



**Astrum Financial Holdings Limited**  
**阿仕特朗金融控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**Stock Code: 8333**

**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT  
2019**

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## **ABOUT THIS REPORT**

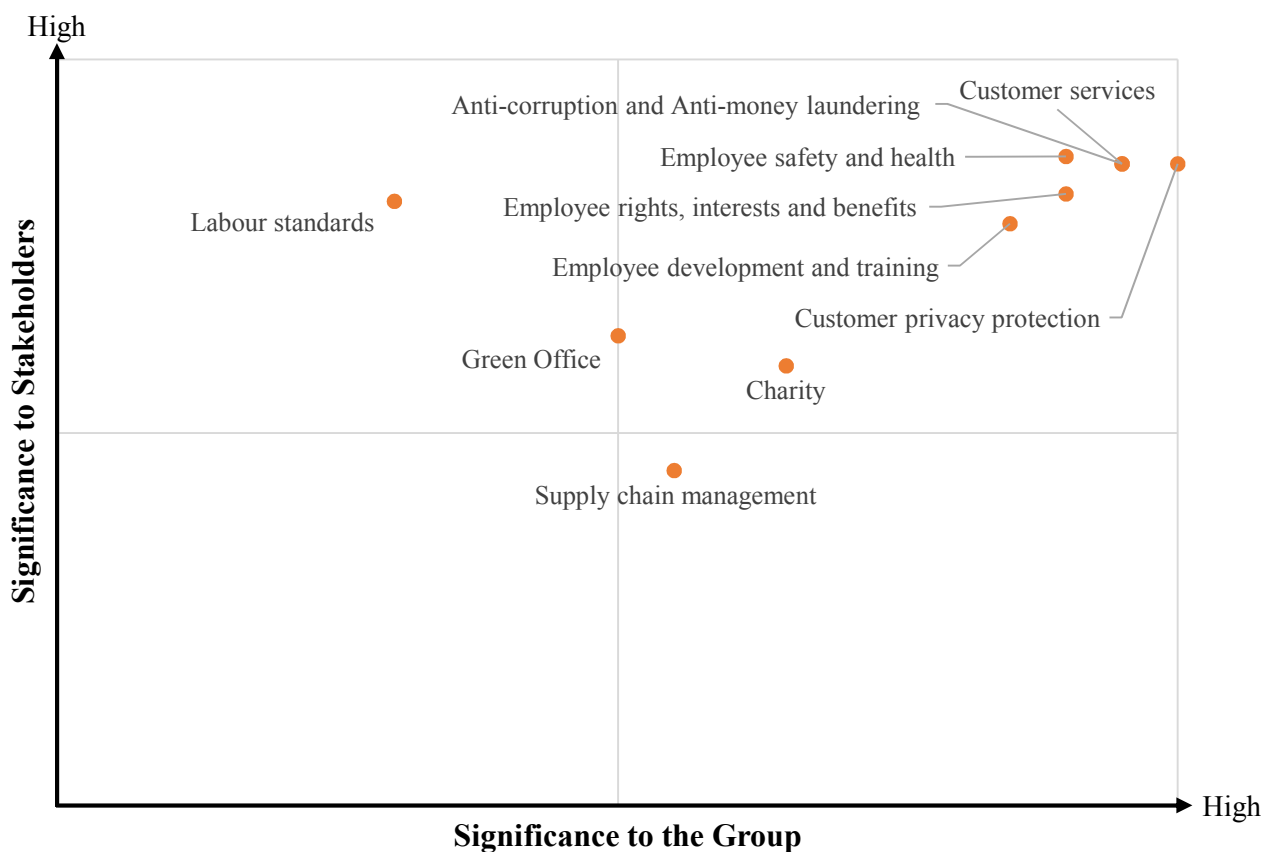
Astrum Financial Holdings Limited (the “**Company**”, together with its subsidiaries referred to as the “**Group**”) regards corporate social responsibilities as one of its core values in the sustainable development of its business operations. The Group strives to combine corporate social responsibility with its business strategy and management with the aim of creating positive values for its shareholders and customers.

The Group is principally engaged in the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services and asset management services. As the Group’s primary activities are office-based, the potential direct environmental impact is minimal and there are no laws and regulations in Hong Kong that have a significant impact on the Group in this respect. However, the Group is dedicated to cultivating a green, healthy and safe work place for its employees while placing a strong awareness towards protecting the environment.

