



CENTENARY UNITED

# 世紀聯合

CENTENARY UNITED HOLDINGS LIMITED

## 世紀聯合控股有限公司

(incorporate in the Cayman Islands with limited liability)

Stock code : 1959



## ***ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019***



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# ABOUT THIS REPORT

## Report Profile

Centenary United Holdings Limited (hereafter, the "Company", "we" or "us") and its subsidiaries (collectively known as the "Group") are pleased to present our Environmental, Social and Governance ("ESG") Report. The content of this ESG Report herein focuses on providing an overview of the ESG performance of our major operations from 1 January 2019 to 31 December 2019 (the "Reporting Period").

The principal activity of the Group is provision of automobile-related products and services including the sales of motor vehicles and other integrated auto services, that is, repair services, the sales of accessories, insurance agency services and other value-added services in the People's Republic of China ("PRC") which during the Reporting Period.


The Group believes that prudent management of environmental and social issues is one of the key factors in long-term success under this rapidly changing world. To better understand the risks and opportunities for environmental protection, the Group closely follows with the requirements and expectations of regulatory authorities through an efficient operation management, well-established policies and procedures as well as higher standard of energy efficient measures and waste treatment. The Group believes that our expertise, capabilities and ownership patterns can provide the solution to some of the challenges the Group is facing.

## ESG Strategy and Reporting

In order to carry out the Group's sustainability strategy from top to bottom, the Board of Directors (the "Board") of the Company has ultimate responsibility to ensure the effectiveness of the Group's environmental, social and governance policies. In line with the Corporate Governance Code, the Board has established certain dedicated teams to evaluate, determine and manage the ESG-related risks within each business division of the Group.

In our operation, our Group do not have material consumption of natural resources for sales and dealership service provision. We are aware that painting automobile and performing drive trial would inevitably produce hazardous wastes and consume fuels. Therefore, our Group places highest priority on reduction of wastes and limitation of oil consumption. In order to achieve our ESG goal, we have contracted a waste collection company listed in the "Construction Program for Hazardous Waste and Medical Waste Treatment Facilities in China" to handle the wastes. Meanwhile, we encourage our staff to conserve oil consumption. Currently, we are not aware of actual environmental risks on the Group's businesses, strategies and financial performance.

If there is limitation for automobile sales and trial service for reduction of oil consumption, it might lead to less satisfaction towards our products and services by our customers. Our financial performance might be affected if we are unable to maintain our sales. We will explore the possibility in adopting any new ways of saving oil.



The Group will conduct Enterprise Risk Assessment at least once a year covering the current and potential risks faced by us in our business, including but not limited to the risks arising from the ESG aspect. Upon receipt of the Enterprise Risk Assessment Report, the Board will assess and evaluate the identified risks and reviews the Group's existing strategy, target and internal control to implement necessary improvement to mitigate the risks. In order to manage the environmental-related risks and social sustainability risks, the Board adopts the measures against the risks identified during the Enterprise Risk Assessment to make sure that the stakeholders and the environment are better sheltered from any potential risks inherent in its business operations.

During the preparation process of this ESG Report, the Group has conducted thorough review and evaluation on the existing Group's policies and practices. Unless otherwise stated, this Report covers the data and information of 14 4S dealership outlets company located in Zhongshan, Guangdong Province, PRC.

## Reporting Scope and Framework

The ESG Report has been prepared in accordance with the ESG Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The two ESG subject areas, namely Environmental and Social, are disclosed separately, highlighting the impacts of the operations of the Group in the PRC in the Reporting Period.

The Board will set targets for each material KPIs of emission, use of resources and social aspects at the beginning of each financial year in accordance with the disclosure requirement of Main Board Listing Rules Appendix 27 and the relevant rules and regulations. Designated staff has been assigned to execute and supervise the implementation of the relevant policies to effectively manage and control the ESG risks. The board also plays major role in evaluating the effectiveness of the ESG measures.

