



萬隆控股集團有限公司
Ban Loong Holdings Limited

Incorporated in Bermuda with limited liability

Stock Code: 30



Environmental, Social and
Governance Report

2021-22

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1. ABOUT THE REPORT

1.1 PROLOGUE

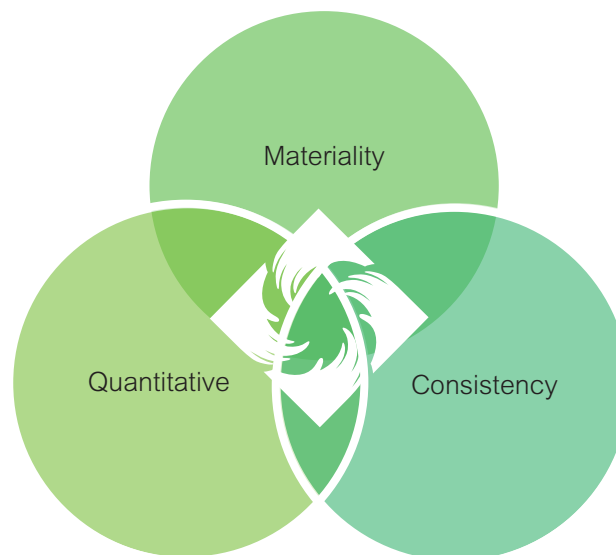
Ban Loong Holdings Group Limited and its subsidiaries (collectively referred to as the “Group” or “We”) are pleased to present the Environmental, Social and Governance (“ESG”) Report (the “ESG Report” or the “Report”), for the year ended 31 March 2022. This ESG Report is prepared in accordance with disclosure obligations under the “comply or explain” provisions contained in the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) as set out in Appendix 27 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The purpose is to allow all stakeholders to learn more about the Group’s development direction, plans and performance in terms of operations and ESG. The Group is committed to enhancing its corporate social responsibility continuously, in order to have a better response to the sustainable needs of the ever-changing society.

1.2 SCOPE OF THE REPORT

The ESG Report covers the Group’s overall ESG performance and Key Performance Indicators (“KPIs”) for the period from 1 April 2021 to 31 March 2022 (the “Reporting Period” or the “Year”). A full index is attached to the last chapter of the report for readers to follow the ESG guidelines. The KPIs disclosed in the report are based on the performance of the Group’s two offices in Hong Kong during the Year and cover the major environmental impacts resulting from the Group’s business operations.

1.3 REPORTING PRINCIPLES

The ESG report follows the reporting principles of “Materiality”, “Quantitative” and “Consistency”.



1. ABOUT THE REPORT



Materiality

Stakeholder engagement and materiality assessment were conducted for the determination of the content of the ESG Report. The Group has identified ESG-related issues, collected and reviewed the views of internal management and various stakeholders, assessed the relevance and materiality of the issues, and prepared and validated the information in the ESG Report. The ESG Report covered a comprehensive range of material ESG issues of concern to the Group's stakeholders.

Quantitative

The Group has disclosed qualitative environmental and social KPIs in the ESG Report. To enable stakeholders to have a full understanding of the Group's ESG performance, the standards, methodologies, references and conversion factors used to calculate the KPIs are described wherever appropriate.

Consistency

The Group uses consistent reporting and calculation methods, as far as practicable, to facilitate the comparability of ESG performance between years. In case of any changes in methodologies, the Group will present and explain in detail in the corresponding sections.

1.4 STAKEHOLDER FEEDBACK

The Group values the opinions of stakeholders. If you have any questions or recommendations about the content or form of reporting of this report, you are welcome to contact the Group through the following methods:

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2. ESG RESPONSIBILITY MANAGEMENT

2.1 BOARD STATEMENT

The Group believes that a sound ESG governance is crucial to enhance the value of our investments and bringing long-term returns to our stakeholders and the Group. In order to implement and improve the ESG management policy, the Group's Board of Directors (the "Board") is responsible for ESG management and supervision, establishing and reviewing the overall ESG vision, approach, strategy or initiative. Various communication channels have been established to promote the coordination and communication between various departments. Regarding ESG-related risk management, the Board monitors the risk evaluation process on sustainability and ESG-related issues, focus on the potential impacts of business operations on market trends, and seek for improvements in ESG strategy, in order to reduce the negative impacts on the business

To collect the opinions of the Group's stakeholders on ESG issues, the Board has engaged a third-party ESG consultant in conducting a materiality assessment to identify issues that are likely to impact the business operation and our stakeholders, especially to the environmental and social aspects. The issues would be reviewed and prioritised, and those with high significance to the Group and stakeholders are considered as material. The Board has reviewed and approved the material ESG issues identified by the ESG consultant.

In order to formulate and implement effective ESG measures, the Board regularly reviews the Group's ESG performance and the progress of achieving its goals, and adjusts the ESG management policy to lead the ESG process of the entire group. The Board reviews the plan and implementation of ESG-related work, as well as related goals and indicators at regular meetings. The Group communicated with stakeholders on ESG progress especially through the Group's annual ESG report. The Board will continue to seek opportunities to improve ESG performance.

