

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

Stock Code: 00079

2023

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 principally engaged in property investments, operation of hair salon under the brand name of “Headquarters”, provision of hospitality services in Hong Kong, provision of property related project management service, provision of commercial and personal loans and securities investments. The Company has been listed on the Main Board of Stock Exchange of Hong Kong Limited (“SEHK”) (stock code: 00079) since 1993.

Our hair salon is an established brand in the hairdressing industry and has cultivated a premium and loyal clientele with high spending power. Moving forward, the Group will continue to leverage its business foundation and quality driven business model to strengthen our service capabilities. With the post-epidemic recovery of hotel sector in Hong Kong, the Group will continue to operate our hospitality services segment within the constraints, be ready to innovate and reinforce our strengths while seeking changes/opportunities and make progress.

AWARDS & HONOURS

Throughout 2023, in line with our steadfast commitment to sustainability, the Group has been honoured with a series of awards and certifications recognizing our achievements in environmental and social initiatives.

Century Legend (Holdings) Limited

Environmental Aspect



Energywi\$e Certificate – “Good Level”



Wastewi\$e Certificate – “Excellent Level”



Hong Kong Awards for Environmental Excellence – Appreciation Certificate



Hong Kong Green Organization Certification

Social Aspect



The Racial Diversity & Inclusion Charter for Employers



Caring Company – “15 Years +”



Manpower Developer Award 2016-25



Good MPF Employer Award – “5 Years +”



Social Capital Builder Logo Award



Appreciation Trophy in recognition of Volunteer Service to Po Leung Kuk



Happy Company Award

Headquarters

Environmental Aspect



Wastewise Certificate – “Good Level”



Hong Kong Awards for Environmental Excellence – Appreciation Certificate

Social Aspect



Caring Company – “10 Years +”



Manpower Developer Award



Good MPF Employer Award – “5 Years +”



Social Capital Builder Logo Award

Social Aspect



Partner Employer Award – 5 Years



Appreciation Trophy in recognition of Volunteer Service to Po Leung Kuk



Happy Company Award

ABOUT THE REPORT

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

Reporting Standards and Principles

The Report has been prepared by following the “Environmental, Social, and Governance Reporting Guide” as set out in Appendix C2 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 preparation of the Report was guided by the following reporting principles:

Materiality	Stakeholder engagement was conducted and business nature and development were considered to identify material ESG issues.
Quantitative	Key performance indicators (“KPIs”) were disclosed 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	Consistent statistical methodologies were adopted 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.

Reporting Scope and Period

The Report presents our ESG performances for the period from 1 January 2023 to 31 December 2023 (The “Reporting 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”); and
- (iii) The hostel in North Point under the brand name of “Homy Inn”, the guesthouse in Sheung Wan under the brand name of “Homy Central”, and the hotel in Yau Ma Tei under the brand name of “Homy Residence”. (collectively referred to as the “Accommodations”).

With the opening of the Homy Residence in January 2023, the hotel is newly added to the reporting scope of the Report.

Access to the Report

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

SUSTAINABILITY COMMITMENT AND GOVERNANCE

Sustainability Commitment

The Group regards sustainability as an essential component within the Group’s operations, recognizing its importance not only for addressing climate change and making societal contributions but also as a pivotal factor for the Group’s future expansion. 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



Acting in an environmentally responsible manner



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



Disclosing its ESG performance annually

In our roles as active members in both the Chamber of Hong Kong Listed Companies and the Hong Kong General Chamber of Commerce, we are committed to ongoing efforts in environmental protection and providing support to communities in need. Our aim is to contribute to the broader goal of achieving societal sustainability.

Sustainability Governance

The responsibility for supervising the Group's ESG strategies and ensuring the integrity of ESG reporting falls under the purview of the Board of Directors (the "Board"). 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 2023.

STAKEHOLDER ENGAGEMENT

We acknowledge the significant potential impact that stakeholder feedback may have on the Group's business, operations, and performance metrics. Consequently, we prioritize and value this input highly. To enable this dialogue, we provide various regular engagement channels through which both internal and external stakeholders are invited to share their opinions with us.

