

ALTUS

Altus Holdings Limited

incorporated in the Cayman Islands with limited liability

Stock Code : 8149



FY2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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MESSAGE FROM OUR CHAIRMAN

Dear Stakeholders,

The past year brought us geopolitical and energy shocks on top of the protracted epidemiological crisis. The aftermath of such shocks has sadly led to a general deterioration in trust level and rising societal anxiety as the global economy heads towards a recession.

While admittedly there is a limit as to how we, as an SME can address anxiety stemming from uncertainty associated with profound structural changes, we nonetheless strive to offer a safe harbour for our stakeholders to the best of our abilities in the midst of this precarious climate. We remain committed to the aged- and group-home operators that leases our real estate portfolio in Japan, who offer a place to call home for those that require care.

I would also like to personally commend our senior management for upholding our values. With them bearing the brunt of the economic pressure, we have been able to provide job and economic security for the whole team during this downturn. As leaders, it is important to provide a safety circle for the team, which is all the more valuable under the current environment.

The road ahead will undoubtedly be unpredictable. Though guided by a mindset to readily adapt to the ever-evolving environment and opportunities, I trust we will continue to contribute to our community by providing equal opportunities for all and thereby restoring our shared belief in our society's ability to build a better future together.

Yours sincerely,

Arnold Tin Chee Ip

Chairman and Executive Director

15 August 2022

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 2022 (“**FY2022**”). 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 FY2022.

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 an all-rounded team through regular training programs and cultivate camaraderie among its advisory team members. Apart from bringing economic benefits to 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 FY2022. 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 quantitative environmental and social KPI in the ESG Report. The criteria, methods, references and conversion factors used to calculate the KPIs are stated wherever 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). 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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group believes that a 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 FY2022 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 are also included in the quarterly perform risk management assessment. During the FY2022, executive directors from the Board has conducted and participated in ESG trainings in terms of reporting and broader ESG perspective, which provide a foundation and prospective view on assessing and overseeing ESG matters. In addition, the Group has formulated environmental targets during FY2022, which are detailed in the section “Environmental Targets and Progress” in the ESG Report. The Board will conduct regular reviews based on the achievement of the targets to continuously improve the Group’s environmental performance.

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 FY2022, but also sets the direction of 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"> Compliance with government policies, laws and regulations Supporting local economic growth Driving local employment Paying tax in full and on time 	<ul style="list-style-type: none"> Timely information reporting
Shareholders	<ul style="list-style-type: none"> Returns Compliant operation Raise in company value Transparent information and effective communication 	<ul style="list-style-type: none"> General meetings Announcements Email Company website with the latest information of the Group Quarterly and annual reports

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

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 an 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 institutions¹ 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">• Greenhouse gas (“GHG”) emissions
Employment and Labour Practices	<ul style="list-style-type: none">• Employment Compliance• Remuneration and benefits• Training and education• Diversity and equal opportunity
Operating Practices	<ul style="list-style-type: none">• Operational compliance• Service quality management• Business ethics

¹ 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 environmental and natural resources.

ENVIRONMENTAL TARGETS AND PROGRESS

During FY2022, the Group has set environmental targets in different aspects and implemented corresponding measures to achieve the targets. To reduce the environmental impact and improve resource efficiency, the Group is committed to continuously monitoring the progress in achieving the targets and will continue to review and improve its environmental policies and measures.

Aspects	Environmental Targets	Section with Corresponding Measures
GHG Emissions	<ul style="list-style-type: none">Reducing the intensity of GHG emissions	We Protect Our Environment – Emissions
Waste Reduction	<ul style="list-style-type: none">Recycling renewable resources where feasibleEnsuring that all waste is disposed of in a safe and legal manner	We Protect Our Environment – Waste Management
Energy Use Efficiency	<ul style="list-style-type: none">Continuing to promote energy conservationPromoting the use of energy-efficient appliances	We Protect Our Environment – Resources Conservation
Water Efficiency	<ul style="list-style-type: none">Supporting the Water Suppliers Department’s “Let’s Save 10L Water 2.0” CampaignContinuing to promote water conservation	We Protect Our Environment – Resources Conservation

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 FY2022, the Group’s GHG emissions were mainly contributed by electricity, water and paper consumption at its office premises. During FY2022, owing to the severe situation of COVID-19 pandemic, the Group did not have business air travel. The Group’s business operation did not generate any significant air and water pollutants in FY2022 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.

