

ASIA-PAC FINANCIAL INVESTMENT COMPANY LIMITED 亞太金融投資有限公司

(Formerly known as GreaterChina Professional Services Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8193)

Environmental,
Social and
Governance Report
2019





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) AND REPORTING

This Environmental, Social and Governance Report (the “ESG Report”) summarises the ESG policies, initiatives and performance of Asia-Pac Financial Investment Company Limited (the “Company” and together with its subsidiaries the “Group”) for the year ended 31 March 2019 (“Reporting Period”).

This ESG Report aims to provide a balanced presentation on the Group’s ESG key issues and initiatives covering its four core business segments, namely Asset Advisory Services and Asset Appraisal, Corporate Services and Consultancy, Media Advertising and Financial Services.

The Group’s values are derived from better utilisation of resources and strong relationship with stakeholders. In addition to pursuing profit, the Group takes into consideration of the interests of all stakeholders and has established its key sustainability framework, which comprises of environmental management, human resources, product and service quality as well as governance perspectives.

In order to pursue a sustainable business model, the Group has integrated ESG aspects into its risk management mechanism and has taken corresponding measures in its daily operation and governance perspectives.

REPORTING SCOPE

Unless stated otherwise, the ESG Report mainly covers the Group’s key businesses and operational activities in both Hong Kong and the People’s Republic of China (the “PRC”), over which it has direct management and control.

The ESG Report is organised into two sections, focusing on environment and social aspects respectively. Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on pages 13 to 21 of the Annual Report 2019. The Group will continue to assess the major ESG aspects of different businesses to determine the reporting scopes in the future ESG reporting.

REPORTING FRAMEWORK

This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in the Appendix 20 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “Reporting Guide”).

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STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. To better understand and address their key concerns, the Group 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 Group 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.

MATERIALITY ASSESSMENT

The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG Report, identifying key ESG issues and assessing the importance of these issues to its businesses and stakeholders.

The table underneath showed aspects on the ESG Guide to be assessed and those ESG issues were determined to be material to the Group.

ESG Aspects as set forth in ESG Guide	Material ESG issues for the Group
(A) Environmental	
A1 Emissions	Emission from town gas or Vehicle
A2 Use of Resources	Use of energy
A3 Environment and Natural Resources	
(B) Social	
B1 Employment and Labour Practices	Labour practices
B2 Health and Safety	Workplace health and safety
B3 Development and Training	Employee development and training
B4 Labour Standards	Anti-child and forced labour
B5 Supply Chain Management	Supply chain management
B6 Product Responsibility	Product responsibility
B7 Anti-corruption	Anti-corruption, fraud prevention and anti-money laundering
B8 Community Involvement	Community programs, employee volunteering and donation

The recognition of sustainable development, employee benefits and development as well as environmental protection are fundamental elements to the operation of the Group.

During the Reporting Period, the Group committed to a high standard of corporate social responsibility and strictly complied with relevant laws and regulations reporting.

CONTACT US

Comments and suggestions are welcome from the stakeholders. You may provide comments on this ESG Report or towards the Group's performance in respect of sustainable development via info@gca.com.hk.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL

The Group is aware of its responsibility and required commitment to the environmental protection in its business operations. The Group 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 Group 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 Reporting Period. The Group’s GHG emission mainly originated from electricity consumption in offices as well as diesel and petrol consumption for business vehicles.

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

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

Despite the Group’s energy efficiency and emission performance being improved in long term, the staff’s sense of environment protection and emission mitigation has been continuously fostered and awareness of their responsibility in achieving energy saving in workplace has been strengthened. For results achieved from measures to mitigate emissions, please refer to the section headed “A2.1. Use of Resources”.

The Group 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 Group’s operations mainly consist of papers and toner cartridges.

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



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To achieve environmental protection, the Group 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 own cups to avoid using paper cups; and
- Reminding staff to consider the environment before printing the email.

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 waste that had a significant impact on the Group. The relevant laws and regulations include but are not limited to Waste Disposal Ordinance of Hong Kong and Environmental Protection Law of the PRC.

A1.1. Emissions Data from Gaseous Fuel Consumption

The Group generated limited GHG emissions, mainly arising from the petrol and diesel consumed by the business vehicles and electricity usage in the offices. The direct impact to the environment is immaterial with relatively low energy, power and water consumption and the Group did not generate hazardous waste. Thus, the main contributor to the Group'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 Group 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 were no non-compliance cases noted in relation to environmental laws and regulations for the Reporting Period.

- a) Since the Company did not have town fuel and town gas consumption during the Reporting Period, therefore no emissions data from gaseous fuel consumption applied.
- b) Since the Company has only two motor vehicles during the Reporting Period, management of the Group believed that the wastage of this aspect was insignificant.

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A1.2. Greenhouse Gas Emission

		KPI			
	Emission Source	2019/18	2018/17	Unit	% increase/ (decrease)
Scope 1					
Direct Emission	N/A	N/A	N/A	Kg	–
Scope 2					
Indirect Emission	Electricity consumption	79,028	84,166	Kg	–6%
Scope 3					
Other indirect Emission	Business air travel	11,326	17,469	Kg	–35%
Total		90,355	101,636	Kg	–11%

During the Reporting Period, there was 90,355kg (2018/17: 101,636kg) of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation.

Indirect emission is mainly raised from electricity consumption while the other indirect emission came from business air travel. Total floor area coverage for the Group was 1,041m² in 2019/18 (2018/17: 1,041m²). The annual emission intensity was 86.80 kgCO₂e/m² (2018/17: 97.63 kgCO₂e/m²). The decrease was mainly due to efficient energy control policy adopted by the Group.

A1.3. Non-hazardous Waste

The Group generated no hazardous waste in its operation. Non-hazardous waste from the Group's operations was mainly office paper but the management of the Group believed that the wastage of this aspect was insignificant.

A2.1. Use of resource

Energy

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

		KPI			
		2019/18	2018/17	Unit	% increase/ (decrease)
Electricity consumed		100,036	106,539	kWh	–6%
Total floor area of facilities		1,041	1,041	m ²	–
Electricity consumed per square meter		96.10	102.34	kWh/m ²	–6%



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

In addition to managing energy consumption, the Group is committed to promoting awareness on water conservation amongst its staff and other stakeholders. In view of the Group's business nature, there is no material issue in sourcing water. During the Reporting Period, the Group 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 Group promotes behavioral 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 Group did not have physical product for sale and therefore it did not involve in any use of packaging materials during the Reporting Period.

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

A3. Environmental and Natural Resources

Air Quality

The Group pursues the best practices in the environment protection and concerns on the impact of the Group's businesses to the environment and natural resources. The Group 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 Group'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.

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B. SOCIAL

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

B1. Employment and Labour Practices

The Group is committed to providing a fair and respectful workplace for its employees. The Group strives to create a work environment that attracts and retains its employees for a professional service team to support the sustainable growth of the Group. The Group 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.

The Group 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

(i) *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. Human resources function provides recruitment advices 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;

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- prevailing market rate of the vacant position;
- availability of suitable candidates in the market; and
- salary range of the vacant position.

The Group 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 Group and employees are made based on a percentage of employees’ basic salaries. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme. In addition, the Group is governed by the Minimum Wage Ordinance as well as the Employee’s Compensation Ordinance and the Labour Law of the PRC.

The Group had subscribed to those basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, 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.

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

The Group 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.

(ii) Promotion and Career Development

The promotion of the Group’s employees is subject to review regularly. The Group has established objective performance indicators for annual performance evaluation. Supervisor also discusses the performance with employee in facilitating an effective two-way communication for advancement. Based on the evaluation result, the Group offers rewards to employees in encouraging continuous improvement.

(iii) Work-life Balance

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

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(iv) *Equal Opportunities and Anti-Discrimination*

The Group is an equal opportunity employer and does not discriminate on the basis of personal characteristics, gender or age. The Group has staff handbook outlining the terms and conditions of employment, expectation for employees' conducts and behaviours, employees' rights and benefits. The Group 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 Group has zero tolerance on sexual harassment or abuse in the workplace in any form.

