



東勝旅遊

ORIENT VICTORY TRAVEL

ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 265

Environmental, Social and Governance Report 2019



东胜集团

ORIENT VICTORY GROUP

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ABOUT THIS REPORT

Orient Victory Travel Group Company Limited (Stock code: 00265) (hereinafter referred to as “Orient Victory” or the “Company” and, together with its subsidiaries the “Group”) is pleased to present its annual Environmental, Social and Governance (“ESG”) Report (the “Report”). This Report complies with the “Comply or Explain” and “Recommended Disclosure” provisions of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 of the Main Board Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Exchange”).

The reporting scope of this Report mainly covers the Group’s diversified tourism products and services business segment in Hong Kong and Beijing, the People’s Republic of China (the “PRC”), integrated development business segment in Hebei (the PRC) as well as its headquarters’ operations in Hong Kong, for the financial year ended 31 December 2019 (the “Year”), unless otherwise specified.

The Group is committed to communicate its ESG management approach, operating practices and performances that are material to business operations, in the most accurate and genuine manner. All information published in this Report is compiled based on existing policies, practices, and official documents or reports. As this Report is structured based on the materiality of respective environmental and social aspects, relevant information may be limited to such aspects and applicable key performance indicators (“KPIs”).

The board of directors (the “Board”) of the Company are dedicated to managing all ESG-related matters of the Group. They oversee our ESG risk identification and management, as well as ESG reporting, among others. Their role and leadership in this regard will be further explained and highlighted in the following sections.

We welcome and value your feedback on this Report and on our sustainability performance. Please send us your comments:

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ABOUT ORIENT VICTORY

Orient Victory continued to specialise in (i) the provision of diversified tourism products and services; (ii) the provision of integrated development; (iii) investment holding; and (iv) the provision of financial services (ceased on 15 May 2019) during the Year.

DIVERSIFIED TOURISM PRODUCTS AND SERVICES BUSINESS

Diversified tourism products and services business remains the core business of the Group. Four Seas Tour Limited (“Four Seas”), an indirect non-wholly owned subsidiary of the Group, continues to specialise in the sales of airline tickets and travel packages, arrangement of hotel accommodation bookings and other travel-related services. It offers service packages of hotels, cruise, air fares, and others for various clients throughout Asia.

Dongsheng (Beijing) International Travel Co., Limited¹ (東勝(北京)國際旅行社有限公司) (“Dongsheng Beijing”), a wholly-owned subsidiary of the Group, has expanded its scope of business by engaging in the wholesale of air tickets in the PRC during the Year. This is a new source of revenue and we believe that stepping into the wholesale business could enhance its presence in the tourism-related industry.

The Group strategically caters to deliver not only a one-stop-shop comprehensive travel services to sub-agents and travelers, but also to deliver the most cost-optimised and reliable business solutions to our corporate clients. Its persistence and flexible attitudes towards services has allowed the Group to amass a proven track record within the travel landscape in both Hong Kong and the PRC.

INTEGRATED DEVELOPMENT BUSINESS

The Group has been operating in the integrated development business since the acquisition of a piece of land located at corner Miller Rise, Bankside Road, Millwater Parkway, Silverdale, Auckland, New Zealand in 2017. This plot of land has an aggregate area of approximately 15,742 sq.m.. The first phase of the residential zone was completed in the fourth quarter of 2019 and is currently under the sales process. It is expected that development of the second phase would commence after the sale of the first phase of the residential zone.

On the other hand, the Group had acquired Zhangjiakou Dakun Zhifang Real Estate Development Co., Limited¹ (張家口大坤直方房地產開發有限公司), Hebei Tu Men Travel Development Limited¹ (河北土門旅遊開發有限公司) (“Tu Men Travel”), Hebei Yidao Town Real Estate Development Limited¹ (河北驛道小鎮房地產開發有限公司) and Zhangjiakou Wan Long Real Estate Tourism Company Limited¹ (張家口萬龍置業旅遊有限公司) between December 2018 and March 2019, which are principally engaged in the operation and management of tourist attractions and culture spots, and the developments of tourism-related accommodation facilities in the PRC. During the Year, Tu Men Travel commenced its operations in Hebei (the PRC) while the others are currently under the planning and development stage.

The Group has invested a significant amount of time and resources in developing policies to monitor and manage Tu Men Travel’s environmental and social impact. As we are currently in the development and initial operation stage, the policies we have developed are limited to certain material environmental and social aspects at this stage. We anticipate future growth of this segment, and will actively drive towards sustainable development.

¹ An English translation of the Chinese name is expressed for identification purposes only.

ABOUT ORIENT VICTORY

INVESTMENT HOLDINGS BUSINESS

The Group's investment holding business mainly included the equity interest in China Comfort Travel Group Company Limited² (中國康輝旅遊集團有限責任公司) ("China Comfort"), an associate of the Group. China Comfort engages in the provision of travel agent services in the PRC, including domestic travel, outbound travel and inbound travel, and the provision of brand name used by the franchisees in the PRC. As it was resolved by the Board on 26 March 2020 to proceed with the disposal of China Comfort, it is excluded from the scope of this Report.

FINANCIAL SERVICES BUSINESS

During the Year, the Group disposed of all of its interests in licensed corporations which carry the Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities under the Securities Future Ordinances (Chapter 571 of the Laws of Hong Kong). Since the Group has ceased to engage in the financial service business since May 2019, it is excluded from the scope of this Report.

IMPACT OF THE CORONAVIRUS OUTBREAK

Since early 2020, the coronavirus outbreak has brought uncertainties to the Group's operating environment that may impact the Group's operations. The Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place a set of contingency measures. These contingency measures include: negotiating with suppliers, service providers and customers to postpone selling tourism-related products and services, continuously monitoring the collection of trade receivables from customers, and implementing comprehensive cost containment plans. The Group will keep the contingency measures under review as the situation evolves.

The Group shall continue to work closely with our suppliers and service providers to safeguard the health and safety of our customers. The Group will also pay close attention to the development of the coronavirus outbreak and continue to perform assessment on its impact and take relevant measures.

² An English translation of the Chinese name is expressed for identification purposes only.

OUR APPROACH TO SUSTAINABILITY

Sustainability principles and practices are essential to businesses today, in creating long-term value for stakeholders. The Group recognises the need to integrate sustainability components into our business strategy and operations, as we note the severity and importance of ESG risks and opportunities in the business environment. The Group's effort in advancing sustainable development is also underpinned by our unwavering ethical business conduct.

The Board has the overall leadership and responsibility to oversee, lead and manage the Group's environmental and social impact, strategies and reporting. The Board is also committed to managing, improving and disclosing the Group's ESG performances. Therefore, the Group actively communicates with its stakeholders and conducts annual risk assessments to proactively inform its sustainable development strategies, whilst maintaining a high standard of integrity.

STAKEHOLDER ENGAGEMENT

Engagement and communication with our stakeholders remains one of the most effective strategies in understanding their views and expectations of the Group's sustainable development. Together with our stakeholders, the Board wishes to identify, assess and manage the Group's key ESG risks and opportunities.

We engage our stakeholder groups, including our investors and shareholders, customers, suppliers, employees, government, industry bodies and the community, through various communication channels. Through regular and direct communications as indicated in the table below, we strive to integrate their sustainability views and concerns to improve our operations continuously.

Stakeholder Groups	Engagement Channels
Investors and Shareholders	<ul style="list-style-type: none">• General meetings• Interim and annual financial reports• Website of Orient Victory
Customers	<ul style="list-style-type: none">• Newsletters• Tea parties• Corporate hotline, emails, social media platform, website
Suppliers	<ul style="list-style-type: none">• Workshops and travel exhibitions• Meetings and correspondences
Employees	<ul style="list-style-type: none">• Video conference• Performance appraisals• Sponsored training and development• Meetings and correspondences
Government and Industry Bodies	<ul style="list-style-type: none">• Compliance and non-compliance reports• Correspondences
Community	<ul style="list-style-type: none">• Charity and voluntary activities

OUR APPROACH TO SUSTAINABILITY

RISK MANAGEMENT

Risks are inherent in all businesses and our Group understands the importance of identifying and analysing the risks underlying our success. These risks relate to the changing regulatory and operating environment and business strategy. As such, assessment of these risks are necessary as they provide a basis for determining how such risks could be mitigated and managed.

The Board is responsible for the maintenance of a sound and effective risk management and internal control system, and has established a set of internal control policies and procedures for monitoring said internal control systems. A team, consisting of qualified accountants and management, has been organised to carry out the internal audit function of the Company (the “IA Team”). Based on the assessment of risk exposure, the IA Team formulates audit plans periodically and ensures the audit programs cover essential internal control areas of key operating subsidiaries. Such audit plans are then reviewed by the Audit Committee at regular intervals.

Management will identify the Group’s risks through periodic reviews of economic and industry factors affecting the business, as well as through conferences and meetings with industry analysts. Management will also hold meetings with employees regularly to reinforce the corporate mission. These management meetings will also communicate high risks that the Company is facing and the actions to be taken to minimise such risks.

As the Exchange has amended the ESG Reporting Guide and related Listing Rules in December 2019, it is imperative for our Group to identify and evaluate material ESG risks and opportunities for our Company and to consider an effective governance structure in support of ESG matters.

CODE OF CONDUCT

Orient Victory’s business operations must uphold high levels of integrity and ethics at all times. As a responsible corporate citizen, we strictly prohibit any form of bribery, extortion, fraud, or money laundering within our Group. Employees are prohibited from advising or dealing in any transaction that may give rise to potential conflicts of interest. All employees are also prohibited to solicit or accept any advantages without prior permission from the Group. The Group advocates that if employees notice any suspicious behaviour, they are encouraged to report it at the first instance in a confidential manner. Management will subsequently investigate and handle the matter professionally, diligently and appropriately. Any breach of conduct will lead to termination of the employment contract and the subject may be liable to legal consequences.

