

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

According to the requirements set forth in the ESG Guide under Appendix 27 of the Listing Rules, the Group hereby presents the Environmental, Social and Governance (“ESG”) report for the year ended 31 December 2019 (“Reporting Period”).

SCOPE OF REPORT

This report covers the Group’s business activities of subsidiaries in Hong Kong, which represent the Group’s major source of investment and income. The ESG data that the Group has direct access to and is under the Group’s direct operational control has been included in this report.

MATERIALITY ASSESSMENT

To identify the ESG issues relevant to the Group, we engaged our Management and staff to review our operations. Subsequently, the identified ESG issues have been assessed by considering their importance to our stakeholders as well as our Group. The ESG issues considered to be material are listed below:

ESG aspects as set forth in ESG Guide	Material ESG issues for the Group
A. Environmental	
A1 Emissions	Waste management and carbon emissions
A2 Use of resources	Use of electricity
A3 The environment and natural resources	Not applicable
B. Social	
B1 Employment	Equal opportunity and diversity
B2 Health and safety	Health and safety workplace
B3 Development and training	Staff development and training
B4 Labour standards	Anti-child and forced labour
B5 Supply chain management	Supply chain management
B6 Product responsibility	Customer service, safeguarding customer assets, and handling of personal data
B7 Anti-corruption	Anti-corruption and money laundering
B8 Community investment	Supporting local community

The Group has complied with the “comply or explain” provisions set out in the ESG Guide for the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. Environmental

A1 Emissions

A2 Use of resources

We strive to promote the vision of “Green CASH”, by being an environmentally responsible company. The Company proactively seeks opportunities to conserve energy, utilise resources more efficiently and reduce waste.

Besides establishing environmental policies and communicating measurable environmental objectives to our employees, we also keep ourselves up-to-date with local environmental standards.

In 2019, the Group received Certificate of Merit in Servicing and Trading sector at 2018 Hong Kong Awards for Environmental Excellence, Hong Kong Green Organisation Certificate and 2018 Hong Kong Green Organisation Certification — Wastewi\$e Certificate (Excellence Level) from Environmental Campaign Committee, as well as the Certificate of Merit at HSBC Living Business ESG Awards 2018 from Business Environmental Council. The awards recognised our efforts on environmental management, with continuously improving the performance on environmental protection.

During the Reporting Period, the Group did not note any cases of non-compliance relating to environmental laws and regulations in Hong Kong.

Waste management

Considering the principal business activities of the Group (i.e. financial services), we have not produced a notable level of air or water pollutants.

The Company pursues high standard in waste reduction and educates all staff on the importance of sustainability while providing them with the skills and support to implement it.

The waste generated from the business activities of the Company is mostly paper. Our paper consumption during the Reporting Period was 4,747.76 kg¹ (2018: 5,367.55 kg). We regularly monitor our paper consumption and implement various reduction measures.

In our offices, waste separation facilities have been implemented. We also provide recycle bins for collecting scrap paper, plastic bottles, aluminum cans, and recyclable toner cartridges, which are then delivered to the recycling agents for further processing.

The amount of recycling at our offices in the Reporting Period is summarised as follows:

Issue	Amount		Unit
	2019	2018	
Paper	5,705	7,221	Kg
Aluminium cans	968	966	Pieces
Plastic bottles	951	910	Pieces
Toner cartridges	24	39	Pieces

Apart from recycling, a series of programmes and activities have been launched in the office to encourage the participation of staff towards waste management, which include:

- Implementing a Green Information and Communication Technology (ICT) Platform, including systems such as E-workflow and CASHARE (intranet) to build a highly efficient “paperless, IT-driven and systematic” working environment;

¹ Paper consumption intensity is not considered as an applicable performance indicator due to our nature of business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Achieving waste reduction goals set under the Wastewiše Certificate recognition scheme;
- Purchasing paper made from the Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council (FSC) certified plantations to minimise logging in natural forest;
- Posting a “Green message” reminder at all office equipment;
- Applying used envelopes for internal document circulation; and
- Recommending duplex or 2-on-1 page copying on recycled paper.

No particular hazardous waste is noted in our business activities.

In recognising our achievement in waste reduction, the Group was awarded the Wastewiše Certificate (Excellence Level) by Environmental Campaign Committee.

Use of electricity and carbon emissions

The major source of our carbon emissions is the use of electricity. The total electricity consumption of the Group during the Reporting Period was 520,936 kWh¹ (2018: 731,279 kWh) and the corresponding carbon dioxide equivalent (CO₂e) generated was 386.39 tonnes² (2018: 547.45 tonnes).

