



DOWWAY HOLDINGS LIMITED

天平道合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8403

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

### SCOPE AND REPORTING PERIOD

This is the second Environmental, Social and Governance (“**ESG**”) report of Dowway Holdings Limited and its subsidiaries (collectively referred to as the “**Group**”), highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide (the “**ESG Reporting Guide**”) as described in Appendix 20 to the GEM Listing Rules and Guidance set out by the Stock Exchange of Hong Kong Limited.

The principal activity of the Group is providing integrated exhibition and event management services in the PRC. The Group offers one-stop service and provides customers with customised themes for their exhibitions or events, and collaborates with different suppliers to plan, coordinate, and manage related plans. This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of the business operations of the following subsidiaries of the Group: Beijing Dowway International Exhibition Company Limited, Tianjin Dowway International Exhibition Company Limited, Beijing Dowway Culture Technology Company Limited, Connect-To-Create (CTC) PR Consultant Company Limited and Sense and Creative Technology Company Limited, all based in Beijing for the Reporting Period from 1 January 2019 to 31 December 2019 (the “**Reporting Period**”), unless otherwise stated.

The Group has complied with all the “comply or explain” provisions set out in the ESG Reporting Guide during the Reporting Period. It has also complied with relevant laws and regulations that have a significant impact on the Group.

### THE GROUP’S SUSTAINABILITY MISSION AND VISION

The Group recognises the importance of sustainability. It integrates the environmental and social considerations into its business operations. While creating economic value, the Group also holds a high standard in business ethics and invest in sustainable businesses to increase its brand value.

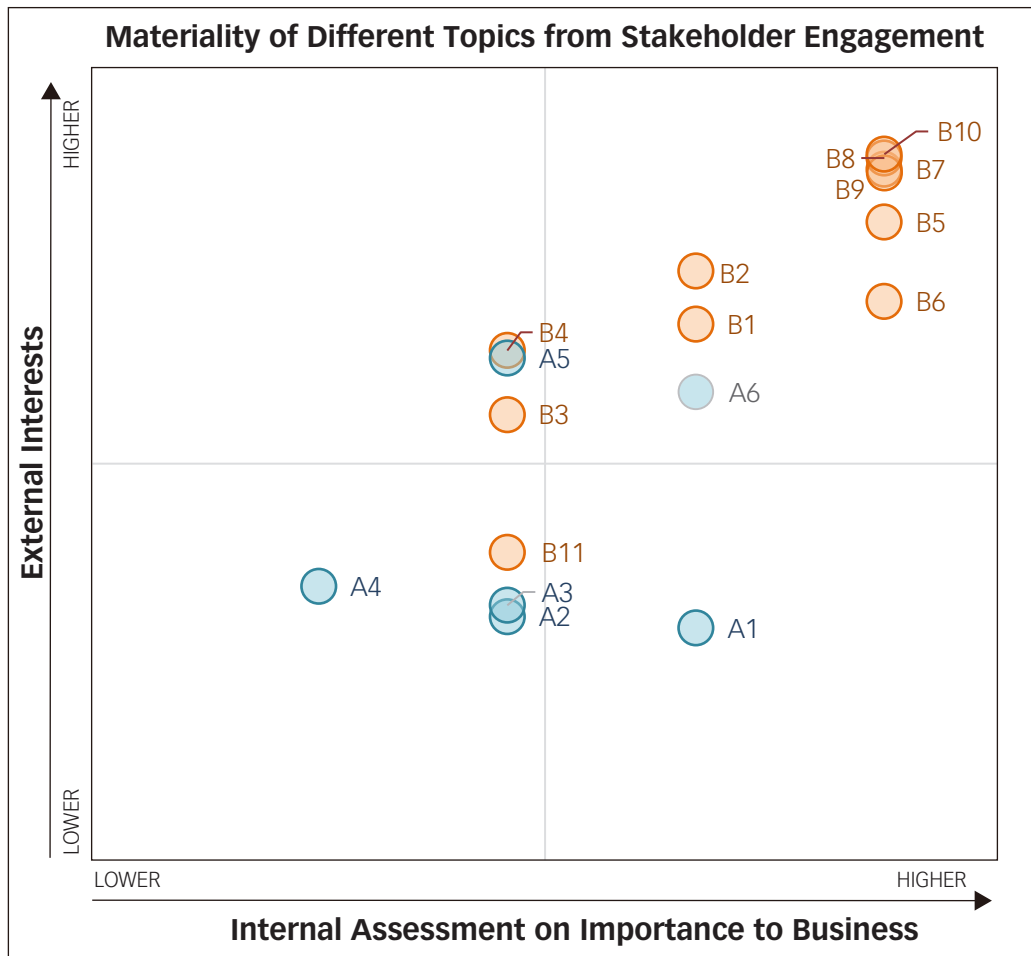
The Group has implemented various policies to fulfill its corporate social responsibilities, and continuously improved its environmental and social practices. It strives to become a leading exhibition and event management services provider in the PRC.

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### STAKEHOLDERS' ENGAGEMENT AND MATERIALITY

The Group values feedback and opinions of its stakeholders as they are all indispensable to its business.

Therefore, key internal and external stakeholders such as board members, managers, frontline workers, business partners, and customers have been engaged via various channels, one of which was through conducting a survey. The following matrix shows the results of the materiality assessment through the stakeholder engagement.



