

Asia-Pac Financial Investment Company Limited

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8193



ENVIRONMENTAL SOCIAL
AND GOVERNANCE REPORT 2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENTS

About the Company	2
ESG Governance	2
About This Report	2
Stakeholder Engagement	2
Identifying Material Issues	3
Environmental Aspects	3
Social Aspects	6
Summary of Key Performance Indicators (KPIs)	14

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE COMPANY

Asia-Pac Financial Investment Company Limited (the “Company”) was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 31 May 2011.

The Company is an investment holding company. This report covers the Company’s overall performance in two subject areas namely, Environmental and Social aspects of the business operations in Hong Kong and the PRC offices from 1 April 2020 to 31 March 2021 (“Period under Review”), unless otherwise stated.

ESG GOVERNANCE

The Company’s Managing Director has the overall responsibility on Environmental, Social and Governance (“ESG”) compliance and delegates implementation and monitoring of policies and practices on the related ESG areas and aspects to the departmental managers. The Managing Director reviews and monitors the ESG issues with particular reference to the key performance indicators (“KPIs”) established on a regular basis, and reports to the Board if there is any significant irregularity.

ABOUT THIS REPORT

This is the ESG report (the “Report”) prepared by the Company reviewing and disclosing its ESG performance pursuant to Appendix 20 – the ESG Reporting Guide of the Rules Governing the Listing of Securities on GEM of The Stock Exchange.

During the Period under Review, the Company was principally engaged in four business segments:

- Asset Advisory Services and Asset Appraisal;
- Corporate Services and Consultancy;
- Media Advertising; and
- Financial Services.

STAKEHOLDER ENGAGEMENT

The Company values its stakeholders and their feedback regarding its businesses and ESG aspects. To better understand and address their key concerns, the Company has maintained close communication with its key stakeholders, including but not limited to employees, customers and suppliers, through different channels such as meetings and surveys.

The Company continues to enhance its performance, deliver products and services that address stakeholders’ needs and creates greater value for the wider community on a continuous basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

IDENTIFYING MATERIAL ISSUES

The management and employees who are responsible for the key functions of the Company have participated in preparing the Report, identifying key ESG topics and assessing the importance of these topics to its businesses and stakeholders. We identified five ESG topics that were determined to be relevant to the operation of the Group during the Period under Review.

RELEVANT ESG TOPICS FOR THE GROUP

- Labour practices;
- Workplace health and safety;
- Anti-child and forced labour;
- Product responsibility; and
- Anti-corruption, fraud prevention and anti-money laundering.

The recognition of sustainable development, employee benefits and development as well as environmental protection are fundamental elements to the operation of the Company. During the Period under Review, the Company committed to a high standard of corporate social responsibility and strictly complied with relevant laws and regulations.

ENVIRONMENTAL ASPECTS

The Company is aware of its responsibility and required commitment to the environmental protection in its business operations. The Company aims to minimise energy consumption and greenhouse gas emissions; and corporates green practices in its daily operations to minimise its carbon footprint.

Emissions refer to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. Since the Company is a service-based corporation, there were neither significant levels of pollutants discharged into air, water and land nor significant generation of hazardous wastes during the Period under Review. The Company’s GHG emission mainly originated from electricity consumption in offices.

The Company has adopted green measures in the offices to improve its operational efficiency and reduce the GHG emissions by minimising energy consumption. During the Period under Review, the Company has performed the following measures to mitigate emissions:

- Switching off photocopiers, computers lights and fax machines when not in use;
- Utilising energy efficient lighting; and
- Displaying labels to remind staff to avoid unnecessary electricity consumption.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Despite the Company's energy efficiency and emission performance being improved in the long term, the staff's sense of environmental protection and emission mitigation has been continuously fostered and awareness of their responsibility in achieving energy saving in the workplace has been strengthened. For results achieved from measures to mitigate emissions, please refer to the section headed "A2. Use of Resources."

The Company adheres to waste management principle and strives to properly manage and dispose wastes produced by its business activities. The waste management practice has been complied with relevant laws and regulations relating to environmental protection. The non-hazardous wastes generated by the Company's operations mainly consist of papers and toner cartridges.

The Company regularly monitors the consumption volume of papers and toner cartridges and has implemented a number of reduction measures. The Company provides suitable facilities in its offices and encourages the staff to sort and recycle the waste to achieve the objectives in mitigating wastes, reusing and recycling in its operations.

