



Huasheng International Holding Limited
華盛國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1323)



Environmental, Social and Governance Report



INTRODUCTION

Huasheng International Holding Limited and its subsidiaries (the “**Group**”) are pleased to present this Environmental, Social and Governance (“**ESG**”) Report prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules (“**Listing Rules**”) governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. This report aims to provide a balanced representation of our major ESG policies, initiatives and performances of the Group in four main areas — employment and labour practices, operating practices, environmental protection and community participation.

The Group has been unwaveringly focusing on its ESG management with a balance to fulfil our business objectives, we aim at operating in a more responsible and sustainable manner by integrating ESG consideration into our daily operations. The Group is committed to achieve high standards of ESG performance and to meet all applicable legal requirements in the markets where it operates. We believe this is an important foundation for the Group to engage with its stakeholders and grow its business responsibly and sustainably.

SCOPE OF REPORT

The information stated in this ESG Report covers the year ended 31 March 2021 (the “**Year**”) which aligns with the financial year as the 2021 annual report of the Group.

The Group was principally engaged in the businesses of (i) production and sales of ready-mixed commercial concrete (“**Concrete Business**”); (ii) wholesale and retail of household consumables (“**Household Consumables Business**”); and (iii) provision of money lending services (“**Money Lending Business**”). The Group was also engaged in (i) design and development of three-dimensional animations, augmented reality technology application and e-learning web application; and (ii) provision of educational technology solutions through online education programs and provision of English language proficiency tests, which were disposed and classified as discontinued operations during the year ended 31 March 2021. Besides, the Group has suspended the operations of its coal trading business due to the uncertainty in the recovery of the trade receivables due from its sole customer. It has also been disposed of and classified as discontinued operations during the year ended 31 March 2021.

The environmental key performance indicators (“**KPIs**”) for the Year disclosed in this report covers all business segments of the Group. For information on our corporate governance, please refer to the Corporate Governance Report in the 2020/2021 annual report of the Group.

Environmental, Social and Governance Report

STAKEHOLDERS ENGAGEMENT AND MATERIALITY ANALYSIS

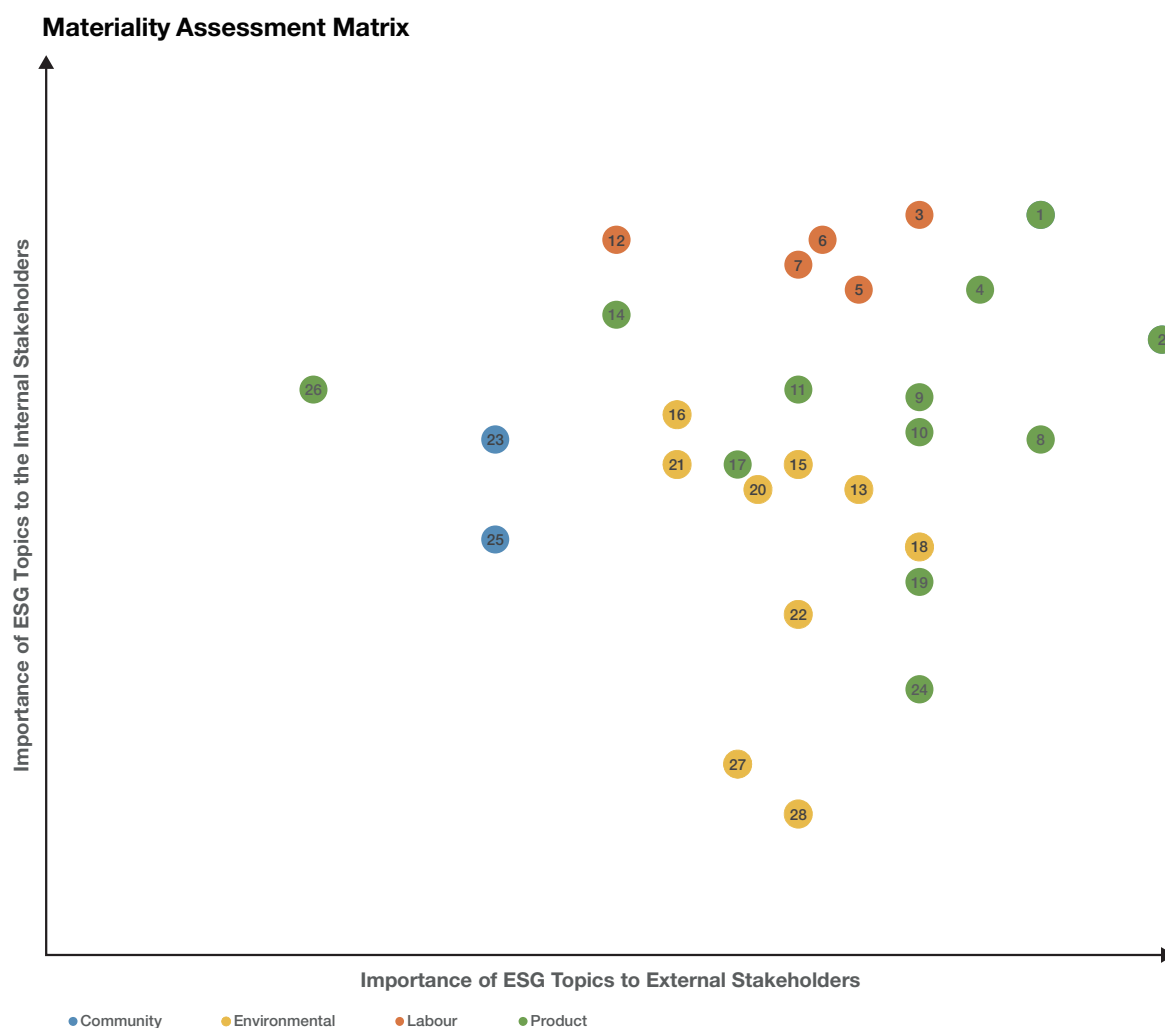
One of the major objectives of the Group is to create positive values and beliefs that interest of all stakeholders. Our approach to stakeholders' engagement is designed to ensure that our stakeholders' perspectives and expectations are fully understood to help defining our current and future sustainability strategies.

