



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

Stock Code: 00079

2020

Environmental, Social and Governance Report



\* For identification purposes only

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## ABOUT THIS REPORT

This is the fifth Environmental, Social and Governance (“ESG”) Report (the “Report”) by Century Legend (Holdings) Limited (the “Company”), together with its subsidiaries (collectively referred to as the “Group” or “we”), presenting and highlighting its ESG initiatives plans and performances.

## SCOPE AND REPORTING PERIOD

The principal activities of the Group are property investment, operation of a hair salon and hospitality services in Hong Kong.

The Report covers the period from 1 January 2020 to 31 December 2020 (“Reporting Period”). Unless otherwise stated, the scope of the Report covers the major business segments and operations of the Group, including:

- (i) Head office in Wan Chai;
- (ii) Hair salon in Central under the brand name of “Headquarters” (“Headquarters”);
- (iii) Guesthouse in North Point under the brand name of “Homy Inn”; and
- (iv) Guesthouse in Sheung Wan under the brand name of “Homy Central” (collectively referred to as the “Guesthouses”).

The business segment of hospitality services commencing businesses in December 2019 came in a full year operation, and it will be one of the key directions in the Group’s future business development according to the Annual Report 2020. Considering its importance and development, the Group decided to include the hospitality service business in its ESG report to present its ESG performance in a more comprehensive manner.

## REPORTING STANDARD

This report is in full compliance with the “Comply or explain” provisions and with reference to the “recommended disclosures” of the “Environmental, Social and Governance Reporting Guide” as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## REPORTING PRINCIPLES

The following four reporting principles underpinned the preparation of the Report:

Materiality	Material ESG issues have been identified by the Group through stakeholder engagement and consideration of business nature and development.
Quantitative	Key performance indicators (“KPIs”) and comparative figures have been disclosed in a quantitative manner where appropriate.
Balance	An unbiased picture of the Group’s performance is provided: the ESG issues that have significant impact on the Group’s business have been identified and disclosed in the Report.
Consistency	Consistent statistical methodologies have been applied for meaningful comparisons of ESG data over time.

## STAKEHOLDER ENGAGEMENT

The Group values feedback from its stakeholders as they bring potential impact to the Group's business. Internal and external stakeholders share their views on the Group's operation and performances through following regular engagement activities:

Stakeholders	Regular engagement activities
Employees	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Performance assessment</li> <li>• Staff activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Daily operations and interactions</li> <li>• Customer service hotline</li> </ul>
Shareholders/investors	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual reports, financial reports and announcements</li> <li>• Websites</li> </ul>
Suppliers/business partners	<ul style="list-style-type: none"> <li>• Performance reviews</li> <li>• Visits and meetings</li> </ul>
Government bodies	<ul style="list-style-type: none"> <li>• Qualification assessment</li> <li>• Direct communication</li> </ul>
Public and media	<ul style="list-style-type: none"> <li>• Websites</li> <li>• Mass media</li> </ul>

## COMMUNICATION WITH STAKEHOLDERS

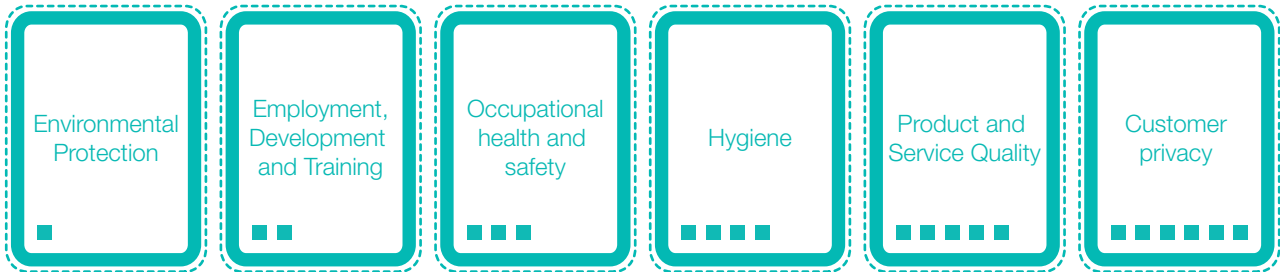
The Group values the opinion of all stakeholders on our ESG approach and performance. Stakeholders are welcomed to give their suggestions or share their views with us through the following channels:

Email: [info@clh.com.hk](mailto:info@clh.com.hk)

Company website: <http://www.clh.com.hk/html/contact.php>

## MATERIALITY ASSESSMENT

During the Reporting Period, the Group has specifically engaged its internal stakeholders to gain further insights on material ESG aspects and challenges. Through meetings and surveys, the Group and its stakeholders identified the following top six material aspects:



The Board of Directors of the Group (the “Board”) understands that it has overall responsibility for the Group’s ESG strategy and reporting. ESG-related risks are identified through the risk control procedures and the identified material aspects are strictly managed through the Group’s policies and guidelines. These identified material aspects will be disclosed in a focused manner in this Report.

