



Century Legend (Holdings) Limited
世紀建業(集團)有限公司*

Stock Code: 00079



CORPORATE SOCIAL
RESPONSIBILITY REPORT

2016

* For identification purposes only

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SCOPE AND REPORTING PERIOD

This is the first Corporate Social Responsibility (“CSR”) Report by Century Legend (Holdings) Limited and its subsidiaries (collectively referred to as the “Group”), highlighting its Environmental, Social, and Governance (“ESG”) performance, which complied with the “comply or explain” provisions and reported on the recommended disclosures of ESG Reporting Guide as described in Appendix 27 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

The principal activities of the Group were property investment and operation of a hair salon in Hong Kong. This CSR report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of business operations of its office in Wanchai and its hair salon, Headquarters, in Central from 1 January 2016 to 31 December 2016, unless otherwise stated.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant aspects for the Group to report on this CSR report, key stakeholders including investors, shareholders and employees have been involved in regular engagement sessions including lunch meetings, sub-committee meetings, executive committee meetings and annual general meetings to share views, discuss and review areas of attention which will help the business to meet its potential growth and be prepared for future challenges.

STAKEHOLDERS’ FEEDBACK

The Group welcomes stakeholders’ feedback on our ESG approach and performance. Stakeholders can give their suggestions or share their views with us via email to info@clh.com.hk or by submitting feedback form at <http://www.clh.com.hk/html/contact.php>.

THE GROUP’S SUSTAINABILITY VISION

The Group commits to becoming a responsible corporate which upholds a high standard of corporate governance, strictly follows the code of ethics, advocates environmental protection and community services, and promotes social responsibility practices. It also embeds social responsibility into its operation and management to facilitate sustainability in economy, society and the environment.



Environmental

A. ENVIRONMENTAL

Types of emission sources the Group involved in the reporting period were mainly electricity, water and non-hazardous waste. The hair salon operation adopts electric boilers for water heating without consumption of town gas. It does not involve in production-related air, water, and land pollutions which are regulated under national laws and regulations. Total floor area coverage for the Group was 695.84m².

1. Greenhouse Gas Emission

(i) Greenhouse Gas Emissions

Scope of Greenhouse Gas Emissions	Emission Sources	Emission ¹ (in tCO ₂ e) ²	Total Emission (in percentage)
Scope 1			
Direct Emission	NA	NA	NA
Scope 2			
Indirect Emission	Purchased Electricity	110.44	97%
Scope 3			
Other Indirect Emission	Water Consumption	1.27	1%
	Paper Consumption	2.51	2%
Total		114.22	

Note 1: Emission factors were made reference to Appendix 27 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

Note 2: tCO₂e represents tonnes of carbon dioxide equivalent emission.

(ii) Removal of Greenhouse Gas Emissions

	Unit	
Total Greenhouse Gas Emitted (a)	tCO ₂ e	114.22
Total Floor Area Coverage (b)	m ²	695.84
Emission Intensity (c) = (a)/(b)	tCO ₂ e/m ²	0.16
Removal by Office Paper Recycling (d)	tCO ₂ e	5.94
Total Removal by Recycling Practice (e)	tCO₂e	5.94
Final Total Greenhouse Gas Emitted (f) = (a) – (e)	tCO₂e	108.28
Annual emission intensity is reduced to (g) = (f)/(b)	tCO₂e/m²	0.16

There were 108.28 tonnes of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation in the reporting period. The annual emission intensity was 0.16 tCO₂e/m².

Although its business operation is not directly associated with environmental protection, the Group understands that its business operation contributed to emission of greenhouse gases (mainly by electricity consumption). Therefore, the Group is devoted in implementing environmental protection initiatives, and improving daily operation procedures so as to reduce adverse impacts to the environment. The Group established environmental protection policy which adheres to the principle of "3R" (Reduce, Reuse, Recycle) and encourages staff to reduce waste at source, sort waste for recycling and save energy. With its achievements in implementing initiatives to use energy efficiently, reduce waste, facilitate waste reuse and recycling, and develop good practices in daily operation, the Group received the "Class of Excellence" Energywi\$e Label and the "Excellence Level" Wastewi\$e Certificate from the Environmental Campaign Committee ("ECC") in the reporting period.