Information relating to the Group's corporate governance practices, please refer to the section headed "Corporate Governance Report" on pages 42 to 50 of the 2019 annual report. We have also provided the ESG content index that includes the Key Performance Indicators ("KPIs") for the ESG Reporting Guide and it is set out in page 17 to 20 of this ESG Report.

## Information and Feedback

For detailed information regarding the financial performance and corporate governance of the Group during the Reporting Period, please visit our official website ([www.car2000.com.cn](http://www.car2000.com.cn)) and our annual report. Your opinion is highly valued, should you have any suggestions or comments, please post to our headquarter in Zhongshan or email us at [centenary-merged@car2000.com.cn](mailto:centenary-merged@car2000.com.cn).

## Confirmation and Approval

The board of directors (the "Board") of the Group approved the ESG Report on 26 June 2020 upon confirmation of the management.

# STAKEHOLDER ENGAGEMENT

As stakeholders play a crucial role in sustaining the success of our business, we make use of various communication channels to understand our stakeholders. The following table provides an overview of the Group's key stakeholders and various approaches adopted by the Group to communicate with different key stakeholders:

Stakeholders	Possible incidental issues	Communication and response
Stock Exchange	Compliance with the Listing Rules, publishing announcements in a timely and accurate manner.	Meetings, trainings, seminars, updating website and announcements.
Governments	Compliance with laws and regulations, social welfare, and prevention of tax evasion.	Interaction and visits, government inspections, tax returns and other information.
Suppliers	Payment schedule and supply stability.	Site visits.
Investors	Corporate governance system, business strategies and performance, and investment return.	Organization and participation of general meetings, issue financial reports or business updates for investors, press and analysts.
Media	Corporate governance, environmental protection, and human rights.	Issue newsletters on company website.
Customers	Product/service quality, fair and reasonable pricing, value of service, protection for the labour force and work safety.	Site visits and after-sale services.
Employees	Rights and benefits, employee compensation, training and development, working hours and working environment.	Conducting team activities, training, interviews, issue staff manual and internal memorandum.
Community	Community environment, employment and community development, and social welfare services.	Organizing community, activities, employees volunteering activities and community welfare services, sponsorship and donations.

# The GROUP AND THE ENVIRONMENT

## Overview

The Group acknowledges that a healthy environment is crucial to the well-being of society, people and business. Our commitment to environmental stewardship and sustainability encompasses each parts of our businesses. We are dedicated to maintain a low level of energy consumption and emission in every single step. We also strive to enhance operational efficiency and carry out measures to reduce the impacts of our daily operations on the environment.

During the Reporting Period, the Group has fully complied with all applicable requirements as set up by the laws and regulations regarding air and greenhouse gas emission including but not limited to the “Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法)”, “Water Pollution Prevention Law of the People's Republic of China (中華人民共和國水污染防治法)”, “Atmospheric Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國大氣污染防治法)” and “Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法)”. As our business does not consist of manufacturing activities, we have no material environmental issues regarding discharge into water and land during the Reporting Period.

## Emissions

During the Group’s daily operations, canteen catering and motor vehicles are the major activities that generate air pollutant. During the Reporting Period, we own 16 motor vehicles and cooking stoves of 7 canteens. The air emission data with regard to motor vehicles and cooking stove gas consumption emission is as follows:

Year ended 31 December	2019
<b>Units of fuel consumed</b>	
Diesel ( <i>in L</i> )	14,159.44
Petrol (for sold automobiles <sup>1</sup> ) ( <i>in L</i> )	107,950.74
Petrol (for motor vehicles of the Group) ( <i>in L</i> )	67,386.63
<b>Air emissions</b>	
Nox emission ( <i>in tonnes</i> ) <sup>2</sup>	34.45
Sox emission ( <i>in tonnes</i> )	0.17
PM emission ( <i>in tonnes</i> )	0.0095

<sup>1</sup>As the payment for petrol of motor vehicles is not paid separately from sold automobiles, the calculation is based on the assumption that 6.5L petrol are filled for each automobile sold. Air emissions are applicable only to motor vehicles of the Group.