To achieve environmental protection, the Company adopts various measures to minimise waste and consumption levels in its offices:

- Utilising electronic communication, instead of paper-based communication;
- Setting computer defaults to print double-sided, when possible;
- Encouraging staff to bring their own cups to avoid the use of paper cups; and
- Reminding staff to consider the environment before printing the email.

During the Period under Review, the Company was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that had a significant impact on the Company. The relevant laws and regulations include but are not limited to Waste Disposal Ordinance of Hong Kong and Environmental Protection Law of the PRC.

A1. Emissions

Air Emissions

The Company generated limited GHG emissions, mainly arising from electricity usage in the offices. The direct impact to the environment is immaterial with relatively low energy, power and water consumption and the Company did not generate hazardous waste. Thus, the main contributor to the Company's carbon footprint was the indirect GHG emissions from electricity consumption, which is mainly attributed to the use of lighting system, air-conditioning and office equipment.

As part of the efforts to minimise the impact to the environment, the Company applies energy saving measures in the workplace, including installation of an energy-saving lighting system, setting optimal temperature on the air-conditioning, and switching off the lighting and air-conditioning after office hours.

There was no non-compliance case noted in relation to environmental laws and regulations for the Period under Review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Greenhouse Gas Emissions	2021/20	Unit
Scope 2		
Indirect Emissions	22.8	tCO ₂ -e
Total GHG Emissions	22.8	tCO ₂ -e
GHG Emission Intensity (by area)	47.0	kg CO ₂ -e/m ²

During the Period under Review, there was 22.8 tonnes of CO₂-equivalents emitted from the Company's operation. GHG emission is only generated from electricity consumption, which refers to the Scope 2 indirect emissions. The Group did not have operating vehicles during the Period under Review and therefore there was no emissions in Scope 1. As there was no air travel due to the COVID-19 pandemic, no emission in Scope 3 was generated. Total floor area coverage for the Company was 485 m² in 2021/20. The annual emission intensity was 47.0 kg of CO₂-e/m².

Hazardous and Non-Hazardous Waste

The Group generated no hazardous waste and 387.2 kg of non-hazardous waste in its operation. Non-hazardous waste generated from the Company's operations was mainly office paper.

A2. Use of Resources

The Company in its production and operations uses electricity, water, natural gas, fuel and lubricant oil and raw materials including steel sheets, plastic grains and packaging materials. Along with water and electricity, we also use printing paper and consume office equipment and stationery in our offices.

We promote smart usage to reduce the consumption of electricity, fresh water, and paper through the introduction of various measures including installing energy saving equipment such as LED lights and water monitoring, reusing and recycling paper and packaging materials where possible. We constantly explore new alternatives and technologies which may help to reduce the above and thus our carbon footprint, and constantly encourage our employees to practice and improve energy efficiency at all times.

Electricity Consumption

The energy consumed is mainly from purchase of electricity and other energy. The total electricity and other energy consumed are set out below

	2021/20	Unit
Electricity Consumed	28.6	MWh
Electricity Intensity (by area)	59.0	kWh/m ²

On top of the measures of mitigating the energy consumption mentioned in previous section, the Company strives to utilize telephone or video conference to minimise face-to-face meeting in order to reduce unnecessary business trips. The Company encourages better resources utilisation in daily operation and proactively fosters a low-carbon corporate culture, which further increases employees' awareness in energy conservation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water Consumption

In addition to managing energy consumption, the Company is committed to promoting awareness on water conservation amongst its staff and other stakeholders. In view of the Company's business nature, there is no material issue in sourcing water. The daily water consumption is mainly supplied from the municipal water network, and there is no difficulty in sourcing water. During the Period under Review, the Company did not consume significant amounts of water as the water consumption was only limited to basic cleaning and sanitation. In addition, water supply facilities were provided and managed by property management companies of the offices.

Regardless of limited water consumption, the Company promotes behavioural changes at office and encourages water conservation. Pantry and toilets are posted with environmentally conscious messages to remind employees on water conservation, which results in further enhancing to employees' awareness in water conservation.

On top of the water consumption, in view of the nature of business, of which the Company did not have physical product for sale and therefore it did not involve in any use of packaging materials during the Period under Review.

The Company will continue to seek opportunities to further reduce wastes and make efficient use of resources.

A3. The Environment and Natural Resources

The Company pursues the best practices in the environment protection and concerns on the impact of the Company's businesses to the environment and natural resources. The Company has integrated the concept of environmental protection into its internal management and daily operations through establishing relevant policies and procedures, with the objective of minimising adverse impacts to the environment and natural resources.