2. Electricity

The electricity consumption by the Group was 139,801 kWh, with an energy intensity of 200.91 kWh/m². The Group implements energy-saving initiatives such as switching off lightings and air conditioners when rooms are not in use and adopting energy-efficient lightings.

3. Water

The water consumption by the Group's hair salon operation was 2,123 m³, with water intensity of 6.19 m³/m². Only water consumption of the hair salon operation is included as water consumption since the office water consumption is managed by the Building Management Office and respective data is not available, but it is noteworthy that water consumption of the office operation is insignificant. The Group is currently investigating feasibility to adopt shower head with high pressure but lower water consumption in the future.

4. Non-hazardous Waste

The Group's hair salon operation generates mainly municipal waste and office paper. Waste such as used dye containers and hair spray bottles are considered by the Group as contaminated waste, which is placed into labelled receptacles lined with plastic and covered with close-fitting lids. No chemical waste is generated as chemicals are all consumed in its operation. All wastes are collected by the Building Management Office. Paper, plastics and aluminium cans are collected separately for recycling.

Office Paper

A total of 0.52 tonnes of paper has been used for daily office operations such as documents printing, contributing to 2.51 tCO₂e of carbon emission. The Group practices paper saving initiatives, such as adopting duplex printing, setting duplex printing as default setting in printers and using recycling paper for printing of internal documents. Waste paper is collected and provided to the Building Management Office for recycling. With the Group's effort in enhancing paper recycling, 1.24 tonnes of waste paper (including printed matters purchased or printed from other companies and daily correspondences or promotional leaflets received) have been collected by licensed recycling company, contributing to a reduction of 5.94 tCO₂e of carbon emission.

To reduce waste paper, the Group opts for electronic bills instead of paper bills whenever possible. Currently, it receives bills on utility services and circulars from the Building Management Office through email.



Social

B. SOCIAL

1. Employment and Labour Practices

(i) Employment

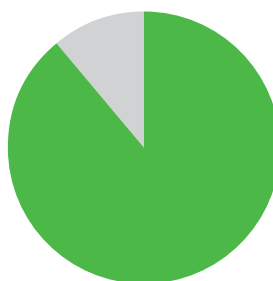
The Group had a total number of 36 employees as of 31 December 2016, employees by gender, employment type, age group and geographical region are shown below.

BY GENDER



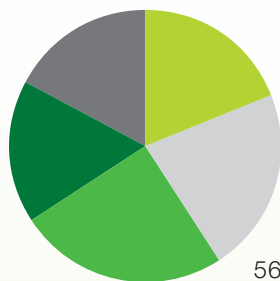
Male ● 25%
Female ● 75%

BY EMPLOYMENT TYPE



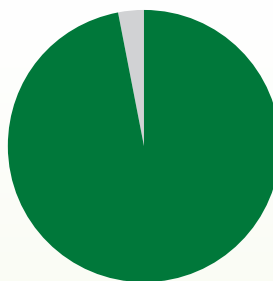
Full time ● 89%
Part time ● 11%

BY AGE GROUP



18-25 ● 19%
26-35 ● 22%
36-45 ● 25%
46-55 ● 17%
56 and above ● 17%

BY GEOGRAPHICAL REGION



Hong Kong ● 97%
Nepal ● 3%

Employees' work hours and days are clearly stated in the employees' handbook according to their employee category. Flexible working hours are allowed depending on nature of different positions.

Competitive Compensation and Benefits Package

The Group offers basic salary with discretionary bonus based on the Group's and employees' performances. Salary is reviewed and adjusted yearly based on performance appraisals and market trend. Quarterly bonus is offered to hair salon apprentices with outstanding performances. Employees are entitled to mandatory provident fund ("MPF"), medical insurance (including clinical, hospitalization and supplementary major medical claims), life insurance, accidental death and disablement insurance; and various types of leave including annual, sick, compensation, marriage, maternity, paternity, compassionate, examination and also study leave. Apart from compensation leave, employees working overtime can apply for meal allowance, transportation reimbursement and shortened working hours on the other day as stated in the employees' handbook. During festivals like Chinese New Year's Eve, Mid-Autumn Festival, Winter Solstice, Christmas's Eve and New Year's Eve, staff is dismissed earlier for celebration.