<sup>2</sup>The vehicles used by the Group are 12 passenger cars and 3 light goods vehicles that consumes gasoline as the major fuel and 1 medium goods vehicle that consumes diesel as the major fuel.



## Greenhouse Gas Emissions

Greenhouse gases generated from human activities is one of the significant drivers of global warming which affect the living of present and future generation. Therefore, the Group highly concerns about the importance of monitoring and mitigating the greenhouse gas emission in our operations. As mentioned, the motor vehicles, cooking stove gas combustion and refrigerant disposed are the major operating activities that generate direct emissions. In addition, indirect greenhouse gases emission is mainly resulted from the purchase of electricity within the Group, business air travel of employees and electricity consumed from sewage treatment by the governmental water department. The statistics of GHG emissions recorded during the Reporting Period are detailed below.

Year ended 31 December	2019
<b>Scope of GHG Emission</b>	
<b>Scope 1</b>	
Direct Emission ("Stationary Combustion") (in tonnes CO <sub>2</sub> e)	22.94
Direct Emission ("Mobile Combustion Sources") (in tonnes CO <sub>2</sub> e)	196.05
Direct Emission ("HFC and PFC emissions") (in tonnes CO <sub>2</sub> e)	197.42
<b>Scope 2</b>	
Indirect Emission ("Electricity Purchase") (in tonnes CO <sub>2</sub> e)	4298.62 <sup>3</sup>
<b>Scope 3</b>	
Other Indirect Emission ("Business Air Travel By Employees") (in tonnes CO <sub>2</sub> e)	9.88
Other Indirect Emission ("Sewage Treatment") (in tonnes CO <sub>2</sub> e)	173.70
Total GHG emissions (Scopes 1, 2 and 3) (in tonnes CO <sub>2</sub> e)	4,898.60
Total GHG emission per floor area (in tonnes of CO <sub>2</sub> /sqm)	0.084

The Group endeavors to reduce energy consumption and emissions, which are closely related to GHG emissions. In light of reducing GHG emissions, the Group adopts green practices in its daily operations. For the details of energy efficient practices, please refer to the section "Energy Consumption" of this report.

## Waste Management

During the Reporting Period, the Group has fully complied with all applicable requirements as set up by the laws and regulations regarding generation of hazardous waste and non-hazardous waste including but not limited to "Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法)" and the "Law of China on Prevention and Control of Environmental Pollution by Solid Waste (中國固體廢物污染環境防治法)".

In order to prevent hazardous wastes from polluting the environment and strengthen the management of hazardous wastes, the Group formulated a "Hazardous wastes management policy (危險廢物管理制度)" and "Hazardous wastes management plan" in accordance with "Environmental Protection Law of the

<sup>3</sup>For Scope 2 GHG emission (indirect emission from consumption of purchased electricity), China's regional grid reference line released by the National Development and Reform Commission, the emission coefficient of the southern regional power grid in Guangdong is 0.9183 kg / kwh in 2017.

People's Republic of China (中華人民共和國環境保護法)". The Group prohibits any dumping of hazardous wastes into the environment. The hazardous wastes are generated during our operation such as, mineral oil filter (HW49), waste organic solvent (HW06), waste mineral oils (HW08), coolant (HW09), dry batteries (HW23), waste oily rag (HW49), waste active charcoals (HW49), waste barrels (HW49), waste dyes and paints (HW12); non-hazardous wastes from packaging and operation are mainly paper boxes and scrapped iron. Hazardous waste and non-hazardous waste are sorted according to "Classification and Administration List of Pollutant Discharge Permits for Stationary Pollution Sources (固定污染源排污許可分類管理名錄)". The statistics of hazardous waste and non-hazardous waste generated during the Reporting Period are detailed below.