Indoor air quality is regularly assessed in the Company's workplaces. By conducting regular cleaning of air conditioning systems, pollutants, contaminants and dust particles are filtered out to maintain a good indoor air quality.

SOCIAL ASPECTS

Being a responsible business and employer, the Company are committed to consistently looking for ways to meet the corporate social responsibilities. The Company focuses on its staff, environment and community as well as its business partners.

Employment and Labour Practices

B1. Employment

The Company is committed to providing a fair and respectful workplace for its employees. The Company strives to create a work environment that attracts and retains its employees for a professional service team to support the sustainable growth of the Company. The Company aims to nurture a discrimination-free culture and protects its staff from discrimination by sex, age, race, disability, marital and family status. All employees share fair and adequate opportunities in respect of recruitment, career development and promotion.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company strives its best to conduct fair employment practices on the following perspectives:

- i) Recruitment and Remuneration;
- ii) Promotion and Career Development;
- iii) Work-life Balance;
- iv) Equal Opportunities and Anti-Discrimination; and
- v) Compensation and Dismissal.

Recruitment and Remuneration

Job applicants are treated fairly and equally. Employment is offered only to the best qualified applicants with reference to their merits and abilities to meet the requirements of the jobs irrespective of whether they are referrals or direct applicants. The human resource function provides requirement advise and services to all teams and is responsible for the entire process leading to employment.

In determining the salary of a prospective employee, the following factors are considered:

- Academic, professional and technical qualifications and working experience;
- Job knowledge and technical know-how;
- Recent earnings;
- Prevailing market rate of the vacant position; and
- Availability of suitable candidates in the market; and salary range of the vacant position.

The Company participates in the defined contribution scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Company and employees are made based on a percentage of employees' basic salaries. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme. In addition, the Company is governed by the Minimum Wage Ordinance as well as the Employee's Compensation Ordinance and the Labour Law of the PRC.

The Company has subscribed to basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance and maternity insurance as prescribed by the social insurance Law of the PRC, as well as housing fund Schemes as prescribed by the Regulations on the Administration of the Housing Fund.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company aims to provide employment which offers fair and equitable remuneration in relation to the respective responsibility and performance. The salary policy of the Company is designed to attract, motivate and retain a high-calibre workforce.

The Company also aims to pay salaries which are competitive in the market for similar jobs. Consideration is given to the market pay levels, pay trend and supply and demand in the labour market. Salary should commensurate with the individual employee's qualification and experience.

Promotion and Career Development

The promotion of the Company's employees is subject to review regularly. The Company has established objective performance indicators for annual performance evaluation. The supervisor discusses the performance with employees in facilitating an effective two-way communication for advancement. Based on the evaluation result, the Company offers rewards to employees to encourage continuous improvement.

Work-life Balance

The Company values the importance of maintaining a healthy lifestyle and work-life balance of its employees. The Company actively encourages its employees to participate in different work-life balancing social activities.

Equal Opportunities and Anti-Discrimination

The Company is an equal opportunity employer and does not discriminate on the basis of personal characteristics, gender or age. The Company has staff handbook outlining the terms and conditions of employment, expectation for employees' conducts and behaviours, employees' rights and benefits. The Company has also formulated and implemented policies that promote a harmony and respectful workplace. With the aim of ensuring fair and equal protection for all employees, the Company has zero tolerance on sexual harassment or abuse in the workplace in any form.

Compensation and Dismissal

While the law recognises an employer's right to terminate the employment of an employee with legitimate reasons, supervisors must cautiously exercise the right in order to minimise the adverse impact on other employees, their teams or the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Period under Review, the Company was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. The relevant laws and regulations include but are not limited to Employment Ordinance and Minimum Wage Ordinance of Hong Kong, Labour Law of PRC and the Labour Contract Law of the PRC.

