

杭品生活科技股份有限公司
HANG PIN LIVING TECHNOLOGY COMPANY LIMITED

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

股份代號 Stock Code :1682



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT 2021

Environmental, Social and Governance Report

Hang Pin Living Technology Company Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) is principally engaged in (i) garment sourcing; and (ii) provision of financial services. On 15 November 2020, the Group acquired garment manufacturing machineries and equipment and office equipment and rented premises for manufacturing products. Because of the outbreak of COVID-19, the Group has disposed the garment manufacturing machineries and equipment and office equipment and terminated tenancy agreement. As of 31 March 2021, the Group did not formally engage in the garment manufacturing business.

In addition to striving for the interest of the shareholders of the Company (the “**Shareholders**”), the Group also holds the environment, society, different stakeholders and its employees, in high regard. The board of directors (the “**Board**”) of the Company, considers that a sound environment, a harmonious society and good governance are of utmost importance to the sustainable development of both the Group’s business and the community in which we operate in. Therefore, the Group is committed not only to enhancing its financial performance but also to implementing various policies and measures to increase its efforts in environmental protection, fulfill its social responsibilities and enhance its governance.

The Group is pleased to present the Environmental, Social and Governance Report 2021 (the “**ESG Report**”) to provide an overview of our Group’s management of significant issues affecting the operation, including environmental, social and governance issues.

PREPARATION BASIS AND SCOPE

This ESG Report is prepared in accordance with Appendix 27 to the Rules of Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) – Environmental, Social and Governance (“**ESG**”) Reporting Guide, which covers the period from 1 April 2020 to 31 March 2021 (the “**Reporting Period**”) and has complied with “comply or explain” provision in the Listing Rules. Policies, statements and information set forth in this report cover the Company and the subsidiaries under its effective control.

Environmental, Social and Governance Report

PART A – ENVIRONMENT

THE EMISSIONS AND ENERGY FOOTPRINT

A1. EMISSION

Emissions & Energy Efficiency

The carbon footprint arising from the Group's day-to-day operations is primarily from the electricity that is used in the office and emissions generated from the business travel.

The Group insists in mitigating the impact to the environment and provides energy-efficient and low carbon working spaces to employees. The Group also continues to retrofit existing buildings with energy-efficient features such as energy-efficient lights and appliances where feasible. In addition, the Group conserves energy by moderating office temperatures. The indoor temperature is maintained at around 25.5°C in the summer time and the Group encourages employees to dress in smart casual and the lighting and computer monitors are turned off when not in use as well as enable the "Standby" or "Sleep" mode of personal computers.

Given the Group's business mainly carried out in China and Hong Kong, business trips are essential. But where appropriate, the Group encourages employees to utilise telephone or video-conferencing technology to reduce the need for travel and promote prompt and efficient communication across our markets, as well as to reduce vehicle emissions. For local business travelling, the Group encourages employees to take public transport instead of driving, whenever possible, or eco-friendly modes of transportation that have low levels of pollution, such as railway lines and trams.

A2. USE OF RESOURCES AND WASTE MANAGEMENT

The Company recognises the importance to reduce wastes and thus waste management policies have been introduced in order to minimise the number of waste generated and impacts to the environment.

Use of paper

As a company principally engaged in sourcing management and provision of financial services enterprise, usage of paper has always been our target of waste management. The Group has identified sustainable methods that can help to reduce the use of paper.

The Group advocates the idea of green office in the working area to encourage employees to save paper, recycle used cartridges, recycle paper, and to copy and print on double sides. Besides, the Group encourages employees to utilize both office automation system and Internet. Transferring files in electronic version and email has already become one of the Group's approaches to reduce paper usage and to be environmental-friendly.

In any feasible situations, the Group encourages employees to use environmentally friendly paper in daily operation.

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Use of water

Although the Group does not have a high level of usage on water due to the characteristic of the Company's business nature, the Group still believes that reporting this index as being one of the social responsibilities of operation.

The Group is committed to utilise resources and reduce waste generation in a wise and effective way. For example, the Group implements water saving policies progressively throughout the operation, including posing reminders about water saving in pantry, and to install water-saving taps, fixtures and accessories, and to encourage our employees to change their habits of the consumption of water.