WE PROTECT OUR ENVIRONMENT

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 FY2022, 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
- Install motion sensors in areas which are not frequently used
- De-lamping for areas with higher-than-required lighting level

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

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 its 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 use smaller font size and line spacing, 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. The Group also collects paper documents for recycling. Furthermore, an office automation system is implemented to substitute the 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.

WE PROTECT OUR ENVIRONMENT

During FY2022, the Group did not generate any hazardous waste during its business operation. If hazardous waste is generated during its operation, responsible personnel will be arranged to collect the hazardous waste, which will be handled by qualified units afterwards.

GREEN OPERATION

As 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 that are easily accessible by public transportation.

RESPONSE TO CLIMATE CHANGE

Climate change is one of the major global issues in recent years. The increased severity and frequency of extreme weather events caused by climate change have posed negative impacts on the Group's economic activities and business operations. These extreme weather events could disrupt operations by damaging the power grid and infrastructures, as well as hampering and jeopardising the employees of their movement and work. The Group may face increased operating costs and capital costs and have to rebalance its portfolio to adapt to the changes. The Group is concerned about climate change and has taken different measures to actively assess and mitigate the risks. The Group has identified different potential physical risks that may pose threats to the business and its financial performance, including the increase in severity and frequency of extreme weather events such as extreme heat or cold and typhoons, 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, changes in stakeholders' expectations and perceptions of the Group due to an increased concern on climate-related issues.

The Group reviews the updates of policies and regulations in its operating regions to identify potential climate-related risks. The Group also engages with its stakeholders to understand emerging climate-related risks. To protect the safety of its 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 made by the local government on the 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 a work-from-home arrangement when in need. Information and documents are mostly distributed through electronic means. Also, COVID-19 travel restriction resulted in no business travel. These measures facilitate the reduction of carbon footprint and in turns contribute to the sustainability of the eco-systems 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 relevant laws and regulations. The Group invests in its employees by offering them career opportunities and appropriate training programmes.

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 Immigration Ordinance, Section IVB of Employee Compensation Ordinance, Employment Ordinance, Employment of Children Regulations and Employment of Young Persons (Industry) Regulations of Hong Kong. As an equal opportunity employer, the Group strives to eliminate discrimination within workplace. Vacancies are opened to applicants who meet 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 the market practice. Meal and travelling expenses appropriately incurred are reimbursed. Prior to the 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 and leave application procedures to help newcomers adapt to the new working environment more easily. We also provide newcomers with our operations and compliance manuals to help them understand the modus operandi procedures and policies of the Group.

During FY2022, 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, ensures 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 its employees, and the Group listens and responds to their needs and suggestions. On top of statutory holidays provided in accordance with relevant regulations, employees are entitled to different types of leaves, including annual leave, medical leave, study and examination leave, 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 organised activities such as annual dinner during FY2022.

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 feedbacks. 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 an 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 FY2022, 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 continuously being a major health issue in FY2022. 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 the office), identified and arranged deep cleaning services in the office (whenever necessary), required employees to wear mask in the office and encouraged the use of video conference to substitute physical meetings such as morning briefings. 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 an 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, work performance, 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 a 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 peer 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, while the Group evaluating employees' performance, it caters also to employees' career development needs.

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 trainings on all fronts. New employees are provided with orientation trainings 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 Trainings for licensed representatives as required under the Securities and Futures Ordinance of Hong Kong are organised regularly for our employees, which include regulatory updates, compliance advisory, international and local market situation and emerging trends, 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 trainings through direct supervision of either Responsible Officers or senior team members. With the compulsory on-the-job training, the Group ensures its employees' ability in providing high quality services to clients. The Group offers employees a tuition reimbursement, an education allowance and 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 trainings to employees. For further details of training on service quality, please refer to the section "Employee Training". Due to its business nature, the Group is not involved in any 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 of 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 FY2022, 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 that all 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 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. In addition, all execution team members are required to provide a written confirmation with regards to their independence. 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. During FY2022, 3 directors and 16 employees have participated in an anti-corruption training regarding the updates on laws and regulations on anti-money laundering.

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 dismissals, victimisations, or unwarranted disciplinary actions. Employees breaching the Group's anti-corruption policy will face disciplinary actions, 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 FY2022, 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 were identified by the Group. The Group requires merely utilities and general daily supplies such as electricity, water and stationery for its 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 FY2022, all its four suppliers for office utilities were located in Hong Kong, which are in line with its principle of high proximity during procurement.

WE ASSIST IN CREATING VALUE FOR THE COMMUNITY

Under its corporate finance and other consultancy services segment, the Group renders its services with a vision to create a long-term value for its 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 its 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 activities and encourages its employees to participate in volunteering work and charitable events. The Group strives to maintain close relationships with society amid its business development.

