



***Burwill*** Holdings Limited

寶威控股有限公司

**(Provisional Liquidators Appointed)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 24)**

**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT 2020**

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## INTRODUCTION

### About the Company

Burwill Holdings Limited (Provisional Liquidators Appointed) (the “**Company**”, and together with its subsidiaries, the “**Group**” or “**we**”) was incorporated in Bermuda as an exempted company with limited liability. The Company’s shares (the “**Shares**”) have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 1983.

Trading in the Shares on the Stock Exchange had been suspended since 19 August 2019 (the “**Suspension**”). Immediately prior to the Suspension, the Group was principally engaged in two businesses, which were (i) steel trading and (ii) lithium business. Following the Suspension, the Group’s business operation substantially diminished due to the Group’s severe financial distress.

On 21 November 2019, Mr. So Man Chun and Mr. Jong Yat Kit of PricewaterhouseCoopers were appointed as joint and several provisional liquidators of the Company (the “**Provisional Liquidators**”) pursuant to an order granted by the High Court of the Hong Kong Special Administrative Region (the “**High Court**”).

In April 2020, with the sanction from the High Court, the Provisional Liquidators led the Group in reviving its steel trading business through its wholly-owned subsidiary, Burwill Resources Development Limited (“**BRD**”). Subsequently, Burwill Resources Development AG was established in November 2020 to path the way for development of European business. During the Reporting Period, the Group was principally engaged in steel trading business which covers trading of steel and iron ore in Western Pacific region.

For further details of the operations of the Group, please refer to the Company’s annual report for the year ended 31 December 2020 (the “**Annual Report 2020**”).

### About the report

The topic of sustainability is evolving as new initiatives grow all around the world. Sustainability reporting has become an established component of communications with stakeholders that complements financial reporting. The Group implemented effective management of social responsibility and drives forward the Group’s social responsibility work.

Our report has emerged as part of a trend towards increasing transparency and accountability on environmental and social performance, articulating a wide spectrum of benefits and enabling stakeholders to better understand the Group’s intrinsic value. Through the reporting process, internal and external benefits can be evaluated, comprising an optimisation process for cost reductions and providing insights into business innovation.

The Environmental, Social and Governance Report (the “**ESG Report**”), which covers the material issues of the Group’s operations for the fiscal year from 1 January 2020 to 31 December 2020 (the “**Reporting Period**”) (unless otherwise specified), was compiled pursuant to the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Reporting Guide**”). This ESG Report sets out the approach, strategies, priorities and objectives of the Group’s management on environmental, social and governance (the “**ESG**”) relating to its business and measures adopted by the Group to facilitate and monitor the ESG strategy. In relation to the information regarding corporate governance, please refer to the Corporate Governance Report contained in the Annual Report 2020.

The Provisional Liquidators and the Board have overall responsibility for the Group's ESG strategy and reporting during the Reporting Period. The Provisional Liquidators are responsible for evaluating and determining the Group's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. This ESG Report was approved by the Board on 31 May 2021.

The contents of this ESG Report centres on topics that are relevant to the Group's business strategy and success, which represent areas of interest to the Group's stakeholders based on a materiality assessment and stakeholder engagement in an objective, true and systemic manner.

The topics are presented in a pillar framework under the following key headings, including:

- (a) Environmental
  - Emissions
  - Use of resources
  - Environment and natural resources
  - Key performance index
  
- (b) Social
  - Supply chain management
  - Quality management
  - Employment, development and training
  - Health and safety
  - Ethics
  - Community investment

### **Engagement of stakeholders**

Expectations and opinions from the Company's stakeholders are important and valuable. The Group is committed to maintaining the sustainable development of its business and the environmental protection of the communities in which it operates. By maintaining a close tie with stakeholders, the Group understands their concerns and promptly respond to them with relevant risk management measures. With a constructive communication with the stakeholders, the Group assesses its environmental, social and governance risks so as to determine the strategies for its sustainable development.