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

Stakeholders' Feedback

The feedback from all stakeholders is highly valued by the Group regarding its ESG strategies and performances. Stakeholders are invited to share their views or provide recommendations via email (info@clh.com.hk) or our company website (<http://www.clh.com.hk>).

MATERIALITY ASSESSMENT

Through discussions with stakeholders and internal management meetings, the Group has conducted a thorough identification, evaluation, and prioritization of 20 ESG issues pertinent to its operations and long-term sustainability. Relevant policies and guidelines have been rigorously implemented to manage these material aspects with strict adherence.

ESG Material Issues	Materiality	
Environmental	Climate change-related risks (e.g. typhoons, flooding)	Most Important
	Effective use of resources (e.g. paper)	Important
	Waste management	
	Impact on the environment	
	Emission of pollutants and greenhouse gases	
Green procurement	Relevant	
Social	Risk or emergency management	Most Important
	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	
	Complaints management	Important
	Protection of intellectual property rights	
	Customer satisfaction	
	Employment relationships, policies, and employee welfare	
Training and development		

To enhance the effectiveness of our ESG management, we are committed to maintaining open lines of communication with our stakeholders and persistently identifying opportunities for improvement in areas related to material aspects.

Environment

A. ENVIRONMENT

Emissions

Environmental protection is a core value for the Group, and we strive to minimize our carbon footprint through the continuous refinement of our operational practices. Although the nature of our business and operations does not have a substantial direct impact on the environment, our commitment to promoting environmental stewardship remains unwavering. We comply with all 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. 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 relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes, which would have a significant impact on the Group.

Air Emission

The Group's main air emissions sources were the town gas consumption in Headquarters and Accommodations as well as the petrol consumption of vehicles during the Reporting Period. The relevant emission data is as follows:

Pollutants	Unit	2023	2022
Nitrogen Oxides (NO _x)	Kg	5.36	2.52
Sulphur Oxides (SO _x)	Kg	0.04	0.01
Particulate Matter (PM)	Kg	0.10	0.02

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

Environment

Greenhouse Gas Emission

The main sources of our greenhouse gas (“GHG”) emissions were fuel and electricity consumption during the Reporting Period. The GHG emission data is as follows:

GHG Emissions	Unit	2023	2022
Scope 1 Direct Emission	Tonnes of CO ₂ e	59.29	31.68
Scope 2 Energy Indirect Emission	Tonnes of CO ₂ e	362.89	311.48
Total GHG Emissions	Tonnes of CO ₂ e	422.18	343.16
Intensity	Tonnes of CO ₂ e/ million revenue (HKD)	7.96	10.11

In our pursuit of reducing air pollution and GHG emissions, we have embraced energy-saving measures within our daily operations.

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Switch off lighting and air-conditioners not in use | <ul style="list-style-type: none"> • Adopt energy-efficient lighting | <ul style="list-style-type: none"> • Keep moderate temperature of air-conditioning |
|---|---|---|

We are dedicated to sustaining and expanding these initiatives in the future to further mitigate our environmental impact.

Hazardous and Non-hazardous Waste

During the Reporting Period, there was no significant generation of hazardous or chemical waste, as all chemicals utilized were fully consumed during operations. During the Reporting Period, the electronic waste data is as follows:

Electrical Equipment and Electronic Waste	Unit	2023	2022
Total Amount	Tonnes	0.48	0.17
Intensity	Kg/million revenue (HKD)	9.14	4.96

Environment

The Group has instituted guidelines and procedures to manage contaminated and electronic waste responsibly, ensuring proper disposal.

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.

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.

For non-hazardous waste, the Group generates mainly municipal waste and paper. During the Reporting Period, the non-hazardous waste data is as follows:

Non-hazardous Waste Generated	Unit	2023	2022
Paper ¹	Tonnes	2.11	1.47
Aluminium Cans	Tonnes	0.07	0.15
Plastic Bottles	Tonnes	0.27	0.18
Glass Bottles	Tonnes	0.59	0.18
General Wastes Produced by Accommodations ²	Tonnes	9.93	3.83
Total Non-hazardous Waste Generated	Tonnes	12.97	5.81
Intensity	Tonnes/million revenue (HKD)	0.24	0.17

Notes:

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

Environment

All wastes were collected by the Building Management Offices. All the non-hazardous waste was recycled except for general waste generated by Accommodations' customers. Other recyclable materials, including waste packaging and raw materials, were collected either by recyclers or suppliers.