The table below summarised the major stakeholders related to the Group, their expectations and our communication channels:

Major Stakeholders Engaged		Expectations and Needs	Means of Communication and Responses
Internal stakeholders	Employees	<ul style="list-style-type: none"> • Protection of rights • Occupational health • Remunerations and benefits • Career development 	<ul style="list-style-type: none"> • Employee communication meeting • Corporate journal and intranet • Employee mailbox • Training and workshops
	Shareholders and investors	<ul style="list-style-type: none"> • Returns • Compliant operation • Increase in company value • Transparent information and effective communications 	<ul style="list-style-type: none"> • General meetings • Announcements • Email, telephone communication and company website • Dedicated reports
External stakeholders	Government and Regulators	<ul style="list-style-type: none"> • Compliance with national policies, laws and regulations • Support for local economic growth • Paying taxes in full and on time 	<ul style="list-style-type: none"> • Regular information reporting • Dedicated reports • Examination and inspections
	Business Partners and Suppliers	<ul style="list-style-type: none"> • Operational integrity • Equal rivalry • Performance of contracts • Mutual benefits and win-win situation 	<ul style="list-style-type: none"> • Review and appraisal meetings • Business communications • Exchanges and discussions • Engagements and cooperation
	Customers	<ul style="list-style-type: none"> • Outstanding products and services • Health and safety • Performance of contracts • Operational integrity 	<ul style="list-style-type: none"> • Company website • Calling for feedback
	Environment	<ul style="list-style-type: none"> • Energy saving and emission reduction 	<ul style="list-style-type: none"> • Reporting
	Community and the Public	<ul style="list-style-type: none"> • Participation in charity • Information transparency 	<ul style="list-style-type: none"> • Company website • Announcements

Environmental, Social and Governance Report

During the Year, an independent third party consultant has been entrusted by the Group, to assist in the information collection on ESG matters. A group of stakeholders had been selected based on their dependence and impact of the Group. They were invited to share their perspectives on the materiality on each ESG topic to the Group and themselves through electronic questionnaire. Our stakeholders' engagement approach ensures that the stakeholders' expectations and perspectives on ESG are fully identified and understood, which enable us to define and further develop our strategies. A materiality assessment had been performed to analyse and summarise the response from our stakeholders:



Environmental, Social and Governance Report

Product	Labour	Environmental	Community
1 Customer satisfaction 2 Selection and monitoring of suppliers 4 Product health and safety 8 Customer information and privacy 9 Anti-corruption training provided to directors and staff 10 Product and service labelling 11 Environmental risks (e.g. pollution) and social risks (e.g. monopoly) of the suppliers 14 Observing and protecting intellectual property rights 17 Environmentally preferable products and services 19 Anti-corruption policies and whistle-blowing procedure 24 Number of concluded legal cases regarding corrupt practices, e.g. bribery, extortion, fraud and money laundering 26 Marketing communications (e.g. advertisement)	3 Occupational health and safety 5 Preventing child and forced labour 6 Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions) 7 Employee development and training 12 Diversity and equal opportunity of employees	13 Mitigation measures to protect environment and natural resources 15 Water use 16 Energy use (e.g. electricity, gas, fuel) 18 Air emissions 20 Hazardous waste production 21 Use of materials (e.g. paper, packaging, raw materials) 22 Climate change 27 Greenhouse gas emissions 28 Non-hazardous waste production	23 Cultivation of local employment 25 Community support (e.g. donation, volunteering)

According to the feedbacks collected from the stakeholders, it indicated that both the Group and our stakeholders consider that customer satisfaction is the most crucial ESG topic. With the aspiration of contributing our effort to protect the environment and support the society, we are dedicated to lead a business driven primarily by sustainability through tides of changes. We emphasize the significance of sustainable development in our operational strategies as we believe that we must plan sustainably to act responsibly.

Environmental, Social and Governance Report

Stakeholder's Feedback

The Group welcomes all stakeholders' feedback on the ESG issues in particular for the topics listed in the materiality assessment. You can share your views and suggestions through any channel listed below:

Email: general@huashengih.com
Website: <http://www.huashengih.com>
Address: Unit 2301-03, 23/F., Far East Consortium Building,
121 Des Voeux Road Central, Hong Kong
General Line: (852) 2169 3699
Fax: (852) 2169 3633

A. ENVIRONMENTAL ASPECTS

In the Year, the Group was in compliance strictly with relevant laws, regulations, standards and provincial, municipal and local implementation about provisions on the aspects covering air and greenhouse gas ("**GHG**") emissions, disposal of waste and minimizing significant impacts on the environment and natural resources, which include but are not limited to:

1. Environmental Protection Law of the People's Republic of China (the "**PRC**");
2. Atmospheric Pollution Prevention and Control Law of the PRC;
3. Water Pollution Prevention and Control Law of the PRC;
4. Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste;
5. Law of the PRC on the Prevention and Control from Environmental Noise;
6. Environmental Protection Tax Law of the PRC; and
7. Technical Specification of Application and Issuance of Pollutant Permit Cement Industry (HJ 847-2017).

To align employee's practice with the Group's aspiration on continual improvement in ESG performance, measures have been taken in the workplaces. For example, employees have been instructed and encouraged to switch off electronic equipment when not in use, and set printers to energy saving mode when idle. Air conditioning and lighting systems are switched off after office hours. Measures to lower the amount of non-hazardous waste include printing of documents only if necessary and use of double-sided printing. It is believed that with continuous effort of the Group in reducing resources usage and generation of non-hazardous waste, it could achieve a greater operational efficiency, eco-friendly and paperless workplace, eventually resulting in continuous reduction of paper usage, and further minimise environmental impact.

The Group did not note any cases of material non-compliance in relation to air and GHG emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste during the Year. Breach of relevant laws and regulations may subject to heavy fines or suspension of business. To minimise the risk of any potential breach of regulations, designated officials are responsible to observe each and every relevant rules in each business segment of the Group.

Environmental, Social and Governance Report

Emissions

Air Pollution

Total emissions from vehicles for the Year has slightly decreased by approximately 824 kg compared to the last corresponding year. The Group is fully aware of the air pollutants generated from vehicles usage and a more environment-friendly fuel will be considered for vehicles to reduce carbon footprints, such as electricity or other biomass sources, in the upcoming years. Other measures deployed to lessen air emission includes spraying the site for dust control and regular surveillance on environmental monitor to regulate both noise and dust control.

Air emissions by the Group are shown in the table below:

		Year ended 31 March	
	Unit	2021	2020
Nitrogen oxides (NO _x)	kg	23,640	24,426
Particulate Matter (PM)*	kg	1,707	1,749
Sulphur Oxides (SO _x)	kg	47	43
Total emissions from vehicles	kg	25,394	26,218

Note:

*. Respiratory suspended particles (RSP), also known as Particulate Matter (PM)

References:

- Fleet Weighted Road Transport Emission Factor issued by National Atmospheric Emissions Inventory of the United Kingdom.
- Appendix 2: Reporting Guidance on Environmental KPIs of Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited.
- Emission Factors for Greenhouse Gas Inventories and relevant guidance issued by the United States Environmental Protection Agency.

