

Primeview Holdings Limited 領視控股有限公司

[Incorporated in the Bermuda with limited liability]

Stock Code : 789

2017/18 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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About the Report

This report published by Primeview Holdings Limited (the “Company”) is the second Environmental, Social and Governance Report (the “Report”) in relation to the Company and its subsidiaries (collectively, the “Group”, “We” or “us”), which provides an overview of the Group’s approach, policy and performance on sustainable development.

REPORTING PERIOD AND SCOPE

The reporting period of this Report covers the period from 1 April 2017 to 31 March 2018 (the “Reporting Period”). Unless otherwise stated, the reporting scope covers (i) fashion accessories businesses, and (ii) software businesses in the Group’s principal place of business, including the Mainland China, Hong Kong and Macau.

REPORTING BASIS

For the preparation of the Report, we compiled the Report pursuant to the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. For details of the Group’s corporate governance, please refer to the section headed “Corporate Governance Report” on pages 23 to 33 of the Group’s annual report.

YOUR FEEDBACK

We believe that, sincerely listening to and understanding the comments and needs of all stakeholders is critical to the continual growth of our business. If you have any comment and advice regarding the Report and our performance on sustainable development, please email to info@primeview.com.hk.

The Group's main businesses are broadly divided into (i) fashion accessories businesses, and (ii) software businesses.

FASHION ACCESSORIES BUSINESSES

The fashion accessories businesses mainly comprise of retail and distribution segment and integrated fashion accessories platform segment.

The Group's retail and distribution segment mainly focuses on the operation of retail distribution network selling fashion accessories under its own brand name of "Artini" in the People's Republic of China (the "PRC"). Due to the change in customers' shopping behaviour in the PRC and to minimise incurring of fixed costs in operating brick and mortar shops, in recent years, the Group has gradually shifted its business strategy in the fashion accessories businesses from operating physical retail shops to distribution via Magic B2B online platform. Magic B2B online platform (the "Online Platform") is a highly vertical global B2B e-commerce platform which focuses on fashion accessories industry. It devotes to provide one-stop B2B online purchase experiences of global fashion accessories to customers around the world. As at 31 March 2018, the accumulated number of registered members of the Online Platform is over 110,000, spreading over more than 100 countries and regions globally.

SOFTWARE BUSINESSES

The software businesses segment mainly focuses on development and sale of software related applications. The Group will transfer the major part of the on hand available resources of the software businesses to the integrated fashion accessories online platform businesses.



Sustainable Development Vision

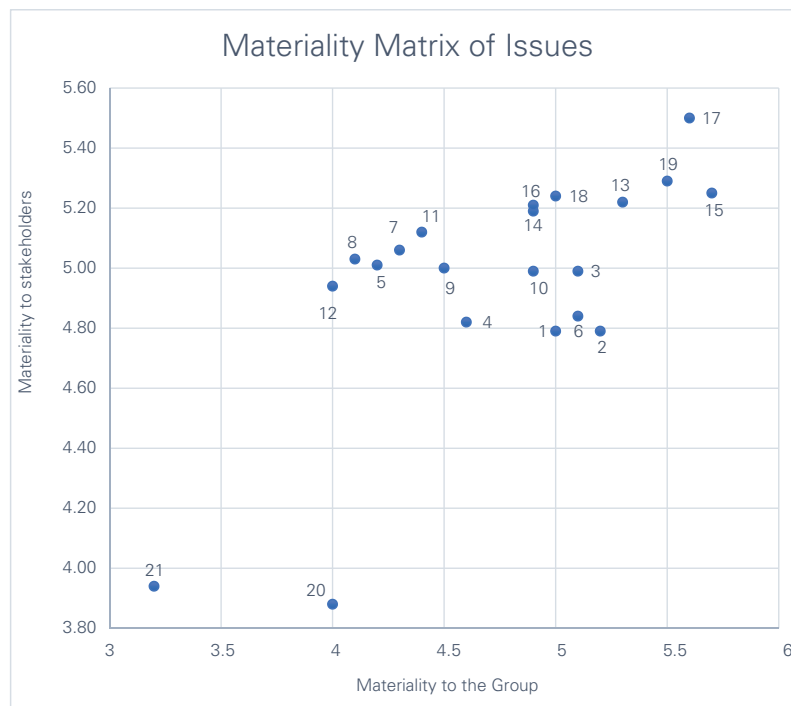
We truly understand that, our responsibility is not only limited to providing customers with quality services, we will also take corporate social responsibility to create long-term value for stakeholders and the whole community so as to promote the sustainable development of the Group and the environment and society. Therefore, we integrate environmental and social considerations such as environmental protection, employee rights, occupational health and safety, product responsibility and anti-corruption into our daily operations and decision-making processes, and formulate relevant policies and measures to implement sustainable development through practical actions.