The Group has no issue in sourcing water that is fit for purpose.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The operations of the Group did not make a significant impact on the environment and natural resources. The Group has introduced a series of guidelines and measures to minimize environmental pollution and waste of natural resources.

PART B – SOCIAL

The Group sees employees as our most important asset. The Group is committed to driving a culture where employees feel valued, have a clear sense of belonging and are recognised and rewarded for their contribution. The Group provides a fair and equal working environment and opportunities to employees of different background, age and gender. The Group also provides employees with reasonable remuneration and benefits to reward them for the shared achievements. The Group complies with labour laws and regulations in places where our subsidiaries are located to protect the rights of the employees and ensure all employees are treated fairly.

B1. EMPLOYEES

Workforce Diversity

The Group sees workforce diversity as a source of strength and pride. A diverse workforce inspires innovation, enriching every aspect of the Company's business. The Group is committed to ensuring an inclusive workforce, where diversity of gender, age, physical condition and ethnicity are valued and leveraged to foster innovation and creativity.

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Equal Opportunity

The Group embraces non-discrimination and inclusive workforce as one of the core value of the Group. The Group encourages employees to treat one another with respect and dignity. Discrimination on the basis of sex, disability, marital or family status, age, race, religion or any other characteristics protected by law is strictly prohibited.

Equal opportunities are provided to all employees by the Group when employment decisions are made. The Group's recruitment, employment and human resources management practices, such as promotion, rewards and training opportunities, will under no circumstances be influenced or affected by an applicant's or employee's sex, disability, marital or family status, age, race or religion.

Remuneration

The Group's business is built on long-term relationships within our teams and led by industry experts, who have deep knowledge and are expertise across different aspect of our business. They drive growth and success of the Group.

In order to recognize and appreciate employees, the Group provides reasonable remuneration and benefits for employees in every position according to their performance, relevant skill set, ability and experience. We also offer fair promotion opportunities based on conditions such as employee's capability, year of experience and attitude at work, etc., which serve as a motivation for employees to continue learning and improving work performance. It is our responsibility to reward employees for their hard work. In the future, we will continue to work on building a fair and equitable working environment for employees.

The Group's employees classified by gender, employee type (such as full-time or part-time), age group and region are as follows:

Gender: 56% male, 44% female

Employment: 100% full-time

Age group: 18-30 years old: 22%; 31-40 years old: 56%; over 50 years old: 22%

Region: Mainland China: 22%; Hong Kong: 78%

The employee turnover rate by gender, age group and region is as follows:

Turnover rate: 0%

B2. HEALTH AND SAFETY

The Group is committed to provide a safe and comfortable working environment for employees. The Company adheres to all applicable laws and regulations to avoid work-related injuries.

Employees Well-being

Health, safety and well-being of the employees are very important to us. It is our responsibility to ensure that our employees feel safe and respected and are able to apply their best skills at work.

The Group believes this improves the work efficiency and brings benefits to our employees, both personally and professionally. The Group's strategy and programs are tailored to support our peoples' well-being and to meet the specific occupational health and safety requirements of different working environments within our offices. To support local needs and meet local legal requirements, the Group ensures that the working hours and benefits, and other terms of employment of our employees, are tailored to each local regulation.

As noted above, maintaining a respectful work place free from discrimination and harassment of any form and providing equal opportunities for all employees are of utmost importance to our employees.

The Group had no casualties nor work injuries in the past three years (including the Reporting Period). In Hong Kong, the Group complies with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong). In Mainland China, the Group complies with the Basic Law of Occupational Health and Safety.

B3. DEVELOPMENT AND TRAINING

It is mandatory to all new employees to attend a comprehensive training program in their first day of work, in order to enhance their understanding towards the Group's business, management structure and corporate culture. To improve team's skills and professionalism, the Group regularly provides training and education opportunities for its employees. The Group's career development policy focuses on helping employees to develop their strengths. For example, the Group provides work guidance for new employees, establishes training management systems and training plans, and arranges experienced employees to guide new employees during day-to-day work in order to help employees adapt to the Group's culture and promote the Group's long-term development in different areas. During the Reporting Period, the proportion of management participating in training by category: 33% for senior management (average training hours: 15 hours), 25% for middle management (average training hours: 15 hours), and 50% for junior staff (average training hours: 20 hours). The proportion of employees participating in training by gender: 29% for women and 11% for men.

