



# Wealthy Way Group Limited

## 富道集團有限公司

(incorporated in the Cayman Islands with limited liability)  
Stock Code: 3848

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

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# Environmental, Social and Governance Report

## INTRODUCTION AND SCOPE OF THE ESG REPORT

Wealthy Way Group Limited (the “Company”) together with its subsidiaries (the “Group”) affirms its commitment towards the idea of sustainability, with the publication of the Environmental, Social and Governance Report. The report has been prepared in accordance with ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for disclosures.

The Environmental, Social and Governance report of the Group (the “ESG Report”) has been presented into two subject areas: environmental and social and each subject area will have various aspects to disclose the relevant policies and the status of compliance with relevant laws and regulations as addressed by the ESG Guide. The Board confirms the report has been reviewed and approved to ensure all material issues and impacts are fairly presented.

This report will present mainly policies, initiatives and performance of the Group for the year ended 31 December 2017 and highlight material aspects identified during the period from 1 January 2017 to 31 December 2017 (the “Reporting Period”). This is the first ESG Report of the Company.

The table below demonstrates the relationship between the ESG guide and the issues found relevant to the Group:

ESG Guide	Relevant ESG issues to the Group
A. Environmental	
A.1 Emissions	Greenhouse gases emissions Waste management
A.2 Use of resources	Energy consumption Paper usage
A.3 Environmental and natural resources	Measures in reducing environmental impact
B. Social	
B.1 Employment	Labour practices
B.2 Health and safety	Workplace health and safety
B.3 Development and training	Employee development and training
B.4 Labour standards	Child labour and forced labor Business Social Compliance Initiative
B.5 Supply chain management	Supplier management
B.6 Product responsibility	Product safety and quality
B.7 Anti-corruption	Anti-corruption and money laundering
B.8 Community investment	Community involvement

## ABOUT THE GROUP

The Group is founded in 2012 and listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 21 July 2017.

The Group is principally engaged in providing financial leasing services, including direct financial leasing and sale-leaseback services, and financial advisory services to its customers in the People Republic of China (“PRC”).

## Environmental, Social and Governance Report (Continued)

The Group offers tailor made financial services, both short term and medium term financings, to the customers. Airline companies and health care service providers are the major customers of the Company. In 2017, the Group achieved a rapid growth in financial leasing industry by expanding the customer base.

### APPROACH AND STRATEGY

We, Wealthy Way Group Limited, believe in delivering long term sustainable value creation to our shareholders. In doing so, while we carry on our business, we make choices that bring positive impacts to the communities. We have adopted a sustainability policy which covers in the area of employment and labour practices, business integrity, the environment and the community. The Company is committed to support good environmental standards and to ensure implementation of environmental friendly measures.

### A. ENVIRONMENTAL

#### A.1: Environmental

The Group understands and appreciates the key aspects of the PRC government's environmental protection efforts, such as reduction on pollutions, utilization on resources and social education on environmental issues. The Group has the obligation to minimise the environmental impact on daily operations and be accountable for the consumption of resources and materials. For the year ended 31 December 2017, there is no material non-compliance issue with relevant laws and regulations related to the environment.

##### Air pollutants emissions

The Group holds 2 motor vehicles for providing transportation to the employees. At making re-fuelling decision, to reduce the adverse effect to the environment by use of fuel, the Group would car-pool wherever possible, use tele-conference or video conference in place of face to face meetings. During the process of combustion of fuels, other air pollutants, such as nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>") and particulate matters ("PM") are also produced. For the year 2017, the vehicles consumed 5,446 litres of unleaded petroleum which leads to an emission of NO<sub>x</sub>, SO<sub>x</sub>, and PM of 4.6 kg, 0.08 kg and 0.4 kg respectively.

##### Greenhouse gas emissions

The operation of the Group does not involve any manufacturing activities and does not have material impacts on the environment and natural resources. Nevertheless, the Group generates greenhouse gas ("GHG") emission through the combustion of fuels, the use of electricity and the production of paper waste in the offices.