Stakeholder Engagement

We consider our staff, shareholders, investors, customers, suppliers, business partners, government bodies and the community as key stakeholders of the Group. We believe that, comments from stakeholders on different sectors are the solid base for formulating sustainable development strategies of the Group. In order to grasp the valuable opinions of our stakeholders, we establish and maintain mutual trust and respect with our stakeholders through diversified and continuous official and unofficial communication channels, such as daily meetings, shareholder meetings, company website, site visits and emails.

These channels allow our stakeholders to express their comments on the Group's sustainable development performance and future strategies, enabling us to formulate more appropriate business strategies to respond to their needs and expectations.

In addition to daily communication, we also conducted a stakeholder opinion survey in the form of a questionnaire to collect comments of our stakeholders and evaluate their most concerned environmental, social and governance issues. The following is the results of the analysis of the stakeholder opinion survey:



ISSUE NO.

Quality of Working Environment	Environmental Protection and Green Operations	Operating Practices
1. Diversity and Equal Opportunity	7. Greenhouse Gas Emissions	13. Supplier Management
2. Employment Relationships	8. Air Emissions	14. Supplier Environmental and Social Performance Assessments
3. Occupational Safety and Health	9. Saving electricity and water	15. Integrity
4. Training and Development	10. Use of Resources	16. Disaster Emergency Plan
5. Child Labour and Forced Labour Prevention	11. Wastes Handling	
6. Staff Benefits	12. Green Procurement	
Business Operations	Community Contribution	
17. Quality of Services	20. Participating in Voluntary Activities	
18. Complaint Handling	21. Charitable Donations	
19. Privacy Protection		

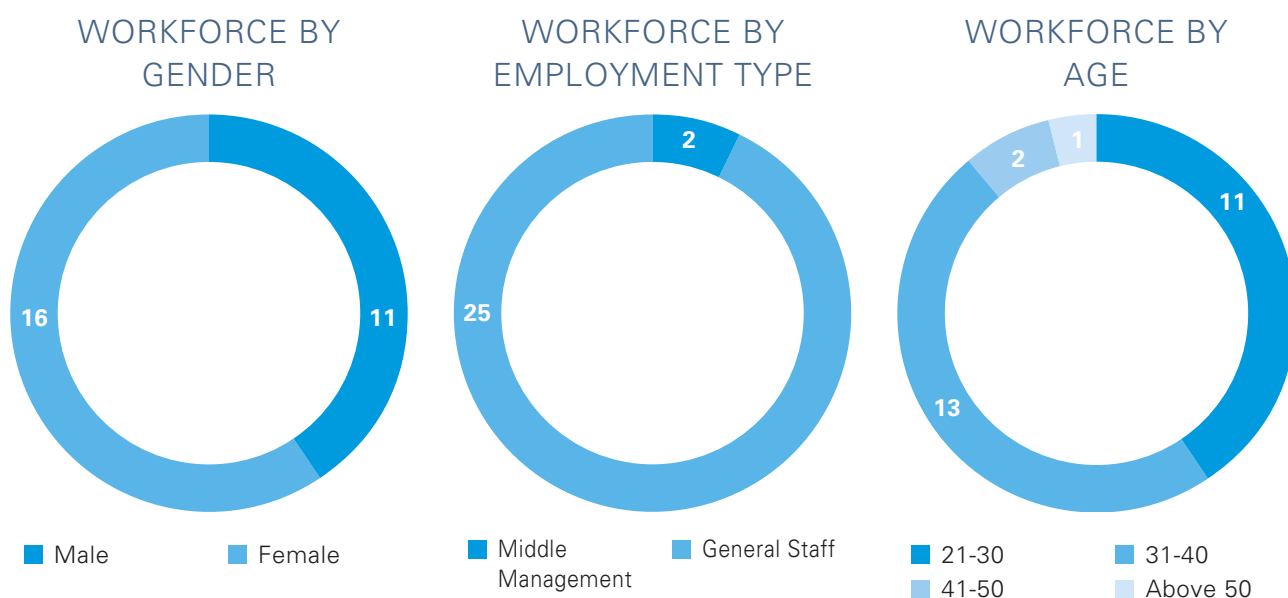
People-oriented

We have always regarded our staff as our most valuable asset and the key to the Group's continual growth and success. The Group provides our staff with various career development and training opportunities so that they can constantly upgrade themselves and add value to themselves. Also, the Group provides our staff with competitive remuneration and benefits, and implements occupational health and safety measures, in order to build a harmonious working environment.

