

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

Stock Code: 00079

2021

Environmental, Social
and Governance Report



* For identification purposes only

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ABOUT CENTURY LEGEND

Century Legend (Holdings) Limited (“Century Legend” or the “Company”), together with its subsidiaries (collectively referred to as the “Group” or “we”), is an investment management and holding company with a core business focusing on property investments, provision of hair styling and hospitality services in Hong Kong. The Company has listed on the Main Board of Stock Exchange of Hong Kong Limited (“SEHK”) (stock code: 00079) since 1993 to meet our future operation needs.

CENTURY LEGEND’S SUSTAINABILITY VISION

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



Manage business in a provident manner and execute management decisions with due care and attention.



Enhance the efficiency of the usage of resources and reduce waste by improving daily operation procedures and practice.



Act in an environmentally responsible manner.



Disclose its environmental, social and governance performance annually.



Operate as a socially responsible company across all of its business sectors.

The Group will continue to pursue environmental protection and provide support to the community in need to contribute to the overall sustainability of the society.

ABOUT THIS REPORT

This is the sixth Environmental, Social and Governance (“ESG”) Report (the “Report”) by the Group, presenting and drawing attention to its ESG strategies and performances.

A. Scope and Reporting Period

The Report covers the period from 1 January 2021 to 31 December 2021 (“Reporting Period”). Considering the major business segments and operations of the Group, the scope of the Report covers:

- (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”).

B. Reporting Standard

This report has been prepared by following the “Environmental, Social and Governance Reporting Guide” as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited, in full compliance with the “comply or explain” provisions.

C. Reporting Principles

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

Materiality:	The Group has identified material ESG issues by conducting stakeholder engagement as well as considering business nature and development.
Quantitative:	The Report has disclosed key performance indicators (“KPIs”) and comparative figures in a quantitative manner where appropriate.
Balance:	The Group’s performance is presented unbiasedly: The Group has identified ESG issues that are material to the Group’s business and has disclosed them in the Report.
Consistency:	The Report applies consistent statistical methodologies for meaningful comparisons of ESG data over time. In case of any changes in the reporting scope or methods, they shall be explained for stakeholders’ reference.

D. Access to This Report

This report is available in English and Chinese versions and is uploaded to the website of The Stock Exchange of Hong Kong Limited and the Group’s website (<http://www.clh.com.hk>). In case of any discrepancies between the two versions, the English version shall prevail.

SUSTAINABILITY GOVERNANCE

The Board of Directors (the “Board”) is principally responsible for overseeing the Group’s ESG strategies and the accountability of ESG reporting. The Board evaluates material ESG issues based on the Group’s operation and sets targets as well as implements policies accordingly. The effectiveness of ESG-related measures and the progress made against targets are reviewed in Board meetings to impose necessary improvements on the Group’s policies. Riskory Consultancy Limited is engaged as an independent ESG consultant to assist the Group in preparing the Report and provide ESG-related consultancy services.

Sustainability is incorporated as a significant element in the Group’s operation, not only for combatting climate change and contributing to the society but also for ensuring the future growth of the Group and return for our shareholders and stakeholders.

In the face of the challenges brought by climate change, the UN Climate Change Conference in Glasgow (COP26) reaffirmed the goal of limiting the increase in the global average temperature to well below 2°C above pre-industrial levels. The Group takes up its responsibilities and has implemented a series of initiatives supporting this target.

Please refer to the “Corporate Governance Report” in the 2021 Annual Report for the Group’s corporate governance issues.

AWARDS & CERTIFICATES

The Company and Headquarters have obtained various awards and certificates in environmental and social aspects during the Reporting Period to demonstrate their sustainable performances.

Environmental Aspect

Century Legend (Holdings) Limited



Wastewi\$e Label – “Class of Excellence”



Energywi\$e Label – “Class of Excellence”



Hong Kong Green Organization Certification



Hong Kong Award of Environmental Excellence – Appreciation Certificate

Headquarters Limited



Wastewi\$e Label – “Class of Excellence”



Hong Kong Award of Environmental Excellence – Appreciation Certificate

Social Aspect

Century Legend
(Holdings) Limited



Social Capital Builder Logo Award



Caring Company "10 years+" Logo



Manpower Developer Award



Good MPF Employer Award 5 years+



Happy Company Award

Headquarters Limited



Happy Company Award



Partner Employer Award



Caring Company "5 years+" Logo



Manpower Developer Award



Good MPF Employer Award 5 years+



Social Capital Builder Award

STAKEHOLDER ENGAGEMENT

Feedback from stakeholders is valuable to the Group as they bring potential impact to the Group's business. Through the following regular engagement activities, internal and external stakeholders share their opinions on the Group's operation and performances:

Employees	<ul style="list-style-type: none"> • Staff activities • Meetings • Performance assessment
Customers	<ul style="list-style-type: none"> • Customer service hotline • Daily operations and interactions
Shareholders/Investors	<ul style="list-style-type: none"> • Annual reports, financial reports and announcements • Annual General Meeting • Websites
Suppliers/Business Partners	<ul style="list-style-type: none"> • Visits and meetings • Performance reviews
Government Bodies	<ul style="list-style-type: none"> • Direct communication • Qualification assessment
Public and Media	<ul style="list-style-type: none"> • Mass media • Websites

Communication with Stakeholders

The Group values the feedback from all stakeholders on our ESG strategies and performances. Stakeholders are welcomed to express their opinions or give suggestions to us through

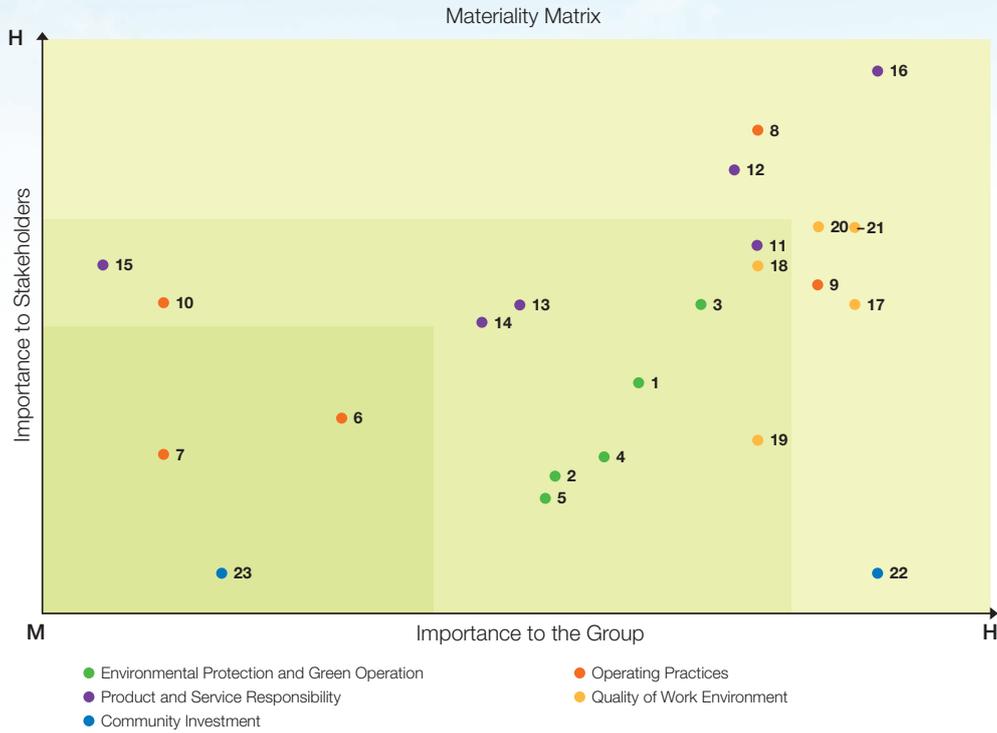
Email: info@clh.com.hk

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

MATERIALITY ASSESSMENT

Through communication with stakeholders and Board discussion, the Group has identified 23 ESG aspects relating to its operation and sustainability. The Group has collected opinions from stakeholders through questionnaires and conducted a materiality analysis.

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.



Environmental Protection and Green Operation	Operating Practices	Product and Service Responsibility	Quality of Work Environment	Community Investment
1. Emission of pollutants and greenhouse gases	6. Supply chain management	11. Product and service quality	17. Diversity and equal opportunities, and anti-discrimination	22. Participation in or organizing of volunteer activities
2. Effective use of resources (e.g. paper)	7. Green procurement	12. Customer data privacy and information security	18. Employment relationship, policies and employee welfare	23. Charity donation
3. Waste management	8. Anti-corruption system	13. Customer satisfaction	19. Training and development	
4. Impacts on the environment	9. Risk or emergency management	14. Complaints management	20. Occupational health and safety	
5. Climate change-related risks (e.g. typhoons, flooding)	10. Supplier's management of environmental and social risks	15. Protection of intellectual property rights	21. Prevention of child labour and forced labour	
		16. Anti-epidemic measures (e.g. location hygiene)		

The Group is committed to continuously identifying areas of improvement for the concerned material aspects and keeping close communication with our stakeholders to share and exchange ideas for advancing the Group's ESG management.

ANTI-EPIDEMIC HYGIENE MEASURES

Anti-epidemic is continuously one of the Group’s critical issues in the Reporting Period, given the long-lasting impact of the coronavirus disease (COVID-19) epidemic in Hong Kong. Anti-Epidemic arrangements and different measures were adopted to ensure providing a safe and hygienic working environment to employees. The Group provided holidays and cash rewards to encourage employees to get vaccinated and safeguard employees health.

Face-to-face contact with customers is expected due to the nature of Headquarters’ operation. Headquarters focused on implementing anti-epidemic measures to ensure the safety and hygiene of the work environment. Headquarters received Gold Seal for Business Resilience & Community Contribution and Anti-Epidemic Measures Certification awarded by Hong Kong Quality Assurance Agency (HKQAA).