In particular, Four Seas intends to utilise its Code of Ethics and Business Conduct and Information Technology Policy to raise ethical awareness and to guide its employees in their daily decisions. Four Seas managers shall ensure ethical supply chain management, especially during purchasing processes. Dealings with any suppliers will be terminated if any bribery attempts are found. Employees must also note that all IT facilities, including computers, servers, network infrastructure, email and internet access, are strictly restricted to business-related usage only. Employees are not allowed to install any unauthorised software or store any non-business related files in the computer system. This policy adds a layer of protection from potential cyberattacks or breach of customer personal data.

Regarding trade secrets and confidential information, all staff members must preserve absolute secrecy obtained in the course of their employment. These written or verbal information apply to customer information, other business parties’ information, or any information relating to our Company, internal activities, techniques or operating practices. Employees are strictly prohibited to use such information for the purpose of dealings in securities in any market, or for any personal gains. More information relating to customer data privacy is described in the “Customer Relations” section.

OUR OPERATIONS

It is our responsibility and in our corporate interest to pursue, develop and manage operational efficiency, high-quality services, and customer satisfaction, thereby maintaining healthy and prosperous relationships with our suppliers, business partners and customers.

SUPPLY CHAIN MANAGEMENT

The Group relies on its suppliers to provide high quality travel-related products and services, hence close collaboration and open communications are key to effective management of our supply chain. As the quality and reputation of our suppliers are critical in retaining our customer loyalty, having a well-established and well-managed supply chain system is vital for the Group's prosperity.

The Group holds each entity accountable in upholding ethical business operations and adhering to transparent and open procurement practices. A standardised step-by-step procurement practice usually involves the following:

- 1) receiving quotations from our service providers by phone or email;
- 2) applying for management approval through the internal administration system;
- 3) obtaining management approval; and
- 4) confirming quotations with service providers.

If the above procedures are deviated or any step is surpassed, the engagement with service providers will not be approved or acknowledged. Currently, the number of suppliers from our headquarters is around 10 from local service providers in Hong Kong and one from the PRC.

As Four Seas prides itself in its ability to offer cost-effective options for our customers, a key criteria when selecting suppliers is cost effectiveness. Other aspects such as service quality, reputation, safety standards, responsiveness and reliability are also taken into consideration. Suppliers' environmental protection policies and performance is also one of our considerations for selecting suppliers. We ask potential suppliers to provide environmental protection policies for our review. At Four Seas, we continue to work closely with 205 suppliers in Hong Kong.

PROVISION OF QUALITY TRAVEL PRODUCT AND SERVICES

For the provision of high quality travel products and services, we collaborate strongly with various industry bodies, such as the Travel Industry Council ("TIC") of Hong Kong and the International Air Transport Association ("IATA"). For example, to govern our operation and protect the interests of our customers, we follow the Directives and Guidelines of the TIC and collect latest market information by maintaining ongoing communication with the TIC as well as other relevant regulatory authorities.

During the Year, Four Seas has once again received the accreditation from the IATA, certifying that Four Seas has met the professional standards of the IATA to promote and sell international air passenger transportation. Being a certified agent allows the direct transaction of flight tickets from member airlines, which safeguards the efficiency and quality of our travel products supply. The IATA accreditation effectively simplifies the business relationship between the Group and airlines.

The Group prohibits all false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongly accepting payment. Thus, customers are reassured that all trade practices are fairly deployed by our employees.

OUR OPERATIONS

CUSTOMER RELATIONS

Maintaining close customer relations is critical to our business. We are committed to understanding and prioritising customers' evolving interests and preferences through open communications. We are also committed to responsible handling and protecting of customer personal data.

Open communications with our customers are encouraged and facilitated to ensure customer satisfaction and to improve our products and services. Our employees are trained to treat our customers in a respectful, polite and professional manner at all times. Should a complaint be received, employees should provide our clients with an effective mechanism of lodging and managing complaints with due care. Escalation to the supervisors is advised if the situation is not resolved within a given timeframe.

In providing great flexibility to our customers, it is outlined in our company policy that all flights and travel packages are refundable subject to customers' requests, and airlines' refund policies. We maintain a competent refund team that is responsible for forging refund procedures. Its duties include submission of requests to airlines via the Global Distribution System (the "GDS"), as well as generating credit notes to customers once refunds have been received from respective airlines.

In addition, the Group respects the confidentiality of customer information. All information collected are handled securely and responsibly, and will only be used pursuant to the Group's Personal Data (Privacy) Policy. All consumer data is stored in a secured computer system with access available by authorised staff only. The authorised system administrator shall also suspend the access of customer profiles after use and all users will not be able to access the information of these profiles.