This report covers the overall performance of the Group in environmental, social and governance aspects for the period from 1 January 2019 to 31 December 2019.

## MATERIALITY ASSESSMENT

In order to assess the key issues in environment, social and governance relevant to the Group, the management of the Group discussed and worked out a list of key issues with reference to the Environmental, Social and Governance Reporting Guide in the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). With the list of internally identified key issues, the Group conducted a survey to collect its stakeholders’ opinion on the materiality of each issue relevant to the Group. The following distribution map shows the importance of the key issues considered by the management and the stakeholders of the Group.



Based on the results of the materiality assessment, employee-related issues, customer privacy protection, anticorruption and anti-money laundering and customer service are considered to be the most concerned issues of the stakeholders of the Group. The Group strives to review these issues regularly for continuous improvement in its sustainability performance.

## ENVIRONMENT

### A1. Emissions, A2. Use of Resources and A3. The Environment and Natural Resources

The operating activities of the Group are mainly conducted in the office located in Hong Kong with gross floor area of approximately 4,400 square feet. The business of the Group does not involve direct air and greenhouse gas emissions, discharges into water and land, or generation of hazardous waste. The major non-hazardous waste is office paper and the Group has adopted various practices to reduce the consumption of paper. In 2019, the Group had no non-compliance cases regarding violation of relevant environmental laws and regulations.

The Group is committed to protecting the environment. The Group has identified areas of environmental impacts attributable to its operations, and adopted various measures to reduce the consumption of energy and other resources, minimize waste and increase recycling. The Group also educates its employees on their awareness of promoting a “green” environment. Steps have been taken to reduce energy use in the workplace by using energy-efficient LED lighting, switching off the lights in vacant office areas, switching off the air conditioning after office hours, and setting the air-conditioning system at an optimal temperature.

The Group is also creating a paperless working environment to reduce environmental pollution by reminding employees to “think before you print” and assess the need of printing. Where appropriate, duplex printing is used, and reusing any single-side printed papers for copying is recommended. The Group has long been encouraging its securities trading customers to receive daily and monthly statements by email. A majority of the customers have agreed to receive e-statements which in turn help reduce printing and mailing of statements. The Group is committed to continuing to reduce paper consumption.

***Key performance indicators in respect of the environmental issues relevant to the Group***

	<b>Unit</b>	<b>2018</b>	<b>2019</b>
<b>Sources of Greenhouse gas emission</b>			
Direct emission	CO <sub>2</sub> equivalent (kg)	N/A	N/A
Energy indirect emission			
– Electricity	CO <sub>2</sub> equivalent (kg)	23,878	22,954
Other indirect emission			
– Paper waste	CO <sub>2</sub> equivalent (kg)	<u>4,320</u>	<u>4,260</u>
Total greenhouse gas emission	CO <sub>2</sub> equivalent (kg)	<u>28,198</u>	<u>27,214</u>
<b>Non-hazardous waste produced</b>			
Paper waste	tonne	0.90	0.89
<b>Energy consumption</b>			
Electricity	Kilowatt-hour	30,225	29,056

The Group has only one office in Hong Kong and therefore no intensity per office is presented. The CO<sub>2</sub> emission figures above were calculated according to the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” jointly published by the Environmental Protection Department and the Electrical and Mechanical Services Department of Hong Kong. The electricity consumption in 2018 and 2019 was relatively stable. Water consumption in the office pantry is considered to be minimal. The Group does not have a meter to measure the amount of water consumption and therefore no such information is available.

In addition, due to the nature of business, the Group does not have physical products for sale and therefore does not involve any use of packaging materials. Therefore, this disclosure is not applicable to the Group.

## **SOCIAL**

### **Employment and Labour Practices**

#### **B1. Employment**

The Group regards its employees as the most valuable assets and resources. It believes that a balanced workforce is crucial for building a sustainable business model and delivering long term returns. As the business operation of the Group is conducted in Hong Kong only, all employees of the Group are based in Hong Kong.

