



青鸟环宇
JADE BIRD UNIVERSAL

**BEIJING BEIDA JADE BIRD UNIVERSAL
SCI-TECH COMPANY LIMITED**

北京北大青鳥環宇科技股份有限公司

STOCK CODE : 08095

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT **2021**



Table of Content

	PAGE
I. ABOUT THE REPORT	2
II. BOARD INCLUSIVENESS	4
III. STAKEHOLDER ENGAGEMENT	7
IV. ENVIRONMENTAL SUSTAINABILITY	12
V. SOCIAL SUSTAINABILITY	23
VI. APPENDIX – PERFORMANCE TABLE	38
VII. REPORT DISCLOSURE INDEX	41

I. About the Report

Beijing Beida Jade Bird Sci-Tech Universal Company Limited (the “Company”, together with its subsidiaries, the “Group”) is principally engaged in the development of travel and leisure business, investment holding, and other businesses including sales and purchases of metallic products and production and sales of wine and related products.

As an enterprise mainly focusing on the tourism development projects in the People Republic of China (“China”), the Company understands the importance of environmental and social sustainability to the long-term development of the tourism industry and local communities. In 2021, while China issued the “30.60 Carbon Target” and a series of guiding documents regarding its climate actions, the Company is committed to following the national policy guidelines in sustainable development, and cooperating with the country’s ongoing development direction of a low-carbon economy.

Aiming to integrate environmental, social and governance (“ESG”) management into business operations, the Company endeavours to keep refining its business model and building resilience to various challenges including climate crisis, market fluctuation and natural disasters, in particular the unprecedented devastating impacts of COVID-19 Pandemic (“pandemic”) on social stability and economic growth across the world.

In strict compliance with the requirement under Appendix 20 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Group is pleased to present its sixth ESG Report (the “Report”) for the year ended 31 December 2021 (“FY2021”), which demonstrates the Group’s approach and performance in terms of ESG management and corporate sustainable development for FY2021.

Boundary Setting

Adopting the Operational Control Approach, the Group sets its reporting boundary to cover the environmental and social performance within the major business segments of the Group in China. Demonstrating the principle of Materiality, the Group identifies business segments including the development of travel and leisure business, investment holding and sales and purchases of metallic products to be included in this ESG report since these segments represent the majority part of the Group’s annual operations and thus revenue. Otherwise specified, the environmental and social data, including the number of employees, disclosed in this Report only covers the aforementioned scope, which may lead to a slight difference as compared to the whole Group data disclosed in the Annual Report 2021.

It is worth noting that the reporting boundary for ESG report FY2021 is different from the ESG report FY2020, which will be discussed more in detail in the following section.

For the corporate governance section, please refer to the Group’s Annual Report 2021 (Page 42 to 57). The reporting period of this Report is for FY2021 unless specifically stated otherwise.

Reporting Principles

Materiality:

The prioritisation of the significance of the Group's environmental, social and economic impacts is key for the Group in setting up an effective sustainability strategy. In FY2021, the Group carried out a materiality assessment by consulting various stakeholder groups about their concerns and expectations in terms of the Group's sustainable development. Results were approved and verified by the leaders of the Group. More details can be found in the section of Materiality Assessment. Meanwhile, the principle of Materiality is also reflected in the boundary setting where ESG performances of immaterial business segments are not included in this Report.

Quantitative:

To implement the reporting principle of Quantitative, environmental and social measurable key performance indicators ("KPIs") are listed under different performance tables to ensure that stakeholders can garner a deep understanding of the Group's ESG performance.

Balance:

To provide an accurate and objective evaluation of the Group's sustainability performance, an unbiased picture of the Group's ESG information analysis is portrayed and delivered to the readers. Conforming to the principle, the information revealed in the report included both the outstanding achievements and room for improvement of the Group's sustainability performance in FY2021.

Consistency:

To facilitate informed decision-making process through transparent information disclosure, the Group has adopted the methodology and reporting framework that is consistent over years to allow peer benchmarking and year-on-year comparison. In particular, the Group follows the local ESG Guide and internationally recognised standards for carbon calculations as well as the reporting structure.

In FY2021, due to the immaterial significance of the Group's winery business in the U.S. and the establishment of the new metallic products trading business, the reporting scope is significantly changed as compared to the previous year. As a result of this modification, the Group's ESG performance in terms of quantitative data experienced considerable changes in different areas.

Information disclosure

The information in this Report was gathered through numerous channels, including official documents and internal policies of different subsidiaries of the Group, the factual evidence of the implementation of ESG practices in the Group, the feedback from staff via online surveys in the format of quantitative and qualitative questions based on the reporting framework, and the analysed statistics of the Group's annual performance in business operations and sustainable development. To deliver a more formalised ESG report that appeals to the readers, a complete content index is available at the end of the ESG report for readers' convenience to check its integrity. The Report is prepared in both English and Chinese. Should there be any conflict or inconsistency, the English version shall prevail.

II. Board Inclusiveness

The Group believes that a robust and systematic sustainability governance framework is crucial for its long-term development and to bring forth a positive impact to the society where it operates. To this end, as the top governance body of the Group, the board of directors (the “Board”) of the Company is responsible for the oversight of the Group’s ESG issues through championing the integration of ESG concepts in risk management and business operations throughout the Group. To carry out the Group’s sustainability strategy from top to bottom, the Board assumes ultimate responsibility for ensuring the effectiveness of the implementation of the Group’s ESG policies and the Report.

The Group is deeply aware that only when ESG is internalised and carried forward by the highest authority together with the effective execution by the management and general staff of the Group, can it be truly integrated in the organisational culture and business operations. As such, the Board members, the secretary of the Board and the company secretary of the Company are in charge of monitoring, tracking and managing the sustainable development performance of the Group, overseeing the effective implementation of ESG-related internal strategies (including climate-related risk identification and management) and the formulation and revision of policies regulating the business operations under material topics.

The Board regularly reviews and adjusts its sustainability policies through the reports from the management, in order to satisfy the ever-changing needs of its stakeholders. Details of the Group’s management approaches in both the environmental and social aspects are elaborated in different sections of this Report.

With the forward-looking guidance and well-designed plans of action to address underlying ESG matters, the Group will insist on optimising its internal sustainability framework and give play to its first-mover advantage in leading the industry towards prosperity.

Board Statement

DEAR VALUED STAKEHOLDERS,

On behalf of the Board, I am pleased to present to you our ESG Report, detailing the Group's approach, performance and commitment regarding corporate sustainability for the financial year ended 31 December 2021.

Since 2020, the unprecedented global pandemic has hit the livelihood of millions of people all over the globe. Yet, as the pandemic swept the globe, it reminded all nations that the fate for all on the globe are closely connected. In 2021, with the pandemic getting relieved in most places thanks to the roll out of medications and vaccines, the importance of the harmonious coexistence of economy, society, and the environment is again remembered. With more than 140 countries pledging for a net-zero carbon future at COP26, it is an exciting time for all businesses to joint hands in combating climate change, which consequences are as serious or even more catastrophic than the pandemic.

Our approach to a better future

As the saying goes "clear waters and green mountains are as valuable as gold and silver mountains" (綠水青山就是金山銀山), we cherish the natural environment as our business and livelihood solely relies on it. Moving from the mindset of creating shared-interest for shareholders to creating shared-value for stakeholders, we strive to meet the needs and expectations of our stakeholders. Through annual materiality assessment, ESG issues that are material to our operations are identified and prioritised with the validation from the Board.

In the meantime, guided by our mission and to enhance the level of our commitment, we align ourselves with an internationally adopted framework, the Sustainable Development Goals proposed by the United Nations in 2015. Through thorough evaluation and communication with our various stakeholders, SDG 3: Good Health and Well-being and SDG 4: Quality Education are identified as of the most relevant issues to our core businesses. The sub-targets under the goals will be taken as the benchmark to inform our sustainable actions and responsible decisions in the future.

II. Board Inclusiveness

Our aspirations

Based on our observations of the business environment, we believe that the state places great importance on balancing the long-term development of the green travel business as well as the conservation of the natural environment, given that tourism is one of the important industries which decoupling its growth with carbon emissions is a crucial step for reaching carbon neutrality.

Aspiring to stay in line with the national ambition of achieving carbon neutrality by 2060, we spare no efforts in identifying and setting environmental targets which are suitable and appropriate with regards to the Group's business nature. The progress of achieving these targets is monitored and reviewed regularly by our top management, as well as disclosed in this Report.

Looking forward, as the world steps into the new era after going through the challenging period caused by the pandemic, we are committed to take our responsibility as a corporate citizen seriously, and strives to bring best-in-class products and services to our customers, while at the same time drive a more sustainable future for the tourism development in our beautiful motherland.