During the Year, Four Seas is certified to comply with the Payment Card Industry (the "PCI") Data Security Standard, ensuring payment security and data security. As per certification, Four Seas strictly maintains the following measures in pursuit of relevant PCI goals:

Goals	Measures
Build and Maintain a Secure Network	1. Install and maintain a firewall configuration to protect cardholder data 2. Do not use vendor-supplied defaults for system passwords and other security parameters
Protect Cardholder Data	3. Protect stored cardholder data 4. Encrypt transmission of cardholder data across open, public networks
Maintain a Vulnerability Management Program	5. Use and regularly update anti-virus software or programs 6. Develop and maintain secure systems and applications
Implement Strong Access Control Measures	7. Restrict access to cardholder data by business need-to-know 8. Assign a unique ID to each person with computer access 9. Restrict physical access to cardholder data
Regularly Monitor and Test Networks	10. Track and monitor all access to network resources and cardholder data 11. Regularly test security systems and processes
Maintain an Information Security Policy	12. Maintain a policy that addresses information security for employees and contractors

OUR ENVIRONMENT

Transportation is one of the highest polluting and carbon emitting sectors. Operating within this industry thus sharpens our awareness to the Group's direct and indirect environmental impacts. Our sustainable development journey hinges on the potential of whether our Group could meet our needs for goods, services and works in a way that generates benefits to the Group and society, whilst limiting damage to the environment. We must therefore place high regard in striking that balance by applying robust sustainability principles throughout our business operations.

The Group understands that the direct environmental impact we bear may be significantly minimal in relations to the indirect impact we may incur through the provision of diversified tourism products and services, and other services. In this regard, we are actively recommending our suppliers, business partners and customers to adopt environmental protection policies in order to enforce their awareness on environmental impact.

Internally, Four Seas has implemented and maintained an Environmental Protection Policy that outlines the Group's expectation for its employees within the workplace, relating to energy usage, water usage, and waste. Moving forward, the Group will continue to monitor and assess its emissions and resource usage, and to disclose relevant information in a transparent manner.

ENERGY AND WATER USAGE

Energy is an important resource that the Group relies on for its smooth operations. Currently, the Group's headquarters, Four Seas and Dongsheng Beijing relies on electricity use primarily for their office operations. The electricity use at our offices is powered by local utility companies using fossil fuels as a major source of electricity generation.

Four Seas has engaged our employees to embrace a greener working environment by implementing energy efficient initiatives in our Environmental Protection Policy. These energy saving initiatives include but are not limited to:

- Use natural lighting and energy-saving lighting system
- Opt for electronic appliances with energy saving labels
- Maintain room temperature at 25.5 °C
- Inspect air conditioning systems and filters regularly to ensure energy efficiency
- Turn off air-conditioning systems and all electronic appliances when the office is not in use
- Whenever possible, hold electronic conferences to avoid business travel

Energy use at the tourism spot operated by Tu Men Travel consists of LPG usage mainly for onsite machinery, natural gas usage mainly for kitchen stoves, as well as electricity usage for the general operations of the tourism spot. We look forward to introducing various green elements into the tourism spot, including energy efficiency management and reduction initiatives, in the near future.

Electricity Consumption (kWh'000)	2017	2018	2019
Headquarter	7.47	6.91	4.97
Four Seas	109.71	104.01	96.38
Dongsheng Beijing ³	N/A	N/A	15.25
Tu Men Travel	N/A	N/A	1,159.18
Total	117.18	110.92	1,275.78

³ Dongsheng Beijing's electricity usage is managed by the property management of the building. The figure is estimated based on fuel price by the property management.

OUR ENVIRONMENT

Water consumption, on the other hand, is mainly derived from our washrooms in the offices. As these washrooms are shared with other occupants in the building, the water supply is managed by respective property management groups. Therefore, we are unable to retrieve any water usage record during the Year. Nevertheless, we will maintain effort to encourage efficient use of water within the Group.

Water is provided for staff and tourists' domestic use at the tourist spot operated by Tu Men Travel. Thus, wastewater stems directly from domestic sewage and washrooms. Accordingly, we have set up onsite wastewater purification and processing facilities, equipped with activated carbon absorption and UV photolysis purification equipment for volatile organic compounds ("VOC") treatment. After the purification process, water is returned to a clean water tank, and is then reused for irrigation or washroom flushing purposes. The water recycled is tested periodically for contaminants to ensure safe and sustainable use.

WASTE MANAGEMENT

Effective waste management in our offices minimises the amount of wastage and improves resource efficiency. Within our office operations, we produce zero hazardous waste and minimal office waste. Due to its insignificant quantity, we do not document the amount of non-hazardous waste generated in our offices. Nevertheless, all waste is properly handled and disposed of by an authorised third party.