The Group enters into written employment contracts with all employees which set out the employees' responsibilities, remuneration and grounds for termination of employment. Staff handbook is also in place to deal with compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. The Group provides a good working environment for its employees, including a workplace free from discrimination and harassment, and allows equal opportunities among all employees along with competitive remuneration. Staff appraisal is conducted annually to evaluate the performance of each staff during the year and assess the award of discretionary bonus, salary review, promotion and career development. The Group also advocates work-life balance, which is essential for sustainability and a sound body and mind of every employee. To support employees in maintaining a work-life balance, the Group organised a variety of staff activities such as sports games, hiking and festive celebrations. These activities helped strengthen the relationships among the employees and therefore cultivating a harmonious working environment.

In 2019, the Group duly complied with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) and the Employee's Compensation Ordinance (Cap. 282 of the Laws of Hong Kong).

*Workforce by gender and age group*

Age group	As at 31 December 2018			As at 31 December 2019		
	Male	Female	Total	Male	Female	Total
18–35	3	5	8	4	4	8
36–55	10	4	14	13	4	17
56 or above	0	1	1	0	1	1
<b>Total</b>	<b>13</b>	<b>10</b>	<b>23</b>	<b>17</b>	<b>9</b>	<b>26</b>

*Employee turnover rate by gender and age group*

Age group	As at 31 December 2018			As at 31 December 2019		
	Male	Female	Total	Male	Female	Total
18–35	1	0	1	0	1	1
36–55	0	0	0	1	1	2
56 or above	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>

Note: The figures shown in the above tables exclude self-employed account executives.

**B2. Health and Safety**

The Group values the healthiness and well-being of its employees. To maintain a safe and comfortable working environment, the Group keeps good ventilation throughout the office, arranges routine carpet cleaning, installs sufficient lighting in each work station, and provides sufficient first-aid kit at office. In addition to employees' compensation insurance, the Group also provides general medical insurance to its employees which covers in-patient, out-patient, Chinese medicine treatment and dental treatment.

In 2018 and 2019, there were no work related fatalities and no lost days due to work injury.



### B3. Development and Training

The Group recognises the importance for its employees to actively pursue professional trainings to enhance their technical knowledge and keep abreast of the latest developments of the financial market in Hong Kong. The Group is obliged to comply with various ordinances, rules and guidelines including but not limited to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”), the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), the GEM Listing Rules and the Guideline on Anti- Money Laundering and Counter-Terrorist Financing issued by the Securities and Futures Commission (the “SFC”).

The Group also observes the Guidelines on Continuous Professional Training set out under section 399 of the SFO. It also adheres to the code provision A.6.5 of the Corporate Governance Code under Appendix 15 to the GEM Listing Rules under which all directors are required to participate in professional training to update and refresh their knowledge and skills. The Group supports and encourages its directors, responsible officers, licensed representatives and employees in fulfilling their respective professional training requirements by arranging in-house training sessions and encouraging them to attend trainings and industry updates organised by various professional bodies.

In 2019, the Group conducted in-house trainings covering anti-money laundering, updates on laws, codes, rules and regulations, and other topics related to regulated activities carried out by the Group in order for employees to maintain the highest standard of professional conduct and ethics. The Group also conducted monthly meetings to provide employees on the latest updates of relevant laws and regulations and to allow employees to openly discuss any issues concerning the latest developments and their impact on the Group’s operations. In 2018 and 2019, all employees of the Group received training relevant to their job position.

#### *Average training hours completed per employee by gender and employee category*

Employee category	2018		2019	
	Male (Hours)	Female (Hours)	Male (Hours)	Female (Hours)
Responsible Officer	15.4	11.1	9.4	8.6
Licensed representative	13.5	11.8	7.4	8.5
Non SFC licensed employee	6.6	9.1	6.6	7.3

#### **B4. Labour Standards**

The Group strictly complies with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong). Personal data collected during recruitment process will be used solely for the purpose of selection of suitable candidates. Verification of personal data, including checking on identification documents, original certificates and internet search, will also be conducted to ensure that information provided by candidates is true and correct. There is no child or forced labour in the Group.

In 2019, the Group had no non-compliance cases regarding violation of relevant child labour and forced labour laws.

