



# FUTURE DATA

## FUTURE DATA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8229

### 2019

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT



## PREAMBLE

Future Data Group Limited (the “**Company**”) and its subsidiaries (collectively “the **Group**”) is a technology service provider with a focus on provision of system integration, maintenance services and cyber security solution services. The Group does not engage in any manufacturing activities which may harmful to environment, but, the Group still proud of making themselves to pursue an eco-friendly working environment and is pleased to publish an Environmental, Social and Governance (“**ESG**”) Report (this “**Report**”) to disclose relevant information to our stakeholders. During the financial year in 2019, the Group has two principal places of business located in Korea and Hong Kong. The addresses of principal places of business were presented in the Group’s annual report dated 23 March 2020.

Apart from environmental issues, employees’ working condition is placed on the Group’s first priority as employee are the most valuable asset to the Group. With absolutely no doubt, employees’ contributions are always the key factor to our success. Providing a friendly working environment to employee as well as protecting their benefits are our top priority in operations. Our Group also extended care to general public by giving donations.

The Group actively adheres to the enterprises’ environmental and social responsibilities. The board of directors (the “**Board**”) is ultimately responsible for leading ESG works by establishing dedicated teams to manage ESG issues. Designated staff are assigned to enforce and supervise the implementation of relevant policies.

Bribery and corruption issues are the main elements in the governance aspect. The management of the Group realised that bribery and corruption may result in negative consequences to people, society and economy. The best endeavours to create a probity operating environment is incorporated in the management philosophy.

## REPORTING SCOPE AND GUIDELINE

This Report addresses the Group’s approach and performance on the subject areas of Environment, Society and Corporate Governance during the period covering from 1 January 2019 to 31 December 2019 in accordance with the guidance set out in Appendix 20 to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited.

## SOURCE OF INFORMATION

The information in this Report was gathered internally from the official documents and statistical of the Group. In determining our key performance indicators (“**KPIs**”) benchmark, external research and information from open resources are being adopted. Although the Group’s business mostly comes from Korea subsidiary, KPIs benchmark will use Hong Kong data as a reference due to efficiency considerations. Based on the resources consumed by and environmental pollution caused by commercial activities are generally relatively stable than industrial activities and the Company’s shares are listed in Hong Kong, so we chose Hong Kong, which is mainly based on commercial activities, as the basis for designing our KPIs.

## ACCESS TO THE REPORT

This report is published on our Company’s website ([www.futuredatagroup.com](http://www.futuredatagroup.com)) and HKEx’s website ([www.hkexnews.hk](http://www.hkexnews.hk)).

## STAKEHOLDERS ENGAGEMENT

The Group has invited its stakeholders, including shareholders, customers, employees and suppliers to express their view and concerns on major social and environmental issues. We also welcome general public to provide their suggestion on social and environmental improvement to us. After assessing your feedbacks, the Group will review and modify the sustainability strategies, practices and measures undertaken.

To align with the stakeholders' expectation, the Group is committed to making continuous improvements in environmental and social responsibilities in order to meet the needs of changing situation. If you have any opinion regarding to this report or suggesting improvement, please feel free to email us with attention to ESG working group at [esg@futuredatagroup.com](mailto:esg@futuredatagroup.com) without any hesitations. Your feedback is highly valued by our Group.

### A. ENVIRONMENTAL SUSTAINABILITY

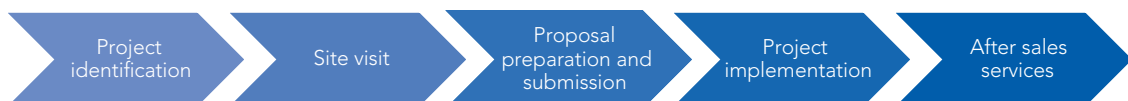
The Group is principally engaged in provision of integration systems with network connectivity, cloud computing and security elements, maintenance services and cyber security solution services mainly in Korea and Hong Kong. Due to our nature