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Environmental		Social	
<b>A1</b>	Energy	<b>B1</b>	Employment
<b>A2</b>	Water	<b>B2</b>	Occupational Health and Safety
<b>A3</b>	Air Emission	<b>B3</b>	Development and Training
<b>A4</b>	Waste and Effluent	<b>B4</b>	Labour Standards
<b>A5</b>	Other Raw Materials Consumption	<b>B5</b>	Supply Chain Management
<b>A6</b>	Environmental Protection Measures	<b>B6</b>	Intellectual Property
		<b>B7</b>	Data Protection
		<b>B8</b>	Customer Service
		<b>B9</b>	Product/Service Quality
		<b>B10</b>	Anti-corruption
		<b>B11</b>	Community Investment

The most material topics to the Group's stakeholders and its operations are,

- Anti-corruption
- Customer Service
- Data Protection
- Product/Service Quality
- Supply Chain Management

The Group will continue to improve its ESG management and performance by actively communicating with its stakeholders and constantly improving its internal policies.

### STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its environmental, social and governance approach and performance. Please give your suggestions or share your views with the Group via email at [dowway@dowway-exh.com](mailto:dowway@dowway-exh.com).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

## A. ENVIRONMENTAL

The Group understands that as a responsible corporate, it plays an important role in environmental protection. Although the nature of the Group's business does not cause significant environmental impact, it strives to raise its employees' environmental awareness by promoting green office practices.

During the Reporting Period, the Group complied with relevant laws and regulations including but not limited to the Environmental Protection Law of the PRC and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes. No material non-compliance case against environmental laws and regulations was identified.

### A1. Emissions

#### A1.1. Air Emissions

The Group owns a passenger car which operated on petrol for its business operations. From mobile combustion, 0.0022kg sulphur oxide is emitted. Its air emissions were insignificant as the passenger car was rarely used.

#### A1.2. Greenhouse Gas (GHG) Emissions

There were 86.64 tonnes of carbon dioxide equivalent GHG emitted from the Group's operation during the Reporting Period. The overall intensity of the GHG emissions for the Group was 0.12 tCO<sub>2</sub>eq/m<sup>2</sup>.

Sources of GHG emissions included:

- Direct (Scope 1) emissions: Combustion of fuel in mobile source,
- Indirect (Scope 2) emissions: Purchased electricity,
- Other indirect (Scope 3) emissions: Processing of freshwater and sewage, landfilling of waste papers, and business air travel.

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The table below summarises the GHG emissions of the Group from different emission sources.

Scope of GHG Emissions	Emission Sources <i>(Note 1)</i>	Emission (in tCO <sub>2</sub> eq/m <sup>2</sup> )	Total Emission (in percentage)
<b>Scope 1</b>			
Direct emissions	Combustion of fuels in mobile source — petrol used in vehicles	0.4	0.47%
<b>Scope 2</b>			
Indirect emissions	Purchased electricity <i>(Note 2)</i>	27.01	31.18%
<b>Scope 3</b>			
Other indirect emissions	Paper consumption	2.84	68.35%
	Fresh water processing	0.1	
	Sewage processing	0.05	
	Business Air Travel <i>(Note 3)</i>	56.23	
<b>Total</b>		<b>86.64</b>	<b>100%</b>
<b>Intensity (tCO<sub>2</sub>eq/m<sup>2</sup>)</b>		<b>0.12</b>	

*Note 1:* Emission factors were referred to the ESG Reporting Guide, unless stated otherwise.

*Note 2:* Combined margin emission factor of 0.71 tCO<sub>2</sub>eq./MWh was used for purchased electricity in Beijing, the PRC.

*Note 3:* Emissions were calculated using the online tool provided by the International Civil Aviation Organisation.

### A1.3. Hazardous Waste

Hazardous waste involved in the business operation of the Group mainly consisted of fluorescent tubes, waste toner cartridges and ink cartridges. During the Reporting Period, the amount of hazardous waste generated was 0.7 ton, and the intensity was 0.97kg/m<sup>2</sup>.

### A1.4. Non-hazardous Waste

Non-hazardous waste generated by the Group was mainly paper waste. During the Reporting Period, the Group generated a total of 591 kg of paper waste, with an intensity of 0.82kg/m<sup>2</sup>.

### A1.5. Measures to Mitigate Emissions

To promote reduction of carbon footprint, employees are encouraged to take the public transports when commuting to/from work. Virtual conference is considered and encouraged for meetings with colleagues, business partners and clients to reduce travelling. When meeting in-person is inevitable, the Group chooses the most energy-efficient method. Flights would only be taken when necessary. Economic class, which has a lower emission, is always preferred. The Group keeps tracks of employees' business air travel.

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### A1.6. Wastes Reduction and Initiatives

For the Group's business operations, the major type of non-hazardous waste is paper. Non-hazardous waste was collected and treated by the property management of the office building. The Group strives to tackle the paper wastage problems in offices by establishing a paperless office. The following waste reduction measures have been formulated:

- Adopting paperless work practices to reduce the use of papers;
- Encouraging employees to use double-sided printing;
- Collecting and reusing single-side printed papers;
- Encouraging employees to recycle whenever possible.

Hazardous wastes such as fluorescent tubes are sent to designated containers provided by the property management of the office building for recycling. Waste print cartridges and ink cartridges were collected and recycled by its supplier.

No formal policy on waste reduction has been established to for the Group's suppliers. Nevertheless, they are encouraged to reduce waste and reuse resources whenever possible.

### A2. Use of Resources

To improve the efficiency of the use of resources in business operations, the Group has implemented various resource conservation initiatives in operations and encouraged behavioural changes of employees. See Sections A2.3 and A2.4 of this report for detailed information on actions taken and policies implemented.

#### A2.1. Energy Consumption

The Group consumