

2022

Environmental, Social and Governance Report



Contents

	Pages
About Century Legend	2
Awards & Honours	2
About This Report	5
Sustainability Commitment and Governance	6
Stakeholder Engagement	7
Materiality Assessment	8
A. Environmental	9
Emissions	9
Use of Resources	11
The Environmental and Natural Resources	13
Climate Change	13
B. Social	14
Employment and Labour Practices	14
Operating Practices	19
Community	22
ESG Reporting Guide Content Index	24



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. Property investments, provision of hair styling, and hospitality services in Hong Kong are our core businesses. The Company has been listed on the Main Board of Stock Exchange of Hong Kong Limited (“SEHK”) (stock code: 00079) since 1993.

AWARDS & HONOURS

In support of our commitment to sustainability, we have obtained multiple environmental and social awards and certificates during 2022.

Century Legend (Holdings) Limited

Environmental Aspect



Wastewi\$e Label – “Good Level”



Energywi\$e Label – “Excellence Level”



Hong Kong Green Organization Certification



Hong Kong Awards for Environmental Excellence – Appreciation Certificate

Social Aspect



Social Capital Builder Logo Award



Caring Company "10 years+" Logo



Manpower Developer Award



Good MPF Employer 5 years+ Award



Happy Company Award

Headquarters Limited

Environmental Aspect



Wastewi\$e Label – "Excellent Level"



Hong Kong Awards for Environmental Excellence – Appreciation Certificate

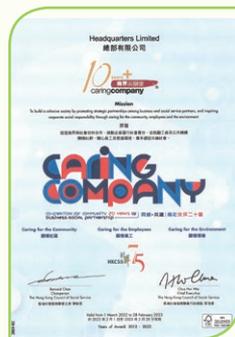
Social Aspect



Happy Company Award



Partner Employer Award 5 years



Caring Company "10 years+" Logo



Manpower Developer Award



Good MPF Employer 5 years+ Award



Social Capital Builder Logo Award

ABOUT THIS REPORT

The Group is pleased to present its seventh Environmental, Social, and Governance (“ESG”) Report (the “Report”) to demonstrate its ESG strategies and performances.

Reporting Scope and Period

Considering the major business segments and operations of the Group, the Report covers the performance of (i) the Head office in Wan Chai, (ii) the hair salon in Central under the brand name “Headquarters” (“Headquarters”), (iii) the guesthouse in North Point under the brand name of “Homy Inn” and the guesthouse in Sheung Wan under the brand name of “Homy Central” (collectively referred to as the “Guesthouses”) for the period from 1 January 2022 to 31 December 2022 (“Reporting Period”).

Reporting Standards and Principles

The 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 SEHK, in full compliance with the mandatory disclosure requirements and “comply or explain” provisions.

The Report has been underpinned by the reporting principles of “Materiality”, “Quantitative” and “Consistency”.

Materiality:	We have conducted stakeholder engagement and considered business nature and development to identify material ESG issues.
Quantitative:	We have disclosed key performance indicators (“KPIs”) in a quantitative manner where appropriate. The KPIs are calculated with reference to “Appendix 2: Reporting Guidance on Environmental KPIs” and “Appendix 3: Reporting Guidance on Social KPIs” of “How to Prepare an ESG Report” by SEHK.
Consistency:	We have adopted 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.

Access to This Report

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

Stakeholders’ Feedback

The Group values the feedback from all stakeholders on our ESG strategies and performances. Stakeholders can express their opinions or give suggestions to us through email (info@clh.com.hk) or our company website (<http://www.clh.com.hk>).

SUSTAINABILITY COMMITMENT AND GOVERNANCE

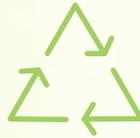
Sustainability Commitment

Sustainability is not only crucial for combating climate change and contributing to society, but also for the future growth of the Group. Therefore, the Group considers it a significant element in business operation.

To perform its corporate responsibility and promote the long-term sustainability of its businesses and the communities, we are committed to:



Managing business in a provident manner and executing management decisions with due care and attention.



Enhancing the efficiency of the usage of resources and reducing waste by improving daily operation procedures and practice.



Act in an environmentally responsible manner.



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



Disclosing its ESG performance annually.

