

# MaxSight Photo 名仕快相

Max Sight Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8483



# 2018

Environmental, Social and Governance Report



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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This is the first environmental, social and governance (the “ESG”) report (the “Report”) from Max Sight Group Holdings Limited (the “Company”) and its subsidiaries (the “Group”) focusing on the Group’s environmental, social and governance initiatives. When preparing this Report, references have been made to Appendix 20 to the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The initiatives of the Group in implementing environment and social related policies are as follows:

- (1) To optimize efficient use of resources in efforts to minimize impact on the environment and natural resources;
- (2) To encourage employees to be environmentally conscientious; and
- (3) To contribute to the community’s well-being.

## REPORTING YEAR

Information in the Report reflects the performance of the Group in environmental stewardship and social responsibility from 1 January 2017 to 31 December 2017 (the “Reporting Period”). In the future, the Group will publish the Report on an annual basis and make this openly available to the public to enhance transparency and accountability.

## STAKEHOLDERS’ ENGAGEMENT AND MATERIALITY

In order to identify the most significant ESG aspects for the Group to report on for this ESG Report, key stakeholders such as investors, shareholders, employees, lessors, suppliers, customers, environment and community have been taken into consideration.

## STAKEHOLDERS’ FEEDBACK

The Group welcomes stakeholders’ feedback on our ESG approach and performance. Suggestions can be sent to the Company’s head office at 14th Floor, McDonald’s Building, 48 Yee Wo Street, Causeway Bay, Hong Kong.

## ENVIRONMENTAL

It is the Group’s policy to ensure compliance with applicable environmental laws and regulations and minimise the Group’s environmental footprint through efficient use of resources and adoption of pro-environmental technologies. The Group believes that increased environmental awareness is the key to environmental protection and wellness to the general community.

The Group’s main office headquarter is located in Hong Kong and the main emissions and wastes produced by the Group are primarily attributable to its use of electricity, water and paper. The Group does not produce any hazardous waste in its operations.

During the Reporting Period, the Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the environment and natural resources relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. Due to the nature of our business, the Group’s operational activities do not directly generate industrial pollutants, and as such the Group did not incur directly costs of compliance with applicable environmental protection rules and regulations. The Group expects that its business operations have minimal direct impact on the environment and natural resources.

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## Electricity

Energy conservation will not be effective without the support of employees. The Group has been encouraging employees to establish energy-saving habits in the office, such as switching off lights and electronic appliances before leaving the office. The photo booths are switched off automatically after the business hours. The electricity consumed by the Group's subsidiaries in Hong Kong and the People's Republic of China (the "PRC") was strictly monitored.

## Water

The mainly direct water supply to the office apart from water uses/effluent discharges at shared facilities of the office building for which no usage statistics are available. Water consumption by the Group during the Reporting Period involved mainly bottled drinking water uses at its office premises and the Group's business operations do not require any other water usage. The Group requires employees to reduce water consumption in the offices. For example, employees are encouraged to fully empty any containers before washing, to turn off water taps promptly, to check faucets and pipes for leaks, and to adopt water saving appliances.

## Paper

Paper consumption by the Group mainly involves strip used in the photo booths for customers. In efforts to prevent paper wastage, the Group encourages employees to print and copy double sided two pages to one paper and re-use paper to the extent practicable. Employees are also encouraged to go paperless by limiting printouts and communicate via e-mail as opposed to fax. The Group has not otherwise adopted any dedicated recycling programme regarding paper uses.

## SOCIAL

### Employment

The employees of the Group are located in Hong Kong and the PRC. The Group safeguards the rights of our employees by strictly complying with the requirements of the Labour Law of Hong Kong and the Labour Law of the PRC. In the PRC, we have participated in welfare schemes concerning pension insurance, unemployment insurance, occupational injury insurance and medical insurance in accordance with the local regulations of the PRC. In Hong Kong, we have participated in the Mandatory Provident Fund (MPF) Scheme, prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and Occupational Retirement Schemes Ordinance, prescribed by Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong). All of our employees have employment contracts that cover matters such as wages, benefits and grounds for termination. The Group's remuneration policies and packages are reviewed by the management on a regular basis. The Group grants discretionary bonuses to qualified employees based on operation results and individual performance. The employees are also entitled to medical insurance and various types of paid leave. The Group also has an employee record with breakdown of total employees in different departments, gender and age groups which will be regularly updated.

The Group is not aware of any material non-compliance with any relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare during the Reporting Period.



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## Employees' health and safety

The Group values the health and well-being of staff. In order to provide employees with health coverage, staff are entitled to benefits including medical insurance as well as other competitive fringe benefits. The Group has adhered to the related laws and regulations with regard to labour hygiene and assured personal safety of employees to create a safe and hygienic work environment to everyone working at the Group's venue. The Group is not aware of any work-related injuries during the Reporting Period.