On top of the statutory requirement, the Group places high value on its employees' retirement needs and makes voluntary contributions to the MPF to enhance retirement protection of employees. In the reporting period, the Group received the Good MPF Employer Award 2015/16 presented by the Mandatory Provident Fund Scheme Authority ("MPFA").

Equal Opportunity

The Group provides equal opportunities for employees in respect of recruitment, training and development, job advancement, compensation and benefits. Employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic, background, religion, colour, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable law. The employees' handbook also strictly prohibits any sexual harassment. Any suspect incidents of sexual harassment will be promptly investigated, disciplinary actions will be exercised on violated persons, the Group will report the harassment to the Police Force when necessary.

Employee Communication

The Group treasures employees as its valuable assets. The Group communicates internally through notices, memos, emails and lunch meetings. To strengthen and upgrade employees' qualifications, the Group provides appropriate appraisals to employees in trainings and development activities. It also enhances employees' sense of satisfaction through presentation of awards.

Internal activities are regularly organized to hold employees together and enhance their sense of belonging. Activities include:

- Voluntary visits to children
- Annual dinner
- Christmas Party
- Boat trips
- Barbeque gathering



Staff Turnover

The annual staff turnover rate in the reporting period was 25%, in which the rates categorized by gender was:

Annual Turnover Rate (by Gender)	Male	Female
	44%	19%

To enhance stability of the Group's quality workforce, the Group will continue to provide a safe, healthy and harmonious working environment to employees.

(ii) Employee Health and Safety

The Group ensures that safety is placed at the top priority in its operation, and is maintained as a critical component in its workplace culture. It constantly improves safety performances of its different business areas, in order to provide a safe and healthy environment to employees. Employees involved in work-related injuries shall inform their Department Heads or Human Resources Department within 24 hours after the accident, and seek medical consultation in nearby hospitals or clinics. Within 48 hours after the injured employees obtained the sick leave certificates, Human Resources Department shall complete and submit the work injury report to the Labour Department and insurance company for related compensation. There was no work-related fatality and lost days due to work injury in the reporting period.

Occupational Health and Safety Data	2016
Work related fatality	0
Work injury cases >3 days	0
Work injury cases <3 days	0
Lost days due to work injury	0

Hair salon is a potential area for infection, the Group therefore established guidelines to ensure employees are aware of the potential hazards at their workplace and carry out proper procedures to maintain a safe and hygienic environment. The guideline provides proper procedures for handwashing, cleaning blood contaminated equipment, handling and disposal of sharp equipment, handling of wounds, serving food and drinks, and handling of waste.

(iii) Development and Training

The Group strives to assist employees to acquire all necessary knowledge and skills related to their duties by providing them with ample training and development opportunities. Trainings stimulate employees' motivation and unleash their potential in different aspects, allowing the Group to effectively allocate work opportunities among employees based on their abilities. The Group also encourages and supports employees to pursue higher qualifications by providing opportunities for professional continuous development and subsidizes professional examinations.

Training Data	2016
Total Training Hours	362
Total Trained Employees	88
Average Training Hours	4.11

Apart from induction trainings, there are various training courses covering topics such as:

- Sales and customer service
- General soft skills
- Professional skills
- Risk management and internal control
- ESG and annual reporting
- Management on sickness, disability and personal data
- Labour Law and Competition Law impact

The Group received the award of Manpower Developer 2016-17, issued by the Employees Retraining Board (“ERB”) in the reporting period, demonstrating its outstanding achievements in manpower training and development.

(iv) Labour Standard

Pursuant to the Employment Ordinance of the Laws of Hong Kong in terms of employment management, there were no child nor forced labour in the Group’s operation.