The Group promotes reducing waste at the source and sorting waste for recycling through the implementation of the environmental protection policy according to the 3R principle (Reuse, Reduce and Recycle). We collect paper, plastics, and aluminum cans separately for recycling. Headquarters has implemented an environmental policy which stipulates that employees need to return all reusable equipment and materials to the collection point for reuse. Headquarters will gradually replace disposable plastic gloves with reusable gloves to reduce waste.

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:

Measures on Reducing Paper Waste	<ul style="list-style-type: none"> • Wastepaper, including newspaper, magazines, printings purchased from other companies, daily correspondences, and promotional leaflets received, is collected by the Building Management Office for recycling except for confidential shredded paper; • 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; and • The bills for utility services and circulars from Building Management Office are received through email.
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During the Reporting Period, a total of 2.11 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 10.13 tonnes of CO₂e emission.

To award our effort in reducing waste, the Company and Headquarters were awarded “Excellent Level” and “Good Level” for the Wastewi\$e Label respectively. In the future, we will continue to utilize different measures to gradually reduce our waste generation.

Use of Resources

The Group is steadfast in its commitment to resource efficiency, advocating for energy conservation. This dedication is embodied in our Environmental Protection Policy to ensure resources are utilized more effectively.

Environment

Energy Consumption

The Company's endeavours in energy conservation have been acknowledged with the 'Good Level' distinction under the Energywise Label. During the Reporting Period, the electricity and fuel consumption were as follows:

Energy Consumption Sources	Unit	2023	2022
Direct Energy Consumption			
Petrol	MWh	21.59	4.11
Towngas	MWh	276.74	159.18
Indirect Energy Consumption			
Purchased Electricity	MWh	585.43	428.82
Total Energy Consumption	MWh	883.76	592.11
Intensity	MWh/million revenue (HKD)	16.66	17.33

We are committed to ongoing efforts aimed at reducing energy usage and improving energy efficiency through various initiatives:



Using LED lighting in Headquarters.



Replacing traditional lighting with LED lighting in Accommodations and planning to complete the replacement in coming years.



Reminding staff to reduce the standby power used for office equipment, including copiers, paper shredders, monitors and water dispensers.



Unplugging all switches before weekends and holidays.

Water Consumption

We acknowledge the importance of water as a critical resource and diligently track our water usage to avoid excess consumption. Considering our business nature and geographical location, we do not have any issue in sourcing water that is fit for purpose. During the Reporting Period, the water consumption data is as follows:

Water Consumption	Unit	2023	2022
Total Water Consumption ¹	m ³	12,779.31	10,221
Intensity	m ³ /million revenue(HKD)	240.95	301.20

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 Accommodations is disclosed.

Environment

In an effort to enhance the efficiency of water utilization, Headquarters has installed additional water pumps to increase water pressure and conducts regular cleaning of pumps to improve water flow. Moving forward, we are committed to exploring additional strategies to conserve water and enhance its efficient use.

The Environment and Natural Resources

Due to the business nature of the Group, our operations have minimal adverse environmental impact. Nonetheless, the Group is dedicated to environmental conservation efforts, and aim to mitigate the GHG emissions and waste generation. As an example of our commitment, Headquarters adopt the use of eco-friendly products in service provision, such as hair dyes with reduced ammonia content and products developed using coenzyme technology.

The Company's commitment to environmental stewardship has been acknowledged through the attainment for several environmental certifications, including:

Certification	Organizer
Hong Kong Green Organization Certification	Environmental Campaign Committee
Energywi\$e Label – “Good Level”	
Wastewi\$e Label – “Excellent Level”	
The Hong Kong Award for Environmental Excellence – Appreciation Certificate	Environment and Ecology Bureau and Environmental Campaign Committee

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

During the Reporting Period, the Group participated in “Earth Hour 2023 – Habits Protect Habitats”, organized by the World Wide Fund for Nature (WWF), to show symbolic support for the planet and to raise awareness of habitats protection by changing our habits of resource consumption.

