



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**

2020

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ABOUT THIS REPORT

Pursuant to the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) set out in Appendix 20 to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), the Board is pleased to present this environmental, social and governance (the “**ESG**”) report for the year ended 31 December 2020.

The board of directors (“**the Board**”) of the Group leads the Group’s environmental, social and governance (“**ESG**”) strategy and has continued to drive appropriate measures and to ensure internal control systems are in place to address relevant ESG issues. The Group believes that the ESG strategy in place will foster sustainability of its business operations.

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.

This report covers the overall performance of the Group in environmental, social and governance aspects for the period from 1 January 2020 to 31 December 2020.

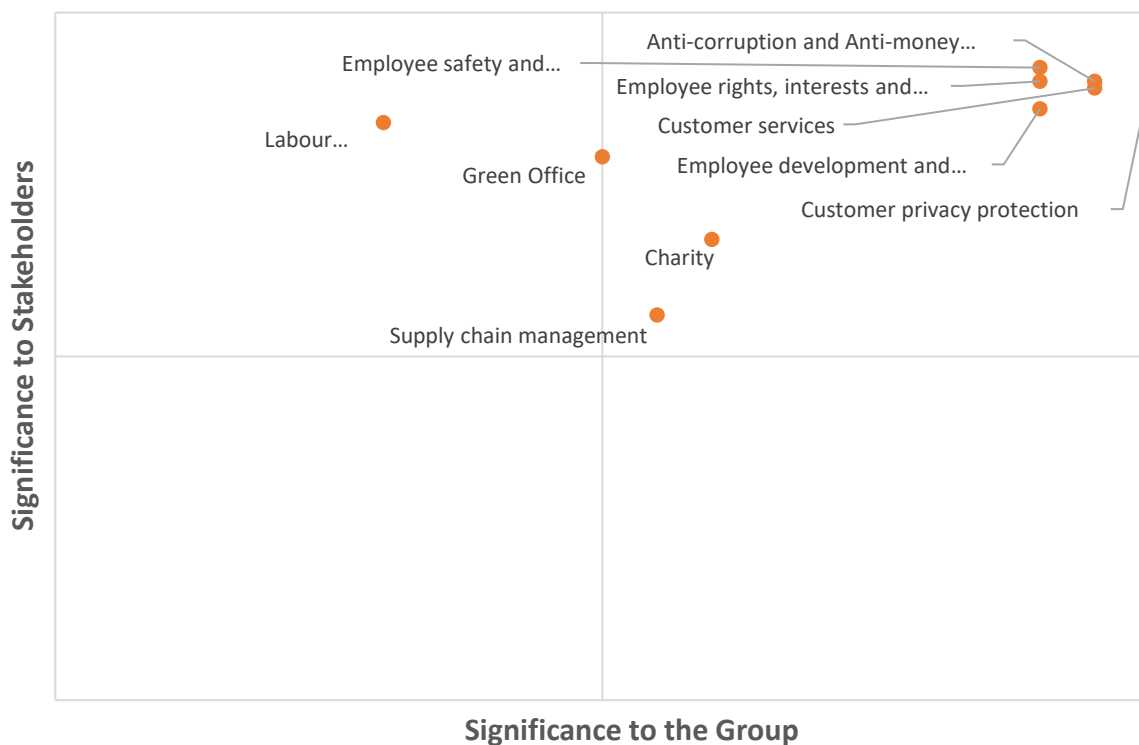
Reporting Principles

The Group adopts the principle of materiality in the ESG reporting by conducting stakeholder engagement on an annual basis to understand the key ESG issues that are important to the business of the Group. For the sake of materiality principle stated in the ESG Guide, aspects and issues that are not relevant or material to the Group are excluded from this ESG Report. All the key ESG issues and key performance indicators (the “**KPIs**”) are reported in the ESG Report according to recommendations of the ESG Guide. The Group has complied with the “comply or explain” provisions set out in the ESG Guide for the year ended 31 December 2020. Please refer to the section of “Stakeholder Engagement and Materiality Assessment” for detailed information of the process adopted for selection of material ESG factors and the stakeholder engagement. In preparation of relevant specific KPIs, quantitative approach is adopted for the information in the ESG Report. Sufficient description or reference to the standards adopted have been disclosed under relevant sections of the ESG Report.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group understands that the success of achieving its sustainability vision and purpose is intrinsically linked to its stakeholders, including but not limited to core team members and long-term employees. One of the Group’s core missions is to engage with and create value for its stakeholders over the long term, including identifying material matters that affect the economic, environmental and social impact of the business. In 2020, the Group continued to maintain an open dialogue with its stakeholders through staff briefing sessions, customer service channel, Annual General Meeting, etc. to help better align the business and sustainability strategy. With regular communication and interaction with stakeholders, the Group can better maintain a balance between its business practices and sustainability strategies in line with stakeholders’ needs and expectations.

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 ESG Guide in 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 A4. Climate Change

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 2020, 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.

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In respect of the choice of vehicles, the Group takes environmental protection and energy efficiency into consideration. The Group encourages employees to turn off the engine when the vehicle is not in use and also reminds employees to plan routes ahead of time in order to reduce route repetition and optimize fuel consumption. There is also regular maintenance service for the vehicles to ensure optimal engine performance and fuel use.

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

	Unit	2019	2020
Sources of Greenhouse gas emission			
Direct emission			
– Petrol	CO ₂ equivalent (kg)	0	3,159
Energy indirect emission			
– Electricity	CO ₂ equivalent (kg)	22,954	22,347
Other indirect emission			
– Paper waste	CO ₂ equivalent (kg)	<u>4,260</u>	<u>5,388</u>
Total greenhouse gas emission	CO ₂ equivalent (kg)	<u>27,214</u>	<u>30,894</u>
Non-hazardous waste produced			
Paper waste	Tonne	0.89	1.12
Energy consumption			
Petrol	Liter	0	1,208
Electricity	Kilowatt-hour	29,056	28,287

The Group has only one office in Hong Kong and therefore no intensity per office is presented. The CO₂ 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. 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.

As the principal business of the Group is office-based, there are no significant climate-related issues that have impacted or may impact the Group. In view of the possible natural disasters or adverse weathers which might affect the Group's operation, a business contingency plan is in place to define the recovery process for restoring the critical business functions of the Group and minimising the disruptions of business operation. The staff handbook of the Group also stipulates the work arrangements for office in the event of typhoon or rainstorms.

The Group conducts year to year comparison for the data on its greenhouse gas (the "GHG") emission, the use of resources, including petrol consumption, electricity consumption, and paper waste to quantify the Group's achievements in terms of its measures on emission and waste reduction and initiatives on efficient use of resources. The management considers that the overall results of the environmental protection measures are satisfactory, and the Group will continue to make contributions to environmental protection.

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 2020, 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 2019			As at 31 December 2020		
	Male	Female	Total	Male	Female	Total
18–35	4	4	8	4	4	8
36–55	13	4	17	14	4	18
56 or above	0	1	1	0	1	1
Total	17	9	26	18	9	27

Employee turnover rate by gender and age group

Age group	As at 31 December 2019			As at 31 December 2020		
	Male	Female	Total	Male	Female	Total
18–35	0	1	1	0	0	0
36–55	1	1	2	0	0	0
56 or above	0	0	0	0	0	0
Total	1	2	3	0	0	0

Employee diversity by employment type

	As at 31 December 2019	As at 31 December 2020
Full-time	26	27
Part-time	0	0
Total	26	27

Employee diversity by geographical region

	As at 31 December 2019	As at 31 December 2020
Hong Kong	26	27
Outside Hong Kong	0	0
Total	26	27

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 response to the outbreak of the COVID-19 pandemic, the Group has taken certain actions to strengthen the health and safety precautionary measures in its workplace. Apart from increasing the frequency of office cleaning and sterilisation, employees are also required to wear surgical face masks in office areas. Epidemic prevention supplies such as thermometer, alcohol-based hand sanitisers and spare surgical face masks are provided in office, and guideline on the disposal of surgical face masks is provided to employees to ensure face masks are properly disposed after use. The Group has strictly followed guidelines and announcements made by the Center for Health Protection in regards to epidemic prevention, and the Group strives to provide a healthy and safe working environment for employees.

In 2018, 2019 and 2020, 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 2020, 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 2019 and 2020, 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	2019		2020	
	Male (Hours)	Female (Hours)	Male (Hours)	Female (Hours)
Responsible Officer	9.4	8.6	7.0	8.8
Licensed representative	7.4	8.5	7.3	8.6
Non SFC licensed employee	6.6	7.3	8.4	7.0

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 2020, 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 2019 and 2020, 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 2020, 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, Anti-money Laundering (the “AML”) and Counter-Terrorist Financing (the “CTF”)

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.

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.

Staff trainings on AML and CTF were also conducted during the year under review to update and familiarise the staff with the latest AML and CTF measures and to provide an overview of the enhanced AML and CTF systems of the Company. Reading materials in relation to business ethics and anti-corruption were circulated to all staff, so as to enhance employees' understanding of anti-bribery and anticorruption.

No significant risks relating to improper or dishonest handling of money were identified during the year under review. The Group did not receive any whistleblowing reports from its employees during the year as well. There were also neither any confirmed incidents or suspected incidents regarding bribery, corruption, fraud, money laundering or terrorist financing against the laws of Hong Kong nor any legal proceedings regarding corrupt practices brought against the Group or its employees during the year under review. The Group was not aware of any non-compliance with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and other laws and regulations relating to bribery, extortion, fraud, money laundering or terrorist financing which have a significant impact on the Group in 2020.

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	2019		2020	
	Money	Resources	Money	Resources
Ten Percent Donation Scheme Foundation	✓			