2. ESG RESPONSIBILITY MANAGEMENT



2.2 STAKEHOLDER ENGAGEMENT

The Group deeply understands the importance of close communication with stakeholders. The Group believes that the participation and opinions of stakeholders are crucial in formulating sustainable development strategies. We attach great importance to maintaining a close and good relationship with stakeholders, understanding and responding to the expectations and requirements of various stakeholders, and formulating different strategies to carry out improve. The following table illustrates the issues of concern of our major stakeholders and the ways we communicate with the stakeholders:

Stakeholder	Expectation	Engagement	Measures
Government	<ul style="list-style-type: none"> - To comply with laws - Proper tax payment - Promote regional economic development and employment 	<ul style="list-style-type: none"> - On-site inspections and checks - Research and discussion through work conferences, work reports preparation and submission for approval - Public information disclosed in Stock Exchange website, such as: interim reports, annual reports and announcements - Company website 	<ul style="list-style-type: none"> - Operated, managed, paid taxes according to laws and regulations, strengthened safety management, accepted the government's supervision, inspection and evaluation, and actively undertook social responsibilities.
Shareholders and Investors	<ul style="list-style-type: none"> - Return on investment - Information disclosure and transparency - Protection of interests and fair treatment of shareholders - Business risk management 	<ul style="list-style-type: none"> - Annual general meeting and other shareholder meetings - Public information disclosed on Stock Exchange website, such as: interim reports, annual reports and announcements - Meeting with investors and analysts - Company website 	<ul style="list-style-type: none"> - Issued notices of general meeting and proposed resolutions according to regulations, disclosed company's information by publishing announcements/circulars and periodic reports in the Year. Disclosed company contact details on website and in reports and ensured all communication channels available and effective.
Employees	<ul style="list-style-type: none"> - Safeguard rights and interests of employees - Health and safety - Working environment - Career development opportunities - Self-actualization 	<ul style="list-style-type: none"> - Regular meetings - Training, seminars and briefing sessions - Intranet and emails - Annual performance appraisal 	<ul style="list-style-type: none"> - Provided a healthy and safe working environment - Developed a fair mechanism for promotion.



2. ESG RESPONSIBILITY MANAGEMENT

Stakeholder	Expectation	Engagement	Measures
Customers	<ul style="list-style-type: none"> - Safe and high-quality products and services - Stable relationship - Information transparency - Integrity - Business ethics 	<ul style="list-style-type: none"> - Company website, brochures, interim reports, annual report and announcements - Email and customer service hotline - Feedback forms - Regular meetings 	<ul style="list-style-type: none"> - Strengthened quality management to ensure stable service quality, and entered into long-term strategic cooperation agreements.
Suppliers/ Partners	<ul style="list-style-type: none"> - Long-term partnership - Honest cooperation - Fair and open - Information resources sharing - Risk reduction 	<ul style="list-style-type: none"> - Business meetings, supplier conferences, phone calls and interviews - Regular meetings - Review and assessment - Email, circulars and manual - Company website 	<ul style="list-style-type: none"> - Invited tenders publicly to select the best suppliers/partners, performed contracts obligation according to agreements, enhanced daily communication, and established long-term cooperation with quality suppliers/partners
Horizontal/ Industry associations	<ul style="list-style-type: none"> - Experience sharing - Corporations - Fair competition 	<ul style="list-style-type: none"> - Industry conferences - Site visit 	<ul style="list-style-type: none"> - Stuck to fair play, cooperated with horizontal to realize win-win results, shared experiences and attended different seminars of the industry so as to promote sustainable development of the industry.
Market regulator	<ul style="list-style-type: none"> - Compliance with the law and regulations - Information disclosures 	<ul style="list-style-type: none"> - Information disclosure - Reports 	<ul style="list-style-type: none"> - Complied with regulatory requirements in a strict manner, disclosed and reported real information in a timely and accurate manner according to law.
Public and communities	<ul style="list-style-type: none"> - Community involvement - Social responsibilities - Employment promotion 	<ul style="list-style-type: none"> - Voluntary work - Charity and social investment 	<ul style="list-style-type: none"> - Gave priority to local people seeking jobs from the Company so as to promote community building and development, protected the communities' ecological environment, and provided timely compensation and assistance.

2. ESG RESPONSIBILITY MANAGEMENT



2.3 MATERIALITY ASSESSMENT

In order to develop ESG management policies effectively, the Group has conducted materiality assessments to identify ESG issues that are material to the business. The assessment is based on an internal stakeholder questionnaire, which was conducted with the assistance from the third-party ESG consultant to collect valuable opinions of various departments and units on ESG issues, with reference to the materiality map by well-known external organisations¹, the material issues related to the ESG of the Group were identified.

Aspect	Material Issues	Corresponding Section
Environment	Greenhouse gases emissions	"Emissions"
Employment and Labour Practices	Employment Compliance	"Employment Practices", "Health and Safety" and "Labour Standards"
	Health and Safety	"Health and Safety"
	Remuneration and Benefits	"Employment Practices"
	Training and Development	"Development and Training"
Operational Compliance	Customer Privacy Protection and Data Safety	"Product Responsibility"
	Business ethics	"Anti-corruption"



¹ The materiality maps referenced in the materiality assessment are ESG industry Materiality Map from Morgan Stanley Capital International (MSCI) and Sustainability Accounting Standards Board (SASB) Materiality Map from SASB

3. PROTECTING OUR ENVIRONMENT

3.1 ENVIRONMENTAL PRINCIPLES

The Group is committed to promoting green operations and taking the social responsibility of protecting the environment. For such purpose, the Group formulates and implements the “Environment and Natural Resources Policy”. We have set up the environmental goals as follows:

1. For exhaust emissions, we are committed to reducing the use of vehicles and reducing petrol consumption.
2. In order to reduce greenhouse gas emissions, we are committed to reducing energy consumption at all levels of business operations.
3. Implement waste reduction at source, strive to reduce waste generated during operation, and actively reuse and recycling.
4. Committed to reducing waste of resources such as water, electricity and paper in daily operations.
5. Strictly abide by relevant laws and regulations on environmental protection, and review environmental management systems and policies.

3.2 EMISSIONS

The Group’s major emissions are exhaust, waste and greenhouse gases (“GHG”), which came from the daily activities for office operations. In order to reduce the various types of emissions produced during our operations, we improve their management and ensure that the emissions comply with relevant statutory requirements.

i. Exhaust Emission

The Group’s pollutant emissions mainly come from the fuel used by vehicles. During the Reporting Period, the Group’s vehicles consumed approximately 11,451 liters of petrol. In order to reduce the pollutant emission, the details of the reduction measures as follows:

1. Encourage employees to use public transportation when going out for meetings or activities, use group vehicles only in special circumstances, and reduce the use of private cars.
2. Actively encourage employees to use walking instead of taking transportation when it comes to activities with close destinations.
3. Set up video conferences, allow employees to hold online meetings with customers.
4. Maintain correct tyre pressure by regular inspections and inflation.

During the Reporting Period, emissions were as follows:

Type of emission (Note 1)	Units	2021/2022
Nitrogen oxides	kg	5.61
Sulphur oxides	kg	0.17
Particulate matter	kg	0.41

Notes:

- (1) The calculation and emission factors are based on “How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange (“Appendix 2”).

3. PROTECTING OUR ENVIRONMENT



ii. GHG Emission

The Group's main sources of GHG emissions are direct emissions from the use of vehicles, indirect emissions from electricity consumption in office operations and other indirect emissions from waste paper disposal. The Group is implementing feasible measures to achieve the goal of reducing greenhouse gas emissions.

During the Reporting Period, GHG emissions are as follows:

GHG gases(Note 1)	Units	2021/2022
Total GHG emissions	tCO ₂ e	67.17
Scope 1: Direct emissions (Note 2)	tCO ₂ e	30.56
Scope 2: Energy indirect emissions (Note 3)	tCO ₂ e	27.63
Scope 3: Other indirect emissions (Note 4)	tCO ₂ e	8.98
GHG emissions intensity	tCO ₂ e/employee	2.49

Notes:

- (1) The calculation of GHG emissions is based on Appendix 2 issued by Stock Exchange and "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong" issued by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong. The GHG inventory of the Group include carbon dioxide (CO₂), methane and nitrous oxide. All the GHG emissions data are presented in tonnes of CO₂ equivalent.
- (2) Scope 1 direct emissions include the daily consumption of vehicle fuels of the Group. The emission factors are based on Appendix 2 issued by Stock Exchange.
- (3) Scope 2 indirect emissions include indirect GHG emissions generated by the purchased electricity of the Group. The emission factors are based on Hongkong Electric Company, Limited.
- (4) Scope 3 other indirect emissions include other indirect emissions occurring outside the Group, including waste paper disposal, water treatment and air travels. During the Year, the Group did not have air travels, thus the disclosed data only includes waste paper disposed in landfills. The emission factors for paper disposal are from Appendix 2 issued by Stock Exchange.



3. PROTECTING OUR ENVIRONMENT

iii. Waste and Wastewater

Due to the nature of the business, the Group does not generate hazardous waste during our operation. The Group's major wastes are non-hazardous wastes, including office paper, newspapers and other household wastes.

The data of waste generated during the Year is as follows:

Waste		Units	2021/2022
Non-hazardous waste (Note 1)	Total amount	tonnes	1.04
	Intensity	tonnes/employee	0.04
Hazardous waste	Total amount	tonnes	0.00
	Intensity	tonnes/employee	0.00

Notes:

- (1) Non-hazardous waste is estimated based on the Group's daily office operations.

The Group places high attention to proper disposal of wastes and has clearly set out ways of office waste disposals, including general waste, toner cartridges, wasted paper, computers with related accessories and batteries, in the "Environment Guidelines". It has established a waste sorting system for recycling and contacted contractors to recycle used toner cartridges from time to time to reduce wastes.

The Group is committed to reducing waste production and encourages employees to reuse stationery such as envelopes, binders, and file cards. At the same time, we reduce the use of disposable and non-recyclable products, such as disposable water cups and wooden chopsticks with non-disposable items. In addition, the Group evaluate the usage of material to avoid overstock, so as to reduce waste production from the source. Moreover, the Group has adopted a digital operation model to centralise the handling of documents and regularly convey environmental protection messages to employees. The office sets up printing permission to conduct statistics and adjustments on paper usage to improve resource utilization.