Electricity used on the business premises is the major contributor to greenhouse gas footprint. Apart from electricity consumption, the use of motor vehicles for local commutation and flights for business trips also led to the indirect emissions of greenhouse gas. The emission of carbon dioxide (CO<sub>2</sub>) has been calculated by the quantity of energy consumed multiple by the emission factors and the emission of CO<sub>2</sub> are used kg as unit. During the year 2017, the main source of the Group's greenhouse gas emissions is derived from direct emission from mobile combustion sources ("Scope 1"), indirect emission from acquired electricity emissions ("Scope 2") and other indirect emissions ("Scope 3"). The total emissions of carbon dioxide from Scope 1, Scope 2 and Scope 3 for the year ended 31 December 2017 are 14.8 kg, 56 kg and 26.8 kg respectively. To sum up, the total emissions of CO<sub>2</sub> is 97.6 kg.

### Waste management

The Group's operations do not produce any hazardous waste, which includes but not limited to chemical wastes, clinical wastes and hazardous chemicals. The non-hazardous waste produced was mainly paper waste. Measures for reducing and recycling the waste were put in place.

## A.2: Use of resources

### Energy consumptions

The Group is committed to upholding high environmental standards in order to promote environmental friendliness. During 2017, the Group has consumed approximately 63,836 kWh of electricity with an electricity consumption intensity of 1,556 kWh per person. Throughout the Group, the following actions have been taken to reduce carbon and energy footprints:

- maintain the indoor temperature of offices at 26 degrees Celsius;
- minimise the use of motor vehicles during peak hours;
- choosing environmental friendly materials and energy saving lightings and electrical appliances;
- idle electrical appliances are switched off; and
- regular maintenance and repair for electrical appliances to lower energy waste.

### Paper usage

The Group encourages staff to have double sided printings, reuse single-sided printed papers and communicate through electronic media. During 2017, 1,290 kg of papers has been consumed.

### Water usage

Since the Group is not in the manufacturing industry, the operation of the Group does not involve use of water. Hence the usage of water is mainly from the daily domestic usage in the business premise. During the year 2017, 42 tons of water has been consumed i.e. each staff consumes 1 ton of water in average. The Group encourages staff to report all leaking faucets or pipes to relevant department and turn off all taps when not in use.

## A.3: Environmental and natural resources

Due to the nature of the business, the Group does not have any direct and significant impacts on the environment and natural resources in the course of its operation. By taking the above mentioned green initiatives, the Group is committed to mitigate the environmental impact and acting in a manner that is both environmentally and socially responsible.

## B. SOCIAL

### B.1: Employment

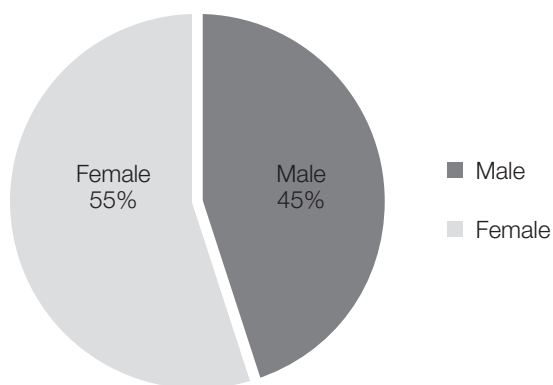
#### Labour practices

The Group regards employees as one of the most valuable assets of the Group and regards the personal development of its employees as highly important. Staff is the most important asset that drive the long-term development and sustainability of the Group.

