

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This is the first environmental, social and governance report (the “**ESG Report**”) released by the Group pursuant to the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) under Appendix 20 to the GEM Listing Rules, which sets out the Company’s policies and practices in various aspects relating to environmental protection, working environment and community involvement for FY2016.

## ENVIRONMENTAL PROTECTION

The Group undertakes environmental protection as part of its corporate responsibilities, and it is fully aware of the importance of sustainable environmental development in achieving sustainability in its operations. The Group has implemented a number of measures such as reducing carbon emission, increasing energy efficiency and conserving water resources in order to deliver our commitment to environmental protection. For FY2016, the Group is not aware of any material non-compliance with applicable standards, rules and regulations relating to the aspects discussed in this report.

### Emissions

The Group has enhanced its management of emissions through technological and recycling solutions that seek to reduce the emission of relevant pollutants and greenhouse gases, waste and water management.

To reduce emissions from our vehicle fleets, the Group has acquired more efficient and environmental friendly trucks for our logistics business. In addition, in order to minimize greenhouse gas emission, the Group has developed business trip policy to avoid unnecessary travelling.

### Waste Management

The Group has adopted the policy to reduce the use of paper in office. Internally, the Group encourages our employees to use recycle paper for internal documents and use electronic copy instead of printed copy for filing purpose. In addition, the Group sends our invoices and statements to our customers through electronic mean.

The Group always uses carton boxes when provide repacking services to our customers, in order to reduce the wastage of the carton boxes, the Group encourages our staff to fully utilities the space of each carton box when the Group repack the products. The Group also ensures that all carton boxes are reused.

### Use of Resources

The Group values and encourages the economic and efficient use of resources, while enhancing its recycling efforts to prevent the waste of resources.

### Energy

The Group has established and implemented various energy saving measures to improve energy efficiency and reduce energy consumption of the Company’s operations. The Group has used LED or other energy efficient luminaire in newly renovated offices and warehouses and adjusting the operating schedule of the air-conditioning and lighting system in warehouses. The Group has implemented and will continue with our plans to modernise and replace existing technologies with more energy-efficient, environmentally sensitive alternatives.

### Water Management

Water management is not a material area for freight forwarding and logistics business, and the Group has provided internal guidelines to our employees to use water resources effectively in order to reduce water wastage.

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## SOCIAL

The Group aims to build a harmonious and prosperous community environment. Focusing on areas such as employment and labour regulations, operational practices and social participation, the Group sets out to build a mutually beneficial relationship with relevant social organisations and individuals, including the Group's investors, staff members, clients, suppliers, communities as well as the public and governing authorities. The Group remains committed to maximising corporate benefits, which form a part of comprehensive benefits for the society.

### Employment

The Group believes that our long-term growth depends on the expertise, experience and development of the Group's employees. The salaries and benefits of the Group's employees depend primarily on their duty, position, contributions, length of service with the Group and local market conditions. In order to improve our employees' skills and technical expertise, the Group provides regular training to our employees.

The Group mainly recruits through recruitment advertisements. The Group aims to attract, motivate and retain the best people for the Group's business operations. To achieve this, the Group provides a market competitive employment package consisting of monetary and non-monetary rewards for all the Group's employees. The Group comprehensive reward system offers discretionary incentive bonus scheme, sales commission and group medical insurance protection. Share options may also be offered to eligible employees.

As at year ended 31 December 2016, the Group had a total of 108 employees (2015: 87) all located in Hong Kong. The following table sets forth the number and breakdown of the Group's full-time employees by functions as at 31 December 2016:

	Number of employees
Management	2
Finance and administrative	18
Sales	12
Operations	76
Total	108

### Health and Safety

The Group constantly complies with the internal safety policy to ensure the Group's safe operations and it contains a series of safety measures required to be taken.

In 2016, the Group implemented the procedures, rules and regulations under the Group's safety policy throughout the year, and the Group did not encounter any case about work-related fatality. The process of implementation will be reviewed regularly and supervised by spot check by the supervisors designated by the senior management.

The Group strictly adheres to all applicable labour legislation. No violation of labor laws was recorded in the reporting period.