For the offices, the property management company is responsible for the water supply and drainage. The Group takes measures to reduce water consumption. All sewage is discharged to the sewage treatment plant through the local pipe network.

3. PROTECTING OUR ENVIRONMENT

3.3 RESOURCES CONSERVATION

The Group highly focuses on the efficient use of resources in daily operations. During the Reporting Period, the Group has complied with the relevant laws and regulations on energy use.

i. Energy

The Group's energy use mainly includes direct energy use from the petrol used by vehicles, and indirect energy use from purchased electricity. The Group is aware of the importance of saving electricity and energy. In order to strengthen the awareness of environmental protection and energy conservation of employees and actively reduce the daily electricity consumption in the office, the Group sets various strategies as follows:

Energy-saving measures

Office operation

- Use of energy efficient electronic equipment such as lightings, printers and air conditioners
- place reminders of "For electricity saving, please switch off the light when leaving" at prominent places in the office

Air conditioning system

- Switch off air conditioners when rooms are not in use
- Clean the filters/fan coil units regularly
- Adopt Central Control and Monitoring System (CCMS) or Building Management System (BMS)
- Apply anti-ultraviolet films on windows to reduce heat gain

Lighting system

- Separate light switches for different light zones
- De-lamping for areas with higher-than-required lighting level
- Adopt energy efficient lighting (e.g. T5 fluorescent lamps and LED)

During the Reporting Period, total energy consumption was as follows:

Type of Energy	Units	2021/2022
Total energy consumption	MWh	149.90
Direct energy consumption (Note 1)	MWh	110.98
Indirect energy consumption (Note 2)	MWh	38.92
Energy consumption intensity	MWh/employee	5.55

Notes:

- (1) The direct energy consumption is calculated based on the actual consumption amount of vehicle fuels consumption. The conversion factors of fuel and energy units are adopted from the "Energy Statistics Manual" issued by the International Energy Agency.
- (2) The indirect energy consumption is calculated based on the actual consumption amount of purchased electricity by the Group for daily operations.

3. PROTECTING OUR ENVIRONMENT

ii. Water

Based on the nature of the business, the water resources utilised by the Group are mainly domestic water for daily office operations. Since the property management company is responsible for the water consumption of the office, no water consumption data was available during the Year. No problem in obtaining suitable water sources were encountered. Arrangement of working from home owing to COVID-19, as well as the Group's active promotion of water conservation and environmental protection, have implemented a series of water-saving programs that have significantly reduced the amount of water used in daily life. Meanwhile, the Group has made continuous efforts to reduce water consumption. For example, the Group educates its employees on water conservation, displays water conservation postages in prominent places, and immediately reports to the property management company to repair dripping taps when they are damaged.

iii. Paper and Packaging Materials

The Group does not engage in manufacturing process and does not use any packaging materials. During the Reporting Period, total office paper consumption was around 1,871 kg. The Group has adopted environmental protection measures to reduce office paper as much as possible. Staff are encouraged to reuse the paper or use both side of the paper. The backs of single-sided paper are used for printing or as scratch paper. Computers and printers are also set to double-sided printing and ink saving. We encourage our employees to minimize the use of paper by using the appropriate font size/shrink mode to minimize pages. Meanwhile, electronic communication technology is used to transfer information to reduce paper consumption, and Internet fax is used to screen out junk fax. Paper documents such as wastepaper, posters, letters and envelopes are also collected with the recycle bin.

3.4 THE ENVIRONMENT AND NATURAL RESOURCES

The Group is committed to promoting sustainable environmental development, and focusing on the impact of its business on the environment and natural resources. The Group's business operations do not involve soil pollution, soil erosion or biodiversity conservation.

The Group strives to integrate various environmental protection measures into its internal management policies to reduce the impact on the environment and natural resources, and to enhance environmental sustainability. For example, the "Code of Conducts for Staff" emphasizes avoiding pollution of natural resources (such as rivers, air and land), while the Environmental Guidelines mandate the use of biodegradable or phosphorus-free detergent.

To ensure that employees implement measures for saving resource, the Group has formulated an "Office Checklist" for the administrative department to examine items include measures to conserve water, conserve resources, and reuse paper and other materials.



3.5 RESPONDING TO CLIMATE CHANGE

Climate change has become a major challenge worldwide today. As the extreme weather events are getting more serious, the Group is highly concerned about the impacts of climate change. In order to prepare for and respond to extreme weather events and natural disasters in the future, the Group has identified and evaluated the potential climate-related risks to the business, so as to determine the level of risk resilience, and actively investigate relevant risk management measures.

The Group has identified several transition risks, such as market risks that the corporate products will be replaced by low-carbon commodities and shifts in consumer preferences. As consumers' expectations for existing products increase, the Group's operating costs for investment in technology development increase. In addition, the Group faces the risk that existing products will encounter tightening obligations and requirements and results in an increase in operating costs (such as increased legal liability and compliance costs).