During the Reporting Period, the Group was not aware of any serious violations of employment-related laws and regulations, including but not limited to the Employment Ordinance, the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》).

STAFF OVERVIEW

As of 31 March 2018, the Group employs a total of 27 staff in the offices of Hong Kong, Shenzhen, Guangzhou and Macau. The breakdown of workforce by gender, employment type and age is as follow:



TALENT-ORIENTED EMPLOYMENT

The Group recruits talents on the basis of open recruitment, equal competition, merit-based recruitment and internal first then external, while external recruitments are conducted through various channels, including internet, talent market, schools, newspapers and headhunting companies. As an equal opportunity employer, we have always adhered to the concept of fair, open and diversified employment. Only candidates' qualifications and working abilities will be considered during the recruitment process, regardless of their age, gender, race, colour, sexual orientation,

disability or marital status to ensure that they are not discriminated against or treated unfairly. Our selection process includes written, initial and re-examinations. In addition, the Group has a clear promotion ladder, and staff will be evaluated annually. The result of the evaluation will provide a basis for our staff's remuneration and position adjustment. We also provide different training and learning opportunities for our staff, and offer them to participate in training courses and seminars organised by external organisations to add value, make progress and grow together with us.

REMUNERATION AND BENEFITS

We have established systems for remuneration and dismissal, working hours and holidays, and relevant requirements are included in the Staff Handbook so that our staff can understand more. The Group is committed to providing competitive remuneration to attract and retain outstanding staff. The remuneration of staff consists of basic salary, position allowance and other subsidies. We will provide overtime subsidies or alternative leaves for our staff. We will also strive to comply with the laws and regulations on minimum wages and statutory social benefits, and provide social insurance for staff in the Mainland China, including pension, medical care, unemployment, work injury and maternity insurance.

HEALTH AND SAFETY

None of our business operations involve any high-risk occupational health and safety issues. Regardless of this, the Group is committed to establishing and maintaining a working environment with “zero” work injury, and purchases medical insurance for our staff to safeguard their well-being. In the event of any major work injury event, we will investigate the cause of the event and plan for corresponding actions or improvement measures. We have introduced the smoke-free policy into our workplace to protect the health of our staff. Also, first aid boxes and emergency contact numbers are ready for use. We have established procedures for our staff to follow in the event of typhoons and severe rainstorms to ensure their safety when travelling to and from the workplace.

During the Reporting Period, the Group has neither encountered any cases of injury or death at work, nor noticed any cases of serious violations of occupational safety related laws and regulations, including but not limited to the Occupational Safety and Health Ordinance and the Law on the Prevention and Control of Occupational Diseases of the People’s Republic of China (《中華人民共和國職業病防治法》).

EMPLOYMENT STANDARDS

The Group is well aware that the employment of child labour and forced labour is absolutely unacceptable, it is its responsibility to proactively oppose child labour and forced labour. The Group adheres to the principles of fairness, openness and voluntariness in employment issues. At the time of recruitment, we will check the identity of applicants to avoid hiring any minors. All employees have entered into employment contracts without the threat of forced labour. In daily business, we do not tolerate any form of forced labour, such as intimidation or physical abuse. Once child labour and forced labour are discovered, we will take immediate action to protect child labours and forced labour victims, and notify relevant social welfare agencies to ensure that they will receive appropriate assistance. During the Reporting Period, the Group has not noticed any serious violations of laws and regulations relating to child labour and forced labour, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).



Quality Services

CARING SERVICES

The mission of the Group is to offer quality products and services to customers, to develop and cultivate a group of loyal customers, as well as to be a trendsetter in the fashion accessories industry, offering a diverse selection of high quality products.

We are committed to listening to our customers' comments and feedbacks in order to maintain a strong relationship with our customers. Our Online Platform provides instant customer service. If our customers have any enquiry or complaint, they can freely contact our customer service staff any time. If we receive complaints from customers, we will handle it seriously and provide appropriate and timely feedbacks and carry out remedial actions.