In order to reduce our carbon footprint, the Group has launched a wide variety of green measures for awareness building towards energy conservation:

1) Lighting

- T5 energy-efficient lighting tubes have been installed at offices;
- Staff is encouraged to switch off lighting while they are duty-off;
- Partial lighting should be switched off provided that sufficient sunlight is available indoors; and
- “Light-off” during lunch hour is highly recommended.

2) Office equipment

- Computers and other electronic equipment should be powered off while they are not in use for energy conservation; and
- Security guards patrol the offices at night to ensure all non-use equipment is switched off.

In addition to the aforesaid measures, Caring Committee issues regular newsletters to staff with the aim to raise the consciousness of environmental protection. Furthermore, green posters have been framed along the corridor/pantries of our offices to promote environmental office practices.

To enhance employee’s awareness on low-carbon initiatives and energy saving practices, we participated in “Earth Hour” events by turning off all non-essential lights for one hour and encouraged all staff to adopt the same practice at home.

¹ Energy intensity is not considered as an applicable performance indicator due to our nature of business.

² The carbon emission was calculated with reference to the Greenhouse Gas Protocol, and the carbon conversion factors published by CLP Holdings Limited and HK Electric Investment Limited.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Use of water and packaging material

We do not consume significant amounts of water through our business activities. The majority of the water supply facilities are provided and managed by property managers on our rental premises, and the usage has been included in the management fees.

Although the water consumption is considered minimal, we also encourage saving by driving behavioural changes in the workplace. Green messages are posted in pantries and washrooms as reminders for using water efficiently.

Furthermore, packaging material is not consumed during our service delivery, hence the related disclosure is not applicable for the Group.

A3 The environment and natural resources

Apart from the environmental issues mentioned above, the Group is not aware of any other significant impact on the environment and natural resources.

B. Social

B1 Employment

Respect for the rights of everyone who works for us is fundamental to the sustainability of the Group and the communities in which we operate. Our commitment to operate with respect for individuals is reflected in all aspects of the Group's business operations and is integrated in our policies and relevant procedures. We are committed to providing a happy and family-friendly workplace.

The Employee Handbook is formulated to stipulate general practices and policies related to employment, compensation and benefits. To stay competitive, our base salaries are within industry norms, contributing to our ability to attract and retain highly skilled and motivated staff.

The Group is committed to developing, maintaining and supporting a culture of equality and diversity in employment, on the basis of age, race, colour, nationality, religious belief, disability, sexual orientation, political opinion and any other status protected by applicable legislations and ordinances. We believe that the diversity can enrich all employees by providing a more rewarding and less stressful environment. No one shall be discriminated at recruitment, selection, employment, compensation, transfers, promotion, training or development. Qualified individuals are employed to carry out our fiduciary duties based on their education, experience, and ability without discrimination.

Meanwhile, the Group introduces family-friendly employment practices, including offering family leave benefits and employee support schemes, providing fresh fruits, and organising health talks and jogging classes to promote employee well-being.

There were no non-compliance cases noted in relation to employment laws and regulations during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The total workforce of the Group is summarised as follows:

Gender	No. of staff	
	2019	2018
Male	86	95
Female	72	88
Total	158	183

Employment type	No. of staff	
	2019	2018
Full-time	157	179
Part-time	0	3
Temporary and contract	1	1
Total	158	183

Age	No. of staff	
	2019	2018
<30	45	58
30-50	89	102
>50	24	23
Total	158	183

Note: The above statistics represents the number of employees as at the end of the Reporting Period.

B2 Health and safety

Ensuring the health and safety of our employees is an integral part of our business activities. Therefore, we are dedicated to maintaining a safe, hygienic and productive workplace by minimising the potential risk of accidents, injuries and exposure in relation to health risks. We ensure all employees are competent at work, and are given adequate training to comply with all local legislations and ordinances with regard to health and safety.

The Group did not violate any health and safety laws and regulations of Hong Kong during the Reporting Period.

Occupational health and safety record is maintained to ensure that a healthy and safe workplace is provided for our employees at all times. Preventive measures were undertaken with the use of appropriate office equipment as well as performing periodic office risk assessment to enhance workplace safety. We also regularly arrange flu vaccination, and free medical and dental check-ups for our employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B3 Development and training

We are committed to ensuring that the talents, skills and abilities of our employees are recognised and are utilised to their full capacity. The Group has implemented various training policies and organised a number of training programmes aiming specifically at improving the skills and developing the talents of our employees and generally increasing the competitiveness, productivity and efficiency of the Group.

Our training programmes are developed based on business needs and competencies of employees. During the Reporting Period, we organised numbers of in-house classes including training in areas such as language proficiency, knowledge on products, operational techniques, career orientation, security awareness, risk and compliance, graduate development, leadership transformation, Continuous Professional Training (CPT) of professional qualifications, and professional license examinations preparation.

B4 Labour standards

The Group prohibits the use of all forms of forced labour. All legal regulations regarding employment of young persons whose age ranged between 15 and 18 shall be followed by the Group.

There were no material non-compliance issues noted regarding labour standards as required by related laws and regulations during the Reporting Period.

B5 Supply chain management

To support sustainability, our Green Supply Chain initiative applies strict environmental, social and ethical criteria to the suppliers of our business. We place high demands on suppliers and request them to comply with the same standards that have been set by the Group.

We have incorporated sustainability considerations into our sourcing and outsourcing practices, requiring suppliers to meet the basic standards. For example, all suppliers are expected to adhere to these basic principles:

- Operating as an equal opportunity employer and recognising the right to collective bargaining as well as minimum and prevailing wages and benefits;
- Maintaining probity and accountability standards;
- Minimising discrimination against small and medium-sized enterprises or local vendors;
- Providing a healthy and safe working environment, not using any forced or child labour, and refraining from harassment or abuse of employees; and
- Supporting sustainable development, acting responsibly with regard to the environment, observing environmental criteria to conserve resources, minimising the negative environmental effects of the production, application and disposal of products, and reducing the use of hazardous products as much as possible.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B6 Product responsibility

Customer service

Satisfying our clients is our central focus. This principle guides all our activities and applies to all business divisions. The key elements are transparency and high-quality advice, which enable us to improve client satisfaction and achieve customer loyalty in the long term.

We aim to customise our solutions based on the unique needs of customers, in delivering sustainable value and fostering long-term relationship with our customers. During advertising, we ensure information and marketing materials are easily understood and provide all relevant information in facilitating the decision making of investors. Our employees are committed to providing professional advice to clients in understanding the characteristics, functions and risks of a financial instrument.

Safeguarding customer assets

Certain subsidiaries of the Group are licensed and regulated under the SFC. As a custodian of customers' assets, we strictly comply with the relevant laws and regulations on handling and safeguarding of customers' assets. We implement the necessary controls to ensure customers' assets are accounted for properly and promptly, and adequately safeguarded.

Segregated accounts are maintained in keeping customers' assets. Transactions should only be executed when customers' consent is received, or customers' obligation is required to be met on agreed contracts. Adequate audit trail is maintained to enable investigation of suspected irregularities. Regular compliance reviews and audits are conducted to detect any non-compliance with regulatory requirements. Any irregularities should be immediately reported to the Management.

Handling of personal data

The Group strictly adheres to regulatory requirements on data privacy, through fulfilling high security and confidentiality of personal data privacy protection. We are committed to maintaining and protecting personal data.

Internal policy has been established to govern the collection and handling of personal data received from a data subject. Under our data protection principles, a Privacy Policy Statement ("PPS") is acknowledged to enable the public to ascertain the data user's general policies and practices in relation to the collection, holding and use of individual personal data.

Furthermore, in accordance with our data protection principles, a Personal Information Collection Statement ("PICS") is acknowledged whenever there is collection of personally identifiable information from individuals to notify data subjects of certain matters in relation to specific collections of personal information from them. The Group will not use or provide personal data to any person for use in direct marketing unless we have obtained the data subject's consent in writing. Meanwhile, the Group maintains sound safety system and measures to prevent unauthorised use of personal data.

There were no material non-compliance issues noted regarding product responsibility as required by related laws and regulations during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B7 Anti-corruption

The Group strives to promote and maintain the highest standards of honesty, integrity and fairness. All of our staff must ensure that the Group's reputation is not tarnished by dishonesty, disloyalty or corruption.

Apart from internal guidelines on monitoring anti-money laundering, counter-terrorist financing as well as gifts or advantages received from or given to clients or suppliers, the Group has established an assessment form to evaluate high risk customers and whistle-blowing channels to enable staff to report on suspicious transaction. Any reporting of suspicious transactions will be followed up timely and investigated by independent personnel.

During the Reporting Period, no legal case regarding corruption was brought against the Group or its employees. In addition, the Group was not aware of any cases of non-compliance with laws and regulations relating to anti-money laundering.

B8 Community investment

People-centric is one of our core corporate values that guide our business and day-to-day operation. We therefore care about the interests of the communities and people that we serve. We and our employees are dedicated to working hand-in-hand with the local communities in a variety of initiatives ranging from job creation to youth education and disaster reliefs.

On behalf of the Board

Dr Bankee P. Kwan, JP

Chairman

Hong Kong, 20 March 2020