To mitigate the negative impact of climate change on our business in the future, the Group closely monitors international climate governance trends and the relevant policies and regulations relating to our business operations, and identifies, evaluates and monitors various potential climate-related risks and opportunities on a regular basis.



4. EMPLOYMENT AND LABOUR PRACTICES

4.1 EMPLOYMENT PRACTICES

The Group regards employees as the cornerstone of its corporate operation and development. We attaches great importance to the training and welfare of employees and is committed to providing a working environment with job satisfaction. The Group provides competitive remuneration and sound promotion opportunities to facilitate career development of employees. Meanwhile, the Group has adopted a series of policy measures relating to employment system, occupational safety and health, trainings as well as labour standards, with a view to achieving win-win situation between employees and employers.

The Group aims to attract and retain talents, ensures a safe and equal working environment for employees, provides development opportunities and promotes employees' health and wellbeing. The Group has formulated the staff manual according to relevant labour regulations, covering the Group's remuneration and dismissal, recruitment and promotion, working hours, statutory holidays, social security, and standards of other rights and benefits.

During the Reporting Period, the Group strictly complied with the labour laws and regulations like Hong Kong Employment Ordinance (Cap. 57 of the Laws of Hong Kong), in relation to employment and equal opportunities. There were no employment-related violations that had a significant impact on the Group. As at 31 March 2022, the Group had a total of 27 employees (2021:33 employees), with the employee structure as follows:

Employment Indicators (Number of Employees (Proportion))		2021/2022
By gender		
Male		18 (67%)
Female		9 (33%)
By age group		
Below 30		3 (11%)
30 – 50		13 (48%)
Above 50		11 (41%)
By geographical regions		
Hong Kong		27 (100%)
By employment type		
Full-time		27 (100%)

4. EMPLOYMENT AND LABOUR PRACTICES

The total employee turnover rate during the Year was 15%, and the employee turnover rate by categories is as follow:

Turnover Rate Indicators	2021/2022
By gender	
Male	17%
Female	11%
By age group	
Below 30	0%
30 – 50	23%
Above 50	9%
By geographical region	
Hong Kong	15%

ii. Talent Recruitment and Retention

Employees are the core assets to maintain corporate competitiveness, and the key to corporate success. The Group provides a fair and impartial talent selection system and continuously improves the system to recruit talents. The Group has formulated an annual recruitment plan and filled job vacancies based on the principle of “internal staff superior to external candidates” in order to offer internal promotion opportunities to existing employees. The Group recruits external candidates through the Company’s website, recruitment website, job market, newspapers and media, headhunting companies and employee’s referral. The Group ensures that the recruitment and promotion processes are fair, open and transparent, and selects candidates depending on objective factors such as candidates’ working experience, skills, academic background, communication skills, and personal qualities.

The Group adheres to the principle of employing talents with both ability and moral integrity, and regards morality, knowledge, ability and performance as the main evaluation criteria, so as to put talents at suitable positions and retain talents. The Group has formulated a set of staff performance appraisal mechanism, in which appropriate remuneration adjustment is made annually based on staff performance to reduce talent loss.

iii. Remuneration and Benefits

We offer reasonable and competitive salary and benefits to staff. Employees are awarded salary adjustment and promotion based on their job performance, as well progress achievement and the results of performance appraisal. We make timely contribution to social insurances (i.e., pension, medical insurance, unemployment insurance, maternity insurance, and occupational injury insurance) and the housing fund, mandatory provident fund and employees’ compensation insurance in strict accordance with the Hong Kong Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) and the Employees’ Compensation Ordinance (Cap. 282 of the Laws of Hong Kong). Apart from basic statutory holidays, wedding and funeral leave, maternity leave, work-related injury leave, annual leave, family planning leave and paternity leave, employees are also entitled to other staff benefits including luncheon and transportation allowances. These benefits boost employees’ sense of belonging to the Company, create good working atmosphere and enhance corporate cohesion.

4. EMPLOYMENT AND LABOUR PRACTICES

iv. Equal Opportunity and Diversity

As a diversified enterprise, the Group strives to create a fair, diversified and harmonious working environment for employees and protect them from discrimination and harassment. The Group formulates employment policies in strict accordance with Employment Ordinance of Hong Kong and provides equal opportunities in respect of recruitment, training, promotion, job transfer, remuneration, benefits, and termination of contracts. These equal employment opportunities are not affected by age, gender, physical conditions, marital status, family status, race, color, nationality, religion, political connection or sexual orientation. The Group formulates policies addressing "Promotion, Equal Opportunities, Diversity and Antidiscrimination" to make sure every staff being treated fairly in terms of recruitment process, remuneration and benefits, training opportunities, working arrangement, promotion and disciplinary punishment.