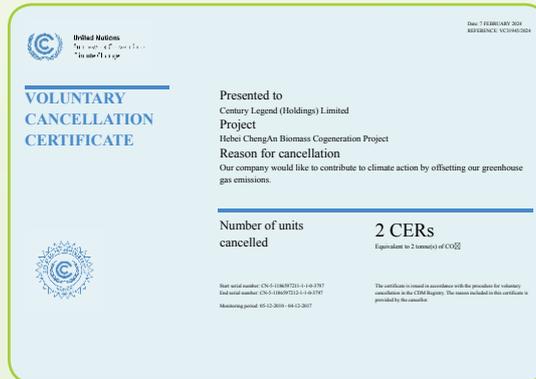
Climate Change

In response to the global challenge of warming temperatures that impacts various industries and individuals from diverse backgrounds, we are fully aware of the importance of sustainable operations. The UN Conference of the Parties held in Dubai, the United Arab Emirates (COP28) underscored the urgency of bolstering climate action, setting ambitious targets for broad economic emission reductions and striving to keep the global temperature increase below 1.5 degrees Celsius.

Environment

We have identified both the physical and transition risks that global warming and climate change pose to our operations. Although our business model and operational sites are not substantially vulnerable to climate-related physical risks, extreme weather events such as typhoons and heavy rainfall could affect the safety of our employees and customers. Accordingly, we have formulated an emergency work arrangement under extreme weather and will persist in exploring various strategies to manage these climate-related risks effectively.

During the Reporting Period, we have successfully implemented various reduction measures and utilized carbon offsets to achieve reduction in our greenhouse gas emissions. The carbon offset project we have utilized is the Hebei ChengAn Biomass Cogeneration Project (Project ID: 3797) from the United Nations Clean Development Mechanism (“CDM”), which focuses on generating electricity by utilizing local straw from cotton. The electricity generated from this project is sold to the Hebei Provincial Power Grid, replacing the capacity of coal-fired power plants. The project contributed to greenhouse gas emission reduction, comprehensive utilization of resources, environmental protection, and providing job opportunities and increasing income of local residents. Certified Emission Reductions (“CERs”) from this project were also used for carbon neutrality at the 19th Asian Games Hangzhou 2022 and the 4th Asian Para Games Hangzhou 2022.



Social



B. SOCIAL

Employment and Labour Practices

The Group prioritizes the well-being of its employees as they are the key to our business operations. We are committed to safeguarding our employees' well-being in multiple facets, encompassing benefits and welfare, opportunities for training and development, as well as ensuring their financial security during retirement.

Employment

We are dedicated to fostering a collaborative workplace for our employees by implementing a range of measures and initiatives. We comply 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.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, which would have a significant impact on the Group.

Social

Total Workforce

As at 31 December 2023, the Group had a total of 43 employees (2022: 42). All employees are based in Hong Kong. The employee demographic is as follows:

	Unit	2023	2022
By Gender			
Male	Person	12	12
Female	Person	31	30
By Employment Type			
Full-time	Person	38	37
Part-time	Person	5	5
By Age Group			
25 or below	Person	2	2
26 – 35	Person	10	8
36 - 45	Person	8	7
46 – 55	Person	12	14
56 or above	Person	11	11

Remuneration, Benefits and Welfare

Talent retention is essential to the Group's business operation. Therefore, 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:

- 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, compassionate, 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 employee handbook; and
- 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.

To address the retirement needs of our employees and bolster their retirement protection, we also make voluntary contributions to the MPF. In recognition of enhancing retirement protection for our employees, both the Company and Headquarters were awarded the Good MPF Employer Award – "5 Years +" issued by the Mandatory Provident Fund Schemes Authority.

Social

Turnover

The yearly staff turnover rate in the Reporting Period was 28% (2022: 31%). The turnover rate categorized by gender and age group is as follows:

Turnover Rate	2023	2022
By Gender		
Male	8%	33%
Female	35%	30%
By Age Group		
25 or below	200%	300%
26-35	10%	25%
36-45	0%	43%
46-55	42%	0%
56 or above	18%	18%

Equal Opportunity and Diversity

The Group upholds the principle of equality, ensuring that all employees are afforded equal opportunities across various aspects such as recruitment, training and development, career progression, as well as 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 employee handbook stipulates zero-tolerance towards sexual harassment. 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.