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B4. LABOUR STANDARDS

The Group does not hire child labor aged below the relevant legal threshold in accordance with local legislation. Therefore, documentation proving age of job applicant and other reliable documentation would be verified during recruitment. Use of child labour and forced labour is strictly prohibited by the Group.

For operations in Hong Kong, the Group ensures full compliance to relevant regulations and refers to the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong).

For the Group's operations in Mainland China, it ensures full compliance to relevant laws and regulations in the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China which stipulate the prevention of the use of child labour of ages under 16 and the prevention of any unlawful way of forced labour.

During the Reporting Period, the Group did not identify any child labour or violations against the labour law.

B5. SUPPLY CHAIN MANAGEMENT

The Group adheres to the principle that the stable business relationship with our major suppliers is essential to maximize the Group's value in the long-term. The five major suppliers of the Group are all located in Mainland China. The Group has adopted a stringent approach in procurement by conducting a preliminary assessment on the potential suppliers' and distributors' credentials to ascertain their backgrounds, production facilities and goodwill, as well as examining whether the materials and/or products supplied comply with the relevant safety and environmental standards.

When the Group enters into formal contracts with suppliers, it formulates rules that suppliers should comply with, such as those related to sustainable development and anti-commercial bribery. In addition, the Group pays close attention to the performance of suppliers in terms of safety and environment, and requires them to promptly rectify any problems they have discovered.

When selecting suppliers, the Group preferentially selects suppliers that can provide environmentally friendly products. The Group will conduct analysis in areas such as procurement plans, procurement contracts, supplier management, logistics, production, quality assurance, and customer service to identify environmental and social risks in the supply chain.

B6. PRODUCT RESPONSIBILITY

The Group requires all suppliers of its packaging and products to comply with the Group's policy. The Group keeps its sourcing protocols reviewed regularly and up-to-date in order to maintain the high quality and safety standards of its products. The Group knows that customers focus in the product quality and after-sales services. Therefore, the Group provides immediate response and assistance to customers' inquiries in relation to product quality and after-sales services. During the Reporting Period, the Group has not recalled products that have been sold for safety and health reasons, and has not received complaints related products and services.

Intellectual property rights is an important driving force for innovation and creativity. We very much agree with the importance of intellectual property rights in promoting economic, social and cultural development. The Group strictly complies with related laws and regulations, including but not limited to Patent Law of the People's Republic of China and various regulations and rules relating to intellectual properties.

The Group may collect some personal data during its operations. The Group will provide a "Personal Data Collection Statement" to explain the purpose of collecting personal data. We fully comply with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and will also ensure that our employees and third-party service providers comply with the relevant regulations.

B7. ANTI-CORRUPTION

Doing business honestly and ethically is the Group's core value. It is the Group's paramount policy that all staff is not allowed to receive or offer any advantages such as money, gift, loan, reward, contract and service from or to any business associates. If any fraud, corruption, illegal transactions or behaviors that violate ethics are found, they should be reported to the Group. Once a report is received, it must be kept strictly confidential to protect the reporter. Investigation will be carried out promptly for any suspected incident of fraud and staff will be dismissed if found to have committed fraud; and the case will be reported to the respective governmental authority when necessary. At the same time, the Group will provide anti-corruption training to directors and employees as needed.

During the Reporting Period, the Group did not identify any legal violation or complaint related to corruption.

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B8. COMMUNITY INVESTMENT

The Company encourages its employees to participate in community activities. For example, building up a good relationship with the nearby community through volunteer work and donation activities to contribute to the society, promote social development and harmony.