The Group also places high value on female employees' career development by ensuring that they have equal promotion opportunities as male employees. Female employees are entitled to basic salary and their employment contracts will not be released or terminated, without cause, during their pregnancy, maternity leave or breastfeeding period.

v. Dismissal Policy

With regards to the policies relating to dismissal of employees, if an employee is committed serious misconduct and fails to improve in spite of repeated warnings, his/her supervisor and the senior management of the Group will have a thorough internal discussion and allow the employee to answer and explain before the dismissal is announced. The reasons for the dismissal will be conveyed to the employee clearly. The dismissal procedure must be in accordance with applicable laws and regulations as well.

vi. Staff Communication

We appreciate the significance of communication with and care for our employees. We believe that maintaining a close relationship with our staff allows us to better understand their needs. Besides, orientation with introduction of corporate system, culture and other information would be conveyed to employee when they are on board. The Group has also established a mechanism to handle the advice and complaints from staff.

vii. Working Hours and Rest Periods

The Group has formulated its policy based on local labour laws including Employment Ordinance of Hong Kong to determine working hours and rest periods for employees. The Group would compensate those who work overtime with extra pay or additional days off.

4.2 HEALTH AND SAFETY

The Group attaches high attention to the health and welfare of each and every employee. The Group has established and implemented a “Health and Safety System”, striving to build a healthy and safe working environment for our employees.

Due to our business nature, the operation of the Group mainly involves clerical work and no position has been identified as having high safety risks. However, the Group understands that our staff spend most of the time on computer work, therefore we plan to enhance education in relation to office health and safety for employees, such as promoting safety use of office equipment and correct working postures, or organise workshops for workplace stretching exercises to reduce the possibility of injury and occupational diseases.

In the view of the outbreak of COVID-19, a series of precautionary measures have been adopted by the Group according to the requirements of the government, including work-from-home arrangement, providing masks to staff, requiring staff and visitors to take body temperature and sterilize hands before entering into working area, requiring staff and visitors to wear masks during working hour and sterilizing the working area from time to time.

The Group sponsors the occupational health examination before, after and during their induction for early detection of latent illness and timely medical treatments. Besides, for any staff suffering from infectious diseases, the Group will timely allow sick leaves for him/her to receive proper medical treatment and arrange segregation of relevant departments as well as vaccination for staff who have insufficient antibodies. First aid kits are also available in the office and labour protective equipment satisfying the national safety and health standards are also provided. In order to ensure the employee’s awareness of occupational safety, all newcomers must receive safety training to identify, reduce or eliminate occupational risks.

During the previous three years (including the Reporting Period), there was no accident of work-related injuries/fatalities and no lost days due to work injury recorded by the Group. The Group has no violation of the laws and regulations regarding the provision of safe working environment during the Reporting Period.

4. EMPLOYMENT AND LABOUR PRACTICES

4.3 DEVELOPMENT AND TRAINING

The Group values the continuous development of staff and strives to enable our staff to grow alongside with the Group. The Group has formulated and implemented a “Development and Training System” for a comprehensive training system, which sets out the administrative duties of the officers of training teams under each department and the related policies, and provides corresponding learning and training courses for employees, thus allowing continuous updating of job knowledge and skills of employees.

In addition to the internal training delivered by external lecturers and the inspections and assessments afterwards, such as the finance and taxation training courses by the Finance Department to update the knowledge of finance and taxation regulations, the Group also encourages and provides subsidies to employees to participate training courses held by other institutions in a compensated way, so as to enhance job-required knowledge and enrich their skills. Besides, the “Code of Conducts for Staff” sets out training and development policies for newcomers, including the arrangements and contents of trainings, in order to help them quickly learn about job-required knowledge and adapt to the working environment. The licensed staff should complete their continuing professional development program under professional requirements and provide the relevant certificates to the Company. Trainings have covered a variety of topics in order to cater the needs for employees from different departments. As the Group’s data collection system of employee training data requires improvement at this stage, the average hours and proportions of employee training are not available yet.

In order to evaluate employees’ working performance and potential in an efficient way, The Group has established and implemented the “Employee Promotion Policy”, so as to set up a fair and comprehensive competition and promotion mechanism as well as to motivate our staff to enhance their working quality and capability. Staff can apply for internal transfer within the Group according to their own personal development needs.

4.4 LABOUR STANDARDS

The Group strictly complies with the Labour Law and tolerates no child labour or forced and compulsory labour allows no employment of child labour or forced and compulsory labour which is prohibited by international standards and relevant regulations. Candidates are required to present identity proof for verification to prevent child labour recruitment. In the event that there is any mistakenly-hired child labour, the Group will immediately suspend his/her work, inform his/her parents or legal guardians and return him/her to his/her residence, and bear all the costs incurred.

The Group bans the employment of forced labour in any ways and ensure all job duties are in compliance with labour contracts. It is clearly stated in the labour contracts that employee have the right to refuse any dangerous work arrangement. Our staff can immediately terminate the labour contract and obtain economic compensations if they are forced to perform such job duties by means of violence, threats or illegal restrictions on personal freedom. The Group will never force employees to work overtime. The Group would compensate those who work overtime with extra pay or additional days off. If labour disputes are found, employees can seek for mediation by the labour union or labour dispute mediation committee of the Group and they can also apply for arbitration with Labour Dispute Arbitration Committee directly.

During the Reporting Period, no non-compliance regarding child labour, forced or compulsory labour has been recorded by the Group in its operation.