SUPPLY CHAIN MANAGEMENT AND QUALITY ASSURANCE

The Group mainly provides a one-stop online wholesale platform for brand manufacturers and retailers and is not involved in any direct production. However, as an important platform for global fashion accessories customers, we are committed to safeguarding the quality of our products and delivering the products with the best quality to our customers. We provide 100% satisfaction guarantee. In order to protect the interests of our customers to the greatest extent, if our customers discover any quality problem in our products within seven days after receiving the goods, they can return or exchange them free of charge.

During the Reporting Period, the suppliers of the Group's fashion accessories business are mainly from China.

In order to ensure that the quality and safety of the products are guaranteed by the source, we have established the "Factory Qualification Ranking Assessment Standard" (《工廠資質等級評審標準》) and "Product Quality Control System" (《產品品質管控制度》) for brand manufacturers on the Online Platform, and adopted various regulations to ensure all goods in the platform meeting quality standards. When selecting new suppliers, we will conduct on-site inspections and scoring. For qualified suppliers, we will sign a cooperation agreement with them and establish a half-year trial period. For existing suppliers, we will also conduct qualification assessments on a regular basis. The assessment criteria include the quantity of supply, the number of complaints and the quality of service. If there are unqualified suppliers, we will first communicate with the suppliers, if the suppliers involved have not made reasonable improvements, we will terminate our cooperation with them.

For suppliers which included as qualified, the products they provide must meet the following four quality testing standards:

- Environmental protection testing standard
- Coating wear resistance testing standard
- Salt mist corrosion testing standard
- Appropriateness of wearing standard

In addition, for upcoming products, we will also request brand manufacturers to provide globally recognized ISO/SGS international accredited certifications to ensure that all products supplied do not contain lead and nickel and meet international quality standards. Otherwise, our Online Platform will refuse to put that batch of goods on shelf.

We not only value the quality of products supplied by our suppliers, but also focus on their environmental and social risks. In addition to requiring suppliers to meet environmental protection testing standards for their products, we also expect them to maintain good business ethics and integrity and prohibit any violations of laws and regulations on collusion, bribery and malpractice etc.. If suppliers are found to have any material adverse impact on the environment or community they operate in, we will consider terminating our cooperation with them.

PRIVACY PROTECTION

As an operator of an online platform, it is necessary to strictly enforce privacy protection and information security. We have set out confidentiality statement in the Staff Handbook to strengthen our staff's awareness of protecting personal data, and stipulate that they

are not allowed to leak out private information, such as customers' information and company secrets, to protect customer privacy. We also publish our Privacy Protection Statement on the Online Platform to clearly explain to our customers the use of their account information, including passwords, phone numbers, emails and credit card information, as well as measures to protect such information. Our Online Platform has adopted the encryption technology of Secure Sockets Layer to encrypt data during data transmission to ensure that customers' personal data will not be leaked out. During the Reporting Period, the Group has neither noticed any major case of data leakage nor received any complaints from outsiders or regulators regarding the failure to protect customer privacy and loss of customer information.

PROMOTION AND ADVERTISING

The Group mainly conducts promotions through its webpage and social media. All materials (such as press releases, articles and webpage content) must be appropriately approved before being released to ensure compliance, accuracy and truthfulness of content. During the Reporting Period, the Group has not noticed any serious violations of laws and regulations, including but not limited to the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), Law of the People's Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and Internet Security Law of the People's Republic of China (《中華人民共和國網絡安全法》), regarding product liability, including quality of product and service, advertising, labelling, customer privacy protection and consumer rights and interests protection.



Environmental Protection

The Group is principally engaged in fashion accessories online platform distribution businesses. The main resources used are purchased electricity and domestic-used water. Based on the nature of our business, we have no significant impact on the environment. Despite the aforementioned, we are still highly concerned about the negative impacts of climate change on the environment. Therefore, we are striving to reduce emissions and reduce resource consumption, improve environmental pollution and achieve environmental sustainability by improving operational efficiency and adopting various environmental protection measures.

We are committed to complying with laws and regulations relating to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste. During the Reporting Period, the Group has not noticed any complaints or cases involving serious violations of relevant environmental protection laws and regulations, including but not limited to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Air Pollution Control Ordinance of Hong Kong, and Environmental Framework Law of Macau (《環境綱要法》).