Year ended 31 December	2019
Total Hazardous Waste Consumed (in tonnes) <sup>4</sup>	112.59
Total Non-hazardous Waste Consumed (in tonnes) <sup>5</sup>	32.85
Total Gross Floor Area (m <sup>2</sup> )	58,398.72
Intensity of Hazardous Waste Consumed (in tonnes/m <sup>2</sup> )	0.0019
Intensity of Non-hazardous Waste Consumed (in tonnes/m <sup>2</sup> )	0.00056

Hazardous waste is separately collected, stored, transferred and disposed against non-hazardous waste; hazardous waste is stored in special containers with clear labels in separate waste storage warehouses with hazardous warning labels on its walls. Each layers of the storage shelf are marked with specific handling procedures and warning labels for waste treatment. Anti-leakage trays are placed underneath the storage barrels to prevent chemical leakage. Warehouse clerk keeps a record of all wastes regularly. The Group has contracted a waste collection company listed in the "Construction Program for Hazardous Waste and Medical Waste Treatment Facilities in China (全國危險和醫療廢物處置設施建設規則)" to handle those hazardous wastes monthly and quarterly, depending on their types, in accordance with the laws and regulations. Specific trucks for hazardous waste treatment are employed to secure the transport process. Decontamination of trucks on a timely manner is required whenever waste treatment occurs within the storage site. The Group has also established a "Contingency Plan (突發事件應急預案)" to cope with environmental hazards causing by operation activities or natural disasters on a timely manner.

In order to reduce waste generation, the Group put effort in reducing the usage of waste at source. The Group designates hazardous waste management teams to monitor and evaluate the waste treatment process. Our employees are receiving daily briefing before starting their work, they fully understand the job nature and requirements so that it minimizes the unnecessary wastage of raw materials as well as hazardous materials. As a result from our continuous effort of hazardous and non-hazardous waste treatment, there was no material issues of chemical, water or land discharge hazards during the Reporting Period.

<sup>4</sup>Total hazardous waste includes mineral oil filter (HW49), waste organic solvent (HW06), waste mineral oils (HW08), coolant (HW09), dry batteries (HW23), waste oily rag (HW49), waste active charcoals (HW49), waste barrels (HW49), waste dyes and paints (HW12).

<sup>5</sup>The non-hazardous waste includes paper boxes and scrapped iron.



## Use of Resources

Environmental protection is a key focus of the Group. We are committed to upholding high environmental standards to fulfil requirements under relevant laws and ordinances in our daily operations. We have established “Electricity, water and oil saving announcement(關於節約水、電、汽油等資源的通告)” and “Water-based paint dilution announcement (關於水性漆轉換的通知)” to promote the efficient use of water, energy and other raw materials. For the details of energy and water efficient practices, please refer to the section “Energy Consumption” and “Water Usage” of this report. For raw material efficient practices, quality controls such as temperature control provides workers guidelines to improve the efficiency of raw material usage. The Group also understands the importance of efficient utilization of resources whilst deliver safe and quality services to its consumers.

## Packaging

The Group has engaged in automobile spare parts and accessories selling and repairing services which require paper-based packaging for automobile components. The following is the usage of packaging materials during the Reporting Period:

Year ended 31 December	2019
Total Packaging Material Used ( <i>in tonnes</i> )	26,165
Total Gross Floor Area ( <i>in m<sup>2</sup></i> )	58,398.72
Intensity ( <i>in tonnes/m<sup>2</sup></i> )	0.00045

The Group strongly advocates the 4Rs principles of reduce, reuse, recycle and replace. All paper wastes are recycled. We separate all recyclable paper waste from the waste source so that the contractor can recycle more easily. To reduce the paper consumption, we reduce the use of copier paper for sales and administrative work. The followings are the measures adopted during our daily operations:

- For any papers that have been used for single-sided printing, they should be reused when there is no confidential information on the printed side of the paper; and
- Staff members are encouraged to circulate documents through electronic means such as email or encrypted universal serial bus (“USB”).

## Energy Consumption

The electricity consumption is mainly for dealership outlet operations. The following shows the electricity consumption during the Reporting Periods.

Year ended 31 December	2019
Electricity consumption ( <i>kWh</i> )	5,137,587.51
Intensity ( <i>kWh/sqm.<sup>6</sup></i> )	5,542.17
Intensity ( <i>kWh/capita</i> )	87.97

<sup>6</sup>As all electricity usage is based on our offices as defined in the section of “Reporting Scope”; thus, the floor area refers to that section accordingly.