5.1 SUPPLY CHAIN MANAGEMENT

The Group believes that establishing sustainable supply chain and facilitating interaction and communication with suppliers and banks could improve confidence of customers and other stakeholders on the Group. The Group has three major suppliers, all of which are located in Hong Kong. We maintain long-term cooperative relationships with logistics and banks with good creditworthiness, sound goodwill, quality products and services, good track record and eligibility. Focusing on establishing close cooperation relationships with suppliers, the Group has been working together with them to reduce impacts on the environment from production processes while ensuring the quality of service to customers. The Group takes the environmental, social and governance policies into consideration when managing all the suppliers. The Group will cease cooperation with suppliers which fail to meet its requirements. During the Reporting Period, there was no supplier which failed to meet such requirements. Supplier Management Measures of the Group include the following:

1. Suppliers' ESG policies, including emissions, use of resources, environmental and natural resources, health and safety, staff development and training, the prevention of child labour, product responsibility and anti-corruption
2. To deploy dedicated staff to work on-site in the office of the individual large suppliers to conduct continuous quality inspection
3. To conduct unscheduled quality inspection
4. To protect product supply and reduce risks through decentralized procurement
5. To formulate acceptance criteria and procedures, which are detailed in the procurement contract, for each type of products

5.2 PRODUCT RESPONSIBILITY

i. Product Responsibility

Providing efficient and high-quality services to customers has always been the utmost concern for the Group. The Group's objective is that customers have confidence in our services and they are provided with sufficient information to make informed choices. To improve service quality of the Group, we conduct site visits and regular visits in order to have an in-depth understanding of actual demands and development targets of customers. By establishing long-term and good cooperation with customers, we have efficiently supported the economic development in the regions of operation and indirectly facilitated employment in those regions. Meanwhile, the Group has proactively acquired customer feedback, including feedback from site visits and feedback by phone. Therefore, the Group has a set of policies and procedures in place to monitor and control quality, so as to ensure customers' opinions are efficiently collected and handled.

5. OPERATION MANAGEMENT

Except for the pre-market product selection and supply chain management, we classify aftermarket incidents which jeopardize public health and safety by their actual condition into ordinary, material and serious rankings. Based on the rankings, the responsible officers of the Group of each functional departments at various levels are required to respond timely so as to mitigate the hazards and risks to the social communities.

Rankings of product liability incidents	Allocation of responsibility by positions
Ordinary	To be handled under the authorization and instruction of sales officer
Material	To be handled jointly by sales officer and general manager
Serious	To be handled by joint team formed by directors and legal person of the Group and insurance company

ii. Quality Control

The Group cares about the health and safety of customers, so performance of product liability in all aspects is of vital importance. As to edible oil, the Group would examine Business License, Food Business License and Food Circulation License of refined oil suppliers and raw material manufacturers as well as the food inspection report issued by relevant government organisation when selecting supply goods in order to safeguard the health of customers and the public and to ensure food safety. During the Reporting Period, all of the edible oil of the Group has passed the inspection.

Regarding the product quality, the Group selects only suppliers which deliver high-quality and authentic products. We evaluate the supplier quality through their audit reports, product quality and the effectiveness of the quality assurance system, etc., and signs quality assurance agreements with suppliers. For those suppliers with repeated quality issues, audits will be conducted to evaluate the overall quality system of the supplier and we will put forward the requirements for improvement within a set deadline to ensure the quality of the products. As each product has different quality control standards, the Group has strict quality inspection procedures to ensure that the products meet the stringent requirements. If the clients have suspicion on the quality of the commodities products, the sales team would assist the clients to investigate and coordinate with the suppliers. To ensure the quality of products, the Group has developed an exchange and return process. Product returns are mainly divided into quality reasons and non-quality reasons categories. Through strict examination and approval, products that are in line with the categories will be exchanged or returned after the completion of identification to protect the health and safety of customers. The returned products that fail to meet the quality requirements will be recycled, and the finished products confirmed to be deteriorated or unqualified by the quality control department will be destroyed and discarded. For products returned for quality reasons, the group will analyze comprehensively to determine whether other batch number products are involved and assess whether recall and return of products with batch number involved will be required.

As to trading products, when adding labels on products, the Group follows "GB 7718-2011 General Standards for the Labelling of Prepackaged Foods".

The Group complies with the provisions concerning product liability as set out under Product Quality Law of the People's Republic of China and Administrative Regulations of Shenzhen Special Economic Zone on Product Quality and other laws and regulations. During the Reporting Period, the Group had not identified any non-compliance of laws and regulations in relation to product liability (including customers' health, safety, advertising, labelling and customers' privacy-related matters) and any recalls of products for safety and health reasons. The Group had not received any complaint in relation to product or service and had not identified any case in relation to leakage, theft or loss of customers' information.

iii. **Privacy and Intellectual Property Protection**

The Group takes privacy issues of our clients, internal employees, data, and external partners and suppliers very seriously. We have established confidentiality guidelines in order to demonstrate our firm commitment to privacy issue.