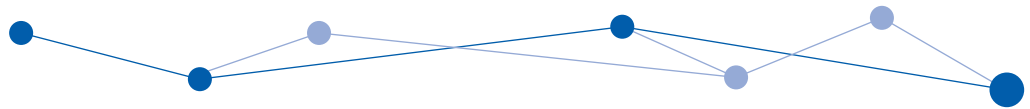
of business, only few wastes were generated from our operation. Therefore, the Group's key environmental policies are encouraging our employees to work in an "environmental-friendly" workplace (i.e. effectively paper usage and electricity consumption) and participating in environmental protection programme promoted by organisations nearby offices.

Joining the global effort to protect our environment, governments in Korea and Hong Kong enacted numerous law and regulations in order to control the emission and discharge. The Group is irrevocably complying with these applicable law and regulations as we realised that it is a fundamental duty of an organisation to curb global climate change.

#### A1 Emissions

Emissions included air emissions and waste produced. As mentioned above, our operation does not produce much pollutants and wastages. The flow chart below illustrates the typical project workflow of our system integration projects:





Our project team in Korea will source the required equipment in accordance with their proposal. Therefore, the few wastes generated from our operation are the emission from logistic and the wastage (e.g. cable wire) from equipment installation in usual.

During the year, Hong Kong operation engaged purely in providing cyber security solution services. Emission is not a critical issue for a service rendering company.

#### *A1.1 The types of emissions and respective emissions data.*

Key pollutants affecting the air quality are nitrogen oxides ("NO<sub>x</sub>") and sulphur oxides ("SO<sub>x</sub>") originated from car usage in our operating activities. Tables below disclose the emissions data of NO<sub>x</sub> and SO<sub>x</sub> from vehicles usage from our operations:

NO<sub>x</sub> emission from using private cars (Unit: gram)

	2018 HK\$'000	2019 HK\$'000
Korea	11,238	12,943
Hong Kong	–	353
Total:	11,238	13,238
NO <sub>x</sub> emission from using private cars per employee (g)	69	69

SO<sub>x</sub> emission from using private cars (Unit: gram)

	2018 HK\$'000	2019 HK\$'000
Korea	827	953
Hong Kong	–	26
Total:	827	979
SO <sub>x</sub> emission from using private cars per employee (g)	5	5



## *A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.*

World Resources Institute and the World Business Council on Sustainable Development developed GHG Protocol which classifies GHG emission into 3 scopes. International Organisation for Standardisation ("ISO") defines these 3 scopes in ISO 14064 as the following terms:

Scope 1: Direct emission from operations;

Scope 2: Energy indirect emission; and

Scope 3: Other indirect emission.

The Group adopted the above scope classification to disclose the GHG emissions data and presented in below tables:

### Scope 1

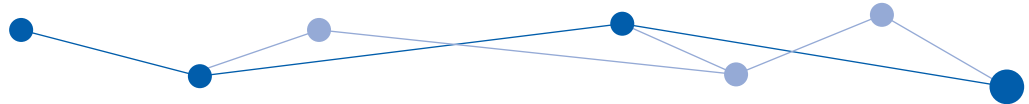
	CO <sub>2</sub> equivalent emission (kg)	
	2018	2019
Korea	40,540	52,228
Hong Kong	1,433	2,264
Total:	41,973	54,492

### Scope 2

	CO <sub>2</sub> equivalent emission (kg)	
	2018	2019
Korea	102,335	112,206
Hong Kong	9,387	9,446
Total:	111,722	121,652

### Scope 3

	CO <sub>2</sub> equivalent emission (kg)	
	2018	2019
Korea	32,683	25,880
Hong Kong	32,212	38,190
Total:	64,895	64,070



## Total GHG emission

	CO <sub>2</sub> equivalent emission (kg)	
	2018	2019
Korea	175,558	190,314
Hong Kong	43,032	49,900
Total:	218,590	240,214
CO <sub>2</sub> equivalent emission per employee (kg)	1,339	1,258

According to research conducted by Environment Protection Department in Hong Kong, CO<sub>2</sub> equivalent emission per person approximately to 6 tonnes. Therefore, we set 3 tonnes emission as the benchmark to address a person spending half day on their employment in KPI measurement. The operational level of emission shall not above benchmark.