As a member of the Chamber of Hong Kong Listed Companies and the Hong Kong General Chamber of Commerce, we will continue to pursue environmental protection and support the community in need to achieve the overall sustainability of society.

Sustainability Governance

The Board of Directors (the “Board”) is responsible for overseeing the Group’s ESG strategies and the accountability of ESG reports. The Board identifies, evaluates, prioritizes, and manages material ESG issues. 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. In addition, The Group has engaged an independent ESG consultant, Riskory Consultancy Limited, to assist in report preparation and provide ESG-related consultancy services.

For the Group’s other corporate governance issues, please refer to the “Corporate Governance Report” in the Annual Report 2022.

STAKEHOLDER ENGAGEMENT

As the opinions from stakeholders could bring a potential impact on the Group's business, operations, and performances, we highly emphasize the feedback received. Internal and external stakeholders are welcomed to express their opinions with us through different regular engagement activities:

Customers	<ul style="list-style-type: none"> • Daily operations and interactions • Customer service hotline
Employees	<ul style="list-style-type: none"> • Staff activities • Meetings • Performance assessment
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
Public and Media	<ul style="list-style-type: none"> • Mass media • Websites
Government Bodies	<ul style="list-style-type: none"> • Direct communication • Qualification assessment

MATERIALITY ASSESSMENT

The Group has identified, evaluated, and prioritized 20 ESG issues relating to its operation and sustainability through communication with stakeholders and management discussion. We strictly managed the identified material aspects by adopting relevant policies and guidelines.

ESG Material Issues	Materiality
Environmental Emission of pollutants and greenhouse gases Effective use of resources (e.g. paper) Waste management Impact on the environment Climate change-related risks (e.g. typhoons, flooding)	Important
Social Risk or emergency management Anti-corruption system Product and service quality Customer data privacy and information security Anti-epidemic measures (e.g. location hygiene) Diversity and equal opportunities, and anti-discrimination Occupational health and safety Prevention of child labour and forced labour Participation in or organizing of volunteer activities	Most Important
Complaints management Protection of intellectual property rights Customer satisfaction Employment relationships, policies, and employee welfare Training and development	Important
Green procurement	Relevant

With the aim of consistently improving ESG management effectiveness, we will continue to identify areas for improvement regarding concerned material aspects and keep close communication with our stakeholders.



A. ENVIRONMENTAL

Emissions

The Group has always committed to promoting environmental protection, despite having no significant direct impact on the environment due to our business nature and operations. We aim to reduce our carbon footprint by refining our operational practices. We comply with all applicable laws and regulations, such as Cap. 311 Air Pollution Control Ordinance and Cap. 354 Waste Disposal Ordinance of the Laws of Hong Kong. By taking the above laws and regulations as reference, we set up Environmental Protection Policy for employees to follow.

During the Reporting Period, 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

During the Reporting Period, our air emissions were mainly generated from the town gas consumption in Headquarters and Guesthouses as well as the petrol consumption of vehicles. The relevant emission data is as follows:

Pollutants	Unit	2022	2021
Nitrogen Oxides (NO _x)	Kg	2.52	4.13
Sulphur Oxides (SO _x)	Kg	0.01	0.07
Particulate Matter (PM)	Kg	0.02	0.14

In the future, the Group will continue to identify and adopt different emission reduction measures to lower air pollutants generated in daily operations.

Environmental

Greenhouse Gas Emission

Fuel and electricity consumption were the primary sources of our greenhouse gas (“GHG”) emissions. During the Reporting Period, the GHG emission is as follows:

GHG Emissions	Unit	2022	2021
Scope 1 Direct Emission	Tonnes of CO ₂ e	31.68	41.03
Scope 2 Energy Indirect Emission	Tonnes of CO ₂ e	311.48	391.83
Total GHG Emissions	Tonnes of CO ₂ e	343.16	432.86
Intensity	Tonnes of CO ₂ e/ million revenue (HKD)	10.11	12.86

We have adopted the following energy-saving initiatives in our daily operation to minimize GHG emissions. In the future, we will continue to implement measures to achieve GHG emissions reduction.