The Group is committed to continuously identify areas of improvement for the concerned aspects and keep close communication with its stakeholders to share ideas for advancing the Group’s ESG management.

## THE GROUP’S SUSTAINABILITY VISION

Being a member of the Chamber of Hong Kong Listed Companies and the Hong Kong General Chamber of Commerce, Century Legend (Holdings) Limited performs its corporate responsibility and makes the following commitments to promote long-term sustainability of its businesses and the communities:

- Manage business prudently and execute management decisions with due care and attention;
- Act in an environmentally responsible manner;
- Improve daily operation procedure and practice to enhance the efficiency of use of resources and reduce waste;
- Operate as a socially responsible company across all of its business operations; and
- Disclose its ESG performance every year.

## CHAIRMAN'S STATEMENT REGARDING SUSTAINABILITY

As a corporate citizen, the Group is responsible for not only achieving reasonable return for its shareholders and stakeholders, but also conservating the environment and contributing to the society. Therefore, the Group is devoted in implementing different initiatives to achieve its sustainability goals.

Apart from profit maximization and environmental protection, the Group considers employees as its indispensable asset and emphasizes the development of each employee. Century Legend (Holdings) Limited was awarded as "Manpower Developer 2016-22" and was also presented with certificates for "Good MPF Employer Award" in recognition of its support on employees' retirement protection.

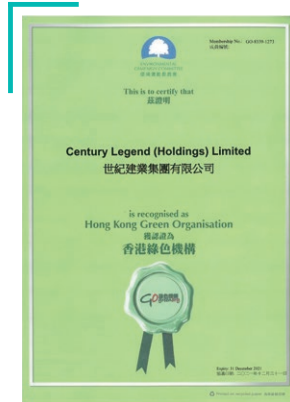
To demonstrate its efforts for the community, the employees and the environment, the Company was honoured as a "Caring Company" by the Hong Kong Council of Social Services ("HKCSS") for 13 consecutive years. The Group is committed to continuously devote resources to the sustainable development of the society in future.

## AWARDS & CERTIFICATES

To demonstrate their effort in performing sustainability, the Company and Headquarters have obtained various awards and certificates in environmental and social aspects during the Reporting Period.

### Environmental aspect

The Company



Hong Kong Green Organisation Certification



Hong Kong Awards for Environmental Excellence Participation Certificate



Energywi\$e Label – “Class of Excellence”



Wastewi\$e Label – “Class of Excellence”

Headquarters



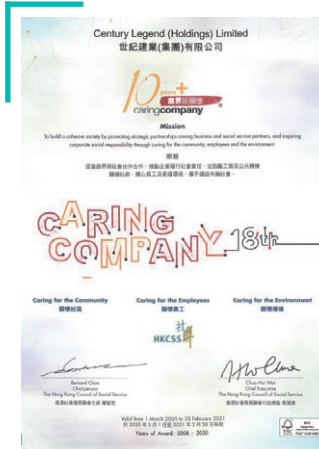
Hong Kong Awards for Environmental Excellence Participation Certificate



Wastewi\$e Label – “Class of Excellence”

## Social aspect

### The Company



Caring Company 2008-20 – “10 years+” logo



Good MPF Employer Award



Social Capital Builder Logo Award



Manpower Developer Award



Happy Company Award



Headquarters



Caring Company 2012-20 – “5 years+” logo



Good MPF Employer Award



Partner Employee Award



Social Capital Builder Award



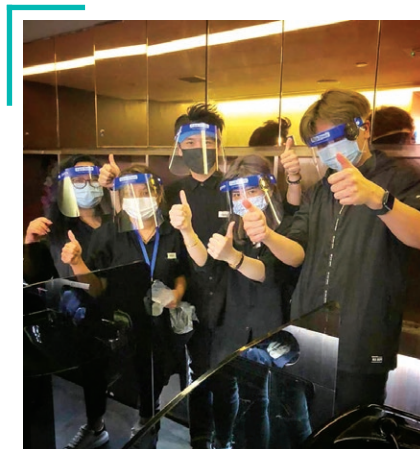
Happy Company Award

## FIGHT AGAINST COVID-19

In view of the outbreak of coronavirus disease (COVID-19) in Hong Kong, anti-epidemic is one of the Group's key issues in 2020. The Group placed great concerns on anti-Epidemic arrangements and implemented different measures to provide safe and hygienic working environment for employees.