The Group takes a holistic approach to waste management in the offices where we operate. As part of the Environmental Protection Policy, the Group has implemented the following measures to reduce waste generation at source, facilitate recycling and ensure responsible waste disposal:

- Set duplex black and white as default setting for printing and photocopying
- Utilise recycled papers for internal documents
- Replace printed tickets with the use of electronic tickets
- Encourage our customers to use e-invoices and e-statements
- Purchase reusable stationary
- Return all used ink cartridges to suppliers for recycling purpose

During the Year, the Group has consumed 15 boxes of recycled paper in replacement of virgin pulp paper at its headquarters. Looking forward, we shall consider implementing the same measures to our other offices.

At the tourism spot operated by Tu Men Travel, waste is mainly categorised into domestic waste, sewage sludge, and waste activated carbon. Domestic waste and sewage sludge are properly handled by a professional third party regularly, whilst waste activated carbon is collected every two months for recycling and reusing purposes by our supplier. Furthermore, drinking water is tested periodically by a professional third party to ensure the health and safety of our guests, and that the sanitary requirements of the drinking water follows basic requirements.

OUR ENVIRONMENT

EMISSIONS

As an office-oriented business, the operations of the headquarters, Four Seas and Dongsheng Beijing generate minimal direct air emissions. With that said, our source of air emissions mainly stem from vehicle transportation. To this end, we proactively encourage our employees to utilise public transportation instead of our company vehicles as a means to reduce exhaust gas emissions. We also regularly maintain our company vehicles to ensure fuel efficiency and minimise exhaust air emissions, including particulate matters, volatile organic compounds, nitrogen oxides, or sulphur dioxides. Although we currently do not have a monitoring system in place to assess the annual emissions of these air pollutants, we shall continue our efforts in reducing emissions within the Group.

For Tu Men Travel, the operation of the tourism spot does involve the emission of ammonia, hydrogen sulfide, and odor, which is derived from the onsite wastewater purification and processing facilities. Equipped with activated carbon absorption and UV photolysis purification equipment for VOC treatment, the onsite facilities have passed multiple rounds of testing. Trees are also planted throughout the tourism area to provide a pleasant, and green atmosphere, as well as to reduce air emissions.

Noise emissions, stemming from the wastewater processing facilities, heat exchange station, water pump rooms, electric switch room and traffic, have also passed all noise monitoring tests surrounding the tourist spot. To reduce noise emissions, low-noise equipment for fans, water pumps and other equipment are selected. Mufflers, sound insulation covers, basic vibration reduction, soft connections for pipes are all installed in appropriate locations. Construction sound insulations are also implemented throughout the development phase.

Another source of indirect air emissions is greenhouse gas (“GHG”) derived from electricity usage of our office operations and tourism spot operations, fuel combustion in our vehicles and onsite machineries, and gas combustion in our kitchen stoves. The quantification methodology references the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong 2010”, “Guidelines on Provincial Greenhouse Gas Emission Inventory” (省級溫室氣體清單編制指南), the “General Principles for Calculation of the Comprehensive Energy Consumption” (GB/T 2589-2008綜合估算計算通則), and other relevant local and international standards. The emission factor is based on the latest figure provided by the relevant utility companies, if available. Since approximately 99% of our greenhouse gas emissions are derived from Scope 2 indirect greenhouse gas emissions, we must therefore continue our effort to reduce our electricity usage. More information about electricity usage can be found in the “Energy and Water Usage” section.

GHG Emission (tCO ₂ -e)	2017	2018	2019
Headquarter	5.90	5.53	4.03
Four Seas	86.67	84.14	78.07
Dongsheng Beijing	N/A	N/A	14.76
Tu Men Travel	N/A	N/A	1,047.09
Total	92.57	89.67	1,143.95

USE OF ENVIRONMENTAL AND NATURAL RESOURCES

Orient Victory does not generate significant direct impact on the environment, nor does it involve any direct use of natural resources. However, the Group acknowledges that through its provision of integrated development business, Tu Men Travel may have caused negative environmental impact, especially within our supply chain.

Within the tourist spot operated by Tu Men Travel, the Group has implemented various pollution prevention mechanisms for the development and operations phases. All wastewater, air emissions, solid wastes, and noise have been tested and are well within regulatory requirement. In the unlikely event of receiving any environmental-related complaints at the tourist spot, the Group will proactively investigate and rectify any problems.

Moving forward, we shall continue to improve our internal monitoring systems for our direct environmental impacts. We shall also consider collaborating with our suppliers, business partners and customers to advance the environmental management of our industry.

OUR PEOPLE AND COMMUNITY

Human resources is vital in our business, whether it is designing high quality customer-oriented travel plans to our customers, communicating with our suppliers on travel arrangements, or collaborating with various industry bodies on standardisation. We celebrate and care for our employees as they are a competent and talented group of individuals. We are dedicated to being an employer of choice by valuing employee welfare, nurturing and retaining talents through training and development, and caring for their health and wellbeing.

