

Stock Code: 00079



2017

CORPORATE SOCIAL RESPONSIBILITY REPORT



SCOPE AND REPORTING PERIOD

This is the second Corporate Social Responsibility ("CSR") Report by Century Legend (Holdings) Limited and its subsidiaries (collectively referred to as the "Group"), highlighting its CSR 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 under the brand name of "Headquarters". This CSR report covers the Group's overall performance in two subject areas, namely, Environmental and Social of business operations of its head office in Wanchai and its hair salon, Headquarters, in Central from 1 January 2017 to 31 December 2017, unless otherwise stated.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group values input and feedback of its stakeholders as they bring potential impacts to the Group's business. Internal and external stakeholders have been involved in regular engagement activities to share views regarding the Group's operation and performances. The Group has specifically engaged its board members, senior management, employees, suppliers and clients to gain further insights on ESG material aspects and challenges in the reporting period. Through meetings and surveys, the Group and its stakeholders identified the following top five material aspects:

- Environmental protection policies;
- Employment;
- Occupational health and safety;
- Labour standards; and
- Anti-corruption.

The above aspects were strictly managed through the Group's policies and guidelines, and the achievement had been recognized in certain awards and certifications. Management of the aspects have been described in separate sections below. The Group will continue to communicate closely with stakeholders to understand their expectations, their concerned material aspects and feedback on its ESG performances. As a member of the Chamber of Hong Kong Listed Companies and the Hong Kong General Chamber of Commerce, the Group also works with its peers to promote sound corporate governance and protect interests of investors and business communities in Hong Kong.

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 at http://www.clh.com.hk/html/contact.php.

THE GROUP'S SUSTAINABILITY VISION

The Group is committed to the long-term sustainability of its businesses and the communities it engages. We pursue this business approach by managing our business prudently and executing management decisions with due care and attention.

The Group is also committed to acting in an environmentally responsible manner. Reusing of eco-friendly stationery, plus strenuous efforts to save paper and energy in office, resulted in more efficient use of resources, as well as reduction of waste.

The Group remains firmly committed to operating as a socially responsible company across all of its business operations and disclosing its corporate social responsibility performance every year.

CHAIRMAN'S STATEMENT REGARDING SUSTAINABILITY

Apart from striving to achieve reasonable returns for shareholders and stakeholders, we are also committed to serving the society and performing our obligations as a corporate citizen. At the beginning of 2018, the Group was honoured as a "Caring Company" by the Hong Kong Council of Social Services ("HKCSS") for ten consecutive years. In addition, we were granted the "Hong Kong Outstanding Corporate Citizenship" logo by the Hong Kong Productivity Council ("HKPC") for five consecutive years.

In addition to the aforesaid recognitions, the Group and Century Legend (Holdings) Limited were awarded with the "Business for Sustainability" logo by HKCSS for the first time and certified as "Hong Kong Green Organisations" by the Environmental Campaign Committee ("ECC") both for the first time. The "Business for Sustainability" logo recognizes companies that are making significant progress to integrate responsible, inclusive and sustainable practices across their core business operations, which also represents an advanced level of achievement after "Caring Company". Since its launch, a total of 19 listed companies have been awarded the "Business for Sustainability" logo, including Century Legend (Holdings) Limited.

All of the awards were not only recognition for our passion and endeavor to perform our obligations as a corporate citizen over the years, but also immense encouragement and support to our team. In future, we will continue to contribute resources to the sustainable development of the society.



A. ENVIRONMENTAL

Types of emission sources the Group involved in the reporting period were mainly electricity, water and non-hazardous waste. It does not involve in production-related air, water, and land pollutions which are regulated under national laws and regulations.

1. Greenhouse Gas Emission

Scope of Greenhouse Gas Emissions	Emission Sources	Emission (in tCO₂e)	Total Emission (in percentage)
Scope 1			
Direct Emission	NA	NA	NA
Scope 2			
Indirect Emission	Purchased Electricity	107.56	93%
Scope 3			
Other Indirect Emission	Water Consumption	1.29	1%
	Paper Consumption	6.96	6%
Total		115.81	100%

Remarks:

- 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.
- tCO₂e represents tonnes of carbon dioxide equivalent emission.

Environmental

There were 115.81 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 $0.17 \text{ tCO}_2\text{e/m}^2$.

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 conservation 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. During the reporting period, the Group further promote waste reduction by endorsing the "Use less, waste less in my hands" charter, which upholds the principles of use less, eat wise, shop green, discard less and recycle wise.

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" for Energywi\$e Label, the "Class of Excellence" for Wastewi\$e Label and the Hong Kong Green Organisation Certification 2017-2019 from the ECC in the reporting period.