Last but not least, I would like to take this opportunity to express my sincere gratitude to all employees of the Group for their excellent contributions during the year and to the unfaltering support of our shareholders and business partners on our way transforming to a more sustainable enterprise.




Ni Jinlei

Chairman and Executive Director

14 April 2022

III. Stakeholder Engagement

Having a diverse range of stakeholders, including shareholders, employees, suppliers, customers, etc., the Group hopes to engage its stakeholders continuously via their preferred communication channels as listed below, so as to ensure its business directions and sustainability strategies reflects the proper priorities and interests of its key stakeholders, as well as stays in line with the industry best practices.

Stakeholders 	Expectations and Concerns 	Communication Channels 
Government and regulatory authorities	<ul style="list-style-type: none"> – Compliance with laws and regulations – Anti-corruption policies – Occupational health and safety 	<ul style="list-style-type: none"> – Supervision on the compliance with local laws and regulations – Fulfilment of statutory reporting requirements – Written correspondence
Shareholders	<ul style="list-style-type: none"> – Return on investments – Corporate governance – Business compliance 	<ul style="list-style-type: none"> – Regular reports and announcements – General meetings – Official website of the Group – Investor briefings and research reports
Employees	<ul style="list-style-type: none"> – Employees' remuneration and benefits – Career development – Health and safety in the workplace 	<ul style="list-style-type: none"> – Performance appraisals – Regular meetings and training – Emails, notice boards, hotline, team building activities with the management
Customers	<ul style="list-style-type: none"> – Production quality assurance – Protection of customers' privacy and rights 	<ul style="list-style-type: none"> – Customers' satisfaction surveys – Face-to-face meetings and onsite visits – Customer service hotline and emails
Suppliers	<ul style="list-style-type: none"> – Fair and open procurement – Win-win cooperation – Environmental protection – Protection of intellectual property rights 	<ul style="list-style-type: none"> – Open tender for key suppliers – Contracts and agreements – Suppliers' satisfaction assessment – Telephone discussions – Face-to-face meetings and onsite visits
General public	<ul style="list-style-type: none"> – Involvement in communities – Business ethics – Environmental protection awareness 	<ul style="list-style-type: none"> – Media conferences and responses to enquiries – Public welfare activities – Official website of the Group

III. Stakeholder Engagement

Materiality Assessment

As ESG risks and opportunities for companies vary across industries and depend on different corporate backgrounds, perspectives and business models, the Group undertook an annual review to identify, assess and prioritise the critical economic, environmental and social issues. Through engaging its key stakeholders, the Group also hopes to spot issues that may reflect significant impact on its business performance and may influence the decisions of the stakeholders.

In FY2021, the Group engaged its stakeholders to perform a materiality assessment survey initiated by a third-party agency in order to enhance the accuracy and objectivity of evaluation. Through a systemic materiality assessment to prioritise the topics from the entire inventory of ESG issuers, the Group eventually formulated a materiality assessment matrix below, which genuinely reflected the most important and relevant concerns of its stakeholders on ESG matters and facilitated the Group to develop actions plans for more effective ESG management.

To ensure that the Group is addressing the issues that are most relevant to its business and stakeholders, the Group takes a stepwise approach in conducting its annual materiality assessment.

1. Identification

With reference to the ESG Guide and internationally recognised reporting frameworks, 41 fundamental sustainability topics were identified under the latest sustainability landscape that were deemed to have potential environmental and social impacts through the Group's operations.

III. Stakeholder Engagement

1	GHG Emissions	15	Preventing Child and Forced Labour	29	Product Design & Lifecycle Management
2	Air Pollution	16	Labour Practices	30	Access & Affordability
3	Energy Management	17	Green Procurement	31	Business Ethics & Anti-corruption
4	Water & Wastewater Management	18	Communication and Engagement with Suppliers	32	Internal Communication & Grievance Mechanism
5	Solid Waste Stewardship	19	Environmental Risk (e.g. pollution) Management of Supply Chain	33	Community Engagement
6	Materials Management	20	Social Risk (e.g. human rights or corruption) Management of Supply Chain	34	Participation in Philanthropy
7	Land Use, Ecosystem and Biodiversity	21	Supply Chain Materials Sourcing & Efficiency	35	Cultivation of Local Employment
8	Climate Change Mitigation & Adaptation	22	Health and Safety Relating to Products/ Services	36	Local Environmental Protection
9	Packaging Material Management	23	Customers Welfare	37	Support of Local Economic Development
10	Renewable and Clean Energy	24	Marketing and Promotion	38	Business Model Adaptation and Resilience to Environment, Social, Political and Economic Risk and Opportunities
11	Diversity & Equal Opportunity	25	Intellectual Property Rights	39	Management of the Legal & Regulatory Environment (regulation-compliance management)
12	Employee Remuneration and Benefits	26	Product Quality	40	Critical Incident Risk Responsiveness
13	Occupational Health and Safety	27	Customers Privacy and Data Security	41	Systemic Risk Management (e.g. Financial Crisis)
14	Employee Development and Training	28	Labelling Relating to Products/Services		

III. Stakeholder Engagement

2. Prioritisation

To determine the materiality of the selected ESG topics, the Group collected, analysed the feedback of the stakeholder groups, and mapped out the outcome in the materiality matrix below to reflect their level of significance.

Stakeholder Engagement Materiality Matrix



According to the outcome of the materiality analysis matrix, the Group identified four ESG issues that were of great significance to both the Group and its stakeholders, namely “Occupational Health and Safety”, “Preventing Child and Forced Labour”, “Product Quality” and “Business Ethics and Anti-corruption”.

3. Validation

Being reviewed and validated by the Board, this assessment enabled the Group to objectively prioritise its sustainability issues, precisely identify the material and relevant aspects, and effectively make for the purposeful documentation and disclosure of its ESG performance so as to align them with stakeholders’ expectations

III. Stakeholder Engagement

Sustainable Development Goals

As a supporter of the United Nations Sustainable Development Goals (SDGs), the Group continues its commitment on identifying, integrating and aligning the SDGs which are of greatest importance to its stakeholders with its business operations. Seeing these SDGs as the driving force for the Group's current and future sustainability strategy, the Group identified two SDGs in the reporting year which it believed it can mostly contribute to and were most relevant to its business strategy.

Ensure healthy lives and promote well-being for all at all ages



As a corporation principally engaged in the tourism business, the Group pays special attention to the good health and well-being of the local communities on which our long-term business success heavily relies. We understand that tourism can contribute to economic growth and development, while also causing a knock-on effect on the health and well-being of the local communities.

With respect to this, the Group is committed to maintaining the cleanliness and hygiene of the scenic areas by voluntarily participating in the garbage cleaning of non-main roads and facilitate the pandemic prevention and control measures of the local communities.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



In response to the call for ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all, the Group provides continuous on-the-job training for its employees to hone their professional skills and realise their selfvalue.

In addition, the Group continues to focus its community investments on projects in the realm of education and poverty relief. Acknowledging that young people living in poverty may face obstacles in accessing quality education, the Group has long been committed to monetary donations to improve the schools' facilities, as well as providing free shuttles to and from schools for community residents and a loving delivery for students in the Entrance Examinations every year.

Stakeholders Feedback

As the Group strives for excellence, we welcome stakeholders' feedback, especially on topics listed as the highest importance in the materiality assessment and its ESG approach and performance. Readers are welcome to leave their comments and contact us through www.jbu.com.cn.

IV. Environmental Sustainability

The Group values the long-term sustainability of the environment and community in which it operates, stringently controls its emissions and consumption of resources, and complies with relevant environmental laws and regulations in Hong Kong and the PRC in its daily operation, including but not limited to:

- Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法);
- Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法);
- Law of the People's Republic of China on Prevention and Control of Water Pollution (中華人民共和國水污染防治法);
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法);
- Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise (中華人民共和國環境噪聲污染防治法); and
- Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法).

This section primarily discloses the Group's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources, as well as climate change in FY2021.

A.1 Emissions

In FY2021, we complied with applicable legal and regulatory requirements regarding environmental protection and there were no disregard to influential laws relevant to greenhouse gas ("GHG") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. To strictly control the quantity and quality of emissions according to relevant local environmental laws as set out in the regions where the Group operates, the Group is committed to monitoring, measuring and recording its emissions during operations.

In FY2021, air pollutants from the Group including sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter ("PM") were mainly generated from vehicles transportation. Specifically, the Group's air emissions of SO_x, NO_x and PM amounted to 16.7 kg, 20,474.6 kg and 2,056.7 kg, respectively. In FY2021, the GHG emissions from the Group were primarily due to the combustion of fossil fuels and the consumption of electricity in its business operations. The Group's total GHG emissions amounted to 2,972.3 tonnes, with an intensity of 6.7 tonnes CO₂e/employee. In addition, the Group generated a total of 31,308 m³ of non-hazardous wastewater in FY2021, while no significant amount of hazardous waste or non-hazardous solid waste were recorded during the year under review. The Group's total emissions in FY2021 are summarised in Table below.

IV. Environmental Sustainability

Table E1 – The Group’s Total Emissions by Category in FY2021 ⁹

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2021	Intensity ¹ (Unit/employee) in FY2021	Amount ^{2,3} in FY2020	Intensity ^{2,3} (Unit/employee) In FY2020)
Air Emissions ⁴	SO _x	Kg	16.7	0.04	14.2	0.03
	NO _x	Kg	20,747.6	46.7	17,776.6	40.4
	PM	Kg	2,056.7	4.6	1,762.2	4.0
GHG Emissions	Scope 1 ⁵ (Direct Emissions)	Tonnes of CO ₂ e	2,730.5	6.1	2,334.0	5.3
	Scope 2 ⁶ (Energy Indirect Emissions)	Tonnes of CO ₂ e	223.0	0.5	240.9	0.5
	Scope 3 ⁷ (Other Indirect Emissions)	Tonnes of CO ₂ e	18.8	0.04	16.7	0.04
	Total (Scope 1 & 2 & 3)	Tonnes of CO ₂ e	2,972.3	6.7	2,591.6	5.9
Non-hazardous Waste	Wastewater ⁸	Tonnes	31,308.0	70.5	22,397.6	50.9

1. Intensity for FY2021 was calculated by dividing the amount of air, GHG and other emissions respectively by the total number of employees of the Group in FY2021 within the reporting scope, which was 444;
2. The amount and intensity for FY2020 was extracted from the data in the Annual Report 2020;
3. FY2020 refers to the year ended 31 December 2020;
4. The calculation of air emissions included only the consumption of fossil fuels for transportation purpose;
5. The Group’s Scope 1 (Direct Emissions) included only the consumption of liquid fuels in motor vehicles;
6. The Group’s Scope 2 (Energy Indirect Emissions) included only electricity consumption;
7. The Group’s Scope 3 (Other Indirect Emissions) included only paper wastes disposed of at landfills, electricity used for processing fresh water and sewage by government departments, and business air travel by employees;
8. As most wastewater generated was discharged into the municipal sewage system without a clear record, the amount of wastewater generated by the Group was estimated on the assumption that 100% of freshwater used was discharged as wastewater; and
9. The methodology adopted for reporting on GHG emissions set out above was based on “How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, GHG Protocol Corporate Accounting and Reporting Standard and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

IV. Environmental Sustainability

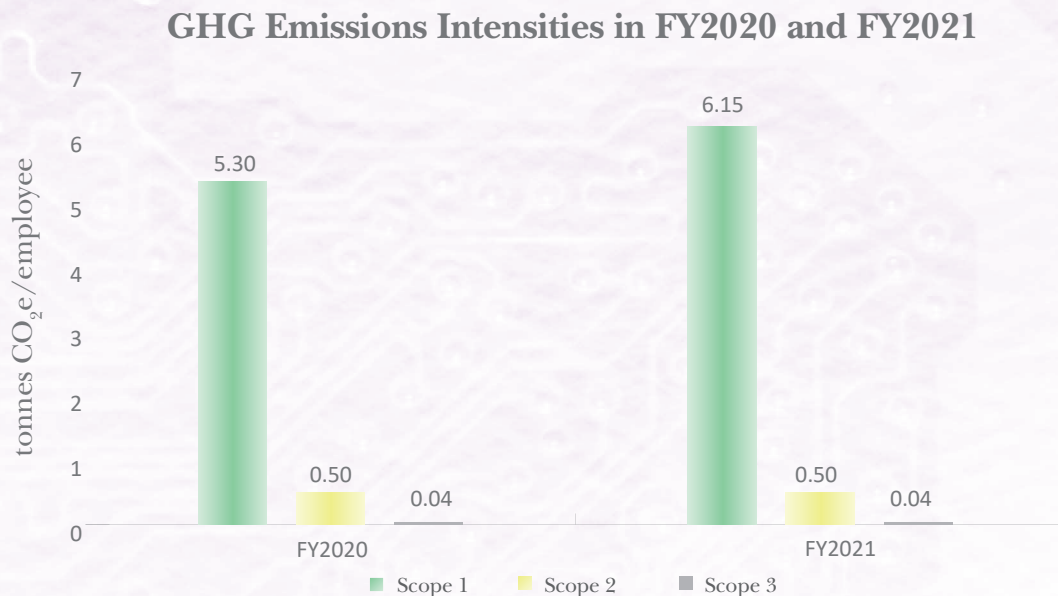
Compliance

To better manage its emissions, the Group formulates the Environmental Protection Management Specification (環境保護管理規範) and implements it as required. Meanwhile, in compliance with the requirements of the local environmental protection department, the commercial management department is responsible for entrusting a third-party testing agency to detect the pollution factors of the commercial sewage and emissions, which must not exceed the national and local pollutant emission concentration standards. If any violation is spotted, reasons should be found out and rectification should be done in a timely manner.

Air & GHG Emissions

In FY2021, the total air emissions and the emissions of each pollutant rose by around 16-17% as compared to that of FY2020, primarily due to the increase in fossil fuels consumption for transportation.

Graph showing the changing pattern of GHG emissions intensities



In FY2021, the GHG emissions pattern changed slightly as compared to that of FY2020, with the Scope 1 emissions that stemmed from the use of fossil fuels dominating (>90%) the annual GHG emissions pattern. The moderate 14.7% increase in the total GHG emissions was mainly due to the surge in use of fossil fuels for vehicles, which the Group has long been committed to control and manage.

Nevertheless, the Group strives to control its air and GHG emissions given its commitment in aligning its aspirations with the national goal of transiting to a low-carbon future. To this end, the Group aims to reduce the amount of air pollutants and GHG emitted per employee in FY2022 to be lower than the corresponding intensities in FY2021.

To take action towards its aspiration, the Group is dedicated to strictly control the consumption of fossil fuels and optimise its business practices during operations through actions including ensuring all business vehicles are up to national standard and promoting resources conservation throughout the workplace to reduce unnecessary waste of energy thus lowering its emissions. More actions regarding actions in managing the use of fossil fuels and electricity can be found in A.2 Use of Resources.

IV. Environmental Sustainability

Wastewater

In FY2021, the wastewater generated from the Group was mainly comprised of non-hazardous commercial and domestic wastewater. The municipal wastewater was directly discharged into the drainage system of the property building. The Group ensures that its wastewater discharge meets the third-level standard in the Integrated Wastewater Discharge Standard (GB8978-1996) and is reported and approved by the local government. For domestic sewage and public construction wastewater, the Group makes sure they are treated by grease traps and septic tanks before entering the urban sewage pipe network.

In FY2021, the amount of non-hazardous wastewater increased by 39.8% as compared to the figure of FY2020, primarily due to the resume of business and the increase in use of water for cleaning and sanitisation as one of the pandemic prevention and control means.

Acknowledging that the wastewater generated by the Group during the year under review was mainly municipal wastewater from daily operations, which largely depended on the amount of freshwater that the Group consumed, the Group sets linked targets for both its wastewater discharge and water consumption, which is to reduce the amount by 10% in FY2022 as compared to the figure in FY2021, assuming the overall business scope will remain unchanged.

To effectively control the consumption of water and thus the wastewater discharge, the Group adopts effective measures to reduce its water consumption in daily operations, which are further described in the next subsection headed under A.2. Use of Resources.

IV. Environmental Sustainability

Solid Waste

During the year under review, the amount of solid waste generated was not significant. Notwithstanding it, the Group is committed to integrating the concept of sustainable waste stewardship in businesses. Specifically, the Group establishes “Waste Management Measures” (廢棄物處理辦法) and executes the measures accordingly.

In response to the countrywide waste sorting regulation, the Group implements rubbish classification. Qualified third parties are assigned to handle onsite waste classification, collection and further treatment including reuse and recycling. The non-recyclable solid wastes that have been classified are transported to a local recycling centre or waste disposal plant for further treatment. To reduce the generation of solid waste, the Group discourages the use of disposable paper cups, tissue, chopsticks and plastic bags. Further, the Group has posted slogans to remind its employees to cherish food and reduce food waste at canteen.

Given that the Group mainly engages in tourism development in Mainland China, the reclamation and construction project are inevitable. To better control the potential emissions and discharges, the Group ensures the project construction is in line with the national industrial policy and local economic development requirements. Corresponding ecological protection measures and pollution prevention and control measures are strictly implemented, while the three-simultaneous system is also enacted to ensure that the impact on the surrounding environment is controllable.