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> Switching off lighting and air-conditioners not in use | <ul style="list-style-type: none"> Adopting energy-efficient lighting | <ul style="list-style-type: none"> Keeping moderate temperature of air-conditioning |
|--|--|--|

Hazardous and Non-hazardous Waste

During the Reporting Period, the Group did not generate significant hazardous waste and chemical waste as all chemicals were consumed in operation.

To ensure contaminated wastes are properly handled, we have established the guidelines and procedures to cope with contaminated and electronic waste. For instance, used dye containers and hair spray bottles were placed into labeled receptacles lined with plastic and covered with close-fitting lids. Electronic waste, including desktops, monitors, and televisions was collected and recycled by I.T.C. Recycle. In addition, wastes such as electronic appliances and computer accessories were either collected by recycling companies or donated to charitable organizations if they were in good condition.

During the Reporting Period, the relevant data is as follows:

Electrical Equipment and Electronic Waste	Unit	2022	2021
Total Amount	Tonnes	0.17	0.04
Intensity	Kg/ million revenue (HKD)	4.96	1.10

Environmental

Besides, the non-hazardous waste generated by the Group was mainly municipal waste and paper. All wastes were collected by the Building Management Offices. All the non-hazardous waste was recycled except for general waste generated by Guesthouses' customers. Other recyclable materials, including waste packaging and raw materials, were collected either by recyclers or suppliers. To demonstrate our effort in reducing waste, the Company and Headquarters were awarded "Good Level" and "Excellent Level" for the Wastewi\$e Label respectively.

During the Reporting Period, the non-hazardous waste data is as follows:

Non-hazardous Waste Generated	Unit	2022	2021
Paper ¹	Tonnes	1.47	1.56
Aluminium Cans	Tonnes	0.15	0.22
Plastic Bottles	Tonnes	0.18	0.35
Glass Bottles	Tonnes	0.18	0.44
General Wastes Produced by Guesthouses ²	Tonnes	3.83	1.40
Total Non-hazardous Waste Generated	Tonnes	5.81	3.97
Intensity	Tonnes/ million revenue (HKD)	0.17	0.12

Notes:

- Paper waste was estimated based on purchase orders of papers.*
- General wastes include disposable slippers, tissue, and other general wastes produced by guests.*

In the future, we will continue to reduce waste in our operational practices. We collect paper, plastics, and aluminum cans separately for recycling. The Group has designed and implemented several measures on paper consumption reduction and wastepaper handling as the paper is one of the main non-hazardous wastes.

Wastepaper is collected by the Building Management Office for recycling except for confidential shredded paper. During the Reporting Period, a total of 1.47 tonnes of wastepaper (including newspaper, magazines, printings purchased from other companies, daily correspondences, and promotional leaflets received) has been collected and recycled. Therefore, it contributes to a reduction of 7.06 tonnes of CO₂e emission.

To reduce consumption, we adopt duplex printing and set duplex printing as the default setting in printers, use recycled paper for printing internal documents and opt for electronic bills instead of paper bills whenever possible. In addition, the bills on utility services and circulars from Building Management Office are received through email.

Use of Resources

We have always emphasized the efficient use of resources. The Group also promotes reducing waste at the source, sorting waste for recycling, and saving energy for more efficient use of resources through the implementation of the environmental protection policy according to the 3R principle (Reuse, Reduce and Recycle).

Environmental

Energy Consumption

Our effort in energy conservation was recognized, the Company was awarded by the “Excellence Level” for the Energywise Label. We will continue to reduce energy consumption and enhance energy efficiency through different initiatives:

Unplugging all switches before weekends and holidays	Replacing traditional lighting with LED lighting in Guesthouses and planning to complete the replacement in coming years
Reminding staff to reduce the standby power use for office equipment, including copiers, paper shredders, monitors and water dispensers	Using LED lighting in Headquarters

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

Energy Consumption Sources	Unit	2022	2021
Direct Energy Consumption			
Petrol	MWh	4.11	39.56
Towngas	MWh	159.18	153.39
Indirect Energy Consumption (Purchased Electricity)	MWh	428.82	481.68
Total Energy Consumption	MWh	592.11	674.63
Intensity	MWh/ million revenue (HKD)	17.33	20.04

Water Consumption

We recognized water as a valuable resource and actively monitored water use to prevent any unnecessary consumption. To enhance water use efficiency, Headquarters has added water pumps to increase water pressure and improve water flow.

We had no issue in sourcing water that is fit for purpose considering our business nature and geographical location. During the Reporting Period, the water consumption data is as follows:

Water Consumption	Unit	2022	2021
Total Water Consumption ¹	m ³	10,221	7,045
Intensity	m ³ /million revenue(HKD)	301.20	209.27

Notes:

- As the water consumption of the office operation is managed by the Building Management Office and the respective data is not available and insignificant, only the water consumption of Headquarters and Guesthouses is disclosed.

In the future, we will continue to explore any potential measures for water conservation to increase water use efficiency.

Environmental

The Environment and Natural Resources

The Group is fully aware of the environmental challenges in the community, such as climate change. We are committed to promoting environmental protection by alleviating the GHG and waste generated, although our business operation does not cause severe negative impacts on the environment. For instance, Headquarters uses eco-friendly products in providing services, such as low ammonia hair dyes and coenzyme technology products.

In recognition of our efforts, we have obtained a number of environmental-related certifications. The Company has obtained Hong Kong Green Organization Certification, Energywi\$e Label – “Excellence Level” and Wastewi\$e Label – “Good Level” from the Environmental Campaign Committee. The Company also obtained the Hong Kong Awards for Environmental Excellence – Appreciation Certificate from the Environmental Campaign Committee.

In addition, Headquarters has also received Wastewi\$e Label – “Excellent Level” and Hong Kong Awards for Environmental Excellence – Appreciation Certificate.

Climate Change

The world is facing the challenge of global warming which will affect different businesses and people from all walks of life. The UN Conference of the Parties in Sharm El Sheikh (COP27) reaffirmed the goal of limiting the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit temperature increases to 1.5 °C.

To achieve sustainable operation, we recognize the physical and transition risks induced by global warming and climate change to our business operation and will continue to research different measures to cope with these risks. Considering our business nature and operation locations, we are not significantly affected by climate-related physical risks. However, frequent extreme weather events such as typhoons and intensive rain may affect the safety of our staff and customers. Accordingly, we have formulated an emergency work arrangement under extreme weather.



B. SOCIAL

Employment and Labour Practices

Our business and sustainability are predominately driven by our employees. We concern and protect our employees in various aspects, including but not limited to benefit and welfare, training and development as well as their retirement protection. We have been awarded as “Manpower Developer” and received the “Good MPF Employer Award” in recognition of our efforts.

Employment

We strive to provide a harmonious working environment to our employees through various measures and initiatives. We comply with all applicable laws and regulations, such as Cap. 57 Employment Ordinance and Cap. 485 Mandatory Provident Schemes Ordinance of the Laws of Hong Kong.

During the Reporting Period, 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