2. Electricity

The hair salon operation adopts electric boilers for water heating. The electricity consumption of the Group was 136.16 MWh, with an energy intensity of 0.21 MWh/m². The Group implements energy-saving initiatives such as switching off lightings and air conditioners when rooms are not in use, adopting energy-efficient lightings and keeping moderate temperature of air-conditioning.

3. Water

The water consumption of the Group's hair salon operation was 2,168 m³, with water intensity of 6.32 m³/m². Only water consumption of the hair salon operation is included since water consumption of the office operation is managed by the Building Management Office and respective data is not available. It is however noteworthy that water consumption of the office operation is insignificant.

In the previous reporting period, the Group had been studying the feasibility to adopt shower head with high pressure but low water consumption. It was then found to be infeasible as water pressure of the building that Headquarters located does not support use of such shower head. The Group therefore explored other means of water conservation.

Environmental

4. Non-hazardous Waste

The Group's hair salon operation generates mainly municipal waste, office paper and aluminium cans. 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. Chemicals are disposed of in black refuse sack without going directly to the drainage system. No chemical waste was generated during the reporting period as chemicals were all consumed in its operation. All wastes are collected by the Building Management Offices. Paper, plastics and aluminium cans are collected separately for recycling. Wastes like electronic appliances, computer accessories and furniture are either collected by recycling company or donated to charitable organizations if they are in good condition.

(i) Office Paper

A total of 1.45 tonnes of paper has been used for daily office operations such as documents printing, contributing to $6.96~\rm tCO_2e$ 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 internal documents. Apart from confidential shredded paper that goes to the landfill, waste paper is collected by the Building Management Office for recycling. With the Group's effort in enhancing paper recycling, 0.98 tonnes of waste paper (including newspaper, magazines, printings purchased from other companies, daily correspondences and promotional leaflets received) have been collected by licensed recycling company, contributing to a reduction of $4.69~\rm tCO_2e$ 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 Building Management Office through email.

(ii) Aluminium Cans

Aluminium waste cans consumed by the Group and employees were also collected by the Building Management Office for recycling. During the reporting period, a total of 5.07 kg of aluminium cans were recycled.



B. SOCIAL

1. Employment and Labour Practices

(i) Employment

The Group had a total number of 34 employees as of 31 December 2017, employees by gender, employment type, age group and geographical region are shown below.



Employees' work hours and days are clearly stated in the employees' handbook according to their position rankings. 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), life insurance, accidental death and dismemberment 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 following day as stated in the employees' handbook. For 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. Starting from January 2017, employees can also enjoy one day leave for birthday. No material non-compliance in relation to employment laws and regulations was recorded during reporting period.

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, both Headquarters and the Group received the Good MPF Employer Award 2016/17 presented by the Mandatory Provident Fund Scheme Authority.

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 states a clear prohibition against 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 actively engage employees and enhance their sense of belonging. Activities include:

- Voluntary visits to children;
- Annual dinner;
- Christmas party;
- Karaoke lunch; and
- Barbeque gathering.



Staff Turnover

The annual turnover rate in the reporting period was 35%, in which the rates categorized by gender was:

Annual Turnover Rate (by Age Group) 18-25 26-35 36-45 46-55	2%
(by Age Group) 10-23 20-33 30-43 40-33	56 or above
167% 0% 10% 0%	25%

Annual Turnover Rate		
(by Geographical Region)	Hong Kong	Nepal
	39%	0%

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, lost days due to work injury and material non-compliance in relation to occupational health and safety laws and regulations recorded in the reporting period.

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 and Development Data in 2017	
Total Number of Employees	34
Total Training Hours	279
Percentage of Employees trained by Gender	
- Male	89%
- Female	36%
Percentage of Employees trained by	
Employment Category	
- Senior Management	67%
- Middle Management	0%
- Frontline and Other Employees	52%
Average Training Hours Completed per	
Employee by Gender	
- Male	21.44
- Female	3.44
Average Training Hours Completed per Employee by	
Employee Category	
- Senior Management	18
- Middle Management	0
- Frontline and Other Employees	6.84

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

- Annual regulatory update;
- Default investment strategy;
- Sales and customer service;
- General soft skills;
- Professional skills;
- Translating ESG into sustainability business level;
- ESG and annual reporting;
- · CSR Management in Human Rights; and
- Gaps of employee retirement expectation & MPF management.

The Group received the award of Manpower Developer 2013-19 (for Headquarters) and Manpower Developer 2016-20 (for the Group), issued by the Employees Retraining Board 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 that 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. No material non-compliance in relation to laws and regulations regarding prevention of child and forced labour was recorded during reporting period.

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; and
- Adopt effective monitoring system and management control, to spot and avoid corruption, fraud and other misconduct in procurement and tendering processes.

The Group ensures that 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 according to the agreement, to ensure that product quality tallies with provided description. The Group purchased from more than 60 major suppliers from Hong Kong.

(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. No major non-compliance with laws and regulations in relation to intellectual property rights was recorded during the reporting period.

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. It abides by the Personal Data (Privacy) Ordinance of the Laws of Hong Kong when collecting information.

Employees and related persons handling the Group's price-sensitive or any confidential information (including customer 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, and civil and criminal penalties including heavy fines and imprisonment. No material non-compliance with laws and regulations in relation to confidentiality and customer data protection was recorded during reporting period.

(iii) Anti-corruption

Conflict of interest exists when personal interest is in contrary or in 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 are 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 retaliate 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 protect the environment.

(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 the 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	Issued to
Caring Company 2008-18 10 Years+ Award		The Group
Caring Company 2012-18 5 Years+ Award	HKCSS	Headquarters
Business for Sustainability 2017-2018		The Group
The 8th Hong Kong Outstanding Corporate Citizenship Logo (SME Category)		
The 8th Hong Kong Outstanding Corporate Citizenship Logo (Volunteer Team Category)	HKPC	The Group and Headquarters
Social Capital Builder Award 2016-2018	-	





(ii) Donation to the Community Chest Green Day 2017

Promoting a green lifestyle is essential to a sustainable future. The Community Chest Green Day 2017 ("Green Day 2017") 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 25th and 26th June 2017. The Group participated the Green Day event for 10 consecutive years and donated a sum of HKD4,305 (HKD2,870 by staff and HKD1,435 by the Group) to the Green Day 2017.

(iii) Donation to the Community Chest Dress Casual Day 2017

The Community Chest Dress Casual Day 2017 ("Dress Casual Day 2017") has been a popular fund-raising event in which donors could wear their casual outfit to work or school. Fund raised from the day will go to 161 social welfare agencies supported by the Community Chest of Hong Kong. On 12 October 2017, the Group donated a sum of HKD5,000 (HKD2,500 by staff and HKD2,500 by the Group) to the Dress Casual Day 2017.

(iv) Voluntary Haircut Services

The Group utilizes its talents to provide voluntary haircut services to children in Po Leung Kuk community centres. In 2017, it provided 4 sessions of voluntary hair cut services to 140 children and teenagers aged from 3 to 16 years old. Free snacks and drinks were also provided to the participated volunteers, children and teenagers.



(v) Charitable Giving and Donations

The Group adheres to the value of sharing, especially to the community in need. In the reporting period, the Group donated over 296 various goods including clothes, accessories, stationaries, containers and toys to the Salvation Army and Po Leung Kuk.

With the tragic news of Yau Siu-ming, a Hong Kong fireman who died rescuing hikers on Ma On Shan in March 2017, employees of the Group donated a total of HKD3,700 to the Welfare Section of the Hong Kong Fire Services Department to send their support and condolences to Yau's family.



(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 1 April 2017, the Group organized a site visit to the Wan Chai Environmental Resource Centre for children aged from 6 to 14 years old. This educates the culture of green living and the awareness on environmental protection among youth. On 15 August 2017, the Group also organized a visit to My Cup Noodles Factory, which children aged from 6 to 14 years old can create their original Cup Noodles package, unleashing their creativity. This was followed by lunch and an entertainment session of movie watching. With the assistance of staff from the Group and Po Leung Kuk, there were 32 children participating in the two visits. The Group spent more than HKD10,000 on admission fees, hospitality and transportation fees of the two events.

(vii) Green Monday Campaign

The Group proactively promotes the Green Monday's campaign of which staff should choose 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.

Century Legend (Holdings) Limited



Corporate Citizenship Logo – Volunteer Category



Corporate Citizenship Logo – SME Category



Good MPF Employer Award



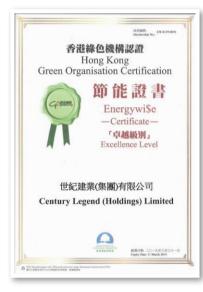
Social Capital Builder Award



Manpower Developer Award

Century Legend (Holdings) Limited







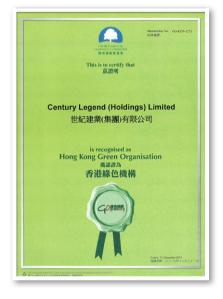
Wastewi\$e Certificate - Excellence

Energywi\$e Label - Excellence

Caring Company 10 years+



Business for Sustainability Logo



Green Organisation Award

Headquarters Limited







Caring Company 5 years+

Good MPF Employer Award

Manpower Developer Award



Social Capital Builder Award



Wastewi\$e Certificate - Excellence

Headquarters Limited



Corporate Citizenship Logo – Volunteer Category



Corporate Citizenship Logo – SME Category