Employment	2021/20	Unit
Total	24	Employees
<u>By Gender</u>		
Male	45.8	%
Female	54.2	%
<u>By Age</u>		
19 – 30 years old	8.3	%
31 – 45 years old	75	%
46 – 60 years old	16.7	%
<u>By Location</u>		
Hong Kong	50	%
PRC	50	%

Turnover Rate	2021/20	Unit
Total	54.2	%
<u>By Gender</u>		
Male	54.5	%
Female	53.8	%
<u>By Age</u>		
19 – 30 years old	50	%
31 – 45 years old	55.6	%
46 – 60 years old	50	%
<u>By Location</u>		
Hong Kong	108.3	%
PRC	0	%

B2. Health and Safety

The Company always emphasises the importance of occupational health and safety. Workplace health and safety policies have been established in compliance with applicable national and local laws. Assessments on these policies are conducted regularly so as to keep the Company's standards updated and practical. For any problems that may potentially jeopardise employees' health and safety, the Company implemented protective measures to minimise any incidents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The measures taken are listed below:

- Prohibiting smoking and drinking liquor in the workplace;
- Carrying out periodical cleaning in offices, including disinfection treatment of carpets and cleaning of air conditioning systems and water dispensers;
- Conducting emergency response drills regularly;
- Setting up safety warning signs, banners and slogans in the work sites;
- Establishing different Medical and Dental insurance Schemes, Employees' Compensation Insurance Scheme and Business Travel Insurance Scheme; and
- Setting up first-aid box in the offices.

Due to the continued outbreak of the novel coronavirus (COVID-19) in 2021, the Company has continued to implement its policies to protect its staff:

- All public areas will be disinfected on a timely basis;
- Masks and disinfection supplies are provided to all staff members;
- Each staff member is requested to report on their daily health status; and
- Each Department head should monitor the health status of their staff on a timely basis.

During the Period under Review, the Company was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to occupational health and safety. The relevant laws and regulations include but are not limited to Employees' Compensation Ordinance, Occupational Health and Safety Ordinance of Hong Kong and the Labour Law of the PRC.

	2019/18	2020/19	2021/20	Unit
Number of work-related fatalities	0	0	0	Cases
Lost days due to work injury	0	0	0	Days

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B3. Development and Training

Being a professional service provider, the Company recognises the importance of professionalism and competence of its staff. The main objective of training and development in the Company is to develop key competencies which enable individuals to strive the best performance on their jobs.

The training and development programs are geared towards the following objectives:

- Strengthening the job skills/knowledge of employees;
- Improving operational efficiency and productivity; and
- Developing the potential of employees for maximizing mutual benefit to individuals and the Company.

The Company has organized employee-initiated training activities and employer-initiated development programs. The training and development programs are in the form of sponsorship for employees to attend programs organised by external training institutes or in-house trainings organised by the Company.

B4. Labour Standards

The Company fully understands that the exploitation of child and forced labour are universally prohibited, and therefore takes the responsibility against child and forced labour very seriously. The Company strictly complies with all laws and regulations against child labour and forced labour. Suppliers are also not allowed to engage any employee who is younger than the local minimum employment age, or the maximum age of compulsory education, whichever is higher. All works should be voluntary and not performed under threat of penalty or coercion. Forced labour is prohibited.

All employees of the Company are entitled to have sick leave, injury leave and maternity leave with medical proof in accordance with the Labour Legislation of Hong Kong and Labour Law of PRC and Labour Contract Law of the PRC and other applicable regulations. In addition, all employees are not encouraged to work overtime.

During the Period under Review, the Company was not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to preventing child or forced labour on the Company during the Period under Review. In addition, no non-compliance with relevant laws and regulations that resulted in significant fines or sanctions had been reported during the Period under Review. The relevant laws and regulations include but are not limited to the Employment Ordinance of Hong Kong and the Labour Laws of the PRC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Operating Practices

B5. *Supply Chain Management*

The Company has set up the internal procedures and manuals to ensure a high level of service quality. In terms of signing of valuation report, the Company has an approved list of professional staff who is authorised to sign the different types of valuation reports. The responsible team for each appraisal engagement is headed by professional staff with authority to sign the relevant report. The Company has adopted standardised client information request checklist, report template for different valuation purposes or standards and valuation model template which control the valuation process and in turn facilitate review of the whole valuation process by the responsible officer of the report. For each asset appraisal project, the responsible team is also required to sign off on a project monitoring form upon completing each of the five stages in an appraisal project, such stages include signing of the proposal, physical inspection, reviewing draft report, submitting draft report and issuing the final report. With this policy, the progress of each case can be closely monitored through the record on such form. These processes ensure the adequacy and quality of work so as to minimise the chance of fault which may result in financial loss and reputation damage.

Any misrepresentation in marketing materials and exaggeration of offerings are strictly prohibited. The Company has issued internal guidelines to ensure the sales and marketing department of the Company are providing accurate and precise descriptions and information of services offering to clients.