With an aim to reduce energy consumption and emissions, the Group has implemented various energy-saving measures in its dealership outlets, and encouraged our staff members to save electricity at workplace. Our employee handbook has informed our staff to turn off the lights during lunch hours and after working hours. Moreover, the electrical appliances should be turned off when they are not in use. Written notices such as "Save Energy" are put on the walls at workplace to remind our staff members on building a healthier environment. The indoor temperature is maintained at 25 degrees Celsius or above to reduce the unnecessary use of energy.

The Group believes that by establishing the above "Electricity, water and oil saving announcement(關於節約水、電、汽油等資源的通告)", it will be effective in raising the awareness of employees' energy saving initiatives and reduce energy consumption in the long run. Due to these measures, the Group has been maintaining a relatively low level of electricity consumption, and such electricity consumption level does not pose significant environment and social impacts.

## Water Usage

The Group has complied with the "Water Pollution Prevention Law of the People's Republic of China (中華人民共和國水污染防治法)" with an aim to prevent and control water pollution, protect and improve the environment and make sure the safety of drinking water. During the Reporting Period, we have no issue in sourcing water that is fit for purpose. During the Reporting Period, the water consumption and sewage generation are shown as follow:

Year ended 31 December	2019
Water Consumption (in $m^3$ )	191,496.98
Water Consumption per floor are (in $m^3/m^2$ )	3.28
Sewage Disposal (in $m^3$ )	173,699.60
Sewage Disposal per floor area (in $m^3/m^2$ )	2.97

The Group treasures the preciousness of water resources. Through the implementation of a variety of measures established in "Electricity, water and oil saving announcement(關於節約水、電、汽油等資源的通告)", the Group are committed to achieve water conservation under the principal of saving, purifying and recycling:

- Any water wastage behaviour is prohibited;
- Water used for washing hand or fruit will be used for flushing the toilet;
- Any water leakage, breakage or other potential damage of water pipes are regularly inspected and identified;
- Meter reading is checked constantly for revealing any hidden leakage phenomena;
- Water-saving education and ideas of water-saving are continuously promoted among our employees.

Due to these measures, the Group has been maintaining a relatively low level of water usage, and such water usage level does not pose significant environment and social impacts.



## The Environment and Natural Resources

The Group has established a comprehensive environment pollution prevention and control system, adopted measures against solid waste to prevent environmental pollution and clarify management responsibility.

As an automobile-related product vendor and service provider, there is no significant consumption of natural resources and therefore the Group's activities do not have any significant impact on the environment. Notwithstanding, the Group strives to enhance environmental sustainability and environmental awareness among its employees.

In addition to the measures implemented to reduce the use of resources and disposal of waste (see sections headed "Waste Management" above), the Group has taken actions to manage its activities and minimise its impact on the environment and natural resources, such as implementing applicable systems and policies to monitor use of natural resources and circulating notices and emails regarding how to save energy and resources.

In addition, we will continue to assess the environmental risks of our business, review the environmental practices and adopt preventive measures as necessary to reduce the risks and ensure compliance with relevant laws and regulations to the Group's emissions and the use of resources.



# THE GROUP AND THE SOCIETY

## Employment

The Group has put a lot of effort in making sure that the Group has strictly complied with a series of labor laws in People's Republic of China including but not limited to the “Employment Contract Law of the People's Republic of China (中華人民共和國勞動合同法)” and “Labor Law of the People's Republic of China (中華人民共和國勞動法)”. With reference to those laws and regulations, the Group has established “Human resources management policy” which includes recruitment, transfer and promotion procedures to ensure the employment protection with regard to compensation and dismissal, recruitment and promotion, working hours and rest periods, payroll and compensation, equal opportunity, diversity and anti-discrimination, and other benefits and welfare. During the Reporting Period, we have not identified any non-compliance with the relevant laws and regulations that have a significant impact on the Group.