Due to the nature of hair salon operation, employees have face-to-face contact with customers, the Group has adopted anti-Epidemic hygiene measures on following areas to ensure the safety and healthy working environment:

Workplace	Headquarters has applied the technology of Germagic™ Thyme, a germicidal technology for long lasting disinfection and protection from harmful active bacteria and viruses, for its sanitization. Germagic™ Thyme was found to be effective against Feline calicivirus (FCV). According to US EPA's "Guideline to Registrants: Process for Making Claims Against Emerging Viral Pathogens Not on EPA-Registered Disinfectant Labels", being able to inactive FCV is equivalent to being able to inactive emerging coronaviruses, i.e. SARS-CoV-2 (COVID-19 virus). Besides, it has been verified to be safe and effective, and is also a Hong Kong Eco Mark as well as Made in Hong Kong Mark product.
Employee health	All employees are arranged to undergo a polymerase chain reaction-based nucleic acid test for COVID-19 in every 14-day period. The specimen collection packs were centrally provided, collected, and submitted to the testing centre by Headquarters.
Work practice	All employees are required to wear surgical mask at all times except mealtime.
Meal arrangement	Different mealtime slots are arranged to employees. No more than 2 staff are allowed in each time slot.



The Group has considered that vaccination is one of the most effective anti-epidemic measures. As at the publication of this Report, the Group supported and encouraged employees to get vaccinated by providing holidays and cash rewards as recognition and support to employees' health. Besides, Headquarters has obtained the certification of Anti-Epidemic Hygiene Measures Certification Scheme from Hong Kong Quality Assurance Agency ("HKQAA") to demonstrate its effort to maintain high standard of precautionary measures for providing a safe and comfortable environment for our customers and employees.



## 10 Hygiene Measures

- Implement body temperature screening of all staff. All staff shall wear a surgical mask. Staff with fever shall refrain from work.
- Implement body temperature screening of all customers and all customers must wear a surgical mask. Those with fever should be denied entry.
- Maintain good ventilation and ensure the air-conditioning system is functioning well with sufficient fresh air supply. Clean the air filter and ducting regularly.
- Clean and wipe areas with frequent access by member of the public (e.g. reception, corridor, waiting areas) at least twice daily with 1 in 99 diluted household bleach or equivalent disinfectant or higher standard to disinfect, and then rinse with water and wipe dry. For metallic surfaces, disinfect with 70% alcohol or equivalent disinfectant or higher standard.
- Clean and disinfect frequently touched surfaces (e.g. door handle, chairs, commonly shared items and floor) with 1 in 99 diluted household bleach or equivalent disinfectant or higher standard to disinfect, and then rinse with water and wipe dry. For metallic surfaces, disinfect with 70% alcohol or equivalent disinfectant or higher standard.
- Replace linen and towels between customers, and properly clean and disinfect instruments and equipments after use.
- Provide hand hygiene amenities, such as 60-80% alcohol-based hand sanitiser, in public areas for staff and customers to use.
- Display visible notice or poster to remind staff and visitors to maintain good personal hygiene.
- Clean up rubbish that being discarded in the rubbish bin every day.
- Keep toilets clean regularly. Ensure the flushing system and hand hygiene machines (if applicable) are in proper function. Ensure the water traps are filled with water (including U-shaped water trap, bottled trap or anti-siphonage trap), and provide liquid soap and disposable paper towels or hand hygiene machines for hand washing.

## Additional Hygiene Measure

- Regular disinfection and sterilization coating



# Environmental

## A. ENVIRONMENTAL

### A1. Emissions

Environmental protection is considered as one of the material aspects of the Group. Although the business nature and operations do not have significant direct impact on the environment, the Group has always been committed to promoting environmental protection through improving the operation practices to reduce carbon footprint.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to air emission, greenhouse gas (“GHG”) emission, discharges into water and land, and generation of hazardous and non-hazardous wastes that would have a significant impact on the Group, such as Cap. 311 Air Pollution Control Ordinance and Cap. 354 Waste Disposal Ordinance of the Laws of Hong Kong.

# Environmental

## A1.1. Air Emissions

The primary sources of air emissions were the towngas consumption in the Group's hair salon and hospitality services operations and the petrol consumption of vehicles. During the Reporting Period, the air pollutants emission was as follows:

Pollutants	Unit	2020	2019
Nitrogen Oxides (NO <sub>x</sub> )	Kg	3.67	3.01
Sulphur Oxides (SO <sub>x</sub> )	Kg	0.06	0.09
Particulate Matters (PM)	Kg	0.12	0.20

Note:

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

## A1.2. Greenhouse Gas Emissions

Fuel and electricity consumption were the main sources of the Group's GHG emission. The Group has launched energy saving initiatives to minimise its GHG emission. During the Reporting Period, the GHG emission was as follows:

GHG Emissions	Unit	2020	2019
<b>Scope 1 Direct Emission</b>			
Towngas consumption	tonnes of CO <sub>2</sub> e	27.15	4.05
Mobile combustion of petrol in vehicles	tonnes of CO <sub>2</sub> e	10.05	17.06
Subtotal	tonnes of CO <sub>2</sub> e	37.20	21.11
<b>Scope 2 Energy Indirect Emission</b>			
Purchased electricity and towngas	tonnes of CO <sub>2</sub> e	273.12	72.75
Total GHG emissions	tonnes of CO <sub>2</sub> e	310.32	93.86
GHG emission intensity	tonnes of CO <sub>2</sub> e/ million revenue (HKD)	9.70	3.35

Note:

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

The GHG emissions from Scope 1 Direct Emission – Towngas consumption and Scope 2 Energy Indirect Emission have increased sharply when compared to the last Reporting Period due to the electricity and towngas usage of the newly added hospitality services segment. Meanwhile, with the Group's effort in promoting environmental protection, the GHG emission from Scope 1 – mobile combustion of petrol in vehicles has been reduced significantly.