Subject Area A – Environment			Remarks
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Please refer to section: A1. Emissions	The Group is not aware of any material non-compliance with the relevant laws and regulations that has a significant impact on the Group during the Reporting Period.
KPI A1.1	The types of emissions and relevant emissions data.	2020 NOx emissions: 8.15 kg SOx emissions: 0.32 kg PM emissions: 0.52 kg 2021 NOx emissions: 7.55kg SOx emissions: 0.30 kg PM emissions: 0.48 kg	The biggest contributor to our GHG emissions was the electricity that we consumed at our offices (Scope 2: Electricity Indirect GHG Emissions). Business travel (Scope 3: Other indirect GHG Emissions) also contributed to the GHG emissions that we recorded during the Reporting Period.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2020 Greenhouse gas (including Scope 1 and Scope 2): 516.9 tonnes carbon dioxide equivalent. 2021 Greenhouse gas (including Scope 1 and Scope 2): 489.9 tonnes carbon dioxide equivalent.	

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Subject Area A – Environment

Aspect A1: Emissions

KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		As a company principally engaging in garment sourcing and provision of financial services, the production of hazardous waste is immaterial to our operations.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2020 1.51 tons of carton box and paper 2021 0.98 tons of carton box and paper	The Group's non-hazardous waste consist of operation and office products such as carton boxes and paper.
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Please refer to section: A1. Emissions and A2. Use of Resources	We continue to raise awareness on the importance of our impact to the environment.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.		We continue to raise awareness on the importance of waste reduction through signage and internal communication. As a company principally engaging in garment sourcing and provision of financial services, the production of hazardous waste is immaterial to our operations.

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Subject Area A – Environment

Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Please refer to sections: A1. Emissions and A2. Use of Resources
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).	<p>2020 Direct energy consumption: 650,058 kWh Energy intensity per full-time employee: 72,229 kWh</p> <p>2021 Direct energy consumption: 643,021 kWh Energy intensity per full-time employee: 71,447 kWh</p>
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<p>2020 Total amount of water consumption: 142 cubic meters Water consumption per full-time employee: 15.78 cubic meters</p> <p>2021 Total amount of water consumption: 138 cubic meters Water consumption per full-time employee: 15.33 cubic meters</p>
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Please refer to sections: A1. Emissions and A2. Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Please refer to sections: A1. Emissions and A2. Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	<p>2020 Plastic: 0.32 tonnes (mainly plastic bags and plastic wrappings) Carton box: 109 tonnes</p> <p>2021 Plastic: 0.12 tonnes (mainly plastic bags and plastic wrappings) Carton box: 6.5 tonnes</p>

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Subject Area A – Environment

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	Please refer to section: A3. The Environment And Natural Resources	This aspect is not applicable to the Company’s operations, as the Company’s environmental impact and use of natural resources is minimal.
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Subject Area B – Social Employment and Labour Practices Aspect 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.	Please refer to section: B1. Employment	The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.
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Subject Area B – Social Employment and Labour Practices Aspect 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.	Please refer to section: B2. Health and Safety	The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.
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Subject Area B – Social Employment and Labour Practices Aspect B3: Development and Training

General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities. Descriptions on training programs.	Please refer to section: B3. Development and Training	The Group recognises the employees as the most important and valuable assets of the Group. The Group promotes career development and progression by appropriate on-the-job training and providing opportunities within the Group for career advancement.
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Subject Area B – Social Employment and Labour Practices Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Please refer to section: B4. Standards	The Group is not aware of any non-compliance with relevant rules and regulations on preventing child or forced labour.
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Subject Area B – Social Operating Practices Aspect B5: Supply Chain Management

General Disclosure	Policies on the management of environment and social risks of supply chain.	Please refer to section: B5. Supply Chain Management
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Subject Area B – Social Operating Practices Aspect B6: Product Responsibility

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Please refer to section: B6. Product Responsibility	The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.
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Subject Area B – Social Operating Practices Aspect 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.	Please refer to section: B7. Anti-corruption	The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.
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Subject Area B – Social Community Aspect 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.	Please refer to section: B8. Community Investment	The Group strives to understand and respond to the requests and expectation of stakeholders in a timely manner as it is an important basis for the Company's sustainable development. For Shareholders, the Company discloses information in time through various channels according to the disclosure requirements of the Listing Rules.
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