To demonstrate our effort in equal opportunity and diversity commitment, the Company has committed to the Racial Diversity & Inclusion Charter for Employers organized by the Equal Opportunities Commission, and Headquarters has been awarded the Partner Employer Award – 5 Years issued by the Hong Kong General Chamber of Small and Medium Business.

Employee Communication

The Group places great importance on maintaining open and effective communication with our employees, recognizing that understanding their concerns and needs is vital for fostering a supportive work environment and enhancing overall job satisfaction. To this end, we set up a variety of communication channels, including notices, memos, emails, and lunch meetings, to ensure active and continuous dialogue with our staff. To recognise our effort, both the Company and Headquarters were awarded the Happy Company Award issued by the Hong Kong Promoting Happiness Index Foundation, as well as the Caring Company – “15 Years +” and “10 years +” respectively, issued by the Hong Kong Council of Social Service (“HKCSS”).

Social

Furthermore, the Group consistently arranges different internal events to nurture a strong team spirit as well as sense of belonging within our workforce. Events such as annual dinner, birthday gathering, festival lunch, voluntary services, and Christmas gatherings are regularly organized.



Employee birthday celebration activity



Company lunch activity

Employee Health and Safety

The health and safety of our employees are of paramount importance to our business operations, as they are instrumental in maintaining a productive workforce and ensuring the seamless continuation of our services. Therefore, 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.

No work-related fatalities were reported in the past three years (including the Reporting Period). During the Reporting Period, there was no work injury reported. The Group was not aware of any material non-compliance with the laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, which would have a significant impact on the Group.

The operations at Headquarters are subject to a higher risk of injury due to the business nature. To raise employees' awareness of the potential risks at the workplace, we have formulated guidelines and procedures in the following situations:

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

We have standardized protocols to address and manage work-related injuries effectively. 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 upon receipt of the employee's sick leave certificates and medical receipt within 48 hours.

Social

Development and Training

The advancement and training of our employees are pivotal elements of our strategy for sustainable development. By investing in their development, we do not only enhance their career prospects but also ensure that they can fully realize their potentials, leading to a more skilled and motivated workforce, maintaining our competitive edge in the industry.

Our employees have access to a broad spectrum of training and development opportunities directly related to their roles, encompassing a diverse array of topics such as:



Through different on-the-job training and development opportunities, we can better understand every employee’s ability and assign tasks to the best use of human resources.

To enhance the sense of fulfilment among our employees, we conduct proper evaluations of training and development activities and present awards to employees with excellent performances. To further encourage and support employees to obtain higher qualifications, we provide opportunities for continuous professional development and subsidise professional examinations. To recognize its contribution to employee training and development, both the Company and Headquarters obtained the Manpower Developer Award issued by the Employees Retraining Board.

Furthermore, Headquarters is committed to ensuring that employees possess sufficient job knowledge and skills, offering comprehensive training programs designed to enhance their skillsets. Model night is organized once every week for apprentices to practise hair skill with experienced stylists as trainers. 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.

Social

During the Reporting Period, the Group had a total of 42 employees trained (2022: 31). The training data is as follows:

	2023	2022
Percentage of Employees Trained		
By Gender		
Male	92%	42%
Female	100%	87%
By Employee Category		
Management	100%	60%
Frontline and Other Employees	97%	78%
Average Training Hours per Employee		
By Gender		
Male	14	28
Female	15	20
By Employee Category		
Management	3	11
Frontline and Other Employees	18	25

Labour Standards

Upholding the integrity and social responsibility of our operations, we strictly prohibit child and forced labour, reflecting our unwavering commitment to human rights and ethical labour practices. We strictly adhere to applicable local laws and conduct, including but not limited to Cap. 57 Employment Ordinance of the Laws of Hong Kong. Neither child labour nor forced labour is found during the Reporting Period. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to preventing of child and forced labour, which would have a significant impact on the Group.

We have instituted standard procedures within our recruitment process to serve as effective safeguards against child and forced labour. 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.