# Environmental

## A1.3. Hazardous Waste

During the Reporting Period, no chemical waste was generated by the Group due to chemicals were all consumed in operation.

The Group has established the following guidelines on handling of the contaminated and electronic waste:

Contaminated waste	Contaminated wastes such as used dye containers and hair spray bottles are placed into labelled receptacles lined with plastic and covered with close-fitting lids.
Electronic waste	A total of 0.06 tonnes of waste electrical and electronic equipment including desktops, monitor, television, etc. were collected (intensity: 1.82 kg/million revenue in HKD) and recycled by I.T.C Recycle.

## A1.4. Non-hazardous Waste

Municipal waste and paper are the main types of waste generated by the Group's hair salon and hospitality services operations. All non-hazardous waste except general wastes produced by Guesthouses' customers were recycled. All wastes are collected by the Building Management Offices. Other recyclable materials (including waste packaging and raw materials) were collected either by recyclers or suppliers.

During the Reporting Period, the summary of non-hazardous waste performance as follows:

Non-hazardous waste generated	Unit	2020	2019 (Note 2)
Paper	Tonnes	1.84	1.70
Aluminium Cans	Tonnes	0.01	0.02
Plastic bottles	Tonnes	0.01	0.01
Glass bottles	Tonnes	0.08	0.02
General waste produced by Guesthouses' customers (Note 3)	Tonnes	2.39	N/A
Total non-hazardous waste generated	Tonnes	4.33	1.75
Intensity	Tonnes/ million revenue (HKD)	0.14	0.06

Notes:

1. Emission factors were made by reference to Appendix 27 to the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.
2. All the figures of 2019 did not include the waste generated from the segment of hospitality services due to it has been added to the ESG reporting scope in the Reporting Period.
3. General waste includes disposable slippers, tissues and other general wastes produced by guests.

# Environmental

## A1.5. Measures to Mitigate Emissions

The Group implements below energy-saving initiatives to mitigate emissions:

- Switch off lightings and air conditioners when rooms are not in use;
- Adopt energy-efficient lightings; and
- Keep moderate temperature of air-conditioning.

## A1.6. Waste Handling and Reduction Initiatives

The Group adopts several initiatives to promote environmental protection in its operation. With their effort in waste handling and reduction, the Company and Headquarters received the “Class of Excellence” for Wastewi\$e Label.

### *Waste Recycling*

Paper, plastics and aluminium cans are collected separately for recycling in its daily operations. Waste of electronic appliances, computer accessories and furniture are either collected by recycling company or donated to charitable organizations if they are in good condition.

### *Paper Waste Reduction*

Paper saving initiatives are promoted and adopted by the Group in its daily operations to reduce the paper usage and waste:

Reduction	<ul style="list-style-type: none"> <li>• Adopt duplex printing.</li> <li>• Set duplex printing as default setting in printers.</li> <li>• Choose electronic bills instead of paper bills whenever possible. For example, the Group receives bills on utility services and circulars from Building Management Office through email.</li> </ul>
Reuse	<ul style="list-style-type: none"> <li>• Use recycling paper to print internal documents.</li> </ul>
Recycle	<ul style="list-style-type: none"> <li>• Waste paper is collected by the Building Management Office for recycling.</li> </ul>

With the Group’s effort in enhancing paper recycling, 1.84 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 8.83 tCO<sub>2</sub>e of carbon emission.

# Environmental

## A2. Use of Resources

Energy saving is one of the Group's main concerns in promoting environmental protection. The Group adopted energy and water efficiency initiatives which adheres to the "3R" principle (Reduce, Reuse, Recycle) and encouraged employees to reduce waste at source, sort waste for recycling and save energy.

### A2.1. Energy Consumption

During the Reporting Period, the electricity and fuel consumption was as follows:

Energy Consumption Sources	Unit	2020	2019
Electricity	MWh	341.23	89.83
Petrol	MWh	34.40	61.06
Towngas	MWh	141.84	21.15
Total Energy Consumption	MWh	517.47	172.04
Consumption Intensity	MWh/ million revenue (HKD)	16.17	6.14

Note:

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

With the Group's effort in promoting environmental protection and energy saving, the consumption of petrol has been reduced significantly when compared to that of 2019. The electricity and towngas consumption have increased sharply due to the newly added hospitality services segment.