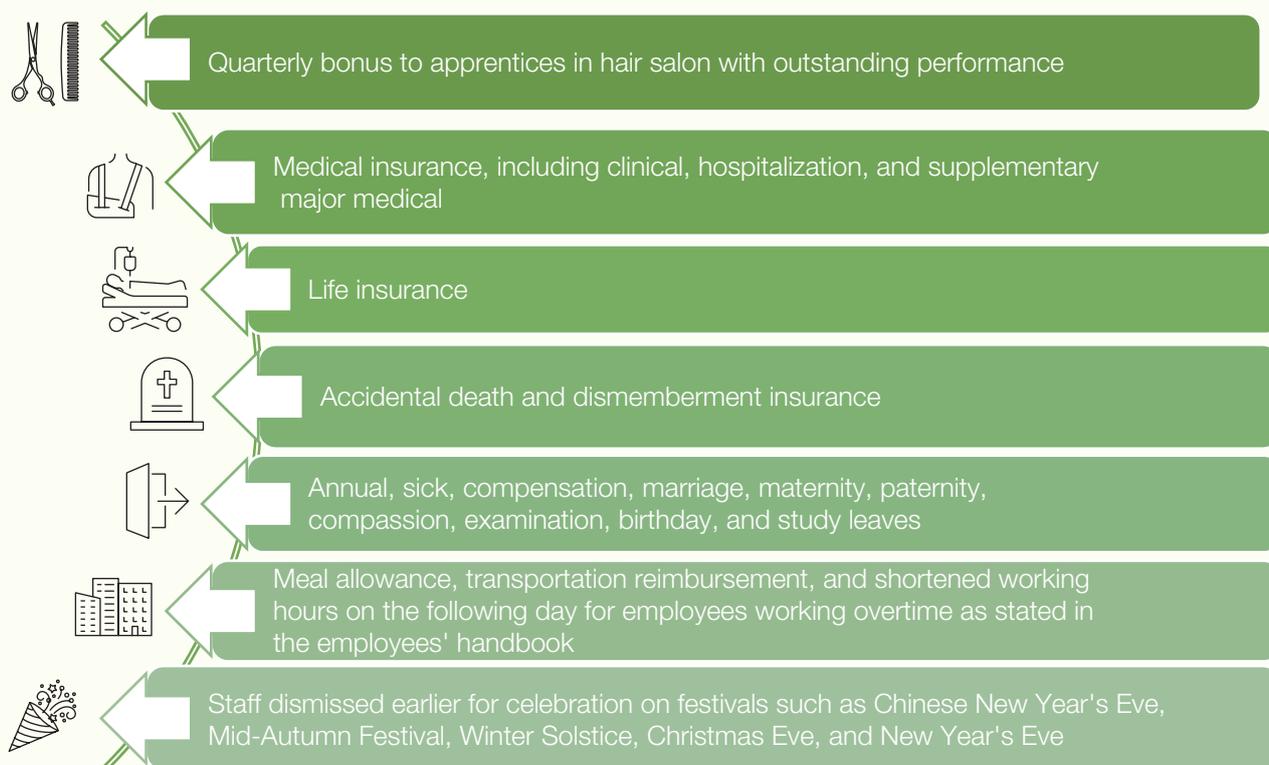
Total Workforce

As at 31 December 2022, the Group had a total of 42 employees (2021: 45). All employees are based in Hong Kong. The employee demographic is as follows:

	Unit	2022	2021
By Gender			
Male	Person	12	13
Female	Person	30	32
By Employment Type			
Full-time	Person	37	40
Part-time	Person	5	5
By Age Group			
25 or below	Person	2	5
26 – 35	Person	8	7
36 – 45	Person	7	8
46 – 55	Person	14	15
56 or above	Person	11	10

Remuneration, Benefits and Welfare

The Group understands that staff benefits and welfare are essential to talent retention. We provide competitive remuneration packages to our 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 for employees, including but not limited to:



Social

In addition, we make voluntary contributions to the MPF to enhance employees' retirement protection and care for their retirement needs. We have received the Good MPF Employer Award from the Mandatory Provident Fund Schemes Authority to recognize our effort.

Turnover

The yearly staff turnover rate in the Reporting Period was 31% (2021:29%). The turnover rate categorized by gender and age group is as follows:

Turnover Rate ¹	2022	2021
By Gender		
Male	33%	38%
Female	30%	25%
By Age Group		
25 or below	300%	40%
26-35	25%	129%
36-45	43%	13%
46-55	0%	0%
56 or above	18%	10%

Note:

1. The employee turnover rate is calculated by the total number of employee turnover during the Reporting Period divided by the total number of employee at the end of the period. The percentage may exceed 100%.

Equal Opportunity and Diversity

The Group clings to the belief that every person is equal. All employees are provided with equal opportunities in all aspects, including but not limited to 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.

The employees' handbook clearly states that sexual harassment is strictly prohibited. Any suspected incidents of sexual harassment will be promptly investigated. Disciplinary actions will be exercised against violating persons, and the Group will report the harassment to the Police Force when necessary.

Employee Communication

We actively communicate with our employees to understand their concerns and needs through diversified channels, such as notices, memos, emails, and lunch meetings. To recognise our effort, the Company and Headquarters were awarded the Happy Company Award by Hong Kong Promoting Happiness Index Foundation.

In addition, we organize various internal activities on a regular basis to build employees' sense of belonging, such as annual dinner, birthday gathering, barbecue gathering, festival lunch, voluntary services, and Christmas party.



Social

Employee Health and Safety

Employee health and safety are crucial to business operations. The Group is committed to providing a safe, healthy, and hygienic working environment to our employees. We comply with all 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.