The Company has put in place internal control in important areas such as confidentiality and conflict of interest. In addition, the Company owes a contractual obligation of confidentiality to the clients in terms of their information, and therefore treats the transaction record and personal information of the clients and former clients as private and confidential, subject to disclosure requirements under the relevant laws, rules and regulations that the Company is required to comply with. Information collected is only used for the purpose for which it has been collected and clients would be told about how the data collected would be used. The Company prohibits the provision of consumer information to a third party without authorisation from the clients.

B6. *Product Responsibility*

If there is complaint from clients, the Company will work out specific solutions and replies to the client. The Company concerns about complaint handling as the opinion from clients helps to strengthens product and service quality, which in turn helps the Company to maintain the competitiveness in the market.

During the Period under Review, the Company was not aware of any non-compliance with relevant laws and regulations that has a significant impact on the Company relating to health and safety, intellectual property rights, advertising, labelling and privacy matters relating to services provided and methods of redress. The relevant laws and regulations include but are not limited to the Copyright Ordinance, Personal Data (Privacy) Ordinance and Supply of Service (Implied terms) Ordinance of Hong Kong and the Advertising Law of the PRC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B7. Anti-corruption

The Company adopts a zero-tolerance approach to bribery, extortion, fraud and money laundering. It maintains the highest standards of openness, uprightness and accountability and all of its staff are expected to observe the highest standards of ethical, personal and professional conduct. All of its staff must comply with related national and local government laws and regulations on prevention of bribery, extortion, fraud and money laundering.

All employees not only have responsibility to understand and comply with the above regulations, but also report violation to the appropriate person. Any person, who contravenes the regulations, will be subject to disciplinary sanction.

The Company includes the code of conduct in the staff handbook. The code of conduct focuses on the ethics at work, compliance by employees, prevention of Bribery Ordinance, accepting advantages and offering advantages.

The Company adopts a whistle-blowing system for reporting any improprieties in financial reporting, internal control, suspected or actual fraud or other matters. Whistle-blowers can drop email directly to the Audit Committee. The Audit Committee has the authority to investigate the reported matters and has the discretion of engaging external consultants to deal with the matters.

During the Period under Review, the Company was not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Company. The relevant laws and regulations include but are not limited to the Prevention of Bribery Ordinance of Hong Kong and Criminal Law of the PRC.

Community

B8. Community Investment

The Company is constantly aware of the needs of the community and is ready to try its best to contribute to the community by participating and sponsoring community activities.

In addition, the Company encourages and supports the staff to participate in the volunteer services at the leisure times.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUMMARY OF KEY PERFORMANCE INDICATORS (KPIs)

ENVIRONMENTAL ASPECTS			
KPIs		2021/20	Unit
Aspect A1: Emissions			
A1.2	Greenhouse gas emissions in total and intensity		
	Total GHG emissions	22.8	tonnes CO ₂ -e
	Scope 2 emissions	22.8	tonnes CO ₂ -e
	Greenhouse gas intensity (by area)	47.0	kg CO ₂ -e/m ²
A1.4	Non-hazardous waste in total and intensity		
	Total non-hazardous waste	387.2	kg
	Non-hazardous waste intensity (by area)	0.8	kg/m ²
Aspect A2: Use of Resources			
A2.1	Direct and indirect energy consumption by type		
	Total energy consumption	28.6	MWh-e
	Indirect energy consumption	28.6	MWh
	Energy intensity (by area)	59.0	kWh-e/m ²

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL ASPECTS			
KPIs		Quantity	Unit
<i>Employment and Labour Practices</i>			
Aspect B1: Employment			
B1.1	Total workforce by gender, age and geographical region		
	Total number of workers	24	–
	By gender		
	Male	45.8	%
	Female	54.2	%
	By age		
	19 – 30 years old	8.3	%
	31 – 45 years old	75	%
	46 – 60 years old	16.7	%
	61 years old or above	0	%
	By geographical region		
	Hong Kong	50	%
	PRC	50	%
B1.2	Employee turnover rate by gender		
	Total turnover rate of employees	54.2	%
	By gender		
	Male	54.5	%
	Female	53.8	%
	By age		
	19 – 30 years old	50	%
	31 – 45 years old	55.6	%
	46 – 60 years old	50	%
	61 years old or above	0	%
	By geographical region		
	Hong Kong	108.3	%
	PRC	0	%