Should incidents of child or forced labour be identified, their employment will be terminated immediately, and a subsequent review of the recruitment procedures will be conducted to prevent future occurrences.

Operational Practices

Supply Chain Management

The Group acknowledges that effective supply chain management is a cornerstone for achieving sustainable development, understanding that it minimizes risks, improves efficiency, and ensures the ethical sourcing of goods and services which are critical for long-term success. During the Reporting Period, the Group had 90 major suppliers from Hong Kong (2022: 95 suppliers) and conducted the annual performance review on all suppliers.

Social

Regarding procurement and tendering processes, our practices are guided by the principles outlined 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.

Terms of contracts with suppliers are established based on mutual agreement, ensuring transparency in settlements. Moreover, to confirm that product quality aligns with descriptions provided, inspections are conducted in accordance with the agreed terms.

In our selection process of suppliers, contractors, consultants, and contracting parties, environmental and social risks are carefully evaluated to ensure we engage with the most appropriate and responsible partners. 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.

Product Responsibility

Product and Service Quality

Upholding high product and service quality standards is essential for our business, as it not only reinforces customer trust and satisfaction but also serves as a critical differentiator in a competitive market landscape. The Group complies with relevant laws and regulations, including but not limited to:

- Cap. 123 Buildings Ordinance;
- Cap. 95 Fire Services Ordinance;
- Cap. 371 Smoking (Public Health) Ordinance;
- Cap. 486 Personal Data (Privacy) Ordinance; and
- Cap. 210 Theft 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 relating to health and safety, labelling and privacy matters relating to products and services provided and methods of redress, which would have a significant impact on the Group.

Social

In the management of hair salon services, Headquarters prioritizes the use of environmentally friendly, herbal, and natural products to ensure the well-being and safety of our 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.

In our hospitality service operations, the Accommodations place a strong emphasis on the calibre of facilities, understanding that such quality is fundamental to guest satisfaction and the overall reputation of our services in the hospitality industry. The Group strictly adheres 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.

The Accommodations are dedicated to delivering services that are tailored to customer needs, recognizing that customer feedback is essential for ongoing enhancement. We invite guests to express their views by utilizing the feedback cards available in each room or by engaging directly with our staff, as this input is invaluable to our commitment to excellence. Complaints received will be reviewed and handled promptly. There was no product sold or shipped subject to recalls for safety and health reasons due to our business nature. During the Reporting Period, one service-related complaints were received, and they were reviewed and handled promptly.

Intellectual Property Rights

The safeguarding of our intellectual property is essential to maintaining our competitive edge and upholding the integrity of our brand. We hold our intellectual property in high regard, acknowledging it as a critical asset. Any infringement upon these assets and corresponding rights is not tolerated. We strictly comply with Cap. 210 Theft Ordinance of the Laws of Hong Kong.

Unauthorized personal use, reproduction, or removal of the Group's assets, encompassing all materials and information intended for official use, is strictly forbidden. Should any violations be detected, appropriate corrective action will be taken, offenders will be subject to disciplinary actions or prosecution.

Data Protection and Privacy

Ensuring the security of our customers' data is of paramount importance, as they are crucial in maintaining the trust and integrity of which is essential to our customer relationships. We have implemented relevant safeguards to protect against the loss or exposure of confidential data. The Accommodations 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. 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.

Employees and associated individuals are strictly prohibited from engaging in the illegal or unauthorized utilization of confidential or price-sensitive information, such as customer details, for the Group's securities trading. Such violations are subject to disciplinary actions, immediate dismissal without compensation, and civil and criminal penalties to include heavy fines and imprisonment.

Advertising and Labelling

Maintaining the integrity and accuracy of information on digital platforms is crucial for fostering consumer trust and transparency in our hospitality services. To this end, we ensure that all information presented on our official websites and through online travel agencies (OTAs) such as Agoda is accurate and do not contain any misleading content.

Social

Anti-corruption

The Group maintains an unwavering commitment to exemplary business ethics throughout its operational practices. It is vital because integrity forms the foundation of stakeholder trust and sustains the long-term success of our 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. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud, and money laundering, which would have a significant impact on the Group. No concluded legal cases regarding corrupt practices were filed against the Group or our staff.