With regards to the Group’s metallic products trading business, due to the business nature of trading business, it is believed not to impose significant environmental impacts. As such, the Group endeavours to reduce the environmental footprint of this business segment through prioritising products that have passed the national environmental protection certification system and quality certification system, such that waste and pollution can be minimised at source.

In FY2021, the Group passes the annual and monthly audits of the local Environmental Protection Department and did not record any significant environmental incident.

IV. Environmental Sustainability

A.2 Use of Resources

In FY2021, the primary resources consumed by the Group were electricity, water, diesel, gasoline, and paper, while the Group did not consume a significant amount of packaging materials. The use of natural resources has always been the key issue for the Group's environmental concern. To effectively manage its resources consumption, the Group keeps improving its performance in resource use efficiency by setting up and monitoring appropriate KPIs in regulating the procurement practices and consumption of resources. Table below illustrates the amount of different resources used by the Group in FY2021 and FY2020.

Table E2 – The Group's Total Use of Resources by Category in FY2021 and FY2020

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2021	Intensity ¹ (Unit/employee) in FY2021	Amount in FY2020	Intensity ² (Unit/employee) in FY2020
Energy ³	Electricity	kWh	365,530.0	823.3	478,459.0	1,087.4
	Diesel	L	403,964.5	909.8	342,356.1	778.1
	Gasoline	L	690,555.4	1,555.3	593,672.0	1,349.3
	Heat	kWh'000	27.8	0.1	–	–
	Total	kWh'000	11,409.5	25.7	–	22.5
Water	Water	m ³	31,308.0	70.5	22,397.6	50.9
Paper	Paper	Kg	1,239	2.8	1,253	–
Packaging materials ³	Glass	Tonnes	0	–	45	–

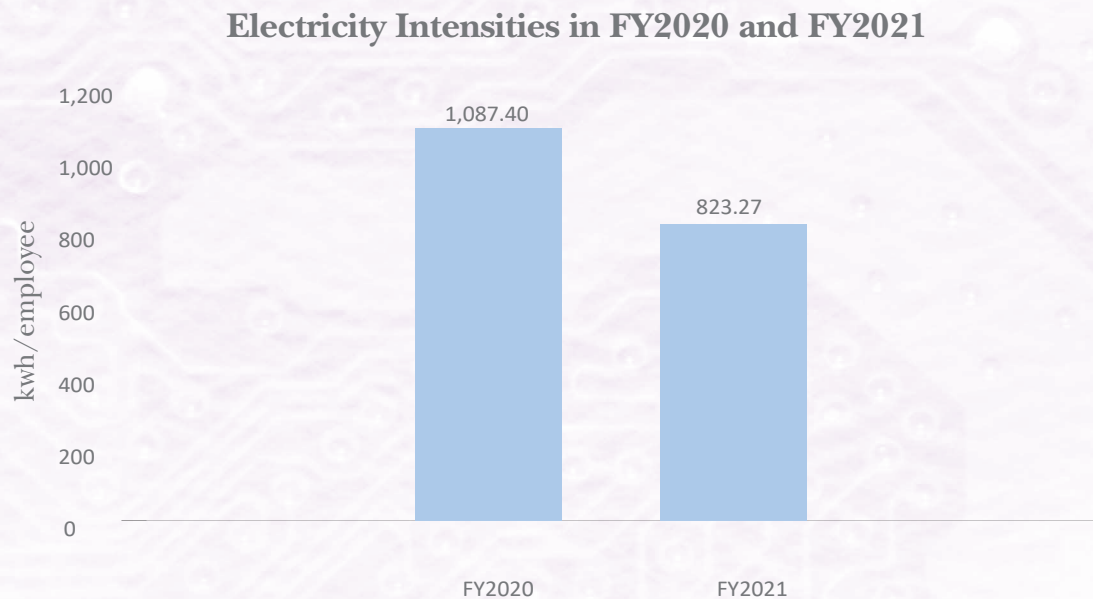
1. Intensity for FY2021 was calculated by dividing the amount of resources the Group consumed in FY2021 by the total number of employees of the Group in FY2021 within the reporting scope, which was 444;
2. Intensity in FY2020 was extracted from the data in the Annual Report 2020 of the Group; and
3. The energy conversion of resources consumed was based on the energy coefficient set out in “How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange”.

IV. Environmental Sustainability

Electricity

The workplace operation is the primary contributor to the consumption of electricity in the Group. In FY2021, the total electricity consumption of the Group amounted to 365,530 kWh with a remarkable fall of 23.6% as compared to the previous year mainly due to the change in reporting scope regarding the exclusion of the Group's winery business in the U.S.. The fall in electricity consumption undoubtedly led to the declining Scope 2 GHG emissions of the Group in FY2021.

Graph showing the decline in electricity consumption intensities



Taking FY2021 as the baseline, the Group aims to maintain the amount of electricity consumed per employee in FY2022 to be lower than the corresponding intensity in FY2021.

To achieve its goals, the Group is dedicated to ensure that all subsidiaries and departments adhere to the electricity-saving principle. A series of internal policies and guidelines such as the “Water and Electricity Safety Management Measures” (水電安全管理辦法) are formulated to instruct all employees to study and implement sustainable practices. All subsidiaries of the Group are required to stringently comply with the Group's energy saving policies, as the Group incorporates its staff's achievements in seeking sustainability in the performance appraisals.

IV. Environmental Sustainability

During the year under review, a multitude of eco-friendly measures were implemented by the Group to manage its electricity consumption, including but not limited to:

- Maximise the usage of natural lights when there is sufficient natural lighting;
- Turn off the lights in public areas when not necessary;
- Turn off idle equipment, lighting and air conditioner after work;
- Clean and repair equipment regularly to ensure they are operating at optimal conditions;
- Prioritise the purchase of energy efficient equipment;
- Explore the feasibility on the use of renewable energy; and
- Strictly prohibit the use of high-power electrical appliances.

Other energy resources

Given the resume of tourism industry as the pandemic relieved leading to the increase in use of shuttle buses, the amount of fossil fuels consumed by the Group surged considerably by 16-18% in FY2021 as compared to the previous year. With diesel and gasoline being the fossil fuels consumed by the Group for its business travel in this reporting year, the Group aims to control its use of fuels and looks for cleaner alternatives that are more environmentally friendly. Meanwhile, the Group also consumed purchased heat in the reporting year which was a new category of consumption.

Taking FY2021 as the baseline, the Group aims to maintain the amount of energy consumed per employee in FY2022 to be lower than the corresponding intensities in FY2021. The Group will continue its efforts in exploring cleaner fuel alternatives as well as pay more attention to the control of indoor temperature and thus the heat demand, in combining efforts paid in the following actions:

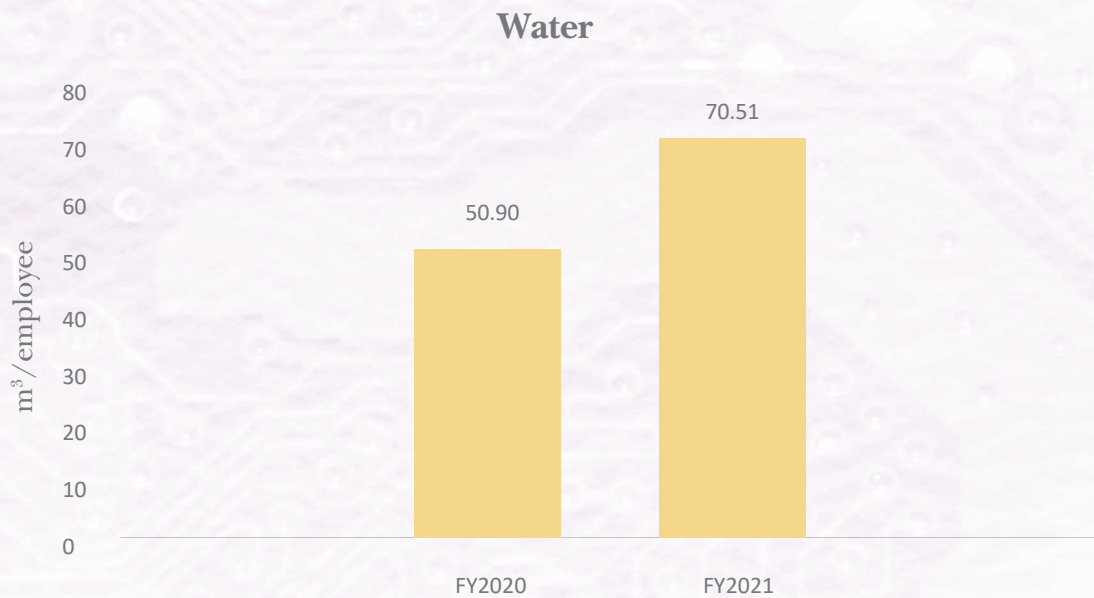
- Adopt the policy of centralised fleet management to reduce unnecessary transportation;
- Maximise the transportation efficiency through the strict monitoring and frequency reduction of empty transport miles;
- Upgrade the fleet with energy-efficient engines;
- Acquire supplementary cleaner energy sources such as liquefied natural gas (LNG); and
- Support the reformation of emission reduction standard and fuel efficiency standard.

