

● ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

OP Financial Investments Limited (“the Company”) is pleased to launch its first Environmental, Social and Governance (“ESG”) Report for the year ended 31 March 2017 (the “Reporting Period”) which outlines our policies and practices in three aspects, namely Environmental Protection, Human Resources, and Community Involvement, with reference to the ESG Reporting Guide (the “ESG Guide”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for disclosures.

The Company has established an inter-departmental ESG taskforce (the “ESG taskforce”) to review relevant ESG issues and to assess their materiality to the company’s business as well as the company’s stakeholders. Disclosures relating to the material ESG issues identified have been included in the ESG Report with reference to the ESG Guide.

1. ENVIRONMENTAL PROTECTION

1.1 Emission

The Company is committed to reduce carbon footprints by pursuing energy saving and other environmental protection measures in our business operation. Due to our business nature as an investment company, our daily operation only generate indirect greenhouse gas (“GHG”) emission, limiting to electricity, water and paper consumptions in our office setting. The ESG taskforce has set up office policies to minimize emission as described below.

During the Reporting Period, the Company did not identify any non-compliance related to GHG emissions.

1.2 Guideline on Use of Resources

Due to the nature of our business, the Company does not have any direct or significant impacts on the environment and natural resources. The Company follows the “3Rs”- Reduce, Reuse, Recycle in our daily operation, particularly in paper usage. We make good use of the internet channels to cut down the use of paper, for instance, communicating internally and externally by e-mail and distributing digital reports instead of printed ones. Apart from the paperless approach, the Company also encourage recycling through double-side printing and set up of paper-recycling bins to collect paper waste.

Certain levels of action were prompted in the Company in order to save electric and water energy consumptions.

- **In the management level,** the office setting has adopted an open office design to enhance indoor ventilation and reduce reliance on air-conditioning. Meanwhile, the major source of the office’s lighting came from energy-saving T8 Florescent tubes that are proven to be energy-efficient.
- **In the employee level,** we issued regular notices to promote employee’s awareness of environmental protection and the need to achieve efficient utilization of resources.
- A speech about “OP goes Green” was presented to all staff in the 2017 Annual Dinner as an internal training to re-enforce our environment policies.
- Our investee companies are also advised to follow the environmental protection guidelines as mentioned whenever possible.

By pursuing the above-mentioned green initiatives, the Company is committed to act out our corporate social responsibility to the environment.

● ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ENVIRONMENTAL PROTECTION (continued)

1.2 Guideline on Use of Resources (continued)

The Company is delighted to be recognized by the World Green Organisation's (WGO) Green Office Awards Labelling Scheme ("GOALS") in fulfilling the United Nation Sustainable Development Goals ("UNSDG"). In recognition of the Company's achievements in ensuring environmental sustainability, we are jointly endorsed by the WGO and Junior Chamber International Hong Kong (JCI) as a recipient of the "WGO's Green Office Label" and the "United Nations Sustainable Development Goals' (UNSDG) Better World Company Label" (Pic 1).

Pic 1: The "WGO" and the "UNSDG Better World Company Label"



2. HUMAN RESOURCES

The Company regards our staff as the greatest asset, as we believe that by working as a team, together everyone can achieve more. There are a set of policies and procedures in place to set out the standard of terms and conditions of staff recruitments and employments. An Employee's Handbook is issued to all staff at their first day of work regarding workplace expectations, which covers the Company's policies, employment guidelines and compensation matters. The group strictly complies with the employment ordinance (chapter 57 of the Laws of Hong Kong) and other relevant laws and regulations which cover all employment protection and benefits.

2.1 Employment

The Company adopts equal employment opportunity policies and treats all our employees equally, implying that their employment, remuneration and promotion are not to be affected by their social identities such as ethnicity, race, nationality, gender, age, sexual orientation, political faction and marital status.

As at 31 March 2017, the group employed 28 full-time employees which are all located in Hong Kong. The following table illustrates the breakdown of our full-time employees in the Reporting Period.

	Age 30 or below	Age 31 to 40	Age 41 or above	Total
Male	1	5	9	15
Female	5	6	2	13
Total	6	11	11	28

The Company offered self-motivated employees with opportunities to advance their careers. Competitive remuneration is offered to employees and their performance is reviewed on an annual basis reflecting each employee's contributions to the Company. Recreationally, the Company hosted an annual dinner for its employees and their family members to enable them to interact socially and to nurture a sense of belonging and unity. Moreover, long service gifts were presented to the employees who reached 10 years of service with the Company for their loyalty and continuing contribution to the Company.

● ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. **HUMAN RESOURCES** (continued)

2.2 **Health and Safety**

The Company paid strong attention to the occupational health and safety of the staff during the employment period. As an employer, it is our responsibility to provide a comfortable and safe working condition. We offer comprehensive medical insurance coverage to all of our full time employees, which cover out-patient clinical visits, dental services, as well as hospitalization and surgical treatment.

2.3 **Development and Training**

Complying with our business requirements, the Company ensures our relevant employees to receive essential continuous professional training and developments in accordance with their job duties. The Company also encourages its staff to pursue continued education that relates to their roles and duties, by providing course fee subsidies and leave grants to their attendances in professional examinations, seminars, and training courses.

2.4 **Compliance with laws and regulations**

In order to comply with the Prevention of Bribery Ordinance, the Company emphasizes the importance of adhering to anti-corruption practices for all employees. The Company regards honesty, integrity and fair play as its core values that must be upheld by all employees at all times. As such, the Company has established the "Policy on Acceptance of Advantage and Handling of Conflict of Interests", which is contained in the employees' handbook. Employees are not allowed to solicit or accept any advantage for themselves or others, from any person, company or organizations having business dealings with the Company.

During the reporting period, there were no confirmed risks relating to corruption or public legal cases brought against the Company or its directors.

3. **OPERATING POLICIES**

3.1 **Investment projects**

In managing our investment portfolio, we consider whether the management is acting in an environmentally, socially and ethically manner. Investment projects are assessed based not only on their returns, but also their ways of doing things in respect of environmental, social and business conduct.

3.2 **Anti-corruption**

We live up to the high expectation that our shareholders have held for us as a responsible business by upholding high ethical values. The Group has zero tolerance for bribery, extortion and other forms of corruption. Our anti-corruption policies and procedures require our business to meet high ethical standards at all times.

Our whistle-blowing procedures encourage and enable our employees and other stakeholders to report on observed and suspected non-compliance and questionable practices in confidence without retribution. Reported cases are investigated and followed up by the compliance or internal audit teams. Confirmed cases are reported to the Audit Committee and Management of the Group.

● ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. COMMUNITY INVOLVEMENT

The Company seeks to fulfill corporate social responsibility through involving both directly and indirectly in the community and extending our reach to the people in need via cooperating with NGO and social enterprise.

4.1 Direct involvement

During the Year, a donation of HK\$60,000 was directly made to Tsinghua University Alumni Association (Hong Kong) as a sponsorship to foster professional networking among academic elites, who are currently or about to play important roles in regional social-economic development.

4.2 Indirect involvement

The Company was indirectly involved in the good deeds of our parent's company, Oriental Patron Financial Group ('OPFG'):

- Within the industry's scope, OPFG contributed HK\$6,000 annually to the newsletter's publication of the Hong Kong Securities Association Limited, which is a non-profit making industry association that strives for the betterment of the stockbroking business community.
- In July 2016, OPFG appointed First Sense Design, a social enterprise of the Hong Kong Federation of Handicapped Youth, to deliver design service and production of holiday premiums, including an electronic greeting card, and preparation of corporate premiums for use in Chinese New Year. A total amount of \$36,000 was paid for the service.
- In August 2016, a local NGO was hired to conduct a staff workshop on "DIY mosquito repellent balm". An amount of HK\$2,630 was paid to the said NGO, *Hong Kong Federation of Women's Centres*, which is established to promote gender equality. Re-employed women who came from grassroots community are trained as recreational workshop tutors, and through the NGO they receive opportunities to regain social-economic status.

4.3 Our Persistent Effort

The Company realizes the importance of extending our reach to the community, and we are pledged to continue with our consistent efforts in community involvement.

5. CONCLUSION

This ESG report is written in accordance with the ESG Guide of the Listing Rules. The Company is committed to continue the ESG reporting on a regular basis and to track the performance and progress of our ESG related strategies to facilitate a sustainable business growth.

As a responsible and caring corporate citizen, the Group upholds the principle that good business practices and corporate social responsibility are vital for the sustainability of its success. We value feedback and comments to this ESG report. Please feel free to provide your comments by email to ir@opfin.com.hk.