Headquarters Anti-epidemic Achievements



Employee Health

- Polymerase chain reaction-based nucleic acid tests for COVID-19 were arranged for all employees every 14 days.
- All employees were required to pass through body temperature screening, wear a surgical mask except at mealtime and refrain from work if they suffered from a fever.
- Different mealtime slots were arranged. No more than two employees were allowed in each time slot.

Workplace Safety and Hygiene

- The technology of Germagic™ Thyme, a germicidal technology for durable disinfection and protection from harmful active bacteria and viruses, has been applied to sanitize Headquarters.
- Areas frequently accessed by the public (e.g. corridor, reception, waiting areas) were disinfected at least twice a day by wiping with 1 in 99 diluted household bleach or disinfectant of equivalent or higher standard, followed by rinsing with water and patting dry.
- Surfaces frequently touched (e.g. door handle, chairs, commonly shared items, floor) were disinfected with 1 in 99 diluted household bleach or disinfectant of equivalent or higher standard, followed by rinsing with water and wiping dry.
- Metallic surfaces were disinfected with 70% alcohol or equivalent or higher standard disinfectant.
- Sterilization coatings were applied regularly.
- Instruments and equipment were cleaned and disinfected properly after use.
- Rubbish collected in rubbish bins were disposed of every day.
- The proper functioning of air-conditioning system was ensured to supply sufficient fresh air and maintain good ventilation. The air filters and ducting were cleaned regularly.
- All customers were required to pass through body temperature screening and wear a surgical mask. Customers with fever were denied entry.
- Notices or posters were displayed in visible areas to remind staff and visitors to maintain good personal hygiene.

Note:

Germagic™ Thyme was found to be effective against Feline calicivirus (FCV), which is equivalent to being able to inactivate coronaviruses, i.e. SARS-CoV-2 (COVID-19 virus) according to US EPA's "Guideline to Registrants: Process for Making Claims Against Emerging Viral Pathogens Not on EPA-Registered Disinfectant Labels". It is verified to be safe and effective and possesses Hong Kong Eco Mark and Made in Hong Kong Mark.



Environmental

A. ENVIRONMENTAL

Emissions

Environmental protection is determined as one of the key concerns of the Group. Despite having no significant direct impact on the environment due to the business nature and operations, the Group has always emphasized promoting environmental protection. We have been refining our operational practices to reduce carbon footprint.

During the Reporting Period, the Group complies with the applicable laws and regulations, including but not limited to Cap. 311 Air Pollution Control Ordinance and Cap. 354 Waste Disposal Ordinance of the Laws of Hong Kong. The Group was not aware of any material non-compliance with laws and regulations concerning air and greenhouse gases emission, discharges into water and land, and generation of hazardous and non-hazardous wastes that significantly impact the Group's operation.

Air Emission

The town gas consumption in Headquarters and Guesthouses and the petrol consumption of vehicles were the primary sources of air emissions. The Group will aim to reduce air pollutants emissions in its future operation.

The emission of air pollutants during the Reporting Period is as follows:

Pollutants	Unit	2021	2020
Nitrogen Oxides (NO _x)	Kg	4.13	3.67
Sulphur Oxides (SO _x)	Kg	0.07	0.06
Particulate Matter (PM)	Kg	0.14	0.12

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.

Environmental

Greenhouse Gas Emission

The Group's greenhouse gas ("GHG") emission was mainly attributed to fuel and electricity consumption. Energy-saving initiatives have been implemented to reduce GHG emissions. The GHG emission during the Reporting Period is as follows:

GHG Emissions	Unit	2021	2020
Scope 1 Direct emission	Tonnes of CO ₂ e	41.03	37.20
Scope 2 Energy indirect emission (Purchased electricity and town gas)	Tonnes of CO ₂ e	391.83	273.12
Total GHG emissions	Tonnes of CO ₂ e	432.86	310.32
GHG emission intensity	Tonnes of CO ₂ e/ million revenue (HKD)	12.86	9.70

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 Group targets to reduce GHG emissions in its future operation by implementing the following energy-saving measures:

- Switching off lighting and air-conditioners not in use;
- Adopting energy-efficient lighting; and
- Keeping moderate temperature of air-conditioning.

Hazardous and Non-hazardous Waste

The Group did not generate significant hazardous waste. In addition, the Group did not generate any chemical waste during the Reporting Period as all chemicals were consumed in operation.

Guidelines on handling contaminated and electronic waste have been established to ensure contaminated wastes such as used dye containers and hair spray bottles were placed into labelled receptacles lined with plastic and covered with close-fitting lids. Electronic waste, including desktops, monitors and televisions, were collected and recycled by I.T.C. Recycle.