Greenhouse Gas Emission

The fuel consumption by vehicles used in business operations contributed significantly to the emissions of the Group. Other emission sources included electricity consumption, freshwater processing, sewage treatment, paper disposed at landfill and business air travel.

In order to reduce the greenhouse gases emission, the Group carries out greening renovation in PRC plant area and increases vegetation coverage. During the Year, the Group planted 240 trees which are able to reach at least 10 to 15 metres. These trees can remove a total of approximately 5.52 tCO₂-e in a year, according to Environmental Protection Department's "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong".

Environmental, Social and Governance Report

GHG emissions by the Group are shown in the table below:

	Unit	Year ended 31 March	
		2021	2020
Scope 1 Direct GHG Emissions ¹	tCO ₂ -e	7,397	7,109
Scope 2 Energy Indirect GHG Emissions ²	tCO ₂ -e	6,050	6,379
Scope 3 Other Indirect GHG Emissions ³	tCO ₂ -e	88	99
Total GHG Emissions	tCO ₂ -e	13,534	13,586
Total GHG Emissions per staff	tCO ₂ -e/Staff	50.69	45.29*

* Total GHG emissions per staff equals to total GHG emissions divided by total number of employees of the Group for the years.

Notes:

1. Direct emissions of the Group were from fuel combustion in vehicles using diesel oil and natural gas.
2. Energy indirect emissions of the Group were from purchased electricity.
3. Other indirect emissions of the Group included paper used and recycled, business travel by employees, and electricity used for fresh water and sewage processing by government organization.

References:

- i. Conversion Factors issued by the United Kingdom Government
- ii. Conversion Factors issued by Government of China
- iii. Conversion Factors for Greenhouse Gas Inventories and relevant guidance issued by the United States Environmental Protection Agency
- iv. Appendix 2: Reporting Guidance on Environmental KPIs of Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited
- v. Conversion Factors issued by the China Light and Power Company Limited, The Hong Kong Electric Company Limited, Drainage Service Department and Water Supplies Department

During the Year, the Group produced a total of approximately 13,534 tCO₂-e, which mainly comprised of carbon dioxide, methane and nitrous oxide. The Group is aware of the significant emission generated from petrol consumption for vehicles used for business operations. The increased use of liquefied natural gas (LNG) powered vehicles will improve air quality and public health as well as reducing carbon dioxide emission. Through continuous efforts in reducing petrol consumption, the Group believes that it would lead to a dwindling level of GHG emission and progress towards a better stewardship in ESG management.

The energy indirect (Scope 2) GHG emissions of the Group represented the emissions resulting from the generation of purchased electricity. Details of the electricity consumed by the Group and our policies can be found under section headed Use of Resources in this report.

For the Year, an approximately 2,053 kg of paper waste (2020: 1,800 kg) was disposed at landfills, representing an emissions of approximately 10 tCO₂-e (2020: 8.64 tCO₂-e). The Group strives to minimize paper waste by reusing paper. Employees are constantly reminded to reuse single-sided used paper and adopt two-sided printing. All used papers in Money Lender Business were recycled during the Year. The Group will continue to encourage other business segments to uphold recycling concept in daily operations.

Environmental, Social and Governance Report

Due to the travel restriction under the current pandemic, there were only a few air travels during the Year. Therefore, indirect carbon dioxide emission due to air travel has dropped significantly to approximately 1.83 tCO₂-e during the Year (2020: 17.22 tCO₂-e). The Group promotes the use of electronic communications to reduce the needs of air travel. Travels were only approved should there be a genuine need of physical presence.

Hazardous Waste

During the Year, the hazardous wastes generated by the Group included 26 kg of battery, light bulb and toner cartridge (2020: 13 kg) and 550 kg of machine oil waste (2020: 600 kg). The Group is aware of the health and environmental impacts of hazardous wastes and strives to reduce generation of hazardous waste whenever possible. Hazardous waste produced by Concrete Business was handled by an outsourced service provider with the corresponding licenses.

Non-hazardous Waste

During the Year, paper wastes were the Group's major source of non-hazardous wastes. Non-hazardous wastes produced by the Group during the Year comprised of 1,154 kg of domestic wastes (2020: 341 kg) and 1,853 kg of paper wastes (2020: 1,500 kg). The significant increase of domestic wastes was due to the inclusion of the wastes produced by Household Consumables Business during the Year, whereas there were no data recorded for the year ended 31 March 2020. The Group strives to collect all relevant information to enhance disclosure on our ESG performance.