### **ENVIRONMENTAL**

Climate change, with its mounting evidence of impact on the world's weather patterns, portends a host of gloomy prognoses and challenges. Moreover, hazardous air pollutants are well known to cause serious health problems. Environmental degradation as well decreases the overall amount of the world's limited natural resources, resulting in scarcity. These environmental issues may trigger even more stringent regulations or add to the growing concerns over a variety of aspects such as air emissions and energy efficiency. Today the need for explicit consideration and incorporation of an environmental strategy within the Group's corporate strategy has never been more critical.

The Group believes that a sustainable industry ecology is inseparable from environmental conservation. Therefore, the Group is committed to environmental protection by minimising the environmental impact of its business activities. In order to monitor its environmental management and minimise the impacts of its business operations, the Group will update its environmental protection policies from time to time to ensure a balance between sustainable corporate development and environmental protection and promote employees' awareness on environmental protection when there is actual production.

Further, as the market gradually transitions to a low-carbon economy, it may entail legal, market and other aspects of changes to cope with impacts from climate change, which will pose risks of different levels to enterprises. The Group follows the market situation closely and proactively tackles the relevant ESG risks.

It also supports natural and environmental protection programs and has been in strict compliance with environmental laws, regulations and policies of the government.

## **Emissions**

The Group strictly abides by relevant laws, regulations, standards and provincial, municipal and local implementation provisions of environmental protection that have significant impacts on the Group relating to air pollutants and greenhouse gases (“GHG”) emissions, discharges into water and land, generation and disposal of waste and minimising significant impacts on the environment and natural resources, which include but are not limited to the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Air Pollution, Air Pollution Control Ordinance of Hong Kong and Emission Standards for Air Pollutants in the Steel Industry.

During the Reporting Period, the Group only carried out trading of steel products and does not have any production or extraction operations, and the Group was not aware of (i) any violations of environmental protection laws or regulations of the region where it operated, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection; or (ii) any major non-compliance with any laws and regulations caused by business operations.

Most of the Group's GHG emissions come from the electricity consumed by corporate offices. The Group has actively adopted the electricity-saving and energy-saving measures to reduce GHG emissions, including:

- Reduce use of resources and equipment which resulted in less environmental damage due to the manufacture of these items, and less office equipment destined for landfills;
- Reduce the number of business trips through electronic communication methods such as video conferences and WeChat conferences;
- Turning off equipment, machines and electronic devices after office hours;
- Reduce paper printing, by delivering electronic reports and sharing files via the Company's internal email system;
- Opt for more environmental friendly options available when selecting transportation providers; and
- Promote reuse and recycling of resources within the Company.

During the Reporting Period, the Group's trading business requires limited natural resources. Therefore, it has a relatively low environmental impact. The direct environmental impact mainly comes from the emission of GHG and use of energy during normal office operations.

The Provisional Liquidators and the Directors believe that the trading business does not materially contribute to pollution or cause material damage to the environment. Moreover, during the daily operations, this business segment does not generate any chemical and clinical hazardous waste; and the amount of non-hazardous waste that it generates is not large in volume. Nevertheless, the Group still takes all practicable steps to meet statutory requirements and minimise the effect of the operation on the environment and encourages its employees to conserve energy, minimise waste and recycle work materials.

The emission of GHG and the use of energy, such as electricity, mainly resulted from the use of air conditioning, arising from the business activities at office. In order to promote a sustainable industry ecology, the Group is also dedicated to reviewing and evaluating the carbon emissions performance and energy consumption aspects of our suppliers and transportation providers.

As a responsible member of the business community, the Group will continue actively following the national carbon trading policy and clarify carbon emission reduction targets.

### **Use of resources**

The Group's steel trading business requires limited natural resources to operate and major businesses mostly operate in offices. Therefore, it has a relatively low environmental impact. The direct environmental impact mainly comes from the emission of GHG and use of energy during normal office operations. The Company believes that the steel trading business does not materially contribute to pollution or cause material damage to the environment.