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## Development and Training

The Group attaches great importance to the improvement of staff quality and their relevant expertise, and works out training programs in a scientific manner for the employees of each position based on their business needs. In 2016, training activities provided by the Group to employees include:

- induction training for new staff;
- in-service and transferred staff skills training;
- professional job skills enhancement and technical backbone staff training;
- learning exchange opportunities like academic seminars and external specialized training organized by professional institutions; as well as training seminars organized by professionals;
- training by in-house trainers.

The Group's statistics of staff training by staff category completed during FY2016 is set out below:

Staff Category	For the year ended 31 December 2016				Total
	Management	Finance and administrative Staff	Sales Staff	Operations Staff	
Staff Size (Persons)	2	18	12	76	108
No. of Persons trained	2	18	12	76	108
Percent of Persons trained	100%	100%	100%	100%	100%

## Equal Opportunities, Diversity and Anti-discrimination

The Group is an equal opportunities employer. The Group employment practices do not discriminate on grounds of gender, disability, pregnancy, family status, race, colour, religion, age, sexual orientation, national origin, trade union membership or other conditions recognized in law.

## Labour Standards

The Group complies with the relevant requirements of national laws and regulations in its recruitment activities and clarify the relationship of work allocation between employers and employees from the perspective of system and mechanism. All employees are trained to follow Personal Data (Privacy) Ordinance to ensure all personal data is protected against unauthorised access. Moreover, the Group safeguards its employees' legal rights and interests and rigorously forbids child and forced labor.

The Group will conduct comprehensive self-examination in regard of employment matters from time to time to prevent any potential non-compliance.

## OPERATIONAL PRACTICES

The Group provides its customers with freight forwarding and logistics services in accordance with operational practices based on local and international laws. All staff members of the Group are required to abide by internal and external codes of integrity and conduct; any form of bribery, fraud, competitive conduct and corruption is strictly prohibited. Corporate reputation and product liability are of great importance to the Group, which is why the Group insists on purchasing from its shortlisted suppliers.

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## Supply Chain Management

The Group has established and operated a material procurement management system and a supplier management system. Based on the material requirement plans developed by the respective production departments and the categories of materials required, the Group usually purchases materials through price rationing and sentinel procurement; the Group will shortlist and handpick suppliers through a screening and evaluation process based on quality and price.

## Product Liability

The Group is open to supervision from its customers and the public and is committed to offering quality services to its customers in accordance with applicable local and international laws. The Group sets out to deliver on its commitment to quality services, and undertakes not to profiteer through fraudulent or deceitful actions targeting on consumers.

The Group has formed a customer service team to handle customers' enquiries to ensure customers' satisfaction, and our management level staff will handle customers' complaints. For the year ended 31 December 2016, the Group has received less than 20 complaints and most of them have been resolved.

The Group exercises caution in its daily operations to safeguard client information, protect client information from unauthorised access, usage and leakage through various safety technologies and procedures. Usage of personal data is only permitted as legally prescribed under the Personal Data (Privacy) Ordinance, and only for related purposes. The Group makes sure that the personal and business data of our customers are properly applied, for authorised business purposes only, and accessible only by staff members to whom such information is deemed necessary. Furthermore, the Group adopts client management measures while appointing designated staff to be in charge of client data maintenance.

## Bribery, corruption and other misconduct

The Group's employee handbook regulates the Group's employees' conduct with respect to conflicts of interest, bribery, corruption and other misconduct. The Group provides regular training for our employees to emphasise the importance of employees' conduct and refresh their knowledge on the reporting system on employees' misconduct. An effective whistle blowing policy is also in place to minimise the risk of fraudulent acts, criminal offences or wrongdoings occurring in the workplace.

## OUR COMMUNITY

The Group strives to build a corporate-community relationship that promotes harmony and prosperity; not only does the Group try to understand the needs of the community in which it operates by actively participating in community activities, it also takes concrete actions to ensure that community interests are considered when carrying out operational activities of the Group.

## Community involvement

The Group has been playing an active role in taking up its social responsibilities and it takes promoting the harmonious social development as an important direction for the corporate's long-term development. The Group also devotes sustained efforts to public welfare charity activities so as to serve the communities; these efforts include, but are not limited to, establishing relief fund for the needy in the surrounding communities where the Group's subsidiaries are located and the provision of educational assistance funds. Furthermore, the Group provided assistance to the sick and retired employees who have contributed to the enterprise, and their close relatives.