IV. Environmental Sustainability

Water

Water was mainly consumed by the Group's staff at work. In FY2021, the Group did not face any problems in sourcing water. The water consumption of the Group in FY2021 amounted to 31,308 m³, which was around 39.8% higher as compared to the figure in FY2020, mainly due to the change in water consumption behaviours influenced by the pandemic prevention and control practices.

Graph showing the change in water consumption intensities



Having a target for reducing the water consumption in FY2022 by 10% using the FY2021 data as the baseline, the Group endeavours to improve the utilisation efficiency of water resources through the establishment of its internal policies such as the “Water and Electricity Safety Management Measures” (水電安全管理辦法). Laying emphasis on water conservation, the Group provides relevant training to its staff and assesses the conservation performance among employees regularly. Further, the Group installs automated water sinks in new buildings and upgraded water systems in the toilet, which uses reclaimed water and is designed with a smart flushing system.

IV. Environmental Sustainability

Paper

Paper was mostly used in the Group for its administrative work and providing information for our customers. To minimise the consumption of paper and other paper-made products, the Group implements a series of effective internal measures to regulate office operations and other business practices, including but not limited to:

- Collect and recycled all waste paper;
- Set double sided printing as default when printing is necessary;
- Remind staff to think before print to prevent unnecessary waste;
- Use recycled paper for documents not of top importance;
- Encourage the adoption of Office Automation by software/online systems; and
- Provide customers with more contactless digital information via email or text messages instead of printouts.

A.3 The Environment and Natural Resources

As an enterprise with a diverse range of businesses, the Group understands that its different businesses may have different impacts on the environment and natural resources. According to the analysis in the above section, the relatively significant environmental impacts of the Group in FY2021 can be summarised into the overall GHG emissions arising from the consumption of fossil fuels and electricity, while the usage of other natural resources only constituted only a small amount of environmental footprints of the Group. Nevertheless, being a conscientious organisation, while aligning ourselves with the national ambition to achieve carbon neutrality by 2060, the Group is committed to upholding its standards and actively delivering on its environmental responsibility through fostering the concept of “Responsible travel” and “Responsible workplace”.

Responsible travel

Dedicated to promoting an environmentally conscious culture and the environmentally sound travel practices that minimise waste and reduce harmful emissions to the natural body, the Group keeps enhancing the environmental performance of its vehicle usage. In FY2021, the main impact exerted by the Group regarding direct emissions was the consumption of gasoline for transportation. In view of this, the Group is committed to ensuring all its operating vehicles are in compliance with the national standards and are passed in the annual vehicle inspection with regards to the vehicle pollutant emission limits and measurement. In the meantime, the Group also encourages its staff to take public transport whenever possible as well as reduce unnecessary business travel by making use of digital means for communications.

IV. Environmental Sustainability

Responsible workplace

Every day is an opportunity to lessen the Group's environmental impact. Since the main impact on the environment from the workplace is the indirect GHG emissions through the use of electricity in offices, the Group's vision for building a sustainable workplace involves energy-saving initiatives, avoiding heating/cooling of unused spaces and putting emphasis on improved building design. To further its environmental managing effort, one of subsidiaries of the Group conducted Environmental Impact Assessment (EIA) and got Environmental Permit for its development project in the reporting year, demonstrating its outstanding commitment in controlling its environmental performances.

A.4 Climate change

The world has moved on from simply talking about climate change. In 2021, the world witnessed a historical moment that more than 140 countries pledging for carbon neutrality at the COP26, especially for the "30.60 carbon target" of Mainland China which caught the attention of all. In response to the national goal, the Group, as a supporter of Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, is also committed to identifying and mitigating climate-related risks for all of its stakeholders and the planet.

With the Group's main business being tourism development at scenic areas, the Group identifies and prioritises that the acute physical risks brought by the increasing frequency of extreme weather events induced by climate change are going to be the most significant to its business operations. In particular, environmental impacts of extreme events like frozen roads and severe weather are considered risks threatening the safety of both staff and tourist in the scenic areas. The potential increase in accidents may impose financial risk on the Group that more complaints and compensations will be made which in turn causes a negative impact to the Group's reputation as well as the rise in operating costs.

In response to this, emergency plans for operations in severe weather events have been formulated to ensure the safety of all staff and tourists by providing them with instructions on how to swiftly and properly face accidents. Meanwhile, the safety inspections frequency is also enhanced to safeguard the well-being of all.

With regards to the chronic physical risks, the change in weather patterns may cause some of the Group's scenic areas not available for tourists visits or even limit its potential in exploring new scenic areas for tourists. Although this long-term risk may impose potential damage to the Group's future revenue based on tourists' ticket fare, the Board has discussed and decided that this is not a significant risk to the Group at this moment and therefore will put more focus on managing the potential acute risk as disclosed.

EMPLOYMENT AND LABOUR PRACTICES

Acknowledging that the Group's future depends on the quality, performance and commitment of its staff members, the Group strongly supports human rights, diversity, inclusion and ethical behaviour in the workplace and employment policies.

B.1 Employment

The Group views talents as one of its most valuable assets and the key driving factors in ensuring the success and sustainable development of the Group. In FY2021, there were 444 full-time employees working for the Group within the reporting scope, in which 300 were male workers and 144 were female workers. More details regarding the human resources distribution of the Group can be found in Table S3 in the APPENDIX – PERFORMANCE TABLE.

Law compliance

In FY2021, the Group abided by the applicable laws and regulations in Hong Kong and the Mainland China that were material to the Group's business, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);
- Labour Law of the People's Republic of China (中華人民共和國勞動法);
- Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法);
- Minimum Wage Standards (最低工資規定); and
- The Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法).

To make sure that the relevant internal policies are fully in line with the latest laws and regulations, the Group's Human Resources Department is responsible for the review and update of the corporate documents in talent management on a regular basis.

Recruitment and promotion

Recognising that the experience of our employees is the key to our long-term success, during the recruitment process, the Group strictly adheres to the principle of democracy, openness, impartiality and excellence as set out in the Recruitment Management System (招聘錄用制度), and values candidates' personal capability and innovative thinking. During the recruitment process, all applicants undergo a series of rigorous selection processes, including written examination of professional skills, comprehensive ability tests and supervisor interview before they are officially hired. During the year under review, the Group participates in several online and at least three on-site recruitment activities in supporting the local employment.

V. Social Sustainability

Besides, the Group has periodic plans and budgets to run performance evaluation. Recognising those who have demonstrated consistently strong performance and became the role models for the Group, especially in areas of growth and operational excellence, the Group takes proactive initiatives to offer them management positions. Concerning the career growth of junior staff, the Group provides a clear career development path for them, offering promotion and pay raise for the outstanding employees who have served the Group for over three years.

Compensation and dismissal

According to the Group's Salary Management System (薪資管理制度), the salary composition is divided into monthly fixed salary, subsidies under specific conditions and bonus. To motivate, reward, and recognise existing employees who have made significant contributions to the Group, compensation reviews and salary adjustment are regularly conducted with reference to the overall market conditions, inflation rate, profitability of the Group and employee's past performance.

Meanwhile, any termination of the employment contract is strictly based on reasonable and lawful grounds according to the Dismissal Management System (解聘管理制度) and all relevant laws and regulations. The Group prohibits any kinds of unlawful or unreasonable dismissals. In FY2021, the turnover rate of the Group was 35.59%, with more details shown in the Table S4 in APPENDIX – PERFORMANCE TABLE.

Working hours and rest period

Reasonable working hours and rest periods are arranged for the employees of the Group in accordance with the "Provisions of the State Council on Employees' Working Hours" (國務院關於職工工作時間的規定). Specifically, Attendance Management System (考勤管理制度) is set up to monitor the working hours of each staff. Overtime working is not encouraged by the Group, yet if employees need to work overtime to finish their tasks, corresponding compensation will be made with reference to the Assessment Management System (考核管理制度) or his/her relevant employment contract.

In addition to basic paid annual leave and statutory holidays stipulated by the local governments, employees are also entitled to additional leave benefits such as marriage leave, paternity leave and compassionate leave.