GREEN OPERATIONS

Our emissions are mainly derived from the daily operations of our offices, including greenhouse gas emissions from externally-purchased electricity, such as lighting, office equipment and other miscellaneous items, as well as general office waste. In addition to complying with relevant environmental protection laws and regulations, we also actively promote green operations and implement various environmental protection measures in our offices to enhance staff's environmental protection awareness. The main environmental protection measures we have implemented in our offices include:

- Turn off unnecessary lighting and energy consumption equipment
- Clean air filter of air-conditioners regularly to improve cooling efficiency of air-conditioners
- Try to replace electric light with natural light
- Devices such as computers and photocopiers with power-saving function equipped so that they will enter sleep mode when being idled for more than 15 minutes
- Encourage planting potted plants to create a green working environment
- Reuse packaging bags and use waste packaging boxes to store office supplies

During the Reporting Period, as paper is also the main source of resource consumption, we have also taken the following measures to reduce paper usage:

- Replace letter or fax by email
- Print internal documents in black and white on both sides to save paper and printing ink
- Use of electronic filing and documentation system for electronic communications

KEY ENVIRONMENTAL DATA¹

Greenhouse Gas Emissions		
Greenhouse gas emissions in total	15.69	tonnes CO2 equivalent
Indirect emissions (Scope 2)	15.69	tonnes CO2 equivalent
Greenhouse gas emissions intensity	0.06	tonnes CO2 equivalent/m ²
Non-Hazardous Waste		
Total non-hazardous waste generated	1.51	tonnes
Other general refuse	1.51	tonnes
Non-hazardous waste intensity generated	5.32	kg/m ²
Electronic Waste		
Total electronic waste generated	0.07	tonnes
Energy Consumption		
Energy consumption in total	22,903.59	kWh
Purchased electricity	22,903.59	kWh
Energy consumption intensity	80.92	kWh/m ²
Water Consumption²		
Water consumption in total	132.82	m ³
Water consumption intensity	0.47	m ³ /m ²

Note: As the goods provided on the Online Platform were packaged by our suppliers, the Group did not produce any significant hazardous waste and packaging materials during the Reporting Period.

¹ The environmental data in the Report only include the Group's office locations in Hong Kong, Macau and Guangzhou. In addition, the Group did not collect the data of fuel consumption and mileage of its motor vehicles during the Reporting Period, the environmental data therefore do not disclose the complete data of air emissions and greenhouse gas emissions (Scope 1).

² Water supply of the Group's offices in Hong Kong is controlled by the property management parties. Since the management parties were unable to provide water usage data or sub-meter to individual tenants, water usage data for those offices in Hong Kong was not available to be included in the Report.



Integrity

As a good corporate citizen, we strive to maintain good corporate governance and strictly comply with the applicable laws and regulations, including but not limited to, the Prevention of Bribery Ordinance and the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), prohibiting any behaviour of corruption, bribery, money laundering, fraud and extortion, in order to maintain good moral integrity, establish a corporate culture of integrity and pragmatism, and safeguard the interests of the Group.



Community Contribution

We always encouraged our staff to participate in charitable activities actively, such as charitable donations, environmental protection activities and voluntary services, to contribute to the community. Looking ahead, the Group will devote more resources to society to build a better community and promote sustainable development through practical actions.

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Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPI)		Section/Declaration	Page(s)
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.		Environmental Protection	P.10
KPI A1.1	The types of emissions and respective emissions data.	Key Environmental Data	P.11
KPI A1.2	Greenhouse gas emissions in total and intensity.	Key Environmental Data	P.11
KPI A1.3	Total hazardous waste produced and intensity.	The Group does not produce hazardous waste.	Not Applicable
KPI A1.4	Total non-hazardous waste produced and intensity.	Key Environmental Data	P.11
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Protection	P.10
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Protection	P.10

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Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPI)		Section/Declaration	Page(s)
Aspect A2: Use of Resources			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Environmental Protection	P.10
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Key Environmental Data	P.11
KPI A2.2	Water consumption in total and intensity.	Key Environmental Data	P.11
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Protection	P.10
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Protection	P.10
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	The Group does not use packaging material used for finished products.	Not Applicable
Aspect A3: The Environment and Natural Resources			
General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.		Based on the nature of the Group's business, the Group has no significant impact on the environment.	Not Applicable
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not Applicable	Not Applicable

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Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPI)	Section/Declaration	Page(s)
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.	People-oriented	P.6-7
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.	Health and Safety	P.7
Aspect B3: Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent-oriented Employment	P.6
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.	Employment Standards	P.7

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Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPI)	Section/Declaration	Page(s)
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management and Quality Assurance	P.8-9
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.	Quality Services	P.8-9
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.	Integrity	P.12
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.	Community Contribution	P.13