### *A1.3 Total hazardous and non-hazardous wastes produced and, where appropriate, intensity.*

Scope of work of the Group's system integration service segment is to source and integrate suitable readily use

hardware and software components and configure them into a compatible system in providing a secure and reliable data capture, storage and transmission functions. No hazardous waste has been produced under the Group's operation.

Non-hazardous wastes were mainly daily commercial wastes which included paper and equipment package. There was no accurate weigh data available because of the small amount of waste. As a result, the data below is an estimation making reference to the paper and equipment purchase record.

## Non-hazardous waste

	Kg	
	2018	2019
Korea	1,920	1,597
Hong Kong	175	175
Total:	2,095	1,772
Non-hazardous waste per employee (kg)	13	9

## *A1.4 Description of measures to mitigate emissions and results achieved.*

In according to the tables above, GHG emission from the Group is mainly from its purchased electricity consumed in daily office operations. To reduce the amount of GHG emission, the Group implements several practical measures in saving energy as further described in A2.2 "Description of energy use efficiency initiatives". GHG emission measured in CO<sub>2</sub> equivalent emission per employee decrease slightly by 81 kg or 6% from 1,339 kg in 2018 to 1,258 kg in 2019 both are below the emission benchmark.

## *A1.5 Description of how non-hazardous wastes are handled, reduction initiatives and results achieved.*

As a member of information technology industry, the Group has a vision to turn all possible things to electronical mean. Some practical examples include using of video conference in cross-country internal meeting and keeping documents in electronic form if physical documentation is not necessary.

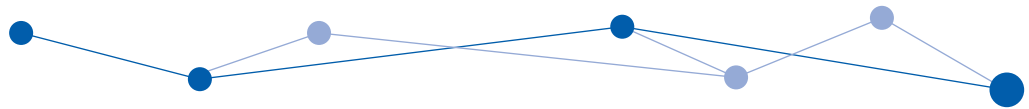
Recycling of waste is widely recommended by environmental protection organisations in achieving waste reduction. The Group recycles wasted paper, the toner cartridges for copiers and printers, used light pipes and light bulbs regularly. The Group is dedicated to protecting the environment by taking every simple action which is feasible in its office operating boundaries.

## **A2 Use of resources**

The resources consumed by the Group's business mainly comprised electricity, paper and fuel. To establish an environmental-friendly workplace, the Group developed some measures to minimise the use of resources and some of these measures are listed out as follows:

- effectively use of electronic equipment and network,
- participating in recycle programme promoted by organisations (i.e. property management agent),
- make full use of paper, and
- encourage employees to use of public transportation network.

In view of the limited use of water in daily consumption from employees, we believe that the Group's business may not materially deteriorate the sustainability of hydrological cycle.



#### *A2.1 Direct and/or indirect energy consumption by type in total and intensity.*

Electricity consumption is inevitable to the business in technology services provider both directly and indirectly.

Below table presents the Group's electricity consumption information of our operations:

	kWh	
	2018	2019
Korea	202,894	222,465
Hong Kong	11,882	11,957
Total:	214,776	234,422
kWh per square meter	138	150

We make reference to the energy utilisation index from Electrical and Mechanical Services Department, KPI benchmark for energy consumption being set at 188 kWh (2018: 173) per square meter in 2019.