### A2.2. Water Consumption

During the Reporting Period, the water consumption was as follows:

	Unit	2020	2019
Water	m <sup>3</sup>	5,754.19	907
Intensity	m <sup>3</sup> / million revenue (HKD)	179.82	32.39

The Group strives to conserve water effectively. The water consumption has increased sharply when compared to the last Reporting Period due to the segment of hospitality services has been newly added to the scope of the Report. The Report only shows the water consumption of Headquarters and Guesthouses 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.



# Environmental

## A2.3. Energy Use Efficiency Initiatives

The Company adopted different initiatives to enhance energy use efficiency in its operation and received the “Class of Excellence” for Energywi\$e Label with its effort in energy conservation.

In hair salon operation, Headquarters uses LED lightings in the shop. In hospitality service business, Guesthouses start replacing traditional lightings by LED lightings and plan to complete the replacement in coming years to enhance the electricity efficiency.

Besides, employees are encouraged to take more steps to reduce energy consumption in daily office operations. For example, they are reminded to reduce the standby power use for office equipment including copier, paper shredder, monitor, water dispenser, and unplug all the switch before weekends and holidays.

## A2.4. Water Use Efficiency Initiatives

The Group continuously monitors the water usage and explores any means to enhance the water use efficiency. Headquarters added water pump to increase the pressure of water and improve the water flow in its operation.

Due to its business natures and geographical locations, the Group had no issue in sourcing water that is fit for purpose.

## A2.5. Packaging Materials

Due to its business natures, the Group had not involved in the consumption of packaging materials during the Reporting Period.

## A3. The Environmental and Natural Resources

### A3.1. Significant Impact of Activities on the Environment

The Group strives to minimise its impact on the environment through promoting environmental protection and adopting various energy saving initiatives. To demonstrate its effort, the Company obtained the “Class of Excellence” for Energywi\$e Label, the “Class of Excellence” for Wastewi\$e Label, the Hong Kong Green Organisation Certification and the Hong Kong Awards for Environmental Excellence — Appreciation Certificate from the Environmental Campaign Committee.

The Group understands that its operation contributed to the emission of air pollutant and greenhouse gas as well as generation of non-hazardous waste, although its business does not cause significant pollution to the environment. Therefore, the Group adopts the aforementioned initiatives to reduce emissions and waste, and increase the efficiency of energy use. Those measures not only reduce adverse impacts of the Group to the environment, but also improve its daily operation procedures.



## B. SOCIAL

### 1. Employment and Labour Practices

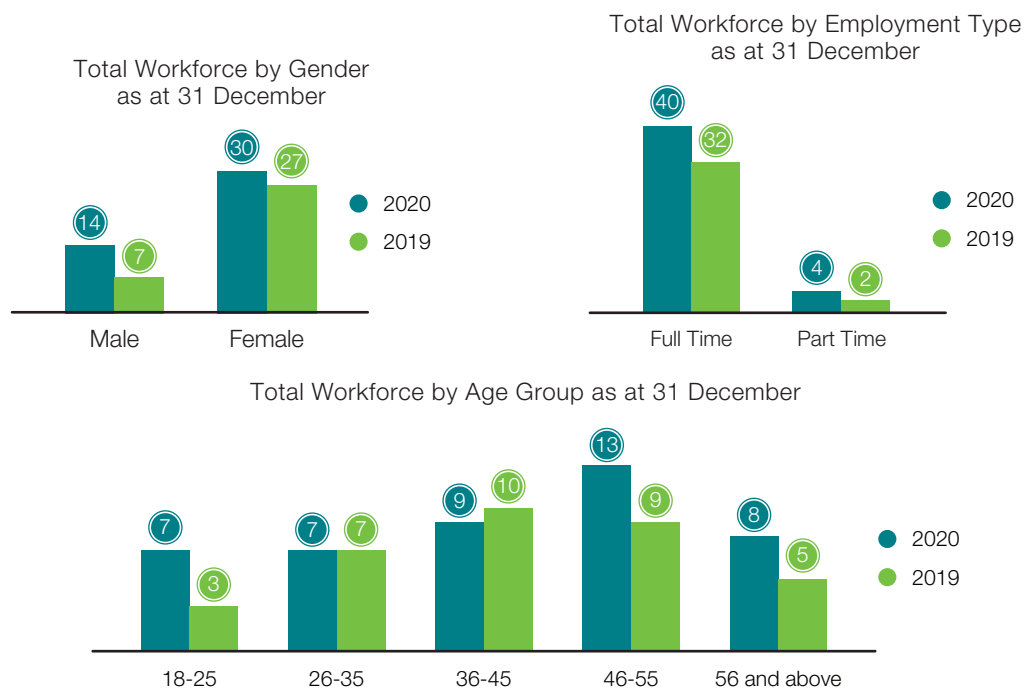
#### B1. Employment

The Group considers employee as an indispensable element to its business and sustainable development.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that would have a significant impact on the Group, such as Cap. 57 Employment Ordinance and Cap. 485 Mandatory Provident Fund Schemes of the Laws of Hong Kong.