KEY PERFORMANCE INDICATORS

Environmental Indicators	FY2022	FY2021
Emissions		
Total GHG Emissions ² (tonnes CO ₂ equivalent)	63	69
Scope 1 – Direct GHG Emission (tonnes CO ₂ equivalent)	0	0
Scope 2 – Indirect Energy Emission ³ (tonnes CO ₂ equivalent)	61	67
Scope 3 – Other Indirect Emission ⁴ (tonnes CO ₂ equivalent)	2	2
GHG Emission Intensity (tonnes CO ₂ equivalent/employee)	3.15	3.14
Total Non-hazardous Waste ⁵ (kg)	8,294	8,229
Non-hazardous Waste Intensity (kg/employee)	414.68	374.03
Total Hazardous Waste ⁶ (kg)	0	8
Hazardous Waste Intensity (kg/employee)	0.00	0.38
Use of Resources⁷		
Total Energy Consumption ⁸ (MWh)	86	94
Energy Consumption Intensity (MWh/employee)	4.31	4.27
Total Water Consumption ⁹ (m ³)	372	113
Water Consumption Intensity (m ³ /employee)	18.60	5.12

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 Suppliers Department and the Drainage Services Department.

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

6 No hazardous waste was generated during FY2022.

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	FY2022	FY2021
Number of Employees		
Total	20	22
By gender		
Male	12	13
Female	8	9
By employment type		
Full-time	20	22
By age group		
Aged below 30	4	8
Aged 30 to 50	10	8
Aged above 50	6	6
By geographical region		
Hong Kong	20	22
Employee Turnover Rate¹⁰		
Total	25%	45%
By gender		
Male	25%	54%
Female	25%	33%
By age group		
Aged below 30	75%	125%
Aged 30 to 50	20%	0%
Aged above 50	0%	0%
By geographical region		
Hong Kong	25%	45%
Average Hours of Training per Employee and Percentage of Employees who Received Training¹¹		
Total	22(85%)	17(68%)
By gender		
Male	24(83%)	18(69%)
Female	18(88%)	17(67%)
By employee category		
Senior management	30(100%)	26(100%)
Middle management	23(86%)	18(71%)
General staff	9(67%)	10(38%)

10 The employee turnover rate is calculated in accordance with Appendix III “Reporting Guidance on Social KPIs” published by the Stock Exchange.

11 The percentage of employees who received training is calculated in accordance with Appendix III “Reporting Guidance on Social KPIs” published by the Stock Exchange.

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ESG Indicators	Summary	Sections	Page
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.	We Protect Our Environment – Emissions, Resources Conservation, Waste Management, Green Operation	8-10
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	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions 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 emissions target(s) set and steps taken to achieve them.	We Protect Our Environment – Environmental Targets and Progress, Resources Conservation, Green Operation	8-10
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	We Protect Our Environment – Environmental Targets and Progress, Waste Management	8-10

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ESG Indicators	Summary	Sections	Page
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	We Protect Our Environment – Resources Conservation, Green Operation	9-10
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 target(s) set and steps taken to achieve them.	We Protect Our Environment – Environmental Targets and Progress, Resources Conservation, Green Operation	8-10
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	We Protect Our Environment – Environmental Targets and Progress, Resources Conservation	8-9
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Key Performance Indicators	17-18
A3 The Environment and Natural Resources			
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	9-10
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	9
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	We Protect Our Environment – Response to Climate Change	10
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	We Protect Our Environment – Response to Climate Change	10

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ESG Indicators	Summary	Sections	Page
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 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
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.	We Value Our Employees – Occupational Health and Safety	12
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	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, and how they are implemented and monitored.	We Value Our Employees – Occupational Health and Safety	12

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ESG Indicators	Summary	Sections	Page
B3 Development and Training			
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
B4 Labour 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.	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
Operating Practices			
B5 Supply Chain Management			
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, and 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
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	We Respect Our Clients and Cooperative Partners – Supply Chain Management	15
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	We Respect Our Clients and Cooperative Partners – Supply Chain Management	15
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.	We Respect Our Clients and Cooperative Partners – Compliant 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 – Compliant 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	13-15
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
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.	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
KPI B7.3	Description of anti-corruption trainings provided to directors and staff.	We Respect Our Clients and Cooperative Partners – Anti-corruption	15
Community			
B8 Community Investment			
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.	We Assist in Value for the Community	16
KPI B8.2	Resources contributed to the focus area.	The Group's community investment did not involve in resource contribution.	–