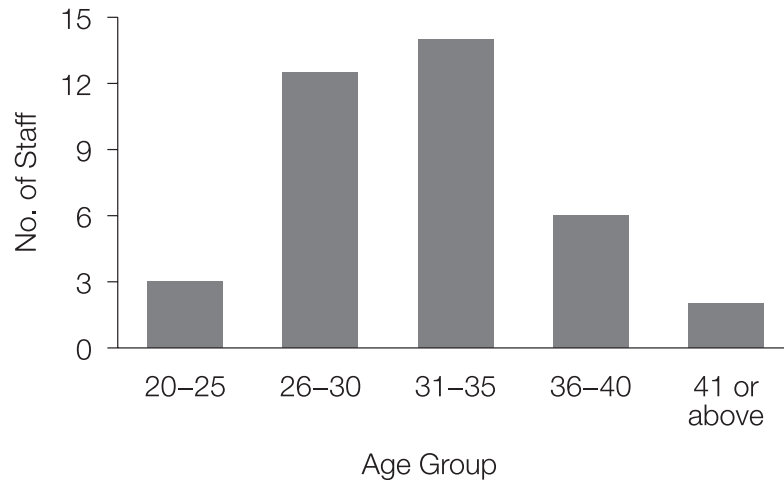
As at 31 December 2017, the Group employed 40 full time staff. As the major operation of the Company is in the PRC, 90% of staff of the Group are situated there. As a whole, the male/female ratio is approximately 1:1.22. Employment in the PRC are subject to the Labour Law and the Employment Contract Law of the People's Republic of China 《中華人民共和國勞動法及勞動合同法》. Employment in Hong Kong is subject to the Employment Ordinance, the Minimum Wage Ordinance and the Employees' Compensation Ordinance. During the year, the Group has no non-compliance with the above law and regulations.

During the year 2017, the turnover rate of the Group is about 17%. The Group has a diverse workforce in terms of gender and age.

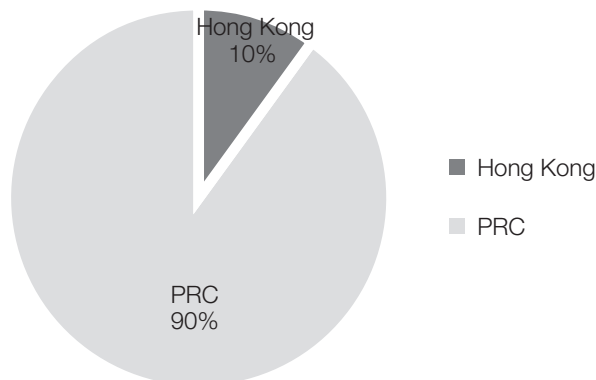
#### GENDER DISTRIBUTION



### AGE DISTRIBUTION



### STAFF DISTRIBUTION BY REGION



Staff are remunerated according to the job nature, market trends and individual performance. Apart from medical insurance and mandatory provident fund, discretionary bonuses are rewarded to employees based on individual performance. Appraisal and self-assessment systems have been implemented to better identify human resources need and to support our human resources development.

### Equal Opportunities

Being an equal opportunities employer, the Group is committed to creating a working environment with fairness, openness and mutual trust. The Group opposes to any consideration which involves discrimination not related to work and prohibits all forms of workplace discrimination, employee of the same position is remunerated on an equal basis no matter of what gender they are, thus the rights of female employees are well-protected.

The Group adopts equal employment opportunity policies and treats all the employees equally. Employment, remuneration and promotion are not under the influence of social identities, such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status.

### B.2: Health and Safety

#### Workplace health and safety

The Group aims to provide a safe and healthy working environment to the employees and promotes a message of “Work happily, Live healthily”. The Group organises recreational activities, such as badminton races and basketball match, for employees regularly. Holding recreational activities are not only able to build up the sense of belonging and team spirits among employees, but also promote the message of the importance of work-life balance to all staff. The Group also provides free body check up to all staff before admission and annually.

During the reporting period, there were no cases of non-compliance with the laws and regulations in respect of the provision of a safe working environment and the protection of employees from occupational hazards. During the year 2017, no cases of injury have been reported within the Group.