EMPLOYMENT

Our human resources policies for recruitment, training, promotion, and resignation are entirely merit-based. As an equal opportunities employer, we attach great importance to maintaining a diversified and inclusive workplace that is free of discrimination or harassment. As stipulated in our Code of Ethics and Business Conduct, when appointing or promoting employees, no discrimination on any ground is allowed, including but not limited to gender, age, race, disability, social identity, marital status, or religion.

Unlawful harassment of any type including sexual, disability and racial are strictly forbidden. The Group provides opportunities for capable individuals whose potential may have been restricted by unethical legislation of social discrimination in the past. A grievance system is also in place for employees to raise any concerns, including unjust treatment, unfair work arrangement, or wrongful application of regulations.

At Tu Men Travel specifically, the Group is happy to support its female employees through equal treatment and special protection initiatives. The Group has implemented appropriate mechanisms to prevent and forbid sexual harassment to our female staff. We have also set up systems to support female employees through pregnancy, childbirth and breastfeeding periods. We have also established and will continue to improve the labour protection system for female employees.

Outlined in our Employee Handbook, the Group offers a transparent and competitive remuneration structure that includes paid annual leave, sick leave, marriage leave, compassionate leave, medical scheme, provident fund scheme, among others. For managerial staff grade or above, employees may be entitled to rental reimbursement schemes, term life insurance, and accidental death and dismemberment insurance schemes.

To ensure a fair and adequate remuneration and to recognise our qualified and competent staff members, the Group conducts annual performance appraisals. The Group believes that performance appraisal is an effective way to review employees' performance and development progress. It is, by the same token, a good chance for both the employees and the employer to communicate. According to the individual performance, salary adjustments may be applied and discretionary bonuses may also be issued.

LABOUR STANDARDS

The Group strictly complies with all applicable labour standards throughout the employment process. We forbid the employment of child labour, forced labour, or other unlawful forms of labour employment in our business operations. All candidates and new hires are required to present their identity proof to the human resources department for eligibility verification purposes. When false information is provided, the employment process will be terminated immediately and the case will be reported to relevant regulators and recorded by the Group.

During the Year, the Group did not receive any reported cases and was not aware of any non-compliance with laws and regulations relating to child, illegal or forced labour.

OUR PEOPLE AND COMMUNITY

HEALTH AND SAFETY

Orient Victory is committed to providing safe and secure working conditions, and to protecting our employees from physical, mental or emotional harassment. We view these as the foundation of ensuring employee wellbeing and efficient performance. Our target this Year is to achieve zero work injury and zero fatality, which have been successfully met. We hope to continue to maintain zero accident and fatality cases in the future.

Multiple measures are in place to secure our employees' health and safety. Smoking is prohibited in the office area, including toilets, pantries, and entrance area to maintain satisfactory indoor air quality and promote healthy living. First-aid kits are placed at noticeable areas and maintained regularly for emergency use. Fire drills are conducted based on the buildings we operate in.

At Tu Men Travel, employee safety is as important as safety of all visitors and guests. In accordance with relevant regulations, we have established and will continue to improve the labour safety and health system, as well as relevant management rules and regulations. We shall compile various operating standards and safe operating procedures, and organise emergency preparation plans in the event of any accidents. Employees are trained to understand safety policy, safety information, fire drills, emergency handling, and more. Specific training may also be conducted based on the actual situation and job requirements of various departments. Moreover, in terms of safety equipment, we have an onsite fire truck, as well as a set of strategically-located fire extinguishers, and other fire-fighting gears.

Our employees are also reminded to review the Employee Handbook, which outlines various procedures and processes to follow in the event of typhoons, rainstorms, fire, accidents, or injuries. In accordance with the Employee's Compensation Ordinance, employees are entitled to compensation for any work-related accident, sickness or injury.

DEVELOPMENT AND TRAINING

Quality of service is key to the Group's success. Since service quality is reflected by the performance of our employees, we recognise the importance of providing various training for our directors and staff so that they are equipped with the latest skills and knowledge to achieve our vision and goals. As highlighted in the Code of Ethics and Business Conduct, the Group has an obligation to give due attention to the training and development needs of all employees.

We encourage our employees to attend seminars and courses to better their understanding of the tourism industry. Directors are provided with training and seminars conducted by professional parties. All new hires are required to attend the orientation programme to master frontline and back office operations. In enhancing customer service and communications, product training is conducted at Four Seas regularly, so that our frontline staff are updated with the latest product information and market trends. On a compulsory basis, job-specific employees are required to undertake courses provided by the GDS. By arranging courses and providing allowances, we hope to improve employees' knowledge and service quality so that the Group maintains its competitiveness in the market.

At Tu Men Travel, employees are offered pre-job and on-the-job training. Pre-job training involves introducing employees to our corporate culture, corporate development strategy, various management systems, labour contracts, benefits and remunerations, and company organisation. On-the-job training refers to the training of job-specific skill sets and is based on the working department of the employee.

OUR PEOPLE AND COMMUNITY

COMMUNITY

Orient Victory is committed to being a virtuous corporate citizen, and as such, is keen on participating in charitable donations and philanthropic activities. By encouraging our staff to take part in voluntary services, we hope to mobilise their contribution to society, nurture a robust relationship with the communities we operate in, and also develop a positive corporate culture.

During the Year, a group of our employees from Four Seas participated in the 13th annual Jessica Run at the Peak Galleria. Organised by the Jessica Foundation, a charity under the fashion Magazine Jessica, the event allowed employees to raise money for charity through running. All proceeds of the event went towards virtuous organisations, including the Hong Kong Dog Rescue (救狗之家), the Hong Chi Association (匡智會) and the Hong Kong Young Women's Christian Association (香港基督教女青年會). Not only was the event an opportunity to give back to the community, but the exercise and interaction between employees also increased corporate spirit.



LAWS AND REGULATIONS COMPLIANCE

We are committed to Group-wide adherence to relevant laws and regulations in order to safeguard the interests of our shareholders, customers, guests, employees, suppliers, the environment and community at large. During the Year, we communicate closely with our staff to ensure their awareness and compliance with all applicable laws and regulations that impose a significant impact on our operations in Hong Kong and the PRC, including but not limited to:

Our Operations

- Companies Ordinances (Cap. 622)
 - Travel Agents Ordinance (Cap. 218)
 - Directives and guidelines of Travel Industry Council of Hong Kong
 - Prevention of Bribery Ordinance (Cap. 201)
 - Trade Marks Ordinance (Cap. 559)
 - Intellectual Properties Laws
 - Trade Descriptions Ordinance (Cap. 362)
 - Personal Data (Privacy) Ordinance (Cap.486)
 - Competition Ordinance (Cap. 619)
 - Production Safety Law of the PRC
 - Patent Law of the PRC
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Our Environment

- Administrative Regulations on Environmental Protection in Construction Projects (No. 682)
 - Ambient air exhaust gas. Determination of ammonia. Nessler's reagent spectrophotometry (HJ/T 533-2009)
 - Emission Standards for Odor Pollutants (GB 14554-1993)
 - Air quality. Determination of sulphuretted hydrogen, methyl sulfhydryl dimethyl sulfide and dimethyl disulfide. Gas chromatography (GB/T 14678-1993)
 - Air quality – Determination of odor – Triangle odor bag method (GB/T 14675-1993)
 - The reuse of urban recycling water – Water quality standard for urban miscellaneous water consumption (GB/T 18920-2002)
 - The reuse of urban recycling water – Water quality standard for scenic environment use (GB/T 18921-2002)
 - Emission standard for community noise (GB/T 22337-2008)
 - Standards for Drinking Water Quality (GB 5749-2006)
 - The Guideline for Risk Management of Noise Occupational Hazard
 - Noise Control Ordinance (Cap. 400)
 - Waste Disposal (Charges for Disposal of Construction Waste) Regulation
 - Water Pollution Control Ordinance (Cap. 358)
 - Air Pollution Control Ordinance (Cap. 311)
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LAWS AND REGULATIONS COMPLIANCE

Our People and Community

- Labor Law of the PRC
 - Labor Contract Law of the PRC
 - Social Insurance Law of the PRC
 - Regulation on Work-Related Injury Insurances
 - Special Rules on the Labour Protection of Female Employees
 - Law of the PRC on the Prevention and Control of Occupational Diseases
 - Law of the PRC on the Protection of Women's Rights and Interests
 - Law on Protection of Minors of the PRC
 - The United Nations Convention on the Rights of the Child
 - Trade Union Law of the PRC
 - Hebei Provincial Regulations on Collective Contract 河北省集體合同條例
 - Labour Relations Ordinance (Cap. 55)
 - Employment Ordinance (Cap. 57)
 - Minimum Wage Ordinance (Cap. 608)
 - Mandatory Provident Fund Schemes Ordinance (Cap. 485)
 - Employment of Children Regulations
 - Employment of Young Persons (Industry) Regulations
 - Occupational Health and Safety Ordinance (Cap. 509)
 - Employees' Compensation Ordinance (Cap. 282)
 - Sex Discrimination Ordinance (Cap. 480)
 - Disability Discrimination Ordinance (Cap. 487)
 - Family Status Discrimination Ordinance (Cap. 527)
 - Race Discrimination Ordinance (Cap. 602)
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ESG PERFORMANCE TABLE

