



**ASIA COMMERCIAL HOLDINGS LIMITED**

**冠亞商業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 104)**

**2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

\* For identification purpose only

**INTRODUCTION**

The Group is committed to maintain a high standard of environmental, social and corporate governance (“ESG”) practices by incorporating relevant policies into its business strategies with a key focus to build a long term relationship with its different stakeholders so as to enhance the value of the shareholders. The board of directors of the Company (the “Board”) has the overall responsibility for the implementation, monitoring and evaluation of the Group’s policies on ESG issues. The Board reviews the progress of the Group’s ESG policies with the management of the Company on an annual basis.

**REPORTING SCOPE**

As the Group is principally engaged in the trading of watches and property leasing, it is not directly involved in the production process and hence most of the environmental impacts are indirect.

The structure of this report is by reference to Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It is recommended that this report is to read together with the Corporate Governance Report as laid down in our Annual Report for the year ended 31 March 2022.

**REPORTING PRINCIPLES**

- Materiality: Material ESG issues are identified during the formulation of the Group’s ESG policies and reported in each reporting period. They are also reviewed on an annual basis.
- Quantitative: Methodologies, assumptions and calculation for each applicable key performance indicator (“KPI”) in this report are disclosed in the relevant sections in this report.
- Consistency: Consistent methodologies are adopted in the calculation for each applicable KPI in this report as compared with that in prior years to ensure comparison of figures over time.

**A. ENVIRONMENTAL**

**A.1 Emissions**

The Group is committed to protect the environment from its business activities and workplace by implementing measures such as the use of power-saving devices, the promotion of e-documents, the use of recycle papers and the reduction of energy consumption during non-business hours with a view to stay efficient on resource consumption and reduce impact on environment.

During the reporting period (i.e. 1 April 2021 to 31 March 2022, “Reporting Period”), the Group was not aware of any material non-compliance incidents with relevant laws and regulations that have a significant impact on our operation.

### ***KPI A1.1 and KPI A1.2***

In view of our business nature, our primary focus of emission is the greenhouse gas emissions coming from the electricity consumption. The following data was coming from the core retail shops of the Group during the Reporting Period.

Carbon dioxide emission from electricity consumption (tonnes): 673 (2021: 634)

Carbon dioxide emission from electricity consumption per gross floor area (tonnes/sq.m.): 0.6 (2021: 0.5)

### ***KPI A1.3, KPI A1.4 and KPI A1.6***

Given the nature of our business, we do not produce any form of hazardous waste from our operation. Hence our focus of waste management is to reduce the level of household waste. Our measures include the use of recycle papers, the use of recycle toner cartridges and the promotion of e-documents.

During the Reporting Period, the Group had generated approximately 6.4 (2021: 7.2) tonnes of household waste.

### ***KPI A1.5***

Referring to the section headed "A.1 Emissions".

## **A.2 Use of Resources**

To promote an efficient use of resources in view of the nature of our business, the Group is mainly focus on efficient electricity usage and reduction of paper consumption. Our measures include the use of power-saving devices, the promotion of e-documents, the use of recycle papers and the reduction of energy consumption during non-business hours.

### ***KPI A2.1***

The following data was coming from the core retail shops of the Group during the Reporting Period.

Indirect energy consumption by electricity (kWh): 589,977 (2021: 586,955)

Indirect energy consumption by electricity per gross floor area (kWh/sq.m.): 560 (2021: 484)

### ***KPI A2.2, KPI A2.4 and KPI A2.5***

Not applicable in view of the nature of our business as both the water consumption and packaging material are immaterial.

### ***KPI A2.3***

Referring to the section headed “A.2 Use of Resources”.

## **A.3 The Environment and Natural Resources**

Referring to the section headed “A.2 Use of Resources”.

### ***KPI A3.1***

Referring to the section headed “A.2 Use of Resources”.

## **A.4 Climate Change**

The increase in global temperature in recent decades may lead to increase in electricity consumption by the offices and retail shops and hence the increase in our energy consumption and carbon emission. As such, the Group will continue to focus on efficient electricity usage.

## **B. SOCIAL**

### **B.1 Employment**

The Group has a total of 116 employees (including full time and part-time staff) as of 31 March 2022 (31 March 2021: 144) in Hong Kong, China and Switzerland and complied with the relevant labour laws and regulations in these areas. Areas covered include compensation, recruitment, promotion, working hours, rest periods, diversity and equal opportunities, anti-discrimination, and prevention of forced and child labour. No employee is made to work against his/her will or work as forced labour, or subject to coercion of any type related to work. Employment and related documents are maintained by the personnel department and are open to verification by any authorised personnel or relevant statutory bodies.

### ***KPI B1.1***

Total workforce by gender during the Reporting Period: Male: 40, Female: 76 (2021: Male: 52, Female: 92).

Total workforce by employment type during the Reporting Period: Full time: 113, Part-time: 3 (2021: Full time: 132, Part-time: 12).

Total workforce by age group during the Reporting Period: <25: 5, 25 to 45: 79, >45: 32 (2021: <25: 8, 25 to 45: 99, >45: 37).

Total workforce by geographical region during the Reporting Period: Hong Kong: 30, China: 84, Switzerland: 2 (2021: Hong Kong: 48, China: 93, Switzerland: 3).

### ***KPI B1.2***

Employment turnover rate is defined as the percentage of employees who left the Group during the Reporting period or the reporting period of last year.

Employment turnover rate by gender during the Reporting Period: Male: 38%, Female: 33% (2021: Male: 27%, Female: 27%).

Employment turnover rate by age group during the Reporting Period: <25: 60%, 25 to 45: 33%, >45: 34% (2021: <25: 25%, 25 to 45: 22%, >45: 41%).

Employment turnover rate by geographical region during the Reporting Period: Hong Kong: 77%, China: 19%, Switzerland: 50% (2021: Hong Kong: 35%, China: 24%, Switzerland: 0%).

## **B.2 Health and Safety**

Besides providing a safe working environment and protecting employees from occupational hazards, the Group also maintains good hygiene standards in our shops and offices and prevents workplace accidents. The Group has a total of 116 employees (including full time and part-time staff) as of 31 March 2022 (31 March 2021: 144) in Hong Kong, China and Switzerland and complied with the relevant labour laws and regulations in these areas.

### ***KPI B2.1***

Number of work-related fatalities during the Reporting Period: 0 (2021: 0, 2020: 0).

Rate of work-related fatalities during the Reporting Period: 0 (2021: 0, 2020: 0).

### ***KPI B2.2***

Lost days due to work injury during the Reporting Period: 0 (2021: 0, 2020: 0).

### ***KPI B2.3***

Referring to the section headed “B.2 Health and Safety”.

## **B.3 Development and Training**

The Group offers competitive remuneration packages to employees in line with market trends which include medical benefits and other staff-related insurance funds. The Group also provides the employees with periodic job-related trainings including but not limited to products training and soft skills for shop operation, so that they can equip themselves with the relevant knowledge and skills for their work.

### ***KPI B3.1***

Percentage of employees trained by gender during the Reporting Period: Male: 80%, Female: 83% (2021: Male: 60%, Female: 70%).

Percentage of employees trained by employee category during the Reporting Period: Managerial grade or above: 45%, Below managerial grade: 90% (2021: Managerial grade or above: 38%, Below managerial grade: 72%).

### ***KPI B3.2***

Average training hours completed per employee during the Reporting Period: Male: 13, Female: 13 (2021: Male: 8, Female: 9).

Average training hours completed per employee by employee category during the Reporting Period: Managerial grade or above: 6, Below managerial grade: 14 (2021: Managerial grade or above: 5, Below managerial grade: 10).

## **B.4 Labour Standards**

Referring to the section headed “B.1 Employment”.

### ***KPI B4.1***

To avoid child and forced labour, the Group has measures to verify the identity and age of the employees during the recruitment process so as to comply with the relevant labour laws and regulations.

### ***KPI B4.2***

The Group has channels to allow reporting of suspicious cases of child and forced labour so as to minimize the chance of such occurrence in our Group.

## **B.5 Supply Chain Management**

The Group has maintained strong and solid relationship with our key suppliers by constantly exchanging views on the business operation including by not limited to the environmental and social aspects of their operations which might involve the discussion on the promotion of environmentally preferable products and services. With a stable and solid supply chain, our product’s quality is maintained. In addition, the Group has established goods return policy to ensure that the customer’s interest is protected. The Group also protects customer privacy and supplier performance relating to sustainability. The Group protects its intellectual property rights by constantly reviewing the usage and registration of its domain names and trademarks.

### ***KPI B5.1***

Number of key suppliers by geographical region during the Reporting Period: Hong Kong: 0, China: 3, Switzerland: 0 (2021: Hong Kong: 0, China: 3, Switzerland: 0).

***KPI B5.2, KPI B5.3 and KPI B5.4***

Referring to the section headed “B.5 Supply Chain Management”.

**B.6 Product Responsibility**

Referring to the section headed “B.5 Supply Chain Management”.

***KPI B6.1***

Percentage of products sold subject to recalls for safety and health reasons during the Reporting Period: 0% (2021: 0%).

***KPI B6.2***

Number of products and service related complaints received during the Reporting Period: 0 (2021: 0).

***KPI B6.3, KPI B6.4 and KPI B6.5***

Referring to the section headed “B.5 Supply Chain Management”.

**B.7 Anti-corruption**

The Group promotes and cultivates a high integrity corporate culture which includes the implementation of policies to encourage whistleblowing and anti-corruption reporting. The Group has channels to allow reporting of suspicious cases of anti-corruption. References of relevant laws and regulations in relation to bribery, corruption and money laundering are distributed to the employees and are reviewed on a regular basis.

***KPI B7.1***

Number of concluded legal cases regarding corrupt practices during the Reporting Period: 0 (2021: 0)

***KPI B7.2 and KPI B7.3***

Referring to the section headed “B.7 Anti-corruption”.

## **B.8 Community Investment**

The Group supports and understands the needs of the communities and makes donations to the needed when necessary but there is no particular area that the Group is focus on.

### ***KPI B8.1***

Referring to the section headed “B.8 Community Investment”.

### ***KPI B8.2***

The Group made some donations to a cancer fund during the Reporting Period and in the same period last year.