Considering the business nature, the operation of the Headquarters is exposed to a higher risk of infection. To raise employees' awareness of the potential health risks at the workplace, we have formulated relevant handling guidelines and procedures in the following situations:

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

Zero work-related fatalities were reported in the past three years (including the Reporting Period). During the Reporting Period, there was 1 injury reported, which led to 59 lost days. We have established standard procedures for coping with work-related injuries:

- 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.

Anti-Epidemic Measures

In view of the coronavirus disease epidemic in Hong Kong during the Reporting Period, we have continued to adopt different measures to ensure a safe and hygienic environment for our employees and customers.

Considering the business nature of Headquarters, our employees have face-to-face contact with customers. Headquarters has applied the technology of Germagic™ Thyme, a germicidal technology for durable disinfection and protection from harmful active bacteria and viruses. Besides, all employees and customers were required to pass through body temperature screening and wear a surgical mask. Different mealtime slots were also arranged and no more than two employees were allowed in each time slot. To demonstrate our efforts, Headquarters received Gold Seal for Business Resilience & Community Contribution and Anti-Epidemic Measures Certification awarded by Hong Kong Quality Assurance Agency (HKQAA).



Social

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

Development and Training

Employee development and training are key to our sustainable development. Employees can unleash their potential and have better career prospects. We offer diversified on-the-job training and development opportunities to employees, covering induction training, haircut and styling, sales and customer service, anti-money laundering for licensed money lenders, review of ESG reporting guide & related listing rules, updates on taxation in Hong Kong, and voluntary health insurance scheme, etc. Through different on-the-job training and development opportunities, we can better understand each employee's ability and assign tasks to a competent person.

To ensure employees have sufficient job knowledge and skills, Headquarters provides thorough training for staff to perfect their skills. 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. They have to pass several internal exams before promotion to ensure their professionalism. Senior hairstylists assessed their skills and performance by tests and an independent examiner is invited to be the reviewer in the final exam.

In addition, we perform appropriate appraisals in training and development activities and present awards to enhance employees' sense of satisfaction. To further encourage and support employees to obtain higher qualifications, we provide opportunities for continuous professional development and subsidise professional examinations. The Company and Headquarters obtained the award of Manpower Developer from the Employees Retraining Board since 2016 and 2013 respectively to recognize its contribution to employee training and development.

During the Reporting Period, the Group had a total of 31 employees trained (2021: 38), and the total training hours of employees is 927 (2021: 566). The training data is as follows:

	2022	2021
Percentage of Employees Trained		
By Gender		
Male	42%	62%
Female	87%	94%
By Employee Category		
Management	60%	82%
Frontline and Other Employees	78%	85%
Average training hours per employee		
By Gender		
Male	28	36
Female	20	3
By Employee Category		
Management	11	10
Frontline and Other Employees	25	13

Social

Labour Standards

We strictly prohibit child and forced labour, and adhere to applicable local laws and conduct, such as Cap. 57 Employment Ordinance of the Laws of Hong Kong. Neither child labour nor forced labour is found during the Reporting Period. 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 the issue from recurring.

To effectively prevent child labour and forced labour, we established standard procedures in the recruitment process. All applicants are required to sign a declaration for their provision of valid and accurate information on the job application form. The identity documents and relevant certificates are checked by the Human Resources Department. Employment offer will not be provided to applicants who cannot provide identity documents or relevant documents.

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.

Operating Practices

Supply Chain Management

To achieve sustainable development, the Group recognises the importance of supply chain management. During the Reporting Period, the Group had 95 major suppliers from Hong Kong (2021: 110 suppliers) and conducted the annual performance review on all suppliers.

To select the most suitable suppliers, contractors, consultants, and contracting parties, we consider the environmental and social risks in supplier selection. In addition to the environmental-related certifications, we take suppliers' environmental compliance into consideration. For instance, factories are required to comply with local construction requirements or adopt compliant methods to dispose of contaminated materials. Furthermore, suppliers are encouraged and preferred to use environmentally friendly materials. For social or employee-related compliance, any child labour or forced labour and other illegal employment measures are also strictly prohibited.

With respect to purchasing and tendering, we follow the principles stated in the Group's code of conduct:

- Effectively introduce competitions
- Adopt effective monitoring system and management control, to spot and avoid corruption, fraud, and other misconduct
- 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

Contract terms with suppliers 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.