#### *A2.2 Description of energy use efficiency initiatives.*

Energy conservation gains more awareness in public to promote a greener environment. Echoing to the responsibility of environmental protection, the Group set out rules to employees to reduce the consumption of electricity in offices. The following electricity conservation measures has been taken by the Group:

- Post notices on electricity saving measures which are practicable in daily operations;
- Switch off the computer (other than system servers and network equipment), office equipment and lights whenever they are not in use;

- Keep the office equipment clean (such as refrigerator, air-conditioner and paper shredder) and ensure that they run efficiently by regular checks and maintenance; and
- Unplug the sockets of equipment like copying and printing machines before long holidays to save energy consumption.

To continuously improving the environmental performance, better energy efficiency appliances and equipment will be used in our operations gradually.



## *A2.3 Total packaging material used for finished products*

In provision of integrated system services, the Group may procure hardware components which were fully protected from the package provided by suppliers. Be a responsible enterprise to the environment, our engineers will draw customers attention to classify the packaging material, as well as the scrap equipment, into different types of wastes and reusable material to cultivate their awareness on waste reduction.

## **A3 The Environmental and Natural Resources**

### *A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.*

Due to the nature of business, the Group does not involve in production process that may have significant impacts on the environment and natural resources. The main natural resources consumed by the Group was paper from the office. Therefore, creating an in-house paperless culture is our Group's commitment to environment. In a situation paper usage being inevitable, the use of scrap paper and double-sided printing are actively encouraged.

## **B. SOCIAL**

The Group treasures talent as it is the most valuable asset and key for driving success and maintaining sustainable development. We offer competitive remuneration package to attract, motivate and retain appropriate and suitable personnel to serve our Group. We have also adopted an annual review system to assess the performance of our staff, which forms the basis of our decisions with respect to salary raises and promotions.

### **Employment**

As an equal opportunity employer, the Group is committed to creating a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in all human resources and employment decisions irrespective of their gender, race, age, disability, family status, sexual orientation, religious beliefs, nationality or any other non-job related factors in all business units. The equal employment policy enforces zero tolerance to any workplace discrimination harassment or victimisation in complying with the relevant government legislations, ordinances and regulations. Below charts present the basic employment information during the reporting period:

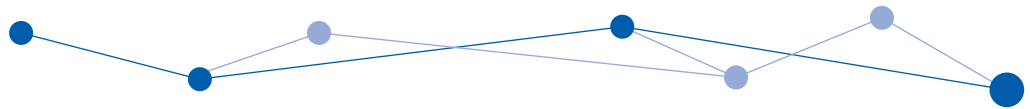


Chart 1: Number of staff employed by the Group for the reporting period (by age group and gender)

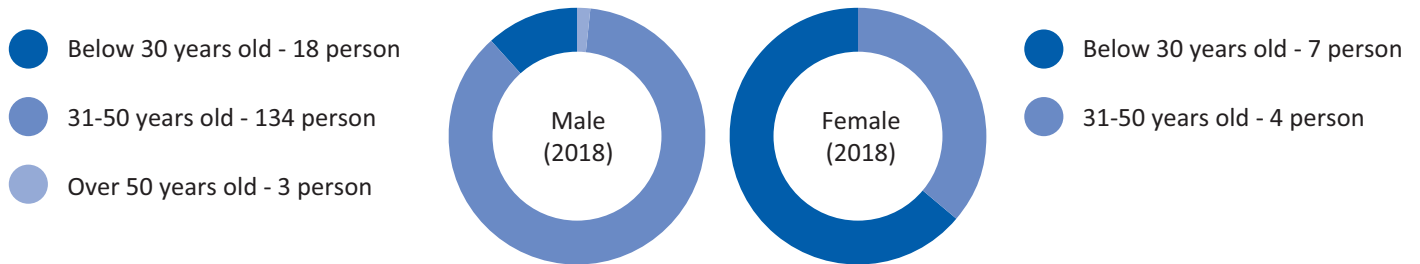
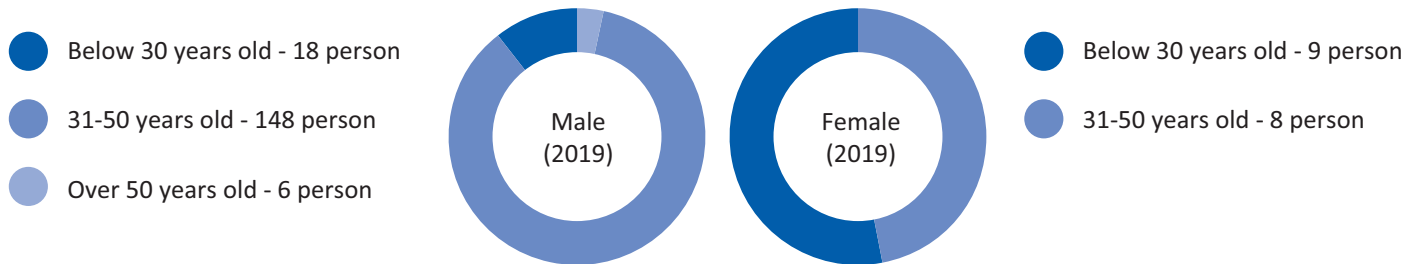