	Unit	2021	2020
Total amount of electrical equipment and electronic waste collected and recycled	Tonnes	0.04	0.06
Intensity	Kg/ million revenue (HKD)	1.10	1.82

Environmental

During the Reporting Period, the non-hazardous waste generated by Headquarters and Guesthouses operations were mainly municipal waste and paper. All wastes were collected by the Building Management Office. Other than general waste generated by customers of Guesthouses, all the non-hazardous waste was recycled. Other recyclable materials, including waste packaging and raw materials, were collected either by recyclers or suppliers.

The Group's non-hazardous waste data during the Reporting Period is as follows:

Non-hazardous Waste	Unit	2021	2020
Paper ¹	Tonnes	1.56	1.84
Aluminium cans	Tonnes	0.22	0.01
Plastic bottles	Tonnes	0.35	0.01
Glass bottles	Tonnes	0.44	0.08
General wastes produced by Guesthouses ²	Tonnes	1.40	2.39
Total non-hazardous waste generated	Tonnes	3.97	4.33
Intensity	Tonnes/ million revenue (HKD)	0.12	0.14

Notes:

1. Paper waste was estimated based on purchase orders of A3, A4 and A5 papers.
2. General wastes include disposable slippers, tissues and other general wastes produced by guests.

The Group plans to reduce the waste generated in its future operational practices. Due to paper is one of the primary sources of non-hazardous waste during the Reporting Period, we planned and adopted several initiatives to promote waste reduction and recycling.

Paper Waste Reduction

- Adopt duplex printing and set duplex printing as the default setting in printers
- Use recycling paper for printing internal documents
- Wastepaper is collected by the Building Management Office for recycling except confidential shredded paper
- Opt for electronic bills instead of paper bills whenever possible
- Receive bills on utility services and circulars from Building Management Office through email



Waste Recycling

- Collect paper, plastics, and aluminum cans separately for recycling
- Wastes such as electronic appliances, computer accessories and furniture are either collected by recycling company or donated to charitable organizations if they are in good condition



Environmental

1.56 tonnes
of wastepaper¹
collected by a
licensed recycling
company

Reduction of **7.49**
tCO₂e carbon
emission

Note:

Wastepaper includes newspapers, magazines, printings purchased from other companies, daily correspondences and promotional leaflets received.

Use of Resources

To ensure the efficiency of the use of resources, environmental protection policy has been implemented based on the principle of “3R” (Reuse, Reduce, Recycle). We also encourage reducing waste at the source, sorting waste for recycling and saving energy for more efficient use of resources.

Energy Consumption

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

Energy Consumption Sources	Unit	2021	2020
Direct energy consumption			
Petrol	MWh	39.56	34.40
Towngas	MWh	153.39	141.84
Indirect energy consumption			
Purchased Electricity	MWh	481.68	341.23
Total energy consumption	MWh	674.63	517.47
Intensity	MWh/ million revenue (HKD)	20.04	16.17

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 Group’s effort in energy conservation was recognized and awarded as the “Class of Excellence” for Energywise Label. We will continue to reduce energy consumption and enhance energy efficiency by:

- Using LED lighting in Headquarters;
- Replacing traditional lighting with LED lighting in Guesthouses and plan to complete the replacement in coming years;
- Reminding staff to reduce the standby power use for office equipment, including copier, paper shredder, monitor and water dispenser; and
- Unplugging all switches before weekends and holidays.

Environmental

Water Consumption

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

The Report only discloses the water consumption of Headquarters and Guesthouses as the water consumption of the office operation is managed by the Building Management Office, and the respective data is unavailable. The operation of office did not consume a significant amount of water.

Water Consumption	Unit	2021	2020
Total water consumption	m ³	7,045	5,754.19
Intensity	m ³ /million revenue (HKD)	209.27	179.82

The Group actively monitors water use, explores any potential for water conservation, and aims to continuously increase the efficiency of water use. Water pumps have been added to Headquarters to increase water pressure, improve water flow, and enhance water use efficiency.

The Environmental and Natural Resources

Although the Group is not involved in a significant impact on the environment, we understand our responsibility to promote environmental protection and minimize the emission of greenhouse gases and generation of waste. Therefore, the aforementioned measures were implemented to lower our adverse impact on the environment and increase operational efficiency.

Headquarters' Effort to Conserve the Environment

To reduce adverse impact and pollution to the environment, Headquarters uses eco-friendly products in providing services, such as low ammonia hair dyes and coenzyme technology products.

The Company and Headquarters received the following acknowledgement for their effort in environmental protection.

Awards	Receiver	Organizer
Hong Kong Green Organization Certification	Century Legend	Environmental Campaign Committee Hong Kong Green Organization Certification
Energywi\$e Label – “Class of Excellence”	Century Legend and Headquarters	
Wastewi\$e Label – “Class of Excellence”	Century Legend and Headquarters	
Hong Kong Award of Environmental Excellence – Appreciation Certificate	Century Legend and Headquarters	Environmental Campaign Committee

Environmental

Climate Change

Global warming is a significant issue and it may affect different businesses to large extents. The Group is aware of the risks that global warming and climate change may bring to its business and will consider various initiatives to cope with these risks as well as to achieve sustainable operation.

The Group is not significantly affected by climate-related physical risks due to its business nature and operation locations. However, as our primary business segments include hospitality service, frequent extreme weather events, such as typhoons and intensive rain, may affect the safety of our staff and customers. An emergency plan concerning work arrangements under severe weather has been established to protect the Group's employees and customers.



Social

B. SOCIAL

Employment and Labour Practices

Employee is valuable asset to the Group's business and sustainable development. The welfare and development of employee are prioritized in the Group's operation. The Group actively supports training for employees and their retirement protection. We have been awarded as "Manpower Developer" since 2016 and received the certificate of "Good MPF Employer Award".

Employment

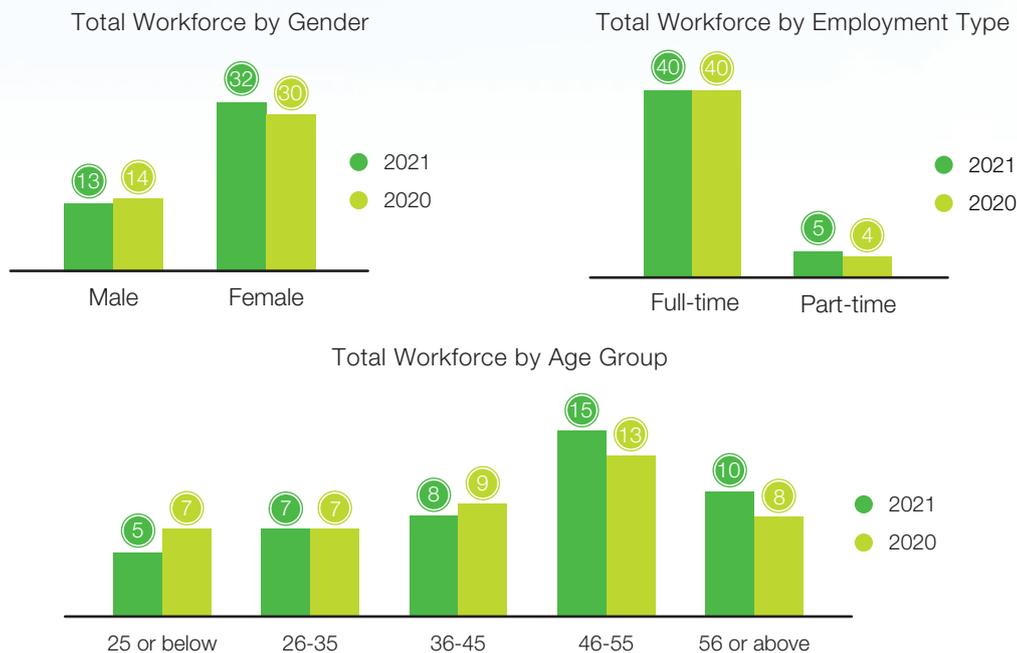
We ensure our employees are treated fairly and offered with various welfare packages for their healthy beings. During the Reporting Period, the Group complies with all applicable laws and regulations, including but not limited to Cap. 57 Employment Ordinance and Cap. 485 Mandatory Provident Schemes Ordinance of the Laws of Hong Kong.

The Group was not aware of any material non-compliance with laws and regulations concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that significantly impact the Group's operation.

Social

Total Workforce

As at 31 December 2021, the Group had a total of 45 employees (2020: 44). All employees are based in Hong Kong.



Turnover Rate

The yearly staff turnover rate in the Reporting Period was 29% (2020: 9%). Turnover rate categorized by gender and age group is as follows:

Annual Turnover Rate	2021	2020
By gender		
Male	38%	14%
Female	25%	7%
By age group		
25 or below	40%	29%
26-35	129%	29%
36-45	13%	0%
46-55	0%	0%
56 or above	10%	0%

Note:

The calculation method of turnover rate is (employees leaving employment/number of employees as at 31 December x100%).

Social

Staff Benefits and Welfare

Competitive remuneration packages are offered to the Group's employees, including basic salary, discretionary bonus based on the performance of the Group and employees, and Mandatory Provident Fund ("MPF"). The remuneration package is reviewed and adjusted annually based on performance appraisals and market trends. We also offer various welfare and benefits to employees as follows:

Quarterly bonus to apprentices in hair salon with outstanding performance

Medical insurance, including clinical, hospitalization and supplementary major medical

Life insurance

Accidental death and dismemberment insurance

Annual, sick, compensation, marriage, maternity, paternity, compassion, examination, birthday, and study leaves

Meal allowance, transportation reimbursement and shortened working hours on the following day for employees working overtime as stated in the employees' handbook

Staff dismissed earlier for celebration on festivals such as Chinese New Year's Eve, Mid-Autumn Festival, Winter Solstice, Christmas Eve and New Year's Eve

Good MPF Employer Award and Voluntary Contributions to the MPF

The Group makes voluntary contributions to the MPF to enhance employees' retirement protection and care for their retirement needs. Our effort was acknowledged by the Good MPF Employer Award presented by the Mandatory Provident Fund Scheme Authority.

Equal Opportunity and Diversity

Equal opportunities are provided to all employees in recruitment, training and development, job advancement, compensation and benefits. Our employees are not discriminated against or deprived of such opportunities based on gender, ethnicity, background, religion, colour, age, marital status, family status, retirement, disability, pregnancy, or other discrimination prohibited by applicable law.

Sexual harassment is prohibited, as clearly stated in the employees' handbook. Any suspect incidents of sexual harassment will be promptly investigated. Disciplinary actions will be exercised on violated persons, and the Group will report the harassment to the Police Force when necessary.

Social

Two-way Communication

Opinions from employees are greatly valued, and the Group actively communicates with them through diversified channels, including notices, memos, emails and lunch meetings.

In addition, the Group is committed to the continuous provision of a harmonious working environment to actively engage employees as well as build their sense of belonging and enhance the stability of its quality workforce. The Happy Company Award from Hong Kong Promoting Happiness Index Foundation was presented to the Company and Headquarters. Various internal activities are organized regularly. However, activities were postponed or cancelled due to the outbreak of COVID-19 to reduce our employees' risk of infection. The Group's regular internal activities include:

- Annual dinner
- Birthday gathering
- Barbeque gathering
- Festival lunch
- Voluntary services
- Christmas party



Employee Health and Safety

The Group prioritizes safety in its operation and ensures the working environment is safe, healthy and hygienic. During the Reporting Period, the Group complies with all the applicable laws and regulations including but not limited to Cap. 95 Fire Services Ordinance and Cap. 509 Occupational Safety and Health Ordinance of the Laws of Hong Kong.

The Group was not aware of any material non-compliance with laws and regulations concerning providing a safe working environment and protecting employees from occupational hazards that significantly impact the Group's operation.

Social

No work-related fatalities were reported in the past three years (including the Reporting Period). Standard procedures for handling work-related injuries have been established. 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 24 hours. Human Resources Department shall complete and submit the work injury report to the Labour Department and insurance company after the employee obtains the sick leave certificates for related compensation within 48 hours. During the Reporting Period, there was one injury reported, which led to 271 lost days. The injury was properly handled by following the above procedures.

The operation of Headquarters is exposed to a higher risk of infection. Guidelines have been established to raise employees' awareness of the potential health risks at their workplace and maintain a safe and hygienic environment. The guidelines clearly state the proper handling procedures in following situations:

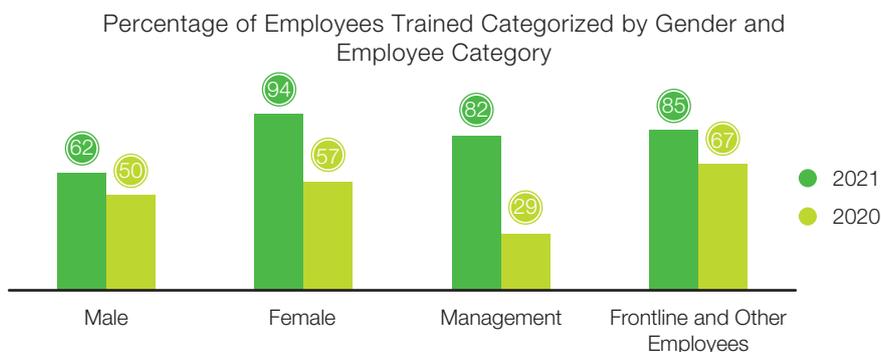
- Cleaning blood-contaminated equipment;
- Handling and disposing of sharp equipment;
- Handling of wounds;
- Serving food and drinks; and
- Handling of waste.

Development and Training

Employees' continuing professional development is one of the Group's priorities as it is essential to our sustainable development. The Company has been presented the award of Manpower Developer by the Employees Retraining Board since 2016 to recognize its contribution to workforce training and development.

Appropriate appraisals are provided to employees in training and development activities to strengthen and upgrade their qualifications and abilities. The Group also enhances their sense of satisfaction through the presentation of awards.

During the Reporting Period, the Group had a total of 38 employees trained (2020: 24), and the total training hours is 566 (2020: 327). The training data is as follows:



Social

Average Training Hours Per Employee	2021	2020
By Gender		
Male	36	15
Female	3	4
By Employee Category		
Management	10	4
Frontline and other employees	13	9

Diversified on-the-job training and development opportunities are provided to employees to ensure they have the sufficient job knowledge and skills.

The training provided by the Group does not only unleash employees’ potential and motivate them, but also benefit the Group through effective allocation of work opportunities among employees based on their abilities. Our training courses cover various topics, including:



Headquarters: Apprentices Trainings and Tests

Headquarters provides thorough training for staff to perfect their skills as to provide professional services to customers as well as to have better career prospects.

A model night is organized every Monday evening. Apprentices are assigned and rotated to different positions to learn various skills, such as hair styling and hair dying. Apprentices are required to pass several internal exams before promotion to ensure their professionalism. They are assessed by senior hairstylists in tests and evaluated by an independent examiner on their skills and performance in the final exam.

Besides on-the-job training, the Group also provides opportunities for continuous professional development and subsidizes professional examinations to encourage and support employees to pursue higher qualifications.

Social

Labour Standards

Child and forced labour are strictly prohibited in the Group’s operation. The Group fully complies with Cap. 57 Employment Ordinance of the Laws of Hong Kong.

The Group strictly complies with the local laws and conduct during the recruitment process and implements the following procedures to prevent child labour and forced labour:

1. Personal data collected during the process is used for the selection of suitable candidates and to conduct interviews.
2. All applicants must sign a declaration for their provision of valid and accurate information on the Job Application Form.
3. Human Resources Department checks the identity documents and relevant certificates. Employment offer will not be provided to applicants who are unable to provide their identity documents or relevant documents.

If any child labour or forced labour is found, their employment will be terminated immediately, and the recruitment procedure will be reviewed for improvement to prevent issue from recurring.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning the prevention of child and forced labour that has a significant impact on the Group’s operation.

Operational Practices

Supply Chain Management

During the Reporting Period, the Group had 110 major suppliers from Hong Kong (2020: more than 60 suppliers), and conducted the annual performance review on all suppliers.

The Group is fully aware of the importance of supply chain management to its sustainable business performance. In the selection process of suppliers, the Group considers the environmental and social risks.

The following principles in purchasing and tendering are clearly stated in the Group’s code of conduct:



Social

To ensure the sustainability of our supply chain, the Group considers following factors when selecting suppliers:

- Use of environmentally friendly materials;
- Environmental-related certifications;
- Environmental compliance (e.g., factories fulfilling local construction requirements or adopting compliant methods to dispose of contaminated materials); and
- Social or employee-related compliance, (e.g., prevention of child labour or forced labour and other illegal employment measures).

The Group ensures that the above criteria have been considered to select the most suitable suppliers, contractors, consultants, and contracting parties. Contract terms shall be mutually agreed upon, and payment shall be duly settled with high transparency. To ensure the product quality fits with the provided description, purchased products are inspected according to the agreement.

Product Responsibility

Product and Service Quality

Product and service quality is a crucial aspect of the Group's operation. The Group is committed to providing high quality and standard of the products and services to customers. Due to the business nature of the Group, there was no product sold or shipped subject to recalls for safety and health reasons. During the Reporting Period, 2 service-related complaints were received, and they were reviewed and handled timely.

The Group's effort in providing quality service is as follows:

- i. Hair salon operation
To safeguard the health and safety of customers, eco-friendly, herbal, and natural products are selected and promoted by Headquarters instead of products with high concentration of chemicals. For instance, hair dye containing low ammonia and coenzyme technology products are used to reduce the damage to customers' hair during the hair dying process.
- ii. Hospitality service operation
The Guesthouses in Sheung Wan and North Point strive to provide good quality and customer-oriented services to clients.

Facilities Quality

The Guesthouses strictly 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 areas have been considered to maintain the quality of facilities as well as compliance with relevant standards:



Social

In addition, following practices have been implemented to ensure the safety of facilities:

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

Customer-oriented Services

The Guesthouses strive to provide customer-oriented services and value customer feedback for continuous improvement. Customers are welcomed and encouraged to express their opinions through various channels, such as filling the feedback card placed in each room and approaching staff directly.

Intellectual Property Rights

The Group considers intellectual property as an essential asset. Any asset 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. Violation of such is an offence under Cap. 210 Theft Ordinance of the Laws of Hong Kong. Offenders will be subject to disciplinary actions or prosecution. The Group does not tolerate any infringement of its assets and intellectual property rights and will take appropriate corrective actions if such an offence is discovered.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to intellectual property rights that had a significant impact on the Group's operation.

Data Protection and Privacy

The Group prioritizes the protection of customers' personal data. Appropriate measures have been implemented to prevent any leakage or loss of sensitive information.

Guesthouses: Protection of Data Privacy

The Guesthouses handle documents related to customers' privacy cautiously. Only authorized staff can access customers' information in the check-in system, and all printed copies of guest information are stored in an enclosed cabinet.

When handling price-sensitive or confidential information (including customer information), employees and related persons shall ensure that information is not used illegally or unlawfully for the Group's securities trading. Such violations are subject to disciplinary actions, immediate dismissal without compensation, and civil and criminal penalties, including heavy fines and imprisonment.

The privacy of employees is also protected at all times. The Group abides by Cap. 486 Personal Data (Privacy) Ordinance of the Laws of Hong Kong. Employees' personal data and records were maintained with high confidentiality and the Group avoided obtaining unnecessary personal information.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning data protection and privacy that had a significant impact on the Group's operation.

Social

Advertising and Labelling

In hospitality service operation, following online platforms are utilized for sales and marketing:

- Official website; and
- Online Travel Agencies (“OTA”), such as Agoda.

During the Reporting Period, the publicized information about the Group’s services or products did not contain any misleading elements.

Anti-corruption

The Group strives to ensure high standard of business integrity and prohibit conflict of interest in operation. Conflict of interest occurs when personal interest is contrary to or in contradiction with the Group’s interests, including 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. It is clearly stated in the Group’s code of conduct that all staff is required to obtain approval from the Group’s executive committee in the face of all situations involving conflict of interest.

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, fraud, money laundering and corruption are strictly prohibited.

During the Reporting Period, no concluded legal case regarding corrupt practices was filed against the Group or its staff.

Whistle-blowing Policy

A whistle-blowing policy is established to provide clear guidelines on reporting misconduct and malpractice. Channels are provided to all shareholders, customers, suppliers and internal staff. Following procedures are clearly stated in the Group’s whistle-blowing policy:

1. When a suspicious case is received, the Group undergoes investigation procedures with secured protection of the complainant’s confidentiality.
2. If the complainant’s identity is exposed, whoever retaliates against the complainant will be subject to disciplinary actions.
3. All concerns will be handled impartially and effectively and will be reported to relevant enforcement authorities when necessary.

Social

Anti-corruption Training

Relevant trainings are provided to staff to ensure they understand the laws and regulations relating to anti-corruption and act in parallel to the Group's values and standards. During the Reporting Period, the learning materials in relation to anti-corruption practices published by the Independent Commission Against Corruption ("ICAC") are provided to the Group's management. The Group plans to extend anti-corruption training to other staff in the coming years.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to bribery, extortion, fraud and money laundering that had a significant impact on the Group's operation.

Community

Community Investment

Besides the business growth, the Group also values the community's sustainable development. We actively engage in various community services to take up our corporate responsibility by helping vulnerable groups, supporting environmental protection management, and promoting green lifestyles. We has been honoured "Caring Company" by the Hong Kong Council of Social Services ("HKCSS") for 14 consecutive years in recognition of its continuous investment in community services and charitable activities.

Public Recognition

Besides recognition of our efforts in increasing energy efficiency and reducing waste, we have also received various awards for our active investment in serving the community and promoting sustainability during the Reporting Period:

Awards/Logos	Receiver	Organizer
Caring Company 2008-2021 – "10 years+" Logo	Century Legend	HKCSS
Caring Company 2012-2021 – "5 years+" Logo	Headquarters	
Social Capital Builder Award	Century Legend and Headquarters	The Labour and Welfare Bureau and the Community Investment and Inclusion Fund
Partner Employer Award	Headquarters	Hong Kong General Chamber of Small and Medium Business

Social

Donation and Community Services

The Group encourages and motivates staff to contribute to the community by donating cash and resources as well as participating in voluntary services especially to help children and elderly in need and promote the concept of sustainability.

During the Reporting Period, the Group served the community through cash and goods donations:

Cash Donation

The Community Chest of Hong Kong – Green Low Carbon Day

The Group has participated in the event for more than 12 consecutive years and encouraged staff to donate and support the promotion of a low-carbon lifestyle. Participants were encouraged to take greener forms of transportation and adopt a greener lifestyle.

The Community Chest of Hong Kong – Dress Casual Day 2021

The Group donated to the event. Staff are encouraged to make donations. Donors could wear their casual outfits to work. The fund raised went to more than 160 social welfare agencies and more than 2.5 million people in need.

Po Leung Kuk

The Company made a cash donation to Po Leung Kuk to support their over 300 service units benefitting more than 800,000 persons annually.

Goods Donation

The Salvation Army

The Company donated around 130 pieces of clothing to the Salvation Army to share with the needy, such as elders living alone and street sleepers.

Po Leung Kuk

The Company donated more than 100 Christmas gifts, and Headquarters donated stationeries to help children in need.

Social

The Group also organized charitable activities to contribute to the communities:

1. Haircut Services to Po Leung Kuk Kids

Headquarters has been providing free haircut services to children in need for more than five consecutive years. During the Reporting Period, staff from Headquarters utilized their talents to offer voluntary haircut service twice to around 60 children aged between 8 and 16 in Po Leung Kuk community centres. Complimentary snacks and drinks were provided to volunteers and children.



2. Trip to Organic Farm of Produce Green Foundation in Fanling

The trip was organized to educate our future generations the idea of green lifestyle and sustainability. 16 kids aged 6 to 15 participated in the event to visit the farm, learn farming practices, make organic bread and recycled paper. Lunch and snacks were also provided during the event.



ESG REPORTING GUIDE CONTENT INDEX

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Reporting Principles	A description of, or an explanation on the application of the Reporting Principles (Materiality, Quantitative and Consistency) in the preparation of the ESG report.	3
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