#### Total Employees

As at 31 December 2020, the Group had a total of 44 employees. All employees are based in Hong Kong.



Employees' handbook clearly states their working hours and days according to the position rankings. Flexible working hours are allowed depending on nature of different positions.

# Social

## Turnover

The annual turnover rate in the Reporting Period was 9%, in which the rates categorized by gender and age group were:

Annual Turnover Rate	2020	2019
By gender		
Male	14%	14%
Female	7%	19%
By age group		
18-25	29%	67%
26-35	29%	43%
36-45	0%	0%
46-55	0%	0%
≥ 56	0%	20%

## Benefits and Welfare

The Group offers competitive remuneration packages to employees. The remuneration is composed of basic salary and discretionary bonus according to the performance of the Group and employees. Annual appraisal is conducted to review employees' performance and adjust salary package. Quarterly bonus is offered to hair salon apprentices with outstanding performance.

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, birthday and study leave. On top of the statutory requirement, the Group places high value on employees' retirement needs and makes voluntary contributions to the MPF to enhance retirement protection of employees. Both the Company and Headquarters received the Good MPF Employer Award presented by the Mandatory Provident Fund Scheme Authority.

In addition, the Group provides diversified allowances and benefits to employees:

- Employees work overtime can apply for meal allowance, transportation reimbursement and shortened working hours on the following day as stated in the employees' handbook.
- Staff can leave earlier for celebration on festival eve, such as Chinese New Year's Eve, Mid-Autumn Festival, Winter Solstice, Christmas's Eve and New Year's Eve.

# Social

## *Equal Opportunity and Diversity*

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.

Prohibition against sexual harassment is clearly stated in the employees’ handbook. 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.

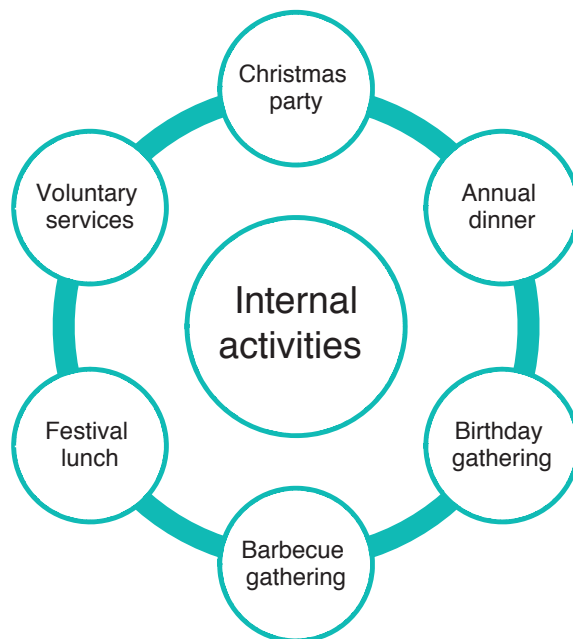
During the Reporting Period, Headquarters received the Partner Employer Award 2020 – Appreciation Certificate by the Hong Kong General Chamber of Small and Medium Business to recognize its effort in promoting the equal working opportunity through employing the elderly and the minorities.

## *Communication with Employees*

The Group values employees’ opinion and communicates with employees through different channels, such as notices, memos, emails, and lunch meetings.

Furthermore, 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.

In order to actively engage employees and enhance their sense of belonging, the Group organizes various internal activities on a regular basis. Due to the outbreak of COVID-19, the Group postponed or canceled the internal activities to ensure employees’ health and safety in the Reporting Period. The Group’s regular internal activities include:



To enhance stability of the Group’s quality workforce, the Group is committed to continuously providing a safe, healthy and harmonious working environment to employees in future.

# Social

## B2. Employee Health and Safety

### *Occupational Health and Safety*

The Group ensures that safety is placed at the top priority in its operation and is committed to providing a safe, healthy and hygienic working environment to its employees. To demonstrate its effort in providing a pleasant working environment to employees, the Company and Headquarters received the Happy Company Award from Hong Kong Promoting Happiness Index Foundation.

The Group has established standard procedures for handling of work-related injuries:

Within 24 hours	Employees involved in work-related injuries shall inform their Department Heads or Human Resources Department and seek medical consultation in nearby hospitals or clinics.
Within 48 hours	Human Resources Department shall complete and submit the work injury report to the Labour Department and insurance company for related compensation after employees obtained the sick leave certificates.

Due to hair salon operation is a potential area for infection, the Group 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. For example, proper procedures for cleaning blood contaminated equipment, handling and disposal of sharp equipment, handling of wounds, serving food and drinks, and handling of waste.

During the Reporting Period, the Group was not aware of any work-related fatality, lost days due to work injury as well as material non-compliance with laws and regulations in relation to occupational health and safety that would have a significant impact on the Group, such as Cap. 95 Fire Services Ordinance and Cap. 509 Occupational Safety and Health Ordinance of the Laws of Hong Kong.