Chart 2: Turnover ratio for the reporting period (by age group)

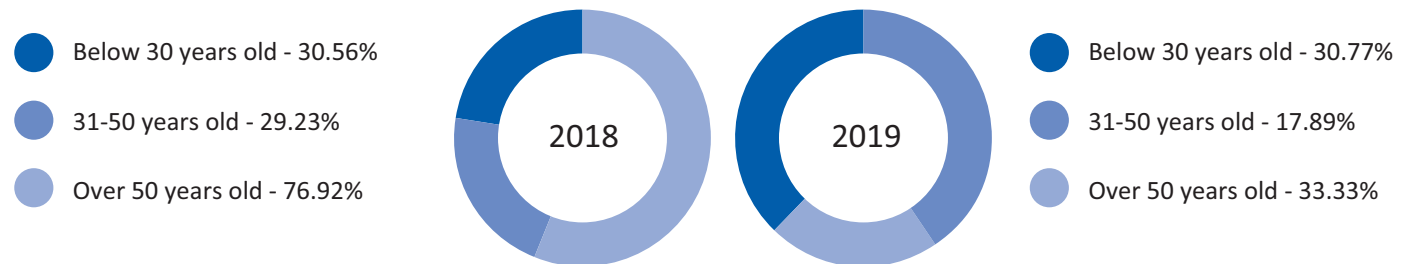
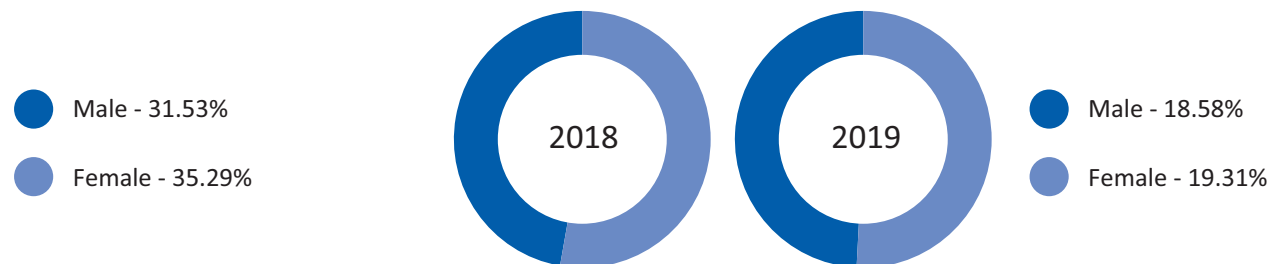


Chart 3: Turnover ratio for the reporting period (by gender)



The Group has maintained good relationships with employees. We have not experienced any labour dispute nor did we experience any difficulties in the recruitment during the reporting period.

