increasing economic, environmental and social incentives drive us to develop sustainability 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 reduce carbon footprints. Measures taken to reduce GHG emissions will be further described under sections "Resources Conservation" and "Green Operation" in the ESG Report.

### RESOURCES CONSERVATION

While enhancing operational efficiency, the Group is committed to protecting the environment, reducing energy and water consumption, as well as the utilisation of office equipment.

Although the Group does not operate a water-intensive business, it still actively integrates the concept of water conservation into its daily operation. The major wastewater generated by the Group is domestic sewage, which is discharged into and further treated by municipal drainage system. The Group strictly abides by the laws and regulations regarding energy conservation and water management, such as the Water Pollution Control Ordinance. During FY2021, the Group did not encounter any issue in sourcing water.

The initiatives we have taken to reduce energy and water consumption in our office premises are set out as follows.

#### Energy Conservation

- Maximise the use of natural light
- Divide the office into different light zones with independent lighting switches
- Adopt energy efficient lighting and air conditioners
- Clean light fixtures and filters of the air conditioning system regularly
- Switch off lights, air conditioners and electronic equipment when not in use

#### Water Conservation

- Install automatic faucets
- Fix dripping taps immediately
- Check water meter readings and hidden water pipes periodically to prevent water leakage
- Put up water-saving signs in the pantry and lavatories
- Ensure faucets are turned off

## 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. Non-hazardous waste produced by the Group mainly includes general waste, which is sent to landfills.

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 use electronic communication as far as possible to reduce paper consumption. The Group promotes the effective use of resources by encouraging its employees to reuse envelopes, folders, file cards and other stationery, to reduce the use of disposable and non-recyclable products and to evaluate the usage of material to avoid overstocking. Furthermore, office automation system is implemented to substitute traditional paper-based office administration system to further reduce paper waste. We also carry out monthly paper volume surveys to monitor paper consumption and make appropriate improvements.

Apart from non-hazardous waste generation, the Group also generates a minimum amount of hazardous waste during its daily operation, mainly being toner cartridges. The Group uses recycled toner cartridges to reduce waste generation. 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 in its effort to combat climate change. Employees are encouraged to adopt the following measures to reduce indirect carbon emissions:

- Encourage duplex copying;
- Set computers and printers to default duplex and economical modes;
- Disseminate information by electronic means wherever possible;
- Use video conferencing to avoid unnecessary overseas business travel;
- Choose direct flights for unavoidable business trips; and
- Organise the Group's activities at locations easily accessible by public transportation.

## WE PROTECT OUR ENVIRONMENT

### RESPONSE TO CLIMATE CHANGE

Climate change is one of the major global issues in recent years. The extreme weather events caused by climate change have become more severe, which have negatively affected economic activities. The Group is concerned about climate change and has taken different measures to assess and mitigate the risks. The Group has identified different physical risks that may pose threats to the business and its financial performance, including the increase in severity of extreme weather events, changes in precipitation patterns and the rise in sea levels. In addition, the Group may face various transitional risks, such as the shift in consumer preferences and changes in stakeholders' expectations and perceptions of the Group due to increased concern on climate-related issues.

The Group reviews the updates to policies and regulations in regions it operates to identify potential climate-related risks. The Group also engages with its stakeholders to understand emerging climate-related risks. To protect the safety of employees, the Group has established an internal guideline on working arrangement when weather warning signals including the Black Rainstorm Signal and Typhoon Signal No.8 are hoisted. The Group would stay alert to any announcements by the local governments on weather condition and prepare for emergency actions. The Group will continuously review and enhance its guidelines on working arrangement under extreme weather events.

In view of the COVID-19 pandemic, the Group has adopted work-from-home arrangement when in need. Information and documents are mostly distributed by electronic means. Also, COVID-19 travel restriction resulted in less business travel. These measures facilitate the reduction of carbon footprint and in turns contribute to the sustainability of the ecosystems of the planet.

## WE VALUE OUR EMPLOYEES

The Group believes that its competitive strengths come from its experienced and capable employees. The Group places great importance on the rights and interests of employees and abides by the relevant laws and regulations. The Group invests in its employees by offering career opportunities and appropriate training.

### 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 applicants who meet the relevant 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 checks 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. Meal and travelling expenses appropriately incurred are reimbursed. Prior to commencement of employment, employees are required to enter into an employment contract with job descriptions, duties and responsibilities clearly stipulated to prevent any form of forced labour. If child labour or forced labour is discovered, the Group will immediately stop his or her duties and investigate the incident.

The Group also provides new employees with orientation training, which allows them to familiarise 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 FY2021, no violation of laws and regulations relating to employment and labour practice, avoiding child labour and forced labour had been identified by the Group.

### 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, which is subject to annual review, ensure retention and attraction of high-calibre employees. Apart from monthly fixed salary, we offer discretionary bonus and share awards based on employees' performance and the Group's financial performance.

The success of the Group relies on 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 leaves, including annual leave, medical leave, study and examination leave and maternity and paternity 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 had organised activities such as annual dinner during FY2021.

## WE VALUE OUR EMPLOYEES

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 employees' reasons of leaving. Improvement may be made based on constructive feedback. The 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. The management is responsible for providing and maintaining a safe working environment. 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. Also, all employees are covered by medical insurance arranged by the Group.

During FY2021, no violation of laws and regulations relating to occupational health and safety had been identified by the Group, and no accident was observed during its operation. There was no work-related fatality in the past three years.

### Response to Outbreak of COVID-19

The COVID-19 pandemic has been a major health issue. To protect our employees from infection, we have adopted flexible working arrangements (including work-from-home arrangement, flexible arrival and departure times for employees working in office), identified and arranged deep cleaning service for the office (whenever necessary), required employees to wear mask in the office and the use of video conference to substitute physical meetings such as morning briefing. The management closely monitors the situation of the COVID-19 pandemic and timely adjusts our working arrangement accordingly.

## 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 evaluations of employees, thorough consideration is given to each employee's personal quality, teamwork skills, performance at work, self-development, client-facing ability, work management, technical knowledge and professional judgement. The assessment results would act as the basis of employees' salary adjustment. 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 employee retention. 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 own career development. Therefore, the Group while valuing employees' performance, caters also to employees' career development needs.

## WE VALUE OUR EMPLOYEES

### EMPLOYEE TRAINING

Employees are the foundation of our success. 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. New employees are provided with orientation training with a focus on work etiquette and business ethics. Operation and compliance manuals are provided to new employee as a reference to the Group's policies.

In order to ensure that our service is comparable with industry standards, compulsory Continuous Professional Training for licensed representatives as required under the Securities and Futures Ordinance of Hong Kong are organised regularly for our employees, which includes regulatory updates, compliance advisory, international and local market situation, case studies on difference business issues and sessions conducted by industry experts. In addition to professional knowledge, training on communication and management skills are provided as appropriate. Furthermore, all corporate finance members receive on-the-job training through direct supervision of either Responsible Officers or senior team members. With the compulsory and on-the-job training, the Group ensures its employees' ability in providing high quality services to clients. The Group offers employees tuition reimbursement, education allowance, study and examination leave as an incentive for our employees to strengthen their abilities through continuous learning and professional qualifications.



## **WE RESPECT OUR CLIENTS AND COOPERATIVE PARTNERS**

As the Group is principally engaged in proprietary investments and provision of corporate finance and other consultancy services, its success depends highly on market reputation and clients' satisfaction. We aim to provide our clients with quality services and adhere to a high standard of business ethics. The Group ensures its service quality on financial advisory and sponsorship through providing regular training to the employees. Please refer to the section "Employee Training". Due to its business nature, the Group is not involved in product recalls.

### **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. To ensure all employees are familiar with the Group's policy towards confidential information, such content is stipulated in the contract of employment of all employees. Employees are not allowed to disclose any confidential information of the Group without authorisation during and after their employment. 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**

Clients' opinions are vital for optimising the Group's business strategies. We are committed to improving the quality of our services to clients 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 FY2021, 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. A software licensing policy is implemented to ensure that all the software used by the Group is in compliance with the licensing agreement. Before the installation of any software, request has to be made to the Group 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 relevant laws and regulations on anti-corruption, including but not limited to 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 License 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 operation and compliance manual before formal engagements by clients. To protect our business from unintentional money laundering activities, cash transaction with clients is strictly prohibited. All payments from clients should be made through bank transfer or cheque. Employees are to 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, and has established a whistle-blowing policy. 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. In addition, we regularly review the anti-bribery information provided by the Securities and Futures Commission and therefore have a clear understanding of the anti-corruption requirements in relation to our business.

During FY2021, 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 corporate finance and other consultancy services business, we have no significant suppliers. Hence, no significant environmental and social risks in the supply chain was identified by the Group. The Group requires merely utilities and general daily supplies such as electricity, water and stationery for our administrative operations. To this end, in order to integrate the concept of sustainability into the procurement of office utilities and supplies, priority is given to environmentally friendly products and refillable 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 FY2021, all our suppliers for office utilities were located in Hong Kong, in line with our principle of proximity during procurement.

## WE ASSIST IN CREATING VALUE FOR THE COMMUNITY

Under our corporate finance and other consultancy services 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 and securities 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 satisfactory financial returns. Also, the Group has focused on community activity and encourages its employees to participate in volunteering works and charitable events. The Group strives to maintain close relationships with the society amid its business development.

## KEY PERFORMANCE INDICATORS

Environmental Indicators	FY2021	FY2020
<b>Emissions</b>		
Total GHG Emissions <sup>2</sup> (tonnes CO <sub>2</sub> equivalent)	69	107
Scope 1 – Direct GHG Emission (tonnes CO <sub>2</sub> equivalent)	0	0
Scope 2 – Indirect Energy Emission <sup>3</sup> (tonnes CO <sub>2</sub> equivalent)	67	82
Scope 3 – Other Indirect Emission <sup>4</sup> (tonnes CO <sub>2</sub> equivalent)	2	25
GHG Emission Intensity (tonnes CO <sub>2</sub> equivalent/employee)	3.14	4.13
Total Non-hazardous Waste <sup>5</sup> (kg)	8,229	8,204
Non-hazardous Waste Intensity (kg/employee)	374.03	315.55
Total Hazardous Waste <sup>6</sup> (kg)	8	4
Hazardous Waste Intensity (kg/employee)	0.38	0.15
<b>Use of Resources<sup>7</sup></b>		
Total Energy Consumption <sup>8</sup> (MWh)	94	102
Energy Consumption Intensity (MWh/employee)	4.27	3.91
Total Water Consumption <sup>9</sup> (m <sup>3</sup> )	113	102
Water Consumption Intensity (m <sup>3</sup> /employee)	5.12	3.92

2 GHG emissions are calculated in accordance with Appendix II “Reporting Guidance on Environmental KPIs” published by the Stock Exchange and the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong” published by the Environmental Protection Department and the Electrical and Mechanical Services Department.

3 The emission factor is from The HK Electric Co., Limited.

4 The emission factors are from Appendix II “Reporting Guidance on Environmental KPIs” published by the Stock Exchange, the Water Supplier Department, the Drainage Services Department and the International Civil Aviation Organisation (ICAO) Carbon Emissions Calculator.

5 Non-hazardous waste is estimated based on the Group’s daily office operation situation.

6 Hazardous waste is calculated based on the Group’s actual amount of waste.

7 Due to the Group’s business nature, it does not involve in any product packaging.

8 Purchased electricity is calculated based on the actual amount consumed.

9 Water consumption is calculated based on the actual amount consumed.

## KEY PERFORMANCE INDICATORS

Social Indicators	FY2021	FY2020
<b>Number of Employees</b>		
Total	22	26
By gender		
Male	13	16
Female	9	10
By employment type		
Full-time	22	26
By age group		
Aged below 30	8	13
Aged 30 to 50	8	9
Aged above 50	6	4
By geographical region		
Hong Kong	22	26
<b>Employee Turnover Rate<sup>10</sup></b>		
Total	45%	N/A
By gender		
Male	54%	N/A
Female	33%	N/A
By age group		
Aged below 30	125%	N/A
Aged 30 to 50	0%	N/A
Aged above 50	0%	N/A
By geographical region		
Hong Kong	45%	N/A
<b>Average Hours of Training per Employee and Percentage of Employees who Received Training<sup>11</sup></b>		
Total	17(68%)	22(100%)
By gender		
Male	18(69%)	N/A
Female	17(67%)	N/A
By employee category		
Senior management	26(100%)	N/A
Middle management	18(71%)	N/A
General staff	10(38%)	N/A

10 The Group starts to disclose the employee turnover rate in FY2021, which are calculated in accordance with Appendix III “Reporting Guidance on Social KPIs” published by the Stock Exchange.