# Social

## B3. Development and Training

The Group views employees' continuing professional development as an indispensable element for its sustainable development. The Company received the award of Manpower Developer 2016-22, issued by the Employees Retraining Board, demonstrating its outstanding achievements in manpower training and development.

The training and development data of the Group in the Reporting Period as follows:

<b>Training and Development</b>	<b>2020</b>
<b>Total number of employees</b>	24
<b>Total training hours</b>	327
<b>Percentage of employees trained by Gender</b>	
– Male	50%
– Female	57%
<b>Percentage of employee trained by Employee Category</b>	
– Senior and Middle Management	29%
– Frontline and other employees	67%
<b>Average training hours of employee by Gender</b>	
– Male	14.79
– Female	4
<b>Average training hours of employee by Employee Category</b>	
– Senior and Middle Management	4.29
– Frontline and other employees	8.90

Various on-the-job training and development opportunities are provided to employees to ensure that they have all necessary job-related knowledge and skills.

# Social

The Group believes trainings not only stimulate employees' motivation and unleash their potential in different aspects, but also benefit the Group through effective allocation of work opportunities among employees based on their abilities. Therefore, training courses cover different topics are provided:



In hair salon operation, Headquarters organizes a model night on a regular basis to provide a training session to apprentices to enhance their job-related skills. In addition, apprentices have assigned and rotated to different position to learn various skills, such as hairstyling and hair dying, to have all-rounded development. Besides, Headquarters also establishes a rigorous and comprehensive promotion system. Apprentices have to pass several internal exams before promotion. They will be assessed by the senior Hair Stylists in tests and to be approved by the Director's team for final decision of being promoted to Hair Stylist.

Besides the on-the-job training, the Group also encourages and supports employees to pursue higher qualifications by providing opportunities for professional continuous development and subsidizes professional examinations.

## B4. Labour Standards

The Group fully complies with Cap.57 Employment Ordinance of the Laws of Hong Kong, any child labour and forced labour is strictly prohibited in its operation.

During the recruitment process, the Group strictly complies 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. Applicants are required to sign a declaration for provision of true and correct information on the Job Application Form. Human Resources Department will ensure that identity documents and relevant certificates are checked.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to prevention of child and forced labour that would have a significant impact on the Group.

# Social

## 2. Operating Practices

### B5. Supply Chain Management

The Group had more than 60 major suppliers from Hong Kong during the Reporting Period (2019: more than 60 suppliers).

The Group is aware of supply chain management's impacts on its business performance and strives to consider and assess the environmental and social risks of suppliers in selection process.

The Group's code of conduct clearly states the principles in purchasing and tendering. The following principles shall be followed in supplier selection process:

- 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.



# Social

## B6. Product Responsibility

### *Product and Service Assurance*

Product and service quality is considered as one of the material topics. The Group is committed to provide high quality and standard of the products and services to its customers, and it has not received any complaint during the Reporting Period.

Hair salon operation

Headquarters selected and promoted eco-friendly, herbal and natural products instead of product having high concentration of chemical composition to its customers to avoid and reduce the negative impact of chemical composition on their health. For instance, Headquarters offers hair dye containing low ammonia and coenzyme technology products to reduce the damage on customers' hair during hair dying process.

Hospitality service operation

Guesthouses strive to provide good quality and attentive services to customers.

#### i. Good quality of properties and facilities

The Guesthouses consider areas of design, structure, fire precautions, health, sanitation and safety, and comply with Cap. 123 Buildings Ordinance, Cap. 95 Fire Services Ordinance and Cap. 371 Smoking (Public Health) Ordinance of the Laws of Hong Kong. Following practices have been implemented:

- To ensure safety devices and systems are in place. such as smoke detectors, automatic sprinkler system and fire extinguishers;
- To ensure clear indications of exit signs and emergency exit plans have been posted behind each room's door; and
- To have regular checks on safety facilities. For example, fire alarm testing is conducted annually.

#### ii. Attentive service

Besides building quality, the Guesthouses aim to provide customer-oriented services. As customers' feedbacks are valuable to the continuous improvements, the Guesthouses welcome and encourage customers to express their opinions through different channels, such as fill the feedback card placed in each room and approach the staff directly.

# Social

## *Intellectual Property Rights*

Intellectual Property is viewed as important asset of the Group. Any assets of the Group, including but not limited to materials and information for official purposes, shall not be taken or copied for personal purposes without authorization. Such violation is an offence under Cap. 210 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.

The Group was not aware of any material non-compliance with laws and regulations in relation to intellectual property rights that would have a significant impact on the Group during the Reporting Period.

## *Data Protection and Privacy*

The Group strives to protect and safeguard its customers' personal data and takes appropriate steps to prevent any leakage or loss of sensitive information.