The Group handles significant amount of personal data and credit information of customers. The Group upholds a belief that information security and privacy are key principles for operation. The Group's employees are required to sign a confidentiality agreement acknowledging receipt and agreement of their responsibility and obligation regarding the protection and non-disclosure of customer data. In addition, information can only be used in authorised business activities. Employees disclosing such information to other parties is considered as data theft. Related employees shall bear corresponding responsibility. During the Reporting Period, there were no noted case of violation of relevant laws or regulations regarding privacy protection and intellectual property rights.

5. OPERATION MANAGEMENT

5.3 ANTI-CORRUPTION

The Group is committed to upholding ethics and integrity during the operation process. No form of corruption or bribery is tolerated. Sound judgements for transactions with customers, suppliers, contractors, job seekers, colleagues or any other third party should be ensured. All applicable laws and regulations shall be duly complied with so as to always maintain the highest standard of integrity.

The Group has formulated and implemented a "Policy of Integrity Management", under which it not only strengthens the governance of its staff teams but also require employee to enhance the professional conduct of staff and learn the anti-corruption and integrity standards by anti-corruption training. In addition, this system also prohibits staffs from accepting any expensive offerings such as monetary gift, credit card and cash voucher, etc. Furthermore, the "Code of Conducts for Staff" of the Group also sets forth the basic principles of anti-corruption, and states that employees should make appropriate adjustment in terms of benefits, for example, employees are not supposed to make any personal gain through the exercise of their official duties or they are supposed to avoid arousing suspicion and report to relevant authorities when dealing with business involving in their relatives' benefits in accordance with regulations.

During the Reporting Period, the Group rigidly abided by laws and regulations in respect of anti-corruption, bribery, extortion, fraud and money laundering, such as the "Anti-Money Laundering Law of the People's Republic of China", "China's Efforts to Combat Corruption and Build a Clean Government", "Prevention of Bribery Ordinance" of Hong Kong. With reference to the aforesaid laws and regulations, the Company has developed the "Anti-Money Laundering Policy", which provided that staff of the business department shall learn potential customers' background completely through consulting documentation and communicating with customers according to relevant internal guidance before commencing business dealings with them. The Group's risk management department also collects information of current customers in respect of uses of proceeds, sources of repayment funding and operational conditions. The risk management department acquires their latest information from time to time and report to the senior management once abnormal situation is identified.

In order to prevent corruption, the Group has established a comprehensive reporting policy. All employees can report through mailboxes, telephones and emails. The Group will make every effort to treat all reports in a strictly confidential manner. The identity of the reporting and complaining employee is not allowed to be disclosed without his/her consent, unless the Group is legally obliged to disclose the employee's identity and other information. In order to foster a culture of openness, responsibility and integrity, the Group will handle or discipline employees who violate disciplinary regulations, we will report to the applicable departments. During the Reporting Period, there is no concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.

6. COMMUNITY INVESTMENT



The Group deeply realised the importance of returning to the society and spared no effort in fulfilling the corporate social responsibility. The Group pays attention to the needs of vulnerable groups and special groups in different societies, and spares no effort to help the community to contribute to society. The Group provides work opportunities for people with disabilities and gives priority to them for employment, as well as giving priority to suppliers participating such initiatives. We encourage our staff to participate in community activities and contribute to a harmonious society and sustainable development through different forms. During the Year, the Group's community investments did not involve the use of resources. Looking forward, the Group will continue to focus on community care and staff development to improve society through participation in community activities.



7. APPENDIX: CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE”

Aspects	Summaries	Sections	Page No.
A. Environment			
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.	Environmental Principle; Emission	8-10
KPI A1.1	The types of emissions and respective emissions data.	Emission	8-10
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Emission	9
KPI A1.3	Total hazardous waste produced and intensity.	Emission	10
KPI A1.4	Total non-hazardous waste produced and intensity.	Emission	10
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Principle; Emission	8-10
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Principle; Emission	10
A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Principle; Resources Conservation	8, 11-12
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Resources Conservation	11
KPI A2.2	Water consumption in total and intensity.	Resources Conservation	12
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Principle; Resources Conservation	8, 11-12
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Principle; Resources Conservation	8, 12
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Resources Conservation	12

7. APPENDIX: CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE”



Aspects	Summaries	Sections	Page No.
A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	The Environment and Natural Resources	12
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources	12
A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Protecting Our Environment – Responding to Climate Change	13
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Protecting Our Environment – Responding to Climate Change	13
B. Social			
Employment and Labour Practices			
B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Practices	14-16
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment Practices	14
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment Practices	15
B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety	17
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	17
KPI B2.2	Lost days due to work injury.	Health and Safety	17
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	17

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Aspects	Summaries	Sections	Page No.
B3: Development and Training			
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	18
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training	18
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training	18
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.	Labour Standards	18
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	18
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	18
Operating Practices			
B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	19
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	19
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	19
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	19
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	19

7. APPENDIX: CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE”



Aspects	Summaries	Sections	Page No.
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.	Product Responsibility	19-21
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility	19-21
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility	19-21
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility	19-21
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility	19-21
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility	21
B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	22
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption	22
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	22
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	22
Community			
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.	Contributing to Our Community	23
KPI B8.1	Focus areas of contribution. (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment	23
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community investment	23