There has been no high-risk or safety-sensitive type of work identified in the workplace. However, the Group understands that employees need to work with computers and/or stand up for long periods daily due to the nature of its operation. Hence, the Group provides employees with occupational safety education by circulating office safety guidance which covers the safe use of display screen equipment, correct working postures and encourages workplace stretching exercises to minimise the risk of work-related injury and strain. During the Reporting Period, the Group has had no non-compliance cases regarding violation of relevant laws and regulations on occupational health and safety.

## Development and training

All new employees are required to attend orientation training to ensure the employees are aware and familiarize themselves with the Group's values and goals and understand their roles in the Group. Employees are encouraged to attend seminars relevant to their positions to enhance their roles within the Group.

## Labour standard

All employees are recruited through the human resources department to ensure they fulfill the job requirements underlying their respective positions.

The Group regularly reviews its employment practice and Group's guidelines on staff recruitment to ensure that it is in full compliance with the Employment Ordinance and other regulations related to, among other things, prevention of child labour and forced labour.

During the Reporting Period, the Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to prevention of child and forced labour.

## OPERATING PRACTICES

### Supply Chain Management

Although our main operation is automatic photography industry, high quality automatic photography service is one of our major concerns as we aim at providing the best quality service to the clients. The Group places great emphasis on quality control during the training and employee orientation.

The Group is committed to delivering professional services and achieving customer satisfaction by providing a client-oriented service. The Group's policy provides guidelines to the operation and maintenance team to assist the customers to use the automatic photo booths. The management holds regular communications with front-line employees to review and discuss various aspects of operations to ensure services meet the clients' expectations. The Group constantly collects the clients' feedback by the mail, email and telephone. To enhance clients' confidence in the Group, the Group strives not only to provide satisfactory services to the clients, but also to promptly investigate the root cause of complaints and provide corrective action and carry out remedial and preventive action in response to the complaints from the clients.

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The Group only has a few major photo booth vendors and suppliers involved in the Group's operations. The Group selects the vendors and suppliers carefully based on a set of selection criteria, which include (i) pricing, quality technical level or other specification requirements of photo booths, spare parts and consumables; (ii) timeliness of delivery; (iii) reputation of the photo booth vendors and suppliers; (iv) previous experience and length of our relationship with the photo booth vendors and suppliers; and (v) past performance of the photo booth vendors and suppliers.

## Product responsibility

The Group has photo booths in Hong Kong and the PRC with technology function which are operated by the Group. The Group has implemented measures to protect the Group's intellectual property rights and intellectual property rights in relation to the technology owned by other third parties.

The Group also values customers' feedback on the products provided and has implemented measures to handle complaints effectively. The Group accept customers' complaints by way of mail, email and telephone to ensure timely response to customer concerns and the Group's customer service officer handles customers' complaints promptly upon receipt.

The Group offers customers in Hong Kong and the PRC, an "unconditional guarantee" that if, for whatever reasons, the customer is not satisfied with a photo taken by the photo booths, the Group will provide a free photo retake to the customer's satisfaction or full money refund upon their return of the photos taken. The Group believes that an "unconditional guarantee" is able to enhance customers' confidence in the products. During the Reporting Period, the amount of products returned from the customers was minimal.

The Group's policy on privacy of personal data provides guidelines for managing different kinds of personal data and the establishment of a privacy framework that secures the personal data of our employees. The Group requires that intellectual property rights are protected.

During the Reporting Period, the Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to advertising, labeling and privacy matters relating to products and services provided, intellectual property right infringement and methods of redress.

## Anti-corruption

The Group adopts a zero-tolerance policy on bribery, extortion, fraud and money laundering. It is also the responsibility of all employees to maintain ethical behavior. All financial data are double checked through different levels of personnel to ensure compliance with all relevant laws and regulations relating to bribery, extortion, fraud and money laundering. All employees are encouraged to raise any related concerns to the senior management in a strictly confidential manner. Any matters of genuine concern are to be thoroughly investigated and actions will be taken accordingly.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering during the Reporting Period.

## COMMUNITY

### Community investment

The focuses of the Company's community investment are social welfare and environmental protection. The Group believes that it can act effectively to help alleviate social problems and responds positively with volunteering services.

During the Reporting Period, in order to improve the work-life balance of the Group's employees and encourage them to join the voluntary events. The Group's employees from the back office are offered flexible working hours arrangements on each Saturday. The Group's employees may spare more time with their families and participate in volunteering services to give back to the society.