#### **Operating Practices**

#### **B5. Supply Chain Management**

The Group mainly purchases office equipment, office supplies and information technology software (such as online trading platforms for brokerage services) in Hong Kong. Except for two suppliers for online trading platforms and one supplier for photocopying machines which are relatively stable, other suppliers of the Group can be easily replaced. During the procurement process, the Group evaluates and assesses the suppliers' quality of services and products and also their experience and track record. The Group maintains good communication with suppliers and conducts regular review based on their quality of services and products. The Group is of the view that its suppliers have no material adverse impact on the environment and society.

## **B6. Product Responsibility**

### *Customer Services*

The Group is committed to providing professional service to customers after understanding the characteristics and risks of their investments. During the account opening process, account executives perform thorough “know-your-client” checks and explain to customers inherent risks of investments in different markets. The Group also promptly delivers daily and monthly statements and notices to customers through emails while mailing service is still available upon request. Customers can also access their trading account with the latest trading transaction and position through private login to online trading platform of the Group or telephone enquiry with account executives. In 2018 and 2019, the Group did not receive any complaints from its customers.

The Group is committed to complying with relevant laws and regulations under the regulatory regime for the financial service industry, all applicable provisions of the SFO and its supplementary rules and regulations as well as the codes and guidelines issued by the SFC, in particular, Securities and Futures (Client Securities) Rules (Cap. 571H of the Laws of Hong Kong), Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong) and Securities and Futures (Financial Resources) Rules (Cap. 571N of the Laws of Hong Kong).

### *Protection of Customers’ Data*

The Group places vast effort on protecting the privacy of its customers, partners and employees in the collection, processing and use of their personal data. The Group adheres to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and ensures that customers’ personal data is securely kept and processed only for the purposes of which it has been collected.

In 2019, the Group was not aware of any incidents of non-compliance with relevant regulations and codes concerning health and safety, advertising, labelling and privacy matters relating to the provision of the Group’s services.

### *Intellectual Property*

The Group values the protection of intellectual property by registration of its trademark, constant monitoring of its domain name and regular renewal upon its expiration in a timely manner. The Group builds up and protects its intellectual property rights by prolonged use and registration of domain name and trademark.

## **B7. Anti-corruption**

The Group fosters an ethical corporate culture and prevents any unethical trading activities. The Group has adopted a whistleblowing policy to raise concerns about possible suspected business irregularities. The Group encourages its employees to report to the compliance officer of the Group when suspected wrongdoings are identified, and to report to law enforcement authorities when necessary. All reports can be made verbally (by phone) or in writing (by letter or email). If the staff members feel not comfortable reporting potential fraud cases directly, anonymous reports can be submitted. All potential frauds will be fully investigated by the management of the Group confidentially. The management will take corrective actions to resolve substantiated frauds and will report fraudulent activity to the board members.

### *Anti-money Laundering*

The Group complies with all applicable anti-money laundering laws and regulations in Hong Kong including the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615 of the Laws of Hong Kong) and the Guideline on Anti-Money Laundering and Counter-Terrorist Financing issued by the SFC.

Being a licensed corporation under the SFC with client money being held in its trust account, the Group formulates strict policies to deal with the anti-money laundering and counter-terrorist financing during account opening procedures, customers due diligence, and receipt and withdrawal of client money. The policies mainly include (i) customer due diligence by identifying and verifying the identities of the beneficial owners of a securities trading account with reference to data or information provided by a reliable and independent source; (ii) reviewing documents, data and information relating to the Group’s customers from time to time, monitoring activities of the customers and identifying those transactions that are complex, large and unusual; (iii) reporting suspicious transactions to the Group’s money laundering reporting officer without delay; and (iv) recording sufficient data and information to trace individual transactions and establishing a financial profile of any suspicious account or customer, while all records are kept for at least six years.

In 2018 and 2019, the Group and its employees did not have any concluded legal cases regarding corrupt practices.

## Community

### B8. Community Engagement

The Group is aware of the community’s needs and takes up its corporate social responsibility with best efforts to make contribution to the community by sponsoring community activities and making donations to various charitable organisations. The Group also encourages its employees to reach out to the community by taking part in social and charitable activities.

#### *Focus areas of contribution and resources contributed*

Organisations	2018		2019	
	Money	Resources	Money	Resources
Oxfam		✓		
Ten Percent Donation Scheme Foundation	✓		✓	
The Against Elderly Abuse of Hong Kong	✓			