### B.3: Development and training

#### Employee development and training

The Group encourages employees to participate in on-the job training and continuing education to create opportunity for career development. On-the-job training is tailored to equip our workplace with the necessary knowledge and skills relevant to work. The Group also invites scholars and experts to introduce the management skills and latest industry information to employees from time to time. Staff with outstanding performance has the opportunity to attend the industry onsite visit in various industries.

To ensure every employee in different sector of the Group can receive sufficient training, training had been divided into 4 main streams:

- risk management;
- sales and marketing;
- customer due diligence; and
- assets management.

The Group also provides diversified on-the-job training to employees to enable the employees to meet the changing demands in the Group and the market. By providing continuous training, employees gain satisfactions and enjoyment from their roles and increase the motivation.

In order to promote continuing education, the Group offers up to RMB50,000 grants to each employee for education and training of their own choosing. Each staff attends about 17 hours of on-the-job training for the year 2017.

## B.4 Labour Standard

The operation team of the Group require sophisticated training in the field of finance or extensive exposure to the finance business. Hence, the Group does not rely on labour or involve in any labour-intensive work. As such, it is almost certain that the Group would not be involved in child or forced labour. Further, the employment policies of the Group focus on the capabilities of the individual regardless of personal traits such as gender or ethnic groups.

### Child labour and forced labour

The Group has strictly complied with Labour Contract Law of the People's Republic of China《中華人民共和國勞動合同法》. According to the Employment Ordinance Chapter 57 of the Laws of Hong Kong and the Provisions on the Prohibition of Using Child Labour and the Law of the People's Republic of China on the Protection of Minors《中華人民共和國禁止使用童工規定及保護未成年人法》and as stipulated by the Labour Law of the People's Republic of China《中華人民共和國勞動法》in terms of employment management, there is neither child nor forced labour in the Group's operation.

The Group also has policies to protect staff's labour rights with a complaint system for staffs to report their concerns and any violations of labour rights.

## B.5 Supply Chain Management

### Supplier management

The Group's business nature is service oriented. The main suppliers are only involved in third-party services providers, such as property management services, information technology services, legal and consulting services and office equipment and printing suppliers. The Group expects all their suppliers to embrace corporate social responsible value since the supply chain management is an essential part of the corporate social responsibility. The Group would evaluate the performance of these suppliers on whether the quality of raw materials have met the Group's requirement as well as timing of the delivery. In choosing new supplier, the Group has preference on selecting recycled and environmental friendly products in order to minimize the environmental impacts. To provide a fair overview of supplier selection, the Group opts to select more than one supplier for comparison purpose during the primary engagement process.

## B.6 Product Responsibility — consumer data protection and privacy policies

Being a provider of financial leasing, the Group has access to significant financial information of the lessor and personal data of its management, therefore, ensuring the privacy of customer information is one the issues the Group cares the most.

The Group has formulated a set of privacy principal in collection, retention, use, security, openness and accessibility of information to ensure all lessors' information received is only for its intended purpose and to prevent information leakage, such as:

- Access control to all information of lessors;
- Requiring employees not to retain and disclose any confidential information about the Group's business and other sensitive confidential data to any third party; and
- Requiring employees not to obtain any unnecessary information from the lessors and its associated parties.



### B.7 Anti-Corruption

#### Anti-corruption

The Group is aware that any events of corruption will bring irreparable damage to the Group, therefore the Group upholds a high standard of business integrity throughout its operations. A system with good moral integrity and anti-corruption mechanism is seen to be the cornerstone of the sustainable and healthy development of the Group.