It is essential to identify and address conflict of interests to maintain the integrity of the Group's operations. 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.

Whistle-blowing Policy

The Group has established a whistle-blowing policy to provide guidelines and procedures for our stakeholders to report misconduct or malpractice. Our stakeholders, including shareholders, customers, suppliers, and internal staff, are provided with reporting channels. 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.

Anti-corruption Training

Anti-corruption training is provided to our staff in order to align with the Group's values and standards. 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.

Community

Community Investment

We actively fulfil our corporate social responsibility as a conscientious corporate citizen, contributing positively to society. To demonstrate our continuous investment in community services and charitable activities, both the Company and Headquarters has been honoured as the "Caring Company" by HKCSS for more than 15 and 10 consecutive years respectively, as well as received the Social Capital Builder Logo Award issued by the Home and Youth Affairs Bureau, and the Appreciation Trophy in recognition of Volunteer Service to Po Leung Kuk.

During the Reporting Period, our community investment spans across environmental protection and social caring. We constantly encourage and motivate staff to participate in voluntary services and make donations to help people in need. For cash donations, both the Company and Headquarters had made donations to Po Leung Kuk, supporting the protection of children. The Company donated to the Dress Casual Day 2023 organized by the Community Chest to enhance child protection and welfare services. Furthermore, both the Company and Headquarters made donations to the Green Low Carbon Day organized by the Community Chest to benefit green-related, as well as promote green lifestyle to our employees.

Social

For other donations, the Company collected clothes, electronic appliances, dolls and stationeries etc. from staff to donate to the Salvation Army and Po Leung Kuk, and also caring for other vulnerable groups in need.

Providing Haircut Service to Po Leung Kuk Kids

For more than ten consecutive years, Headquarters has actively provided complimentary haircut service to children of Po Leung Kuk. In the Reporting Period, Headquarters organized two sessions of haircut service for over 50 children. Volunteers and children were served free snacks and drinks during the service sessions.



Organizing Visit to the Jockey Club Museum of Climate Change

As part of our community investment initiatives aimed at fostering sustainability awareness among the youth, we organized a visit to the Jockey Club Museum of Climate Change for ecological sites and green facilities at The Chinese University of Hong Kong. The activity was designed to enhance the children's understanding of sustainable development and green living practices, and 16 children aged between 6 to 11 participated the event.



Organizing a Mid-Autumn Festival Caring Event

During the Mid-Autumn Festival, we visited children in residential care. Our volunteer team engaged with the children in a variety of festive activities, including playing games, riddle-solving, and a lantern-making session. These interactive activities were designed not only to celebrate this cherished cultural festival but also to provide emotional support to the children.



ESG REPORTING GUIDE CONTENT INDEX

Content		Relevant Section
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 business); 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
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 the Report – Reporting Standards and Principles
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 the Report – Reporting Scope and Period
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
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Emission
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and intensity.	Emissions – Greenhouse Gas Emission
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Hazardous and Non-hazardous Waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Hazardous and Non-hazardous Waste
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions – Air Emission, Greenhouse Gas Emission
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

Content		Relevant Section
A2. Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Use of Resources – Energy Consumption
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Consumption
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
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
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
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
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
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

Content		Relevant Section
B. Social		
Employment and Labour Practices		
B1. Employment		
General	Information on	Employment
Disclosure	(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.	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment – Total Workforce
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Turnover
B2. Health and Safety		
General	Information on	Employee Health and Safety
Disclosure	(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.	
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
KPI B2.2	Lost days due to work injury.	Employee Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Health and Safety
B3. Development and Training		
General	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
Disclosure		
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4. Labour Standards		
General	Information on	Labour Standards
Disclosure	(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.	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Content		Relevant Section
Operating Practices		
B5. Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
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
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
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
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
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Product and Service Quality
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Product and Service Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product and Service Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Data Protection and Privacy
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
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
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption – Anti-corruption Training
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption – Whistle-blowing Policy

Content		Relevant Section
Community		
B8. Community Investment		
General	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
Disclosure		
KPI B8.1	Focus areas of contribution.	Community Investment
KPI B8.2	Resources contributed to the focus area.	Community Investment