The Company also actively adopted the following measures and implement energy-saving initiatives for the operating office in order to reduce the use of resources. Details of the measures are set out in the paragraph headed "Environmental – Emissions" above.

The Group will continue promoting rules to contribute positively to the sustainability of the environment which includes cutting down on energy consumptions and minimise wastage of irreplaceable materials in accordance with national requirements.

### **Environment and natural resources**

The Group is aiming to embed environmental protection into the overall procurement process while integrating requirements, specifications and criteria that are compatible with and promote environmental protection. The Group integrates the concepts of resource conservation and environmental protection into its business operations, and is committed to optimising the use of resources in all its business. The staff of the Group should consider the following factors, where appropriate, to minimise the impact on the environment:

- reduced energy/water consumption
- toxicity reduction or elimination
- replacement of disposables with reusables or recyclables

- minimal environmental impact from the entire product or service life cycle
- minimal packaging or elimination of packaging
- preference given to materials of high recyclability

### Key performance index

The tables below set out the Group's key performance index ("KPI") in relation to environmental aspects. The emissions, waste and use of resources during the Reporting Period are mainly from electricity and waste at offices. During the Reporting Period, there was no vehicle and gaseous fuel consumption, and the Group conducted its trading business mainly by phone and internet. As such, (i) the emissions of nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>), particulate matter (PM), direct GHG (which covers emissions from fuel consumption of generators, vehicles and work processes) and indirect GHG (which covers emissions from electricity consumption), (ii) the electricity and water consumption and (iii) all domestic sewage by the offices and operations of the Group are considered to be minimal and therefore not reaching to the level that record has to be maintained.

Indicators		Quantity	Intensity (Quantity per HK\$1 million of revenue)
Non-hazardous waste			
– <i>Paper</i>	(kg)	2.6	0.006
– <i>General waste</i>	(kg)	52.0	0.126
<b><i>Use of resources</i></b>			
Packaging material	(kg)	1.30	0.003

### SOCIAL

#### Supply chain management

During the Reporting Period, the Group sourced most of the steel products originated from Australia. Close communication between the Group and its customers enabled it to anticipate its forthcoming demand from its customers with sufficient details, the Group can aggregate the anticipated demand from a number of its customers and place its orders with suppliers in bulk to lower the average unit costs of its steel products. As the Group is still facing severe financial difficulties, the Group has limited source to obtain debt financing to support its capital-intensive trading business. In view of such, the Group as a general practice placed orders with its suppliers only when it has reasonable confidence that those products can be sold within a short timeframe so that it can minimise working capital required for maintaining stocks available for sale. In addition, the Group targets to arrange the loading and unloading of goods alongside the shipping port close either to the supplier's or the customer's operating area so as to reduce the shipping costs and freight expenses. Further, considering the better operational flexibility offered and lower financial commitment required by short-term sales contracts, the Group did not enter into any iron ore supply contract similar to what the Group did prior to the Suspension. During the Reporting Period, credit terms suppliers granted to BRD ranged from 30 days to 180 days.



During the Reporting Period, the Group has two suppliers, both are located in Western Australia. As the products offered by the Group are homogeneous in nature, the Provisional Liquidators and the Directors are of the view that plenty of alternate suppliers will be immediately available in the event that there is any disruption in supply from the major suppliers of the Group, and hence it is believed that the risk of over-reliance on a few suppliers is insignificant.

The Group actively enhances its cooperative relationships with suppliers through implementation of supplier control procedures that cover a supplier's technical competency, timely delivery of high-quality products at reasonable prices as well as other specific evaluation criteria. This relationship building is carried out for the sake of the Group's sustainable success.