With compliance with relevant laws and regulations of Criminal law of the People's Republic of China《中華人民共和國刑法》and the Anti-Unfair Competition Law of the People's Republic of China《中華人民共和國不正當競爭法》, the Group has established a comprehensive mechanism in reporting and investigation procedures of related issues. The Group would terminate the employment contract with immediate effect with employees who accept any benefits from customers and suppliers. Employees are asked to notify their respective division head for any suspicious transactions. If any employee is found to be in violation of corruption after investigation, the Group will penalise the employee involved, including the termination of labour contracts with immediate effect. During the year 2017, no cases associated with corruption have been reported and discovered.

#### Money laundering

The Group strictly implements a series of policies and procedures to prevent and detect money laundering and terrorist financing. Following measures have been taken to prevent and detect money laundering and terrorist financing:

- carries out know-your client procedures by verifying customers' identity with reference to reliable and independent source of documents;
- reports any suspicious transactions to relevant government department;
- maintain all essential information of customers with Personal Data (Privacy) Ordinance;
- repayments are only made by cheque, bank transfer with customers' bank accounts, and
- provide professional training relating to current legislation and practices to employees.

### B.8 Community investment

#### Community involvement

The Group recognises the importance of corporate social responsibility and encourages employees to contribute to the community. By focusing the social investments on improving life for disadvantaged children and youth, the Group donated to Hope School Project and let children have better access to education in poverty-stricken rural areas of China. The Group would from time to time make other charitable donation as deemed necessary.

For the listing on the Main Board in 2017, the Group donated HK\$1 million to The Community Chest of Hong Kong's "Stock Code Balloting for Charity Scheme".

In the future, the Group will seek other opportunity to contribute to the community.

The Company has also presented a Corporate Governance report in its Annual report published on 25 April 2018. This report focuses on environmental and social areas.

## HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDE CONTENT INDEX

Aspects	Section	Remarks
<b>A Environmental</b>		
<b>A1 Environmental</b>	<b>Emission Control</b>	
A1.1 The types of emissions and respective emission data	Air pollutants emissions	Different types of emission produced by the Group had been stated
A1.2 Greenhouse gas emissions	Greenhouse Gas Emissions	Source of emissions and the amount produced by the Group had been stated
A1.3 Total hazardous waste produced	Waste Management	The Group considered that this aspect as not applicable as the Group is not in the manufacturing business.
A1.4 Total non-hazardous waste produced	Waste Management	The Group considered that this aspect as not applicable as the Group is not in the manufacturing business.
A1.5 Description of measures to mitigate emissions and result achieved	Energy consumptions	Measures to reduce emissions of different types has been disclosed in the section Energy consumptions.
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Waste Management	The Group considered that this aspect as not applicable as the Group is not in the manufacturing business.
<b>A2 Use of Resources</b>	<b>Efficient use of resources</b>	
A2.1 Direct and/or indirect energy consumption by type	Energy consumption/Water usage	Different types of energy consumption have been disclosed in the section Energy consumptions and water usage
A2.2 Water consumption in total and intensity	Water usage	The amount of usage had been stated
A2.3 Description of energy use efficiency initiatives and result achieved	Energy consumption/Water usage	Measures to reduce emissions of different types has been disclosed in the section Energy consumptions and water usage
A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water usage	The Group considered that this aspect is not applicable as the Group is not in the manufacturing business.
A2.5 Total packaging material used for finished products	Not applicable	The Group considered that this aspect is not applicable as the Group is not in the manufacturing business.

## Environmental, Social and Governance Report (Continued)

	Aspects	Section	Remarks
<b>A3</b>	<b>The Environment and Natural Resources</b>	<b>The Environment and Natural resources</b>	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them		
<b>B</b>	<b>Social</b>		
B1	Employment	Employees welfare & equal opportunity, diversity and anti-discrimination	
B2	Health and Safety	Health and safety management	
B3	Development and Training	Training and career development	
B4	Labour Standard	Child labour and forced labour	
B5	Supply Chain Management	Supply Chain Management	
B6	Product Responsibility	Product Responsibility	
B7	Anti-corruption	Anti-corruption and money laundering	
B8	Community Investment	Social Investment	