The Group determines working hours and rest periods for the employees in line with local employment laws and employment contracts with employees. In addition to statutory holidays stipulated by the employment laws of local government such as the paid annual leave, employees may also be entitled to special leave for certain family occasions.

### Health and Safety

The Group is of the view that safety management is vital part in the operation as some of our projects may involve high risk activities such as carrying out installation works which exposes our staff to electrical hazards, at heights or in confined space. In this regard, the Group set out certain safety policies cover specific safety measures for different high-risk activities:

- prior to the commencement of the relevant projects involving high risk activities, we would prepare a safety plan for the project;
- strictly require our employees to follow the safety plan;

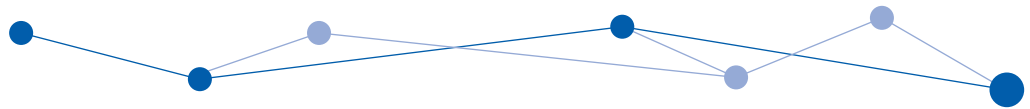
- prior to the commencement of high-risk activities, our workers would attend safety trainings or briefings provided by us and such trainings and briefings would be repeated regularly throughout the project; and
- our staff would inspect the sites regularly to ensure that the relevant safety requirements are met.

During the reporting period, there was no work injury suffered by our employee. The Group targets to always maintain an accident-free workplace environment.

### Development and Training

In enhancing the competitiveness and improving staff quality through continuous learning, the Group provide our staffs with regular technical and on-the-job trainings and encourage our staff to attend external seminar and sit for examinations to development their knowledge continuously.

The Group formulates and structures the training courses by analysing the needs of different departments. During the reporting period, the Group has provided various job capacity courses covering the areas on ISO standards and cyber security. On employees' personal development, the Group provided sponsorship to employee attending examination.



Having an increase in focus on the conduct of employees, the Group has arranged some seminars on the topics of protection of company's information and prevention of sexual harassment in workplace to employees to cultivate their awareness on ethical issues.

### Labour Standards

In Korea, the Labour Standards Act is the primary legislation governing employee relations and sets out minimum requirement for working conditions at the workplace. According to the Labour Standards Act, (a) employers must execute written labour contracts with employees; (b) work hours shall not exceed 40 hours a week and 8 hours a day in general, unless there is an agreement between the parties and overtime payment to employees; (c) employers shall not, without justifiable cause, dismiss, layoff, suspend, or transfer a worker, reduce wages, or take other punitive measures against employees; (d) employers shall establish its work safety and sanitation system and provide employees with workplace safety training; and (e) employers are required to pay salaries to employees on time and salaries paid to employees shall not be lower than the minimum salary standard of the Minimum Wage Act.

There are similar legislation requirements in Hong Kong named Employment Ordinance and Minimum Wage Ordinance primarily protecting the benefits for employees. The Group always ensures its compliance with the relevant labour laws and regulations.

Emphasising on the protection of human right on child, the Group has employment policy of prohibiting any child employment. To combat against illegal employment of child labour, prior to confirmation of employment, the Group's personnel responsible for recruitment requires job applicants to provide valid identity documents to prevent the use of child labour.

### Supply Chain Management

The Group procure hardware and software for its projects, the suppliers are mainly reputable computer equipment manufacturers and software developers as we need to ensure the system we provided to customer is reliable, efficient and secure.

We maintain a list of approved suppliers. New suppliers may also be identified by us based on referral and publicly available information. The key criteria in selection of supplier are their reputation in the industry, quality and after sales service.

Depending on the complexity of project, we may engage subcontractors to handle some construction work and/or ancillary installation of the hardware components of our systems. We select our subcontractors on a project-by-project basis, mainly based on our assessment of their awareness of end-user requirement, financial stability and technical abilities. Their reputation in the industry is also important in our selection process. To maintain the best quality of our service, we send our own personnel to the work site to closely supervise the works performed by subcontractors and also to review their works on an on-going basis.