### **Quality management**

Delivering quality steel products to the Group's clients allows the Group to achieve business success. By contrast, a product with a minor defect could pose significant financial or reputational risks. For this reason, the supply chain should be well managed, especially with respect to the logistics of steel products, which play a critical role in determining overall operational efficiency and cost structure.

The most common causes of interruptions in the supply chain include varying weather conditions, daily tidal variations, the unloading gear available on the ships as well as the unloading facilities available at the port. All of these factors can influence the movement of cargo. However, among these issues, adverse weather-related conditions rank as the most common factor, for instance, dealing with varying temperatures and humidity cycles during a vessel's transit.

Additionally, rust can also contribute to a frequent cause of damage to steel products due to seawater, rain, and condensation water in the means of transport or condensation inside the packaging, during long voyages. Carrying out inspections can help ensure a safe and quality delivery.

Going forward, the Group will increasingly take up more significant roles in freight and insurance part of the business cycle as the Group's business restoration progresses. This is because delivering steel products with even minor defects caused in transportation could pose significant financial or reputational risks to the Group. For this reason, the supply chain and quality should be well managed, especially with respect to the logistics of steel products, which play a critical role in determining overall operational efficiency and cost structure. Further, the Group will continue to be responsible for arranging regular inspections and effective packaging, ensuring product quality from the point of manufacture to final delivery to clients.

### ***Product responsibilities***

The Group ensures the products and services comply with related laws and guidelines. Superior performance, quality and safety of our products are our commitment to our customers, enabling us to strengthen the Group's reputation, maintain a good relationship with our customers and ensure our leading position in the industry. With the commitment of establishing strong relationships with its customers, the Group provides customers with accurate product information and high-quality products.

The business operations of the Group comply with relevant laws and regulations, for instances, the Product Quality Law of the People's Republic of China.



During the Reporting Period, no product sold or shipped were subject to recalls for safety and health reasons, and there were no products and service related complaints received.

### ***Managed customer satisfaction***

Client is invaluable to the Group and providing exceptional service is always our fundamental value. By closely focusing on the goal of enhancing customer satisfaction, listening to clients is a simple yet powerful way to achieve success with the Group's client strategy. While clients are always encouraged to provide feedback and opinions, the Group must always react promptly to suggestions and explore areas for improvement.

### ***Privacy protection***

The Group is committed to compliance with the privacy laws and regulations. It undertakes to strictly comply with the requirements of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). In the course of the data collection process, the Group provides persons concerned with a personal data collection statement, informing them of the purposes of collection, classes of persons to whom the data may be transferred, their rights to access and correct the data, and other relevant information. The Group is dedicated to achieving an appropriate level of data security by restricting access and incorporating security measures for data storage. In addition, disclosure of personal data to any third parties without explicit permission, unless required by law, is not allowed.

### ***Intellectual Property rights management***

The Group respects intellectual property rights. Pursuant to the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong) and Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong). Employees are not allowed to possess or use copyrighted materials, including computer software and published materials, without the permission of the copyright owners. The Group carries out a regular inspection of employees' computers to assure only legitimate and genuine software is installed.

During the Reporting Period, the Group was not aware of any material non-compliance of laws and regulations that have a significant impact on the Group relating to product and services responsibility, including the Personal Data (Privacy) Ordinance, and Copyright Ordinance.

### ***Employment, development and training***

The Group recruits the employees based on a number of factors such as industry experience, educational background, and capabilities. The professional and personal competency of our employees is at the heart of the Group's long-term business success and a crucial component for employee job security. The Group is dedicated to creating a work environment where employees feel valued and respected. Our employees must always have the opportunity to learn and acquire skills in new areas regardless of their role, function or grade.

### ***Remuneration policy***

Due to limited resources currently available to the Group, the Group can only offer basic compensation package with benefits including labour insurance and housing allowances during the Reporting Period.