The recruitment of the Group also complies strictly with the local laws and conduct. Personal data collected during the process will be used to assist in the selection of suitable candidates and to conduct interviews and verification of personal data. The Group ensures identity documents and relevant certificates are carefully checked before interview and employment. Applicants are required to sign a declaration for provision of true and correct information. Employees can be dismissed for any frauds.

2. Operating Practices

(i) Supply Chain Management

In purchasing and tendering, the principles from the Group’s code of conduct shall be followed:

- Effectively introduce competitions
- Abide by all related laws, regulations and contract terms
- Select qualified and responsible suppliers and contractors on an impartial basis
- Select a suitable type of contract according to needs and quality
- Adopt effective monitoring system and management control, to spot and avoid corruption, fraud and other misconduct in procurement and tendering processes

The Group ensures appropriate criteria has been considered in selecting the most suitable suppliers, contractors, consultants and contracting parties. Contract terms shall be mutually acknowledged and payment shall be duly settled with high transparency. Purchased products are inspected upon acceptance, to ensure that product quality tallies with provided description.

(ii) Product Responsibility

Intellectual Property Rights

Any assets of the Group, including materials and information for official purposes, shall not be taken or copied for personal purposes without authorization. Such violation is an offence under the Theft Ordinance of the Laws of Hong Kong, offender will be subject to disciplinary action or prosecution. The Group does not allow any infringement of its assets and intellectual property rights, and will take appropriate disciplinary actions against offenders.

Confidentiality and Data Protection

The Group at any time protects employees' privacy, maintains high confidentiality of their personal data and records, and avoids obtaining unnecessary personal information from employees.

Employees and related persons handling the Group's share price-sensitive or any confidential information shall ensure that information is not used illegally or used unlawfully for the Group's securities trading. Violations of the above associated legislations are subject to disciplinary actions, immediate dismissal without compensation, civil and criminal penalties including heavy fines and imprisonment.

(iii) Anti-corruption

Conflict of interest exists when personal interest is in contrary or contradiction with the Group's interest. It includes the use of a person's official position to benefit himself, his family, relatives or friends or any person to whom he owes a favour or is obliged in any way. The Group is committed to ensuring its business does not involve in any conflict of interest. Its code of conduct requires staff to avoid unapproved conflict of interest situations. Approval shall be obtained from the Company's executive committee.

Any bribery and corruption activities is also prohibited pursuant to the Prevention of Bribery Ordinance of the Laws of Hong Kong, and as stated in the Group's code of conduct. Whistle-blowing policy is established to provide clear guidelines on reporting misconduct and malpractice, with channels for all shareholders, customers, suppliers and internal staff to raise concerns under the policy. When a suspicious case is received, the Group undergoes investigation procedures with secured protection on complainant's confidentiality. If complainant's identity is exposed, whoever retaliates against the complainant will be subject to disciplinary actions. All concerns will be handled impartially and effectively, and will be reported to relevant enforcement authorities when necessary. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the reporting period.



3. Community

The Group actively engages in community services, especially in helping the vulnerable groups, supporting environmental protection management and promoting green lifestyles. It gathers voluntary service groups to visit children in need regularly and encourages staff to contribute to the community and environmental protection.



(i) Recognition on Corporate's Social Responsibility performances

Apart from being recognized for the Group's environmental excellence in the aspects of energy and waste by Environmental Campaign Committee ("ECC"), with the Group's effort in caring its employees, serving the community and promoting sustainability, the Group also received many awards on corporate's social responsibility and sustainability in the reporting period:

Awards/Logo Received	Issued by
Caring Company 2016/17 Award	The Hong Kong Council of Social Service (HKCSS)
The 7th Hong Kong Outstanding Corporate Citizenship Logo (SME Category)	Hong Kong Productivity Council (HKPC)
The 7th Hong Kong Outstanding Corporate Citizenship Logo (Volunteer Team Category)	
Social Capital Builder Award	Labour and Welfare Bureau

(ii) Donation to the Community Chest Green Day 2016

Promoting a green lifestyle is essential to a sustainable future. The Community Chest Green Day 2016 ("Green Day 2016") was organized by the Community Chest of Hong Kong, which encourages participants to take greener form of transport and adopt a greener lifestyle. Upon donation, participants were provided with commemorative tickets for unlimited rides on the MTR on 19 and 20 June 2016. The Group participated and donated a sum of HKD3,248 (HKD2,165 by staff and HKD1,083 by the Group) to the Green Day 2016.