Employees are reminded to reduce waste generation, reuse and recycle resources whenever possible. In order to configure, monitor and plan waste management activities, the Group developed a system to record and collect the amount of non-hazardous waste used for daily operation. We believe effective waste management can reinforce environmental conservation, improve health of the environment and to ensure compliance with relevant statutory and contractual standards and requirements.

Waste disposal by the Group are shown in the table below:

		Year ended 31 March	
	Unit	2021	2020
Hazardous waste produced	kg	576	613
Hazardous Waste Produced per staff	kg/Staff	2.16	2.04
Non-hazardous waste produced	kg	3,007	1,841
Non-hazardous Waste Produced per staff	kg/Staff	11.26	6.14

Environmental, Social and Governance Report

Use of Resources

Energy and Water Consumption

The Group strictly abides by the Water Pollution Prevention and Control Law of the PRC and other laws and regulations relating to water pollution prevention and control.

During the Year, the Group consumed approximately 3,153,385 L of fuel, 7,246 MWh of electricity and 122,957 m³ of water for daily operations. All the resources usage is kept on track for the purpose of exploring opportunities in conserving natural resources.

Energy and water consumption by the Group are shown in the table below:

	Unit	Year ended 31 March	
		2021	2020
Non-renewable fuel consumption (e.g.: petrol, diesel, gas)	MWh	26,212	28,032
Electricity consumption	MWh	7,246	7,142
Total energy consumption	MWh	33,458	35,174
Energy consumption per staff	MWh/Staff	125.31	117.25
Water consumption	m ³	122,957	104,817
Water consumption per staff	m ³ /Staff	461	349*

Note:

* Water consumption per staff equals to water consumption divided by the total number of employees of the Group for the years.

Reference:

- Conversion Factors issued by the United Kingdom Government
- Conversion Factors issued by Government of China
- Appendix 2: Reporting Guidance on Environmental KPIs of Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited
- Conversion Factors issued by the China Light and Power Company Limited, The Hong Kong Electric Company Limited, Drainage Service Department and Water Supplies Department

Monitored by the administration department, the Group maintains best environmental practices to use energy efficiently and hence mitigate GHG emission. These measures include:

- keeping light fixtures and lamps clean to maximize efficiency, and turning off all lights and electronic appliances when not in use;
- setting the computers to automatic standby or sleeping mode when idling;
- turning off power of electronic appliances, light and air conditioners before holidays; and
- reviewing the Group's internal policies and practices regularly so as to seek opportunities for integrating environmental consideration into working procedures.



Environmental, Social and Governance Report

The Group has implemented a number of measures to conserve water resources. All washrooms are designed with a concept to conserve water in every possible ways, including installations of dual flush toilets, infrared sensors faucets and urinal equipments rated as grade 1 under the Water Efficiency Labelling Scheme of Water Supplies Department in Hong Kong. Furthermore, water-saving reminder labels are posted on the toilets to raise employees' awareness on water saving. While water consumption by other business segments of the Group were negligible due to their business nature, water consumed by Concrete Business represented almost entirely the water consumed by the Group for the Year. To conserve water in Concrete Business, a water recycling was used to convert sewage into water that can be re-used in our concrete manufacturing process. This minimise the environment impact and ensure compliance with relevant legislation. No issues in sourcing water for the Group's operations were noted during the Year.

Packaging Materials

A total of 2.3 tonnes of packaging materials were used by the Group for the Year (2020: 2.3 tonnes), which are mainly bubble wraps and paper boxes. To ensure utilization of the material are in the greatest extent, the usage is constantly evaluated to avoid overstocking and squandering.

The Environment and Natural Resources

For the purpose of resource saving and environmental protection, the Group strictly adheres to the Energy Conservation Law of the PRC and other laws and regulations, relating to resource saving and environmental protection. With our focus on minimising environmental impact during production of concrete, several measures are performed. Measures include installation of air emission detector, regular monitoring on the environmental emission data and processing and planning greening work. To mitigate wastage, we strive to design and implement an effective waste management system focusing on the use of construction materials in a more environmentally friendly manner.

Steps have been taken to minimise the impact on the environment by the Group, such as adoption of energy saving measures mentioned in section headed Emission and section headed Use of Resources. In furtherance of achieving sustainability of the environment, and reducing energy and resource consumption in our manufacturing projects, we strive to adopt environmentally friendly measures, and sustainable construction approaches and materials.

The Group is aware of the fact that there are rooms for further improvement of its sustainable development. Our management principles and objectives will be enhanced continually in the environmental and social practices, and to ensure compliance with relevant statutory and contractual standards and requirements.

Environmental, Social and Governance Report

B. SOCIAL ASPECTS

Employment and Labour Practices

The Group strongly believes that employees are the most valuable asset for its sustainable development. We strictly abide by the laws and regulations regarding child labour and forced labour, including but not limited to the Prohibition of Using Child Labour (《禁止使用童工規定》), Law of the PRC on the Protection of Minors and Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), to avoid any child employment, discrimination, harassment or offenses against the laws of Hong Kong. We strive to fulfil our responsibilities to employees, respects their legitimate rights and interests, promote their professional development, improve our working environment and pay attention to the physical and mental health of employees, in order to realize the common development of the Group and its employees.

Any form of discrimination against our potential or current employees on the ground of nationality, age, gender, sexual orientation, gender identity, ethnicity, disability, pregnancy, political inclination is strongly prohibited. The Group provides a wide range of incentives, including competitive remuneration and benefits packages, which are based on individual performances and qualifications of employees and benchmarked against our industry peers on an annual basis. All of our employees are essentially treated with fair wage, fixed working hours, proper insurance coverage, statutory holidays and different types of leaves, including sick leave, maternity leave, marriage leave, compassionate leave, jury service leave and early leaves before festive holidays.

Employee handbook of the Group includes codes and practices in workplace, staff benefits, including leave entitlement, insurance and training.

The total number of employees of the Group was 267 as at 31 March 2021 (2020: 300). The following tables set forth the details of the Group total workforce and employee turnover rate by gender, employment type, age group and geographical region:

Number of Employee of the Group	As at 31 March	
	2021 No. of employees	2020 No. of employees
By Gender		
Male	206	223
Female	61	77
By Employment Type		
Full-time	266	300
Part-time	1	0
By Age		
Below 30 years old	55	59
Between 30 to 50 years	187	213
Over 50 years old	25	28
By Geographic Region		
PRC	217	252
Hong Kong	42	40
United Kingdom	8	8

Environmental, Social and Governance Report

Employee turnover rate of the Group

	Unit	As at 31 March	
		2021	2020
Total employee turnover	No. of employees	65	67
Overall employee turnover rate	%	24	22
By Gender			
Male	%	21	23
Female	%	34	21
By Age			
Below 30 years old	%	45	47
Between 30 to 50 years	%	20	15
Over 50 years old	%	12	29
By Geographic Region			
PRC	%	29	25
Hong Kong	%	2	8
United Kingdom	%	—	12.5

Since its establishment, the Group implemented different measures to reduce employee turnover rate, such as strengthening recruitment controls, so that applicants can fully understand the working environment. The Group provides orientation and internal training to employees in targeted, systematic and forward-looking approach.

Health and Safety

The Group strictly complies with national laws and regulations that have significant impacts on the Group, relating to the provision of a safe working environment and the protection of employees from occupational hazards, including but not limited to the Work Safety Law of the PRC, and the Law of the PRC on the Prevention and Treatment of Occupational Diseases. The Group concerns about the health and safety of its employees and is committed to provide a safe, healthy and productive environment for all.

The Group provides full-time employees with a comprehensive set of health insurance, including but not limited to medical insurance, surgical insurance, hospitalization insurance and employees' compensation insurance. Number of reportable injuries and number of lost working days due to injury are as follows:

	Unit	Year ended 31 March	
		2021	2020
Reportable injuries	Cases	9	3
Lost days due to work injury	Days	94	67

Environmental, Social and Governance Report

During the Year, no work-related fatalities were reported to the Group (2020: Nil). Health and safety of the Group's employees is of utmost importance. For Concrete Business, we provide all necessary protective gear to employees in order to secure their safety during daily operation. Besides, Concrete Business provides annual occupational checks to all employees and conduct annual environmental monitoring and workplace health surveillance, to ensure employees work in a safe environment and reduce the probability of work injury.

A health and safety policy has been adopted by Household Consumables Business for primary prevention of hazards and to deal with all aspects of health and safety in the workplace. The main focus of our practices has three different objectives: (1) to maintain and promote workers' health and capacity at work; (2) to improve the working environment so to be conducive to safety and health; and (3) to develop a work culture in a direction which supports health and safety at the workplace. Other policies and procedures regarding fire safety, suspicious mail alerts, rainstorm warnings, typhoon arrangement and office tidy policies are required to be followed by all employees to protect employees from risks resulting from factors adverse to health.