## ***Policy on equal opportunity and diversity***

Diversity in the workplace as well creates a powerful competitive advantage for the Group. A workforce comprising individuals from different backgrounds, experiences, cultures and generations helps the Group better navigate the markets and overcome challenges. For this reason, the Group is dedicated to equal employment opportunities, respecting human rights and labour right, recruiting and retaining talented individuals regardless of differences in gender, social background and ethnicity, resulting in an increase in their sense of attainment, belonging and happiness.

When there are more resources available to the Group in subsequent periods, the Group is dedicated to developing human resources policies based on all applicable legal legislation, including the Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), and Race Discrimination Ordinance (Cap. 602).

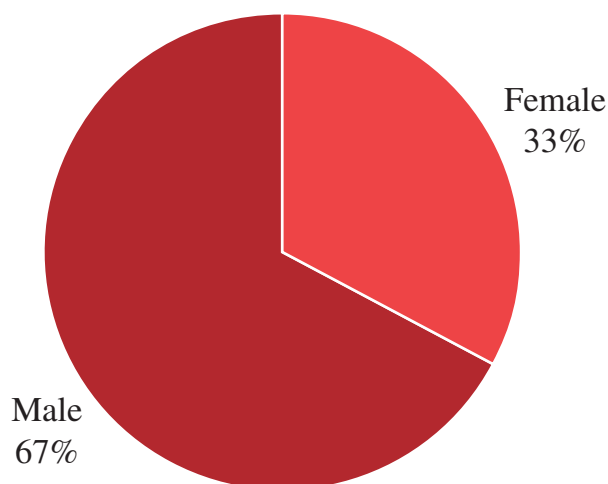
Furthermore, the Group ensures protection to employees who have the responsibility to care for an immediate family member so that those persons may continue their employment without being subject to discrimination, pursuant to the Family Status Discrimination Ordinance (Cap. 527).

During the Reporting Period, the Group was not aware of any violations of employment-related laws and regulations that had a significant impact on the Group.

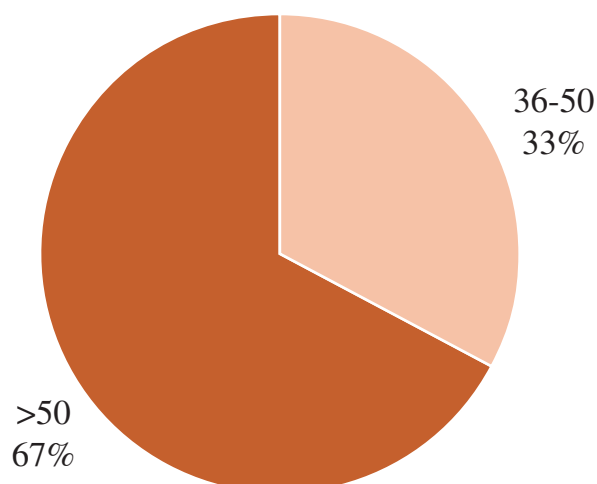
As of 31 December 2020, there were 3 employees and 8 directors to support the current business needs of the Group. The table below sets out the employees of the Group classified by employment type, gender and age group of each business segment during the Reporting Period:

<b>Employee Classification</b>	<b>Quantity</b>
<b>By employment type</b>	
– Permanent	3
<b>By gender</b>	
– Male	2
– Female	1
<b>By age</b>	
– 18-35	Nil
– 36-50	1
– >50	2
<b>By geographical location</b>	
– Hong Kong	3

## Employees by gender



## Employees by age group



During the Reporting Period, the employee turnover rate was 25%, representing a male staff aged between 36 to 50 in Hong Kong.

### ***Staff training***

Talent development is an important part of the Group's strategy for managing human resources. Due to limited resources currently available to the Group, the Group can only provide basic training to the staff in order to maintain staff quality. During the Reporting Period, each employee of the Group has completed 12 hours of basic training.

When there are more resources available to the Group in subsequent periods, the Group will further organise trainings related to the treatment of hazardous waste and environmental protection laws and regulations and standards to ensure the employees' awareness of environmental protection and reduce the risk of environmental damage.