The Group believes that employees are the key asset and important component to business success, so the Group pay attention to personal growth of every employee and has set up various channels of communication with employees to enhance employees' sense of belonging to the Group. The Group are committed to improve human resources policies and workplace facilities so as to guarantee employees' health and safety at all time.

## Compensation Package


The Group has established a fair and reasonable remuneration policy. Our employees are offered competitive remuneration packages and discretionary bonuses depending on their performance and qualifications. Our employees are enrolled into social insurance and housing provident fund of PRC. They are entitled to all statutory holidays, leave and welfare as stipulated in the national and local laws and regulations, including but not limited to public holidays, sick leave, injury leave, annual leave, bereavement leave, contraception leave, marriage vacations and maternity leave. In addition, the Group believes that maintaining a good work-life balance is vital to the employees' physical and mental health.

## Equal Opportunity, diversity and Anti-discrimination

The Group is committed to providing a diverse and inclusive workplace where all employees are treated with dignity and respect. All employees are assessed based on their ability, job performance and contribution, irrespective of their nationality, race, religion, disability, sexual orientation, political opinion, gender, age or family status. The Group reinforces the policies on prohibiting bullying, discrimination and harassment.

## Health and Safety

During the Reporting Period, the Group has complied with the “Production Safety Law of the PRC (中華人民共和國生產法)”, the “Labor Law of the PRC”, the “Labor Contract Law of the PRC” and other relevant laws and regulations which stipulate requirements to maintain safe working conditions and to protect the occupational health of employees. The Group has been carrying out regular health examination for



employees engaging in potential occupational hazards, educating employees on occupational safety and sanitation, preventing accidents at work and reducing occupational hazards. In order to strengthen the Group's occupational safety and improve working conditions, the Group has adopted an "Safety standardized policy (安全標準化制度)" and "Employee protection policy (員工保障政策)" in compliance with the standard under "Regulations on the Administration of Automobile Maintenance and Repair (機動車維修管理規定)".

Within the "Safety standardized policy", it defines the role and responsibilities of safety management department with regard to the implementation of all types of safety education, safety inspection, safety risk, emergency procedures, legislation compliance and accident investigation; the safety production leading team should closely monitor the daily operations and make sure that all staff are complied with those safety measures; employees should be punctual and attentive in all safety training and fire drill.

Furthermore, the Group has implemented safety measures at our production sites and established guidelines for work safety and occupational health safety including fire safety, warehouse safety, electricity safety, work-related injuries and emergency and evacuation procedures to minimize the risk of injury of employees. The Group maintain the records of accidents and dangerous occurrences. The Group has installed appropriate fire safety equipment with regular fire drills to provide fire prevention training to our staff. The Group also conduct training sessions for production staff on accident prevention and management.

During the Reporting Period, there were 18 reported injured cases resulting in 285 days while no material accident resulting in worked fatality or permanent disability has occurred.

## Development and Training

The Group provides a series of training to our employees classified as orientation training, on-job training and in-house program, while each of them caters for employees' personal growth and job requirements. Orientation training includes briefing on the Group's Code of Conduct and Environmental, Health and Safety training. On-job training provides employees with training in various aspects including advanced knowledge, skills on machines operations, as well as machinery and equipment safety training. Our customer-facing employees are trained through our internal training courses as well as training seminars provided by manufacturers on new vehicle models and their management, sales and service standards. We also work together with manufacturers and local educational institutions to train automotive technicians. Our in-house programs such as "Talent Leadership Training (精英班培訓宣導會)" are provided to both junior and senior staff for their development of leadership skills and morality.

Those trainings are crucial in preventing operation accidents from happening, reducing unqualified products that leads to wastage and ensuring the quality of the final products or services to enhance customers' satisfaction.



## Labour Standards

During the Reporting Period, the Group has strictly complied with a series of labor laws in People's Republic of China including but not limited to “the Employment Contract Law of the People's Republic of China (中華人民共和國勞動合同法)” and “Labor Law of the People's Republic of China (中華人民共和國勞動法)”.