Equal-opportunity and anti-discrimination

As an equal opportunity employer, the Group seeks to promote the workforce that champions diversity and inclusion. To foster a fair, respectful and diverse working environment, the Group is committed to creating a team spirit in the workplace that embraces and leverages the multicultural essence of the company and provides equal opportunities to talented individuals. Training and promotion opportunities, dismissals and retirement policies are determined irrespective of employees' gender, race, age, disability, family status, marital status, sexual orientation, religious beliefs, nationality or any other non-job-related factors in all business units.

V. Social Sustainability

The Group is also committed to eliminating all forms of discrimination and harassment in the workplace and beyond through reinforcing its fair treatment and consideration in daily practices. Having zero tolerance for any workplace discrimination, harassment or victimisation, the Group has set internal policies in accordance with the relevant legislation, ordinances and regulations. The Human Resources Department is responsible for monitoring the compliance with applicable laws and regulations. Employees are encouraged to voice out and report any discrimination or harassment during work.

In addition, the Group promotes gender equality in the industry and beyond. By providing employees with fairness-related training, female employees are fully aware of their rights and interests and educated to improve their self-protection awareness.

Benefits and welfare

The Group upholds the duty of care for its employees and strives to employees' sense of belonging through the provision of additional benefits and welfare such as insurances, well-equipped dormitories and housing subsidies, as well as festival expenses and heating allowance.

To cater to both the physical and psychological needs of employees of the Group, additional benefits including a variety of meaningful activities and parties are arranged for employees regularly. In FY2021, due to the social distancing rules implemented by local governments to prevent the spread of virus, only a limited number of activities were organised within the Group. To facilitate the harmony among employees and to build their team spirit, various team building activities including Script Mystery Game, Skills Competition and hiking activities were organised to encourage staff to pursue work-life balance and appropriately relieve stress.



V. Social Sustainability

During the year under review, the Group was in full compliance with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

B.2 Health and Safety

Committed to creating a safe and secure workplace for employees, maintaining the highest standards of safety and employee protection is of paramount importance to the Group. Strict internal safety and health policies are established by the Group, which are in line with relevant laws and regulations in Hong Kong, the PRC and the US, including but not limited to:

- Production Safety Law of the People's Republic of China (中華人民共和國安全生產法);
- Road Traffic Safety Law of the People's Republic of China (中華人民共和國道路交通安全法);
- Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法);
- Fire Control Law of the People's Republic of China (中華人民共和國消防法);
- Law of the People's Republic of China on the Protection of Rights and Interests of Women (中華人民共和國婦女權益保障法);
- Regulation on Emergency Responses to Work Safety Accidents (生產安全事故應急條例) and
- Regulation on Work-Related Injury Insurance (工傷保險條例)

V. Social Sustainability

Internal health and safety management policies are set up to ensure the occupational safety of employees. During the year under review, emergency drills, safety inspection and training programmes regarding safety management requirements, fire safety regulations and production site safety regulation were provided by the Group. Personal protection equipment (PPE) is distributed to the staff of the Group in accordance with the Provisions on the Prevention of Occupational Hazards and Labour Protection of Female Employees (職業病防治及女職工勞動保護規定) and Regulations on the Distribution and Use of Protection Equipment (勞動防護用品發放使用規定).



The management and general employees should strictly comply with internal safety production management policies and regulations including the Office Safety Management Regulations (辦公場所安全管理規定) and the Quality, Occupational Health and Safety Management Manual (質量職業健康安全管理手冊). The Security Department is responsible for the regular safety inspection and the Administrative Department is responsible for the organisation of body checks, while it is the General Manager's responsibility to supervise and ensure that all relevant measures are implemented effectively.

Striving to achieve a secure working environment, the Group pays attention in implementing its internal safety measures, which effectiveness can be reflected on the zero work-related fatalities in the past three financial years of the Group. While the Group spares no effort to avoid accidents, unfortunately five work-related injuries were recorded in FY2021, in which five employees were injured, with three workdays lost. For all injuries or accidents, the Accident Investigation Report (意外事故調查報告) is required to be filled and submitted to the Administrative Department within 24 hours. The Group will review all incidents carefully and organise corresponding meetings so as to prevent similar incidents from happening again.

During FY2021, the Group was in compliance with the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

V. Social Sustainability

Response to COVID-19

Entering 2021, with the pandemic getting eased in Mainland China due to the effective control of the governments and the roll out of vaccines, the pandemic's impact on the Group's business in this reporting year was significantly lower as compared with 2020. Nevertheless, the Group is still adhering to the epidemic prevention and control measures and will not let go of its controls easily.

Strictly following the requirements of the local authorities, the Group continues to do a good job in prevention and control, including the daily body temperature monitoring of staff, disinfection of incoming vehicles, maintaining of social distance as well as disinfection of the workplace at regular intervals every day.

Meanwhile, to prevent the spread of virus after the personnel movement during significant festivals and holidays, special epidemic prevention and control plans are formulated. Promotion of pandemic prevention knowledge and organisation of nucleic acid testing are also arranged in consideration of the public health.



B.3 Development and Training

The Group believes that all of its employees should be the targets of receiving training as talents are essential for maintaining and improving the competitiveness of a company. Aiming to establish and continuously deepen the staff's sense of identity with the Group's culture, the Group strives to help its staff grow and improve the overall competence of them so as to enable them with broader development prospects.

Recognising that talents are the most important assets of the Group, the Group is committed to providing employees with pre-job training, on-the-job training, and recommending them to take post-graduate studies.

Following the principle of "Fairness, Competition, Rewards" (公平、競爭、獎優), the Group sets up the Training Management System (培訓管理制度). The Human Resources Department is responsible for formulating the "Annual Training Plan", which includes the objectives, content, time and participants of various training programmes. The Group designs and arranges a suitable and customised package of training courses for both its newly hired employees and experienced workers. For the newly hired employees, the Group provides comprehensive induction training covering the corporate culture, business process, work safety requirements, management policies and development philosophy of the Group. For experienced employees, the Group, in collaboration with domestic technology research institutes and equipment manufacturers, provides appropriate training programmes for its employees to improve technical and product knowledge, as well as to understand relevant industry quality standards and workplace safety standards.

In FY2021, the Group organised 9,402 hours of training for 411 staff with respect to the topics such as safe production, epidemic prevention and control, reception etiquette and emergency handling. More details regarding the number of staff trained and the training hours can be found in Table S5 and S6 in the APPENDIX – PERFORMANCE TABLE.

V. Social Sustainability

B.4 Labour Standards

In FY2021, the Group abided by the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Labour Law of the People's Republic of China (中華人民共和國勞動法), Law of the People's Republic of China on the Protection of Minors (中華人民共和國未成年人保護法) and other related labour laws and regulations in operating regions to prohibit any child and forced labour employment.

To combat illegal employment of child labour, underage workers and forced labour, the Group strictly follows the requirements of the State Council's Provisions on the Prohibition of Using Child Labour (禁止使用童工規定) and the Ministry of Labour's Provisions on Special Protection of Underage Workers (未成年工特殊保護規定), and formulates its internal management measures as clearly listed in its Staff Handbook and other Recruitment Management Specifications (招聘管理規範).

According to its "Prohibition of the Use of Child Labour and Underage Labour Management Systems" (禁止使用童工和未成年工管理制度), the Human Resources Department is responsible for ensuring all job applicants are lawfully employable by checking their identity documents prior to confirmation of any employment. The Human Resources Department also monitors and reviews the employees' identity documents and records monthly to ensure the proper implementation of the Group's policies.

Once the Group identifies any case which fails to comply with the relevant labour laws, regulations or standards, the responsible person will be held accountable with announcement across the organisation, while further improvements on the Group's recruitment procedures, labour protection and grievance system will be discussed and enacted accordingly to prevent similar incident from happening again in the future.

Apart from internal systems and practices, the Group also respects and advances human rights along its supply chain. The Group requires all of its suppliers and contractors to ensure fair labour practices. In any case of violation, the suppliers/contractors will be removed from the list of qualified suppliers and the business partnership will be terminated until their labour practices are corrected.

In FY2021, the Group was in compliance with applicable laws and regulations in relation to the prevention of child and forced labour that have a significant impact on the Group.

OPERATING PRACTICES

B.5 Supply Chain Management

Suppliers and business partners are vital to the Group's business sustainability. As a socially responsible enterprise, the Group strives to build sustainable and mutually rewarding partnerships with its suppliers while upholding the same sustainable believes throughout the value chain.

To practise sustainable procurement and create shared value within the supply chain, the Group carefully selects suppliers who have demonstrated responsible business operations based on ethical, environmental and social criteria which are outlined in the Supplier Conduct Code. Each of the operating subsidiaries within the Group monitors the quality of its suppliers and assesses their practices on a strict and continuous basis according to its internal Supplier Evaluation Checklist.