### ***Labour standards***

The Group strictly complies with requirements of all labour legislation and monitors the evolving changes in this regard, which include but are not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong). During the Reporting Period, no reported cases of violating the laws and regulations related to the prevention of child or forced labour against the Group.

### **Health and safety**

A clean and safe environment is crucial to a productive workplace. The Group has always put safety, especially the personal safety of our staff, in the forefront position, focusing on the safety management and eliminating all safety risks. Safety of our employees is always the Group's central concern and is the core of our mission.

The Group has created a strong culture of safety by developing internal guidelines to ensure that the working environment is in line with or higher than the requirements of relevant laws and promoted environmental protection and safety awareness. By establishing emergency measures such as fire or explosion emergency plan, the Group has been proactively to eliminate any risks of potentially hazardous work.

During the Reporting Period, the Group has complied with the following key points from the internal policies:

- to promote the general health of employees
- to reduce work-related injury and illness
- to ensure information regarding health and safety guidelines are made readily available to employees
- to ensure that employees are aware of the obligations with regard to safety through training or other effective means of communication

During the Reporting Period, the Group did not encounter any material injuries or casualties. In addition, it did not record any accidents that resulted in death or serious bodily injury, did not pay any reimbursements or compensations to its employees due to such accidents, and was not aware of any serious violations of laws and regulations related to health and safety against the Group.

### ***Community relations***

In early 2020, in the face of the sudden outbreak of COVID-19 pandemic, personal hygiene becomes one of the most crucial concerns for the Group. During the Reporting Period, the Group has closely monitored the epidemic situation. The Group adopted flexible work-from-home policies in order for employees to stay away from crowded places as and when appropriately. The Group strictly complied to national or local laws and regulations to minimise occupational hazards. Through the above measures, the Group ensured a safe and controllable working environment and achieved an orderly resumption of work and production.

### **Ethics**

Carrying out business practices ethically is the cornerstone of the Group's success. We are committed to complying with all relevant regulatory requirements both in China and Hong Kong. The Group advocates the principle of fair and open competition, and based on mutual trust, we develop and maintain long-term relationships with the suppliers. By strictly adopting the ethical standards in the procurement and sourcing of materials, the Group ensures the quality of the steel products and maintains the continued confidence of the clients, suppliers and general public.

### ***Anti-corruption***

The Group is firmly opposed to corruption in all forms. The Group is committed to ethical conduct when doing business. The Group believes that fairness, honesty and integrity are important values in the business environment. Corruption includes bribery and trading in influence. The Group is committed to complying with all applicable anti-corruption laws, including the Anti-Unfair Competition Law of the PRC, the Criminal Law of the PRC, the Hong Kong Prevention of Bribery Ordinance (Chapter 201) and the Hong Kong Competition Ordinance.

In accordance with the Group's policy, anti-corruption policies and related measures shall be communicated within the Group to ensure that employees have access to relevant laws and regulations, understand the concepts involved in the code of conduct, and be able to differentiate between illegal and ethically-sound behaviours. All employees must be aware of the Group's attitude towards fraud prevention and the employees' own responsibility for anti-corruption, ensuring that corruption does not occur.

During the Reporting Period, no concluded legal cases of corruption, bribery, fraud, illegal fundraising or money laundering have been brought up against the Group.

### **Community investment**

As a socially responsible corporation, the Group has all along been engaging in community activities while expanding its footprint, with an aim to pay back to society. The Group is keen to nurture strong and long-lasting relationships with the communities. The Group aims to minimise the negative environmental and social impact of operations and proactively seeks opportunities to contribute to the communities by supporting a wide range of social projects and activities that mutually beneficial to the Group and the local communities.

Due to limited resources available to the Group, the Group was unable to provide any community contributions during the Reporting Period. When there are more resources available to the Group in subsequent periods, the Group is dedicated to investing in communities by contributing time the talent.