The Group is well aware that child and forced labour violates fundamental human rights; therefore, it prohibits all forms of child or forced labour. In order to prevent such occurrence, the responsible staff members perform detailed screening procedures during the staff recruitment process. Original identify proof from each candidate will be collected and carefully scrutinized to verify the legitimacy of respective documents and ensure that their age meets the requirements stipulated in the “Employment and Labour Law”.

During the Reporting Period, no case related to child or forced labour was found.

## Supply Chain Management

The Group has established a “Purchase management policy (採購管理制度)”, “Purchase Supplier assessment procedures (採購供應商開發及評估流程)” to closely monitor the performance of the supplier to ensure the quality of spare parts and accessories. The Group believes that supply chain management can maximize customer value and achieve sustainable competitive advantages.

Based on Purchase Supplier assessment procedures”, the Group informs suppliers of the Group’s expectations and requirements that the suppliers must abide by. Moreover, the Group keeps a qualified supplier’s list, conducts assessment and regular review based on the quality of services, social and environmental responsibility and business ethics. The quality of services and products, social responsibility and business ethics are also the key criterion during the selection of suppliers.

## Product and Service Responsibility

The Group strictly complies with the relevant laws and regulations relating to product responsibility that have significant impacts, including but not limited to the “Product Quality Law of the PRC (中華人民共和國產品質量法)”, “Law of the PRC on the Protection of Customer Rights and Interests (中華人民共和國消費者權益保護法)” and Tort Law of the PRC (中華人民共和國侵權責任法)”. Based on “Quality assurance policy (質量管理考核制度)”, the Quality Engineer assesses the quality of vehicles during our sampling process and keeps the track records to maintain high quality and high efficiency of products.

During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations related to health and safety, advertising, labelling and privacy matters relating to the products and services provided.





## Quality Assurance

The Group aspires to improve its brand reputation by ensuring the quality of products and services. In order to minimize product liability risk, the Group has established the “Quality assurance policy (質量管理考核制度)” to ensure that the repairing services and products strictly adhere to the internal quality standards. Quality assurance department would initiate corrective and preventive procedures to report unqualified repaired products with clear explanations of problems so as to notify relevant technicians to implement corrective measures such as full inspection, qualified goods selection, reproduction or scrap. Those corrective measures are recorded in the corrective and preventive report for future reference and to avoid recurrence of similar mistakes.

## Complaints Handling Procedures

Customers’ opinions and feedback help to drive continuous improvement of the Group and are vital to its pursuit of excellence. Various communication channels (e.g. via letter and customer service hotline) have been established, aiming to better address customers’ concerns.

The Group makes every effort to promptly investigate and resolve all disputes and complaints lodged by the customers. A “Complaint handling policy” has been established to ensure that all customer complaints can be properly handled. All complaints received are handled by the customer service team. Upon the receipt of a complaint, the responsible personnel will investigate into the matter and appropriate action will be taken in a timely manner.

## Protection of Customers’ Data

The Group places vast effort on protecting the privacy of its customers, partners and employees during the collection, process and use of personal data. Customers’ personal data is securely kept and processed only for the purpose of which it has been collected. New employees are required to sign the confidentiality agreement. Any leakage of customers’ privacy is strongly prohibited.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant regulations and codes concerning health and safety, advertising, labelling and privacy matters relating to the provision of the Group’s products and services. Simultaneously, received no complaint or litigation due to violation of any national or regional laws and regulations in relation to the provision of commercial services.

## Anti-corruption

During the Reporting Period, the Group has established “Anti-corruption procedures” in accordance to the “Criminal Law of the People's Republic of China (中華人民共和國刑法)” and “Anti-Money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法)”. Employees are strictly prohibited from engaging in illegal activities, including but not limited to bribery, fraud and misappropriation.

The Group will actively combat any money laundering using public or private accounts and ensure that there are no corruption and bribery within the Group. The Group has established a "Whistleblowing procedure (檢舉告密制度)". If employees want to report any suspicious corruption cases, they can report to the relevant management by telephone, e-mail or letter.