In hospitality services operation, the Guesthouses handle documents related to customers privacy in a cautious manner. Only authorized staff can access to the Customers' information in the check in system, and all printed documents of guest information are stored in enclosed cabinet.

Besides safeguarding customers' privacy, the Group at any time protects employees' privacy. The Group maintains high confidentiality of their personal data and records and avoids obtaining unnecessary personal information from employees. It abides by Cap. 486 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.

The Group was not aware of any material non-compliance with laws and regulations in relation to data protection and privacy that would have a significant impact on the Group during the Reporting Period.

## *Advertising and Labelling*

In hospitality services operation, the Guesthouses utilizes online platforms through its official website and the Online Travel Agencies (the "OTA"), such as Agoda, for the sales and marketing.

The Group did not have any misleading information about its service or products that has been publicized during the Reporting Period.

# Social

## B7. Anti-corruption

The Group is committed to maintaining a high standard of business integrity and ensuring no conflict of interest is involved in its operation. 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, friends or any person to whom he owes a favour or is obliged in any way. The Group's code of conduct clearly states that staff is required to obtain approval from the company's executive committee in all conflict of interest situations.

Pursuant to Cap. 201 Prevention of Bribery Ordinance of the Laws of Hong Kong and according to the Group's code of conduct, all forms of bribery, extortion, fraudulent, money laundering and corruption activities are strictly prohibited.

### *Whistle-blowing policy*

The Group has established whistle-blowing policy 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. The following procedures are clearly stated in its whistle-blowing 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.

No concluded legal case regarding corrupt practices brought against the Group or its employees was reported, and the Group was not aware of any material non-compliance with laws and regulations in relation to bribery, extortion, fraud and money laundering that would have a significant impact on the Group during the Reporting Period.

## 3. Community

### B8. Community Investment

The Group takes up its corporate responsibility and actively engages in community services, especially in helping the vulnerable groups, supporting environmental protection management and promoting green lifestyles. Besides donation, the Group encourages staff and gathers voluntary service groups to contribute to the community.

# Social

## *Community Contribution recognition*

Apart from being recognized for the Group's environmental excellence in the aspects of energy and waste by the Environmental Campaign Committee, with the Group's effort in caring its employees, serving the community and promoting sustainability, the Group also received various awards on corporate's social responsibility and sustainability in the Reporting Period:

Awards/Logo Received	Issued by	Issued to
Caring Company 2008-2020 10 Years+ Award	Hong Kong Council of Social Service	The Company
Caring Company 2012-2020 5 Years+ Award		Headquarters
Social Capital Builder Logo	The Labour and Welfare Bureau and the Community Investment and Inclusion Fund Committee	The Company and Headquarters
Partner Employer Award 2020	The Hong Kong General Chamber of Small and Medium Business	Headquarters

## *Donation and voluntary services*

The Group encourages and supports its staff to contribute to the community through cash and resource donation and voluntary services.

During the Reporting Period, the Company and Headquarters supported following organizations through cash and goods donation:

Cash Donation	Goods Donation
The Community Chest of Hong Kong – Green Low Carbon Day	The Salvation Army
The Community Chest of Hong Kong – Dress Casual Day 2020	Heritage Baptist Church (Sham Shui Po)
Po Leung Kuk	Po Leung Kuk

i. Donation to the Community Chest Green Low Carbon Day

The Community Chest of Hong Kong organized The Green Low Carbon Day to promote a low-carbon lifestyle. Participants were encouraged 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 28 and 29 June 2020.

The Group participated the Green Day event for more than 11 consecutive years and encouraged its staff to donate and support the event.

# Social

## ii. Donation to the Community Chest Dress Casual Day 2020

The Community Chest Dress Casual Day 2020 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 165 social welfare agencies supported by the Community Chest of Hong Kong. The Group and its staff participated and donated to the Dress Casual Day 2020.

## iii. Donation and Voluntary Haircut Services to Po Leung Kuk

Besides cash donation, the Group donated children's masks to Po Leung Kuk in assisting children to fight against the epidemic. The Group also donated stationeries and Christmas gifts to Po Leung Kuk.

In addition, Headquarters utilizes its talents to provide voluntary haircut services to children in Po Leung Kuk community centres. During the Reporting Period, voluntary hair cut service was provided to 11 children and teenagers aged from 6 to 16 years old. Free snacks and drinks were also provided to the participated volunteers, children, and teenagers.



## iv. Charitable Giving and Donations

The Group adheres to and promotes the value of sharing, especially to the community in need. During the Reporting Period, the Group donated over 160 clothes to the Salvation Army. Besides, the Group also donated office chairs to Heritage Baptist Church (Sham Shui Po).

## FUTURE DIRECTIONS FROM THE GROUP

The Group is committed to fulfilling its corporate responsibilities and serve the community to the best of its abilities in the future. The Group will also strive to achieve better allocation of resources in the perspective of providing supports to the community in need and pursuing environmental protection, as well as contributing to the sustainable development of the society.

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