During the Year, as a response to the virus outbreak, the Group provides complimentary facial masks and hand sanitizers for employees. Body temperature of all employees are taken daily in order to minimise the risk of community transmission. Apart from the above measures, we also elevate the standard of hygiene to create a more secure environment to our employees.

During the Year, the Group was not aware of any violations of any health and safety laws and regulations.

Development and Training

The Group emphasizes the importance of employee training and development. It strives to assist employees not only in acquiring professional knowledge to fulfil their duties, but also in developing their lifelong career. Training includes internal, external, induction, on-the-job, capability and corporate culture training. All directors of the Group receive comprehensive, formal and tailored induction training, to ensure that they understand business operations of the Group, directors' responsibilities and obligations under the Listing Rules and other regulatory requirements. They are also trained regularly on the newest relevant statutory requirements and market changes, to ensure their high level of awareness on the industry trends.

In order to prevent and minimize work injury happened in daily operation of production business, we provided various training sessions for the employees. In particular, internal forklift truck training and external first-aid course are provided for employees of Household Consumables Business. Concrete Business also arranged and conducted several in-house training sessions to the general staff covering the corporate policies and procedures, inventory security management, various safety measures and instructions on how to use the fire installations, equipment and other materials, in order to enhance the awareness of the safety concepts to our employees.

Environmental, Social and Governance Report

During the Year, a total of 635 hours of training were completed by 189 employees. The percentage of employees trained and the average training hours completed per employee by gender and employment category are as follows:

As at 31 March 2021		
	percentage of employee trained (%)	average training hours completed (hours/employee)
Total workforce	71	2.4
By Gender		
Male	86	2.5
Female	14	1.7
By Employment category		
Senior management	4	1.8
Middle management	2	0.2
Frontline and other employees	94	2.6

In addition, our employees have also participated in various training sessions with topics covering financial and accounting, occupational health and corporate governance. In particular, the Group is accredited as an authorized employer to train prospective members of the Hong Kong Institute of Certified Public Accountants. Also, the Group has invited an agent to provide training about Mandatory Provident Fund (“MPF”) investment for its employees, including an introduction to the overall market review and industry updates and a review on the performance on employees’ individual MPF portfolio.

Labour Standards

The Group strictly complies with the Hong Kong Employment Ordinances, the Social Insurance Law of the PRC, Labour Law of the PRC (《中華人民共和國勞動法》) and Employment Rights Act 1996 of the United Kingdom. The Group is committed to provide a workplace free from any form of discrimination and harassment and provides opportunities to employees with different backgrounds and characteristics so as to build a diversified workforce. As prescribed in our policies and procedures, the Group emphasizes a transparent recruitment and employment mechanism. In all employment decisions, including recruitment, promotion and termination, the Group only takes the qualification, experience and performance of candidates or employees relevant to the job function into account. Being a member of Foodservice Packaging Association (“FPA”), Household Consumables Business supports the global set of principles for corporate social responsibility set out in the United Nations Global Compact and operates with fair employment practices.

During the Year, the Group was not aware of any non-compliance with laws and regulations which have a significant impact on employment and labour practices.

During the Year, the Group was not aware of any operations and/or suppliers that were considered to have significant risk for incidents of child or forced labour.

Environmental, Social and Governance Report

Supply Chain Management

The Group strictly goes through a supplier evaluation and assessment process in order to select the qualified suppliers. Number of suppliers by geographical region are listed as below:

Region	Year ended 31 March	
	2021 No. of suppliers	2020 No. of suppliers
United Kingdom	145	140
PRC	12	13

Each business segment sourced their own suppliers in the location where the business operates. Suppliers of Household Consumables Business located in the United Kingdom whereas those of Concrete Business located in the PRC. The Group has established processes to select and evaluate suppliers to ensure that the purchased goods comply with relevant standards and criteria. In selecting and evaluating suppliers, the Group also pays attention to their environmental compliance record as well as their commitment to social responsibility. Environmentally and socially responsible suppliers will be prioritized in the selection process.

Operating Practices and Product Responsibility

Monitoring on the product and service quality

The Group has established internal policies and procedures in order to ensure the quality of product and service provided to the customers are in line with their expectations. In terms of the business nature of the Group, employees are required to perform quality control process before the delivery of products. All results have been recorded and maintained properly as trail of the quality control process.

Handling customer complaints

The Group has established policies and procedures for handling complaints. The Group's sales department is responsible for reviewing all complaints, collecting evidence and providing advices and comments on general complaints. Specific or complex complaints will be forwarded to the responsible person for further handling. The Group provides initial response upon receipt of all complaints and follow up accordingly.