11 The Group starts to disclose the average hours of training per employee and percentage of employees who received training by gender and by employee category in FY2021. The percentage of employees who received training are calculated in accordance with Appendix III “Reporting Guidance on Social KPIs” published by the Stock Exchange.

## APPENDIX: CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

ESG Indicators	Summary	Sections	Page
<b>Environment</b>			
<b>A1 Emissions</b>			
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.	We Protect Our Environment – Emissions, Resources Conservation, Waste Management, Green Operation	8-9
KPI A1.1	The types of emissions and respective emissions data.	We Protect Our Environment – Emissions Key Performance Indicators	8 17-18
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	Key Performance Indicators	17-18
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Key Performance Indicators	17-18
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Key Performance Indicators	17-18
KPI A1.5	Description of measures to mitigate emissions and results achieved.	We Protect Our Environment – Resources Conservation, Green Operation	8-9
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	We Protect Our Environment – Waste Management	9



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ESG Indicators	Summary	Sections	Page
<b>A2 Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	We Protect Our Environment – Resources Conservation, Green Operation	8-9
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Key Performance Indicators	17-18
KPI A2.2	Water consumption in total and intensity.	Key Performance Indicators	17-18
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	We Protect Our Environment – Resources Conservation, Green Operation	8-9
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	We Protect Our Environment – Resources Conservation	8
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Key Performance Indicators	17-18
<b>A3 The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	We Protect Our Environment – Resources Conservation, Response to Climate Change	8-10
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	We Protect Our Environment – Resources Conservation	8

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ESG Indicators	Summary	Sections	Page
<b>Social</b>			
<b>Employment and Labour Practices</b>			
<b>B1 Employment</b>			
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 benefits and welfare.	We Value Our Employees – Recruitment, Employee Benefits, Employee Development	11-12
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Key Performance Indicators	17-18
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicators	17-18
<b>B2 Health and Safety</b>			
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.	We Value Our Employees – Occupational Health and Safety	12
KPI B2.1	Number and rate of work-related fatalities.	We Value Our Employees – Occupational Health and Safety	12
KPI B2.2	Lost days due to work injury.	We Value Our Employees – Occupational Health and Safety	12
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	We Value Our Employees – Occupational Health and Safety	12

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ESG Indicators	Summary	Sections	Page
<b>B3 Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	We Value Our Employees – Employee Training	13
KPI B3.1	The percentage of employees trained by gender and employee category.	Key Performance Indicators	17-18
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicators	17-18
<b>B4 Labour Standards</b>			
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.	We Value Our Employees – Recruitment	11
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	We Value Our Employees – Recruitment	11
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	We Value Our Employees – Recruitment	11
<b>Operating Practices</b>			
<b>B5 Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	We Respect Our Clients and Cooperative Partners – Supply Chain Management	15
KPI B5.1	Number of suppliers by geographical region.	We Respect Our Clients and Cooperative Partners – Supply Chain Management	15
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	We Respect Our Clients and Cooperative Partners – Supply Chain Management	15

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ESG Indicators	Summary	Sections	Page
<b>B6 Product Responsibility</b>			
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.	We Respect Our Clients and Cooperative Partners – Complaint Handling	14
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	We Respect Our Clients and Cooperative Partners	14-15
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	We Respect Our Clients and Cooperative Partners – Complaint Handling	14
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	We Respect Our Clients and Cooperative Partners – Protection of Intellectual Property	14
KPI B6.4	Description of quality assurance process and recall procedures.	We Value Our Employees – Employee Training We Respect Our Clients and Cooperative Partners	13 14-15
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	We Respect Our Clients and Cooperative Partners – Client Protection Principle	14

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ESG Indicators	Summary	Sections	Page
<b>B7 Anti-corruption</b>			
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.	We Respect Our Clients and Cooperative Partners – Anti-corruption	15
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	We Respect Our Clients and Cooperative Partners – Anti-corruption	15
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	We Respect Our Clients and Cooperative Partners – Anti-corruption	15
<b>Community</b>			
<b>B8 Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	We Assist in Value for the Community	16
KPI B8.1	Focus areas of contribution.	No relevant disclosure for FY2021.	–
KPI B8.2	Resources contributed to the focus area.	No relevant disclosure for FY2021.	–