During the Reporting Period, the Group has fully complied with the "Criminal Law" and "Anti-Money Laundering Law" and no corruption case was noted or reported.

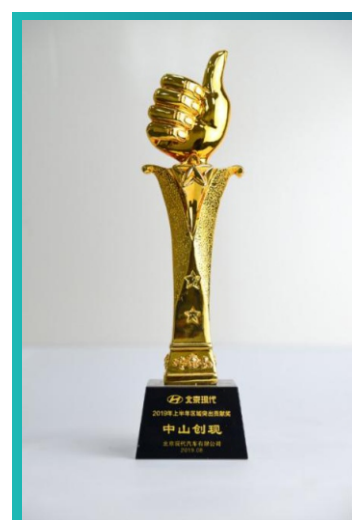
## Community Investment

The Group is well aware of the responsibilities it owes to the community at large. During the reported period, the Group has sponsored a total amount of HKD\$424,793 to various events including but not limit to 2019 Wedding Exhibition, the 8th Zhongshan Sports Day, 2019 Zhongshan International Marathon and village basketball competition. In recognition of our social duty as a good corporate citizen, we endeavor to give back to the society and continue to explore different opportunities to incorporate environmental and social elements into our operations and investment decisions. After completion of 165 hours of charitable activities, we continue to encourage employees to take part in community services to foster sustainable harmony of a society.

## Corporate Awards

During the Reporting Period, the Group has received the following corporate awards.

- Buick 3-Star Authorized Maintenance After-Sales Service Centre: After-sales 3-star Dealership
- 2019 Southern Area Contribution Awards: Special contribution in the first half of the year
- 2019 Venucia Platinum Franchise Store: the 11th-20th Franchise Store of Overall Criterion in National Ranking
- Toyota Repair Model Store
- Faw Toyota Service Expertise Competition Final Distinction Award
- National Franchise Model Store
- New Age Top 10 Franchise Store



# HKEX Environmental, Social and Governance Guide Content Index

Aspect	Description	Chapter /Section	Remarks
<b>A. Environmental</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.	Overview	
KPI A1.1	The types of emissions and respective emissions data.	Air Emissions	
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas Emissions	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Energy Consumption	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management	
<b>A2 Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption Water Usage	
KPI A2.1	Direct and/ or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas Emissions	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Usage	
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Energy Consumption	

Aspect	Description	Chapter /Section	Remarks
KPI 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	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging	

### A3 The Environment and Natural Resources

General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		

## B. Social

### 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.	Employment; Compensation Package; and Equal Opportunity, Diversity and Anti-discrimination	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	N/A	Recommended disclosure only
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	N/A	Recommended disclosure only

### 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.	Health and Safety	
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety	
KPI B2.2	Lost days due to work injury.	Health and Safety	

Aspect	Description	Chapter /Section	Remarks
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety	
<b>B3 Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work.	Development and Training	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	N/A	Recommended disclosure only
KPI B3.2	The average training hours completed per employee by gender and employee category.	N/A	Recommended disclosure only
<b>B4 Labour Standardst</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 labor.	Labour Standards	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labour Standards	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	N/A	Recommended disclosure only
<b>B5 Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region.	N/A	Recommended disclosure only
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.	N/A	Recommended disclosure only
<b>B6 Product and Service 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.	Quality Assurance, Complaints Handling Procedures, Protection of Customers' Data	

Aspect	Description	Chapter /Section	Remarks
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	Recommended disclosure only
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	N/A	Recommended disclosure only
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A	Recommended disclosure only
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Assurance, Complaints Handling Procedures	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protection of Customers' Data	

#### **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 bribery, extortion, fraud and money laundering.	Anti- corruption	
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.	Anti- corruption	
KPI B7.2	Description of preventive measures, how they are implemented and monitored.	Anti- corruption	

#### **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.	Community Investment	
PI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Investment	
PI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	





CENTENARY UNITED

**世紀聯合**

CENTENARY UNITED HOLDINGS LIMITED

**世紀聯合控股有限公司**

Stock code : 1959

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