During the Year, the Group has not been notified of any violation of law regarding product or service responsibility.



Environmental, Social and Governance Report

Safeguarding Privacy and Personal Information

The nature of our business requires us to frequently and regularly collect, retain, and utilize personal data from our existing and potential customers. Therefore, we must abide by the fair information practices as stipulated in the data protection principles of the Personal Data (privacy) Ordinance. To protect personal data, the Group has well established internal control and compliance procedures developed on the basis of the Ordinance to ensure compliance with the relevant laws and regulations.

The Group strictly abides by the national and local laws and regulations intellectual property right, including but not limited to the Trade Marks Ordinance of Hong Kong, the Trademark Law of the PRC, Patent Law of the PRC (《中華人民共和國專利法》) and Data Protection Act 2018 of the United Kingdom. As a member of FPA, Household Consumables Business committed to the full compliance with our data protection principles and all relevant provisions of the Ordinance. We inform our customers of their rights under the Ordinance and the purpose for which their data may be used by the Group.

We seek to ensure that appropriate measures are taken to prevent misuses or disclosure of personal data and to hold such personal data solely for such collection purposes. During the Year, the Group received no complaints regarding breaches of customer privacy.

The Group strictly complies with relevant laws and regulations that have significant impacts on the Group relating to advertising, labelling and remedial measures for the products and services provided, including but not limited to the Advertising Law of the PRC, the Product Quality Law of the PRC, the Standard for Quality Control of Concrete. We strive to provide the highest quality products and services to maintain customer satisfaction and to ensure product safety. During the Year, the Group did not receive any cases that violated the aforementioned laws and regulations.

Anti-Corruption & Anti-Money Laundering

The Group strictly abide by the laws and regulations regarding bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance of Hong Kong, Criminal Law of the PRC (《中華人民共和國刑法》) and Bribery Act 2010 of the United Kingdom. We stand against any form of bribery, extortion, fraud, and has a zero-tolerance policy towards misconduct and is committed to creating a culture of integrity and justice by accepting internal complaints and whistle-blowing.

An anti-bribery policy has been in place for effective prohibition on commercial bribes, kickbacks or similar payoffs or benefits paid by any suppliers or clients. Employees can report any irregularities, such as dereliction of duty, abuse of power, receiving bribes and encroachment on corporate property, to the designated personnel. Upon the receipt of such report, the Group will investigate the improper behaviours promptly and take corresponding remedial measures against the irregularities. In operating Money Lending Business, internal procedures for regulating and monitoring our due diligence and record-keeping procedures are implemented to ensure strict abidance of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong.

Environmental, Social and Governance Report



Household Consumables Business has put in place a whistle-blowing policy in its employee handbook. Any concerns should be reported to the director for first instance. If the whistle-blower is not satisfied with the actions taken, the matter should be raised to the appropriate official organisation or regulatory body. The Employment Rights Act 1996 provides protection for workers who 'blow the whistle' where they reasonably believe that some form of illegality, injustice or breach of health and safety has occurred or is likely to occur.

During the period under review, the Group has complied with all applicable anti-money laundering laws and regulations in Hong Kong, including the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance. The Group was not aware of any non-compliance with laws or regulations that has a significant impact concerning bribery, extortion, fraud or money laundering during the Year.

Community

We actively advocate employees to participate in charitable events, to contribute to the community and drive further participation in community services. The Group encourages and provides full support to our employees to participate in various volunteering works and charitable activities.

During the Year, the Group has donated 6 desktops and 21 LCD monitors to Computer Recycling Program organized by Caritas Computer Workshop. The workshop would donate reusable computers to those in need and disassemble those beyond repair. Valuable components would be sold for profit to support the operation of the workshop while the remaining waste would be sorted in accordance with the relevant environmental legislation.

In addition, the Group donated HK\$155,000 to Smart Education Charitable Foundation, and HK\$25,000 to the Rotary Club of Hong Kong City North Community Service Fund Ltd.

Smart Education Charitable Foundation was established in 2009 with a purpose to educate the next generation in Greater China Region through organizing and sponsoring different forms of seminars and competitions to nurture their multi-intelligence and holistic development.

The Group will continue to uphold the principles of accountability to shareholders, investors, suppliers, customers and the public community and seek further development opportunities to maintain a harmonious relationship with stakeholders.



Huasheng International Holding Limited
華盛國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1323)