(iii) Donation to the Community Chest Dress Casual Day 2016

The Community Chest Dress Casual Day 2016 ("Dress Casual Day 2016") has been a popular fund-raising event in which donors could wear their casual outfit to work or school. Funds raised from the day will go to 158 social welfare agencies supported by the Community Chest of Hong Kong, which helps two million beneficiaries every year. The Group donated a sum of HKD5,800 (HKD2,900 by staff and HKD2,900 by the Group) to the Dress Casual Day 2016.



(iv) Voluntary Haircut Services

The Group utilizes its talents to provide voluntary haircut services to children in Po Leung Kuk community centres. In 2016, it provided voluntary hair cut services to 97 children and teenagers aged from 3 to 18 years old.

(v) Charitable Giving

The Group adheres to the value of sharing, especially to the community in need. In the reporting period, the Group donated over 500 various goods including clothes, accessories, stationaries, electronic products and furnishings to the Salvation Army, Po Leung Kuk and the Emperor Capital Group Charity Bazaar.

(vi) Nourishing the Youth

Children are future leaders of our society. In collaboration with Po Leung Kuk, the Group is dedicated to nourishing our next generation by engaging them in personal development and voluntary activities. On 2 April 2016, the Group organized a workshop together with Caritas La Vie Bakery, a local social enterprise which provides training and job opportunities to the disabled. This allowed children participating in the workshop to understand production process of bread and to experience the bread-making process themselves. On 9 August 2016, the Group also organized a visit to the Hong Kong Museum of Coastal Defence, providing a platform for children to learn the artefacts, relics and history of Hong Kong, followed by an entertainment session of movie watching. With the assistance of staff from the Group and Po Leung Kuk, there were 16 children participating in both the workshop and the visit. The Group spent a total of HKD10,279 on organization, admission fees, hospitality and transportation of the two events.

(vii) Green Monday Campaign

The Group proactively participates in Green Monday's campaign, which staffs have vegetarian diets every Monday. This reduces stress on the environment, reduces individual carbon footprint and helps tackling climate change.

FUTURE DIRECTIONS FROM THE GROUP

We will continue to fulfil our corporate responsibilities and serve the community to the best of our abilities. We will also strive to achieve better allocation of resources in the perspective of providing assistance to the community in need and pursuing environmental protection, as well as contributing to the sustainable development of our society.

AWARDS AND CERTIFICATES

Century Legend (Holdings) Limited



Manpower Developer Award



Manpower Developer Award



Social Capital Builder Award



Corporate Citizenship Logo – Volunteer Category



Corporate Citizenship Logo – SME Category



Good MPF Employer Award

AWARDS AND CERTIFICATES

Century Legend (Holdings) Limited



Energywi\$e Label – Excellence



Wastewi\$e Certificate – Excellence



Caring Company 5 year+

Headquarters Limited



Manpower Developer – Grand Prize Award



Social Capital Builder Award

AWARDS AND CERTIFICATES

Headquarters Limited



Good MPF Employer Award



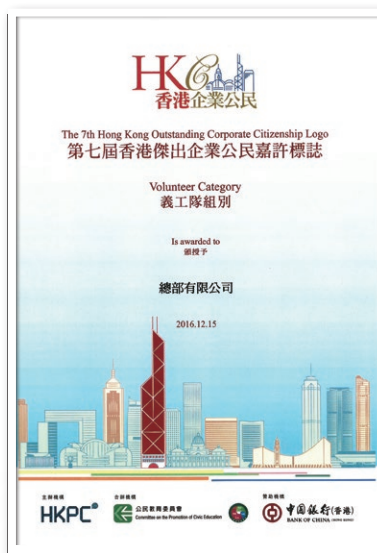
Manpower Developer Award



Wastewi\$e Label-Excellence



Corporate Citizenship Logo – SME Company



Corporate Citizenship Logo – Volunteer Company



Caring Company



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