In the supplier and subcontracting screening process, we will do some background check on publicly available information. It is the Group policy to exclude all illegal and non-ethical entities to become its business partner.

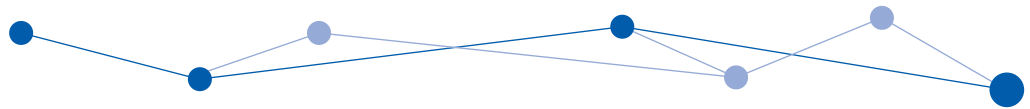
### Product Responsibility

The Group is committed to offering high-quality integrated systems to the market. We have in place a quality management system which includes guidelines for documenting work performed and reviewed by various team members in different stages of a project. The Quality Management System adheres to internationally recognised technical specification of ISO9001:2008.

Once a project has been commenced, our project managers will closely monitor the progress of the project to ensure that it meets our customers' requirements and is completed within time scheduled. Quality control tests will be conducted on an on-going basis to minimise the problem of network deficiency.

Subsequent quality warranty period would generally be offered for the system integration projects. In the event of system failure during the warranty period, the Group may provide technical support and maintenance services to ensure the systems can be operating in proper condition.

In providing system integration services and cyber security services, it may involve massive confidential information of the customers. The Group is committed to abiding by the law and regulation relevant to personal information protection. The provision of customers' data to third party before obtaining a consent from the customers is strictly prohibited. To further safeguard customers' information, the Group may destroy all confidential information after the holding period is elapsed.



The Group believes that a good practice in customer management is essential for the Group's sustainability in gaining reputation and trust. It can be basically achieved by complying with the relevant laws and regulations in protection of consumer rights. In further strengthening of its position in the industry through expansion of its market share and enhancement of the quality of its services, the Group has received various recognitions of products from public. This assists the Group to achieve sustainable growth in business and create long-term shareholder's value.

#### Anti-corruption

To maintain a fair, ethical and efficient business and working environment, the Group strictly adheres to the local laws and regulations relating to anti-corruption and bribery irrespective of the area or country where the Group is conducting business. The Group has formulated and strictly enforced anti-corruption policies as stipulated in the established "Whistleblowing Policy" and "Anti-Corruption Policy Compliance Regulations" to prevent, identify and control the risk of fraud and corruption, and in particular, a whistle-blower program to allow employees to report management misfeasance directly to the Chief Executive Officer or the Chairman of Audit Committee. The Group advocates a confidentiality mechanism to protect the

whistle-blowers from fear of threatens and any disadvantage to the whistle-blowers' employment status. All employees are expected to discharge their duties with integrity and self-discipline, and they are required to abstain from engaging in bribery, extortion, fraud and money laundering activities or any activities which might exploit their positions against the Group's interests and affect their business decision or independent judgement in the course of business operations. Disciplinary actions, including termination of employment and reporting of the matters to the relevant authorities, will be taken on the employee who violates the bribery and anti-corruption rules.

Compliance materials' acknowledgement receipts are signed by the employees at the time of joining the Group. In addition, when signing business contracts with external parties, where practicable, the Group shall include a corruption prevention statement in the contract stating that they are required to obey the relevant anti-corruption laws and the condition that an audit may be performed if there is a suspicion of inappropriate gifts of money, valuables or other benefits to employees. The Group also arranges regular trainings to executives and employees for enhancing ethical awareness in conducting businesses.



### Community Investment

The Group places a great emphasis on cultivating social responsibility awareness among employees and encourages them to participate in charitable community activities. The Group believes that undertaking socially responsible initiatives is truly a win-win situation, not only will the Group be attractive to socially conscious customers and employees, but will also make a real difference in the world by contributing love and care.

During the reporting period, the subsidiary in Korea has contributed a donation amounting to Hong Kong Dollars 2,700 to a Korea charity organisation. The Group will seek for other opportunities to make any form of contribution to support events organised by charity organisations in fulfilling the social responsibility continuously.