Social

Product Responsibility

Product and Service Quality

Having high standards in product and service quality is key to our business. For hair salon operations, Headquarters opts for eco-friendly, herbal, and natural products to safeguard the health and safety of customers. To minimize the damage to customers' hair during the hair-dyeing process, hair dye containing low ammonia and coenzyme technology products are selected over those with high concentrations of chemicals.

For hospitality service operations, the Guesthouses are committed to providing customer-oriented services. Customer feedback is key to our continuous improvement. We encourage customers to share their opinions with us by filling out the feedback card placed in each room or directly contacting our employees. The complaints received will be reviewed and handled promptly. In the meantime, the Guesthouses emphasize the facility qualities and adhere to Cap. 123 Buildings Ordinance, Cap. 95 Fire Services Ordinance and Cap. 371 Smoking (Public Health) Ordinance of the Laws of Hong Kong. The areas of design, structure, fire precautions, health, sanitation, and safety are considered and ensured to comply with relevant standards. Besides, safety devices and systems are in place, such as smoke detectors, automatic sprinkler systems, and fire extinguishers. We also post clear indications of exit signs and emergency exit plans behind each room's door and conduct regular checks on safety facilities. For instance, fire alarm testing is conducted annually.

There was no product sold or shipped subject to recalls for safety and health reasons due to the business nature. During the Reporting Period, no material service-related complaints were received.

Data Protection and Privacy

Protecting customers' data has always been one of our top priorities. We strictly comply with Cap. 486 Personal Data (Privacy) Ordinance of the Laws of Hong Kong. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning data protection and privacy that has a significant impact on the Group's operation.

To prevent any leakage or loss of sensitive information, we have adopted appropriate measures. The Guesthouses maintain strict confidentiality regarding customer information. Customer information is only accessible to authorized staff in the check-in system, and all printed copies are stored in a locked cabinet.

Under no circumstances shall employees and related persons illegally or unlawfully use price-sensitive or confidential information (including customer information) 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.

Besides, we maintain high levels of confidentiality with respect to the personal information of our employees. Only necessary personal information is collected, and employee privacy is protected at all times.

Social

Intellectual Property Rights

We recognise intellectual property as our valuable assets and do not tolerate any infringement of our assets and intellectual property rights. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to intellectual property rights.

We strictly prohibit taking or copying any asset of the Group for personal use without authorization, including but not limited to materials and information for official purposes. Violation of such is an offense against Cap. 210 Theft Ordinance of the Laws of Hong Kong. Offenders will be subject to disciplinary actions or prosecution. Appropriate corrective action will be taken if such an offense is discovered.

Advertising and Labelling

We utilize official websites and online travel agencies (OTA), such as Agoda, in hospitality service operations for sales and marketing purposes. During the Reporting Period, we were not aware of any misleading elements contained in the publicised information about the Group's services or products.

Anti-corruption

The Group upholds a high standard of business integrity during operations. We adhere to Cap. 201 Prevention of Bribery Ordinance of the Laws of Hong Kong, and strictly prohibit all forms of bribery, extortion, fraud, money laundering, and corruption. No concluded legal cases regarding corrupt practices were filed against the Group or our staff during the Reporting Period.

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. To prohibit all forms of conflicts of interest in the operation, the Group's code of conduct clearly states that all staff is required to obtain approval from the Group's executive committee in all situations of conflict of interest.

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.

Anti-corruption Training

To align with the Group's values and standards, we have provided anti-corruption training to our staff. Our management was provided with the learning materials in relation to anti-corruption practices published by the Independent Commission Against Corruption (ICAC) during the Reporting Period. Going forward, we will consider extending anti-corruption training to all employees.

Whistle-blowing Policy

Our stakeholders, including shareholders, customers, suppliers, and internal staff, are provided with reporting channels. The Group has established a whistle-blowing policy to provide guidelines and procedures for reporting misconduct or malpractice. We will undergo an investigation when a suspicious case is received. The confidentiality of the complainant is protected throughout the process. If the complainant's identity is exposed, whoever retaliates against the complainant will be subject to disciplinary action. All concerns will be handled impartially and effectively and will be reported to relevant enforcement authorities when necessary.