Tourism development business

The key suppliers of this business segment primarily consist of construction material companies, design companies, ticket hardware companies, event planning service providers etc. To minimise any environmental or social risks along the supply chain, the Group strictly follows the criteria set out in the Checklist, which looks into various aspects of the candidate including the product quality control, product traceability, complaint handling, unconformity control as well as the environmental hazardous substance management etc. The Procurement Department is responsible for the tracking of potential supplier's product quality, experience, service quality, financial status and operating stability through this holistic assessment.

In the final evaluation of candidate suppliers, decisions should be made on the basis of comprehensive consideration of all selection factors and risks, so as to build a competitive supply chain system. All qualified suppliers will be logged into the Group's Supplier Database which is reviewed annually. Regular communications are done through phone calls, online meetings, mails and on-site visits to strive for effective collaboration.

As an enterprise operating the scenic spots, the quality of supplies plays an important role in terms of its environmental impacts. As such, green procurement policies are implemented such that suppliers are required to provide green materials that meet the requirements of relevant ROHS regulations, while those who have been certified as green partners and suppliers possessing ISO 14001 certification are listed as priority procurement partners. For suppliers who provide design materials, they are required to provide relevant environmental protection information of the original manufacturer to ensure its credibility. In the coming five years, this business segment of the Group strives to achieve 80% of its business partners being local suppliers, so as to peruse a green value chain.

V. Social Sustainability

Metallic products trading business

The key suppliers of this business segment primarily consist of professional supplier of large metal products. With reference to its internal Trader Access Criteria (貿易商准入標準), suppliers are required to comply with relevant laws and regulations regarding environmental management system and occupational health and safety management system. To identify and minimise any potential environmental and social risks, the Procurement Department is responsible for performing preliminary background check of the potential partners making use of external resources including TianYanCha to ensure they are not involved in any non-compliance or litigation cases.

To practise green procurement, the Group is committed to giving priority to suppliers with better environmental performances. With regards to the national policies and environmental protection requirements, the Group values suppliers who possess national environmental protection system certification and quality system certification. Meanwhile, if the suppliers are involved in environmental litigation, the Group will make sure it drops those suppliers.

In FY2021, the Group was in stable communication and collaboration with six key suppliers with five of them located in the Mainland China and one in Hong Kong. The aforementioned supplier management policies are applied to all of the Group's key suppliers.

B.6 Product Responsibility

Law Compliance

Investment business

In compliance with the Price Law of the People's Republic of China (中華人民共和國價格法) and other relevant laws and regulations, the Group has established strict internal control policies to ensure the standardisation of operations and the prevention of operational risks. For instance, the Safety Production Management Measures (安全生產管理辦法) and Investment Management System (投資管理制度) are formulated to promote the institutionalisation, standardisation and systematisation of the company's safety management and supervision, so as to effectively prevent the occurrence of various accidents, eliminate potential hazards, and ensure responsible investment. The inspection department is responsible for assessing the rationality, completeness and effectiveness of the internal control measures and monitoring the implication of control procedures. Meanwhile, due to the business nature of the Group, recall procedures are not applicable thus not discussed in this section.

Tourism development business

In FY2021, this business segment of the Group was in compliance with Production Safety Law of the People's Republic of China (中華人民共和國安全生產法), Product Quality Law of the People's Republic of China (中華人民共和國產品質量法), Price Law of the People's Republic of China (中華人民共和國價格法) and Regulation of the People's Republic of China on Road Transport (中華人民共和國道路運輸條例) etc.

Quality and Safety

Upholding the service motto of “Safety is life, Service is soul” (「安全是生命，服務是靈魂」), the Group focuses its efforts on the continuous improvement of health and safety for both tourists and its staff, while aiming for excellent service quality for all at the same time. As an enterprise operating in the scenic areas, service quality is of paramount importance to the Group. As such, to ensure its service are up to standard, the Group establishes a series of internal policies such as the Code of Service Behaviour and Language Usage (服務行為和用語規範) to guide its staff behaviour, while Non-conforming Control Management Procedures (不合格控制管理程序) is implemented to deal with staff whose services are not up to the Group’s standard.

Meanwhile, to protect the safety of all tourists in the scenic area, the Safety Production Committee (the “Safety Committee”) formulates a safety management system and carries out safety production supervision and inspection regularly, with regards to the requirements of Occupational Health and Safety Management System (GB/T 45001-2020), Quality Management System (GB/T19001-2016) and Basic Requirement for Enterprise Safety Production Standardisation (GB/T 33000-2016).

Customer Satisfaction and Complaint Handling

Valuing its customers’ opinions as an important driving force for improvement of service quality, the Group spares no effort in gathering customers’ feedback regarding its service quality. In particular, the Group conducted satisfaction survey at one of its theatres in FY2021 and summarised that more than 74% of audience gave full mark to its service quality. Nevertheless, there were also some feedbacks concerning the other rooms for improvement where the Group will enhance in a timely manner. To keep track of its customers’ thoughts, the Group also enacts the Customer Re-interview Specification (客戶回訪工作規範) to understand how they feel about the service quality and experiences in the scenic areas under the Group’s management.

Meanwhile, the Group sets up the Customer Service Department to manage its tourist service quality with the establishment of a 24-hour service hotline to ensure all opinions can be dealt with in a timely manner. In order to enhance trust from the public, the Group intensifies the transparency of the hotline operation and management, while enacting a series of control measures such as the Hotline Service Specification (熱線服務規範) and Complaint Acceptance and Handling Service Specification (投訴受理及處理服務規範) to standardise its procedures and solve problems for tourists patiently.

In FY2021, due to the reduction in number of tourists at scenic areas, the Group only received several complaints from the tenants inside the park area regarding rents, water and electricity bills and deposits etc. Nevertheless, the Group actively responded to their requests and help with the refund of deposit, as well as facilitating the marketing and publicity of the merchants.

Intellectual Properties and Innovations

To encourage innovative ideas, the Group formulates the Enterprise Management Innovation Work Procedures (企業管理創新工作程序) to reward those who provided reasonable suggestions for innovation achievements and escalates the Group’s operations.

In the meantime, the Group actively applies for appropriate intellectual property rights for any new trademarks, labels, product designs or technical know-how developed by itself. The Group also hires legal counsel to provide legal advice on the protection of its intellectual properties.

V. Social Sustainability

Advertising and Promotions

The Advertising Planning Department and Marketing Department are responsible for the development of marketing plans and advertising materials, while all materials should be in compliance with the requirement of internal verification standards as well as the Advertising Law of the People's Republic of China (中華人民共和國廣告法). The Group employs an experienced legal counsel to review and monitor the advertisements and marketing materials to ensure any exaggerated or wrongful description in the materials can be spotted before being released.

Data Security and Privacy Matters

Information security and data protection are of paramount importance to the Group's investment business as we believe that our credibility is a crucial competitive differentiator. All business relevant information is kept secure with IT Department setting firewalls and restrictions to prevent any unauthorised export of data or leakage of data. Meanwhile, personal data collected will only be used for the purposes as defined, while all employees are required to obey the rules and strictly prohibited from disclosing any confidential information to external parties without customers' authorisation. The intranet of the Group is encrypted to prevent any unauthorised information usage and exportation.

During the year under review, the Group did not receive any substantial complaints from its customers regarding its products and services quality, while no privacy information or sensitive data leakage incident happened in the reporting period.

In FY2021, the Group was in compliance with the relevant laws and regulations regarding health and safety, advertising, intellectual property, labelling and privacy matters of its products and services that are material to the Group. Due to its business nature and the application of the Materiality principle, labelling-related issues are not discussed in this report as it is deemed not material to the Group's business.

B.7 Anti-corruption

Reckoning that building a culture of ethical behaviour and acting with integrity helps the Group gain trust from its customers, business partners and other key stakeholders, the Group strives to maintain a fair, ethical and efficient business and working environment. In FY2021, the Group adhered to the local laws and regulations relating to bribery, extortion, fraud and money laundering, irrespective of the area or country where the Group operates, including but not limited to:

- Anti-Corruption Law of the People's Republic of China (中華人民共和國反腐敗法);
- Law of the People's Republic of China on Anti-money Laundering (中華人民共和國反洗錢法);
- Interim Provisions on Banning Commercial Bribery (關於禁止商業賄賂行為的暫行規定);
- Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國不正當競爭法);
- Article 274th of the Criminal Law of the People's Republic of China (on extortion and fraud) (中華人民共和國刑法第二百七十四條(關於敲詐勒索)); and
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

Fully acknowledging the importance of maintaining an integrity working environment, during the onboarding of new staff, all employees are required to sign a letter of integrity and carefully learn the Group's Anti-Corruption Code of Conduct (反貪污行為守則). To maintain a high level of business integrity, the Group established a comprehensive Internal Control Process (內部控制指引), which specifies the responsibility and time for different control audits to minimise its business risks.

Meanwhile, endeavours to carrying out profound reforms and continuously improving prevention mechanisms, the Group also sets up its Prevention System of Conflict of Interest (利益衝突防範制度) to promote its integrity, legality and effective operations. Further, to ensure there is no secret deal which hinders the Group's interests, when negotiating the terms of the contract with external partners of significant deals, at least 2 people must make inquiries at the same time. In addition, before signing the contract, the business, financial and compliance departments need to review the contract to ensure that each clause does not contain any loopholes.

To strengthen the construction of social spiritual civilization as well as the ideological and moral mindset, the Group is dedicated to educate every staff such that they oppose and resist commercial bribery truly from the heart. In FY2021, the Group organised two anti-corruption-related training courses/seminars amounted to five hours for three general employees and four management.

In the meantime, the Group establishes an internal whistleblowing policy to enable employees to report on any suspected activities. The Human Resources and Administrative Department is responsible for carrying out investigations against any suspect or illegal behaviour to protect the Group's interests, while the President's Office is responsible for the monitoring, review and subsequent processing where any crime is substantiated by the Group.

V. Social Sustainability

In FY2021, the Group recorded zero concluded legal cases regarding corrupt practices brought against the Group or its employees, and was in compliance with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that is material to the Group.

COMMUNITY

B.8 Community Investment

The Group is dedicated to support for activities related to the local communities where its operations located at as it believes creating long-term shared value for the communities is mutually beneficial to both the Group's operations as well as the well being of all. To this end, in addition to creating local job opportunities, in FY2021, three main local aspects were particularly prioritised by the Group in community investment, namely Poverty Alleviation, Education and Promotion of Culture, as well as the Health and Well-being of the Communities.

Poverty Alleviation

Upholding the national policy of targeted "Poverty Alleviation" (精準扶貧), the Group has never been stingy in its investment in any project that contributes to poverty relief. Internally, the Group specifically focuses on helping colleagues who are from low-income households and those whose families suffer from sudden crisis. Externally, the Group actively supports the poverty alleviation objects defined by the government through the purchasing of poverty alleviation products.



In FY2021, the Group arranged a series of donation activities, which worth approximately RMB 52,000 to different groups of needs in the society, including the donation of school uniforms to the rural school in Nanyue District, donation of food such as rice to temples and welfare institutions, as well as the monetary donation to support the continuous operations of various local religious places.

V. Social Sustainability

Education and Promotion of Culture

Believing that knowledge is power and wealth that can change ones' destiny, the Group is committed to providing educational opportunities for the youth in our local community. In FY2021, the Group continued its backing for local education institutions' work in educating the next generation. Meanwhile, the Group provided free shuttles to and from schools for the youngsters in local communities, and a loving delivery for students in the Entrance Examinations (中考、學考及高考). In FY2021, the Group furthered its free vehicles support for the local schools to deliver patriotic education in this historical year of the 100th Anniversary of the Chinese Communist Party.

Meanwhile, in order to promote the local culture, the Group's theatre arranged several free performances for audiences during the year under review. Moreover, the Group's scenic park has also undertaken many cultural promotion activities, such as the biennale of the art museum, the paper-cut exhibition, and the international cultural tourism festival in the reporting year.

Health and Well-being of the Communities

Bearing in mind our vision to foster the harmony with local communities, the promotion of the health and well-being of local residents always remains a top priority of the Group.

In FY2021, to advocate safe and civilized transportation, the employees of the Group set up the "One Helm and One Belt" Volunteer Alliance as a long-term plan to build a safer community for local residents.



In the meantime, despite the relief of the pandemic in FY2021 thanks to the unremitting efforts of national and local government support, there were still sporadic cases appeared from time-to-time threatening the well-being of the local residents. In light of this, the Group was dedicated to facilitate the renovation of the tourism environment, including actively participating in voluntary epidemic prevention and control work, as well as taking part in the garbage clean-up work on non-main routes in the scenic area to maintain the health and hygiene of the local environment.

VI. Appendix – Performance Table

Table S3. Number of Employees by Age Group, Gender, Employment Type, Position Type, Geographical Locations of The Group in FY2021¹

Unit : Number of employees		Age group			
Gender	Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above	Total
Male	22	96	128	54	300
Female	24	64	45	11	144
Total	46	160	173	65	444

Unit : Number of employees		Position		
Gender	General staff	Middle management	Director and Senior management	Total
Male	263	24	13	300
Female	120	17	7	144
Total	383	41	20	444

Employment type		
Full time	Part time	Total
444	4	448

Geographical location	
Locations	Number of employees
PRC	434
Hong Kong	9
Others	1
Total:	444

- ^{1.} The employment data in headcount was obtained from the Group's Human Resources Department based on the full-time employment contracts entered into between the Group and its full-time employees. The data covered full-time employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group within the reporting scope. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

VI. Appendix – Performance Table

Table S4. Employee Turnover Rate by Age Group, Gender and Geographical Locations in FY2021¹

Unit : Number of employees		Age group			
Gender	Aged 30 or below	Aged between 31 to 40	Aged between 41 to 50	Aged 51 or above	Total
Male	29	28	21	11	89
Employee turnover rate (%)	131.82	29.17	16.41	20.37	29.67
Female	25	16	19	9	69
Employee turnover rate (%)	104.17	25.00	42.22	81.82	47.92
Total	54	44	40	20	158
Total employee turnover rate (%)	117.39	27.50	23.12	30.77	35.59

Geographical locations		
Locations	Employee turnover	Employee turnover rate
PRC	157	36.18
Hong Kong	1	11.11

- ¹. The turnover data in headcount was obtained from the Group's Human Resources Department based on the full-time employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of full-time employees who resigned in FY2021 by the number of full-time employees in FY2021. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

VI. Appendix – Performance Table

Table S5. Number and Percentage of Employees Trained in the Group by Gender and Position Type in FY2021¹

Unit : Number of employees		Position		
Gender	General staff	Middle management	Director and Senior management	Total
Male	236	22	27	285
% of employees trained	57.42	5.35	6.57	69.34
Female	92	25	9	126
% of employees trained	22.38	6.08	2.19	30.66

Total Employees Trained:

	General staff	Middle management	Director and Senior management	Total
Total	328	47	36	411
% of employees trained	79.81	11.44	8.76	92.75

- ^{1.} The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2021. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table S6. Training Hours Received by the Employees of the Group by Gender and Position Type in FY2021¹

Unit : Training Hours		Position		
Gender	General staff	Middle management	Director and Senior management	Total
Male	5,288	542	681	6,511
Average training hours	20.11	22.58	52.38	21.70
Female	1,986	659	246	2,891
Average training hours	16.55	38.76	35.14	20.08
Total	7,274	1,201	927	9,402
Average training hours	18.99	29.29	46.35	21.18

- ^{1.} The training information was obtained from the Group's Human Resources Department. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

VII. Report Disclosure Index

HKEx ESG Guide content index

Aspects	ESG Indicators	Description	Page/Remark
A. Environmental			
<i>A1: Emissions</i>	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. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	12
	KPI A1.1	The types of emissions and respective emissions data.	12
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	12
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	14
	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.	15
<i>A2: Use of Resources</i>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	17
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	17
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	17
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	18
	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.	20
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	17
<i>A3: The Environment and Natural Resources</i>	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	21
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	21
<i>Aspect A4: Climate Change</i>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	22
	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.	22

VII. Report Disclosure Index

Aspects	ESG Indicators	Description	Page/Remark
B. Social			
Employment and Labour Practices			
<i>B1: Employment</i>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	23
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	38
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	39
<i>B2: Health and Safety General Disclosure</i>	Information on:	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	26
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	27
	KPI B2.2	Lost days due to work injury.	27
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	27
<i>B3: Development and Training</i>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	29
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	40
	KPI B3.2	The average training hours completed per employee by gender and employee category.	40
<i>B4: Labour Standards</i>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	30
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	30
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	30

VII. Report Disclosure Index

Aspects	ESG Indicators	Description	Page/Remark
Operating Practices			
<i>B5: Supply Chain Management</i>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	31
	KPI B5.1	Number of suppliers by geographical region.	32
	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.	31
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	31
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	31
<i>B6: Product Responsibility</i>	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.	32
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group did not experience any recall in the reporting year.
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	33
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	33
	KPI B6.4	Description of quality assurance process and recall procedures.	32
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	34
<i>B7: Anti-corruption</i>	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.	35
	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.	36
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	35
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	35
Community			
<i>B8: Community Investment</i>	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	36
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	36
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	36



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