(v) *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 Group.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group 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.

a) Employee's Age and Gender Distribution

Age Group	2019/18		2018/17	
	Male	Female	Male	Female
0-15	0%	0%	0%	0%
16-18	0%	0%	0%	0%
19 – 30	11%	18%	13%	16%
31 – 45	27%	20%	29%	20%
46 – 60	20%	2%	18%	2%
= 61/>61	2%	0%	2%	0%
Total	60%	40%	62%	38%

By gender	2019/18		2018/17	
	Male	Female	Male	Female
Under employment	60%	40%	62%	38%

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b) Employee's Geographical and Gender Distribution

Geographical Group	2019/18		2018/17	
	Male	Female	Male	Female
Hong Kong	58%	38%	60%	36%
Mainland China	2%	2%	2%	2%
Total	60%	40%	62%	38%

c) Turnover Rate by Age Group and Gender

Age Group	2019/18		2018/17	
	Male	Female	Male	Female
0-15	0%	0%	0%	0%
16-18	0%	0%	0%	0%
19 – 30	3%	5%	0%	0%
31 – 45	14%	6%	7%	5%
46 – 60	0%	0%	0%	0%
= 61/>61	0%	0%	0%	0%
Total	17%	11%	7%	5%

By gender	2019/18		2018/17	
	Male	Female	Male	Female
Resigned staff	61%	39%	57%	43%

The Group will continue to provide a well-structured and caring environment to employees to raise their sense of belonging and work efficiency in the Group.

B2. Employee Health and Safety

The Group 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 Group's standards updated and practical. For any problems that may potentially jeopardise employees' health and safety, the Group implemented protective measures to minimise any incidents.

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;

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- 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.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group 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.

a) Occupational Health and Safety Data

Health and Safety	2018		2017	
	Male	Female	Male	Female
Number of work-related fatalities	0%	0%	0%	0%
Lost days due to work injury	0%	0%	0%	0%

B3. Development and Training

Being a professional service provider, the Group recognises the importance of professionalism and competence of its staff. The main objective of training and development in the Group 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 Group.

The Group has organised 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 Group.

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B4. Labour Standard

The Group 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 Group 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 Group 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 Reporting Period, the Group 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 Group. In addition, no non-compliance with relevant laws and regulations that resulted in significant fines or sanctions had been reported during the Reporting Period. The relevant laws and regulations include but are not limited to the Employment Ordinance of Hong Kong and the Labour Laws of the PRC.

B5. Supply Chain Management

The Group's major business suppliers include providers of information technology and communication, premises, legal, professional and other business services. They are not considered to pose significant social risks to the Group's business operations.

The Group has established procurement policy to maintain high level of ethical standards for choosing the right suppliers through careful selection and continuous measurement. The Group conducts review on key suppliers annually so as to provide an opportunity to suppliers to enhance their services and products quality, which improves its procurement management effectively.

B6. Product Responsibility

Quality Assurance

The Group has set up the internal procedures and manuals to ensure a high level of service quality. In terms of signing of valuation report, the Group 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 Group 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.



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

Protecting Personal Data Privacy

The Group has put in place internal control in important areas such as confidentiality and conflict of interest. In addition, the Group 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 group 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 Group prohibits the provision of consumer information to a third party without authorisation from the clients.

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

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that has a significant impact on the Group relating to health and safety, intellectual property rights, advertising, labeling 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.

B7. Anti-corruption

Anti-Bribery and Anti-Corruption

The Group 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 Group 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.

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Whistleblowing Mechanism

The Group adopts a whistle-blowing system for reporting any improprieties in financial reporting, internal control, suspected or actual fraud or other matters. Whistleblower 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 Reporting Period, the Group 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 Group. 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.

B8. Community Involvement

The Group 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 Group encourages and supports the staff to participate in the volunteer services at the leisure times.

During the Reporting Period, the Group has participated in the following community events:

- Sponsored two seminars “Update on China Individual Income Tax” and “Pre-IPO Business and Financial Instruments’ Valuation” organised by CPA Australia;
- Participated as speaker in seminars “Valuation, Audit Review, and Scrutiny Beyond” and “Valuation of New Economy Companies” organised by the Hong Kong Institute of Certified Public Accountants and The Hong Kong Independent Non-Executive Director Association respectively; and
- Organised a seminar “Human Capital – Current Trend, Valuation Approaches & New ISO Reporting Standards” by one of the Group’s principal subsidiaries, Greater China Appraisal Limited.