Key Performance Indicators ⁴	Unit	Headquarters	Four Seas	Dongsheng Beijing	Tu Men Travel
Environment					
GHG Emissions					
GHG Emission – Scope 1	tCO ₂ -e	N/A	N/A	N/A	2.67
GHG Emission – Scope 2	tCO ₂ -e	4.03	78.07	14.76	1,044.42
Total GHG Emissions	tCO ₂ -e	4.03	78.07	14.76	1,047.09
GHG Emission Intensity by Workforce	tCO ₂ -e/ person	0.31	1.77	0.62	13.42
GHG Emission Intensity by Area	tCO ₂ -e/ m ²	N/A	0.25	N/A	0.05
Energy Use					
LPG Usage	Litre	N/A	N/A	N/A	424.02
Natural Gas Usage	m ³	N/A	N/A	N/A	471.00
Electricity usage	kWh	4,971.12	96,381.00	15,251.00	1,159,180.00
Total Energy Usage	MJ	17,896.04	346,971.60	54,903.60	4,196,823.25
Energy Usage Intensity by Workforce	MJ/ person	1,376.62	7,885.72	2,287.65	53,805.43
Energy Usage Intensity by Area	MJ/m ²	N/A	1,095.86	N/A	209.84
Social					
Total Workforce	Person	13	44	24	78
Workforce by Gender					
Female	Person	5	25	14	25
Male	Person	8	19	10	53
Workforce by Age Group					
< 21	Person	0	0	0	0
21-40	Person	3	2	23	34
41-60	Person	10	42	1	42
> 60	Person	0	0	0	2

⁴ All figures have been rounded up to 2 decimal places, unless otherwise specified.

ESG PERFORMANCE TABLE

Key Performance Indicators ⁴	Unit	Headquarters	Four Seas	Dongsheng Beijing	Tu Men Travel
Workforce by Employment Category					
Full-time	Person	12	44	23	60
Part-time	Person	1	0	1	18
Workforce by Geographical Region					
Hong Kong	Person	5	44	0	0
Mainland China	Person	8	0	24	78
Employee Turnover Rate by Gender					
Female	Person	0	4	2	8
Male	Person	2	1	13	5
Employee Turnover Rate by Age Group					
< 21	Person	0	0	0	2
21-40	Person	1	2	13	8
41-60	Person	1	3	1	3
> 60	Person	0	0	0	1
Average Training Hours by Employment Category					
Director	Hours	10	N/A	N/A	N/A
Senior Management	Hours	15	N/A	1	8
Middle Management	Hours	0	N/A	1	8
Frontline Employees	Hours	N/A	N/A	N/A	8
Average Training Hours per Person by Gender					
Female	Hours	6	26	1	4
Male	Hours	12.5	26	1	4
Number of Work-related Injury and Fatality					
Work-related Injury	No.	0	0	0	0
Work-related Fatality	No.	0	0	0	0
Number of Suppliers by Geographical Region					
Hong Kong	No.	10	205	0	0
Mainland China	No.	1	0	150	5

THE EXCHANGE'S ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
A. Environmental		
Aspect A1: Emissions		
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.	Our Environment – Energy and Water Usage, Waste Management, Air Emissions, Use of Environmental and Natural Resources
KPI A1.1	The types of emissions and respective emissions data.	Our Environment – Air Emissions
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment – Air Emissions ESG Performance Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group produces zero hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The amount of waste produced is not documented because of its insignificant quantity. The Group shall consider recording such data in the near future.
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Our Environment – Energy and Water Usage, Waste Management, Air Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Our Environment – Waste Management

THE EXCHANGE'S ESG GUIDE CONTENT INDEX

Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment – Energy and Water Usage, Waste Management, Air emissions
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).	Our Environment – Energy and Water Usage ESG Performance Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	The amount of water consumed by the Group is not documented because the water supply is regulated by respective property management group(s).
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Our Environment – Energy and Water Usage, Air Emissions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Our Environment – Energy and Water Usage
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This KPI is irrelevant to the Group's business.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Environment – Use of Environmental and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment – Use of Environmental and Natural Resources
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
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.	Our People and Community – Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Our People and Community – Employment ESG Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our People and Community – Employment ESG Performance Table

THE EXCHANGE'S ESG GUIDE CONTENT INDEX

Aspect B2: Health and Safety		
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 providing a safe working environment and protecting employees from occupational hazards.	Our People and Community – Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	ESG Performance Table
KPI B2.2	Lost days due to work injury.	Nil
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our People and Community – Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People and Community – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our People and Community – Development and Training ESG Performance Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our People and Community – Development and Training ESG Performance Table
Aspect B4: Labour Standards		
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.	Our People and Community – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People and Community – Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People and Community – Labour Standards
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Operations – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Our Operations – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Our Operations – Supply Chain Management

THE EXCHANGE'S ESG GUIDE CONTENT INDEX

Aspect B6: Product Responsibility		
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.	Our Approach to Sustainability – Code of Conduct Our Operations – Provision of Quality Travel Products and Services, Customer Relations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Our Operations – Customer Relations
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A
KPI B6.4	Description of quality assurance process and recall procedures.	Our Operations – Provision of Quality Travel Products and Services, Customer Relations
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Operations – Customer Relations
Aspect B7: Anti-corruption		
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.	Our Approach to Sustainability – Code of Conduct
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.	Nil
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our Approach to Sustainability – Code of Conduct
Community		
Aspect B8: Community Investment		
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.	Our People and Community – Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our People and Community – Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	N/A



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