Social

Community

Community Investment

As responsible corporate citizen, we take up our social corporate responsibility and actively contribute to society. To demonstrate our continuous investment in community services and charitable activities, the Company has been honoured as the “Caring Company” by The Hong Kong Council of Social Service for 15 consecutive years.

During the Reporting Period, we focused on helping vulnerable groups, supporting environmental protection management, and promoting green lifestyles. We constantly encourage and motivate staff to participate in voluntary services and make donations to help children in need. For cash donations, we donated to the Dress Casual Day 2022 organized by The Community Chest of Hong Kong. The theme of the event this year is “WE CARE WE WEAR”. Donors could wear their casual outfits to work. The fund raised went to more than 160 member agencies of the Community Chest. Besides, we also donated to Po Leung Kuk Madam Chan Wai Chow Memorial School to support the Initiation Programme for Newly Arrived Children from Mainland China.

For other donations, we collected more than 120 pieces of clothing to the Salvation Army to share with the needy, such as elders living alone and street sleepers. Besides, the Company donated Christmas gifts and Headquarters donated stationeries, such as notebooks, pencil cases, and stuffed toys to Po Leung Kuk to help children in need.

In addition to the donation, we also organized charitable activities including a Guided Tour to the “iHub” of the Construction Industry Council (CIC) and Haircut Services to Po Leung Kuk kids.

Guided Tours to the “iHub” of the Construction Industry Council (CIC)

The tour aimed to foster the development of STEAM (Science, Technology, Engineering, the Arts and Mathematics) Education among future generations. 15 children aged 6 to 15 participated in the tour to learn about innovative construction technology and the latest industry development through one-stop experience activities, such as using ‘Smart Helmet’ for the design and construction of a project.



Social

Haircut Services to Po Leung Kuk Kids

Headquarters utilizes its talents and has been providing free haircut services to children in need for more than ten consecutive years. During the Reporting Period, twice voluntary haircut service was provided to around 50 children aged between 6 and 16 in Po Leung Kuk community centres. Volunteers and children were served complimentary snacks and drinks.



ESG REPORTING GUIDE CONTENT INDEX

Content		Relevant Section in this Report	Page No.
Mandatory Disclosure Requirements			
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainability Commitment and Governance – Sustainability Governance	6
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.	About This Report – Reporting Standards and Principles	5
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	About This Report – Reporting Scope and Period	5

Content		Relevant Section in this Report	Page No.
“Comply or explain” Provisions			
A. Environmental			
A1. Emissions			
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions	9
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Emission	9
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and intensity.	Emissions – Greenhouse Gas Emission	10
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Hazardous and Non-hazardous Waste	10
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Hazardous and Non-hazardous Waste	10
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions – Air Emission, Greenhouse Gas Emission	9, 10
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Hazardous and Non-hazardous Waste	10
A2. Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources	11
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Use of Resources – Energy Consumption	12
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Consumption	12
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Consumption	12
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Consumption	12
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Not applicable due to the Group’s business nature	

Content		Relevant Section in this Report	Page No.
A3. The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources	13
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources	13
A4. Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	13
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	13
B. Social			
Employment and Labour Practices			
B1. Employment			
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment	14
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment – Total Workforce	15
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Turnover	16
B2. Health and Safety			
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Health and Safety	17
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Health and Safety	17
KPI B2.2	Lost days due to work injury.	Employee Health and Safety	17
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Health and Safety	17

Content		Relevant Section in this Report	Page No.
B3. Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	18
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training	18
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training	18
B4. Labour Standards			
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards	19
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	19
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	19
Operating Practices			
B5. Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	19
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	19
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	19
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	19
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	19

Content		Relevant Section in this Report	Page No.
B6. Product Responsibility			
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility	20
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Product and Service Quality	20
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Product and Service Quality	20
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights	21
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product and Service Quality	20
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Data Protection and Privacy	20
B7. Anti-corruption			
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	21
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	21
KPI B7.2	Description of preventive measures and whistle- blowing procedures, and how they are implemented and monitored.	Anti-corruption – Whistle-blowing Policy	21
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption – Anti-corruption Training	21
Community			
B8. Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment	22
KPI B8.1	Focus areas of contribution.	Community Investment	22
KPI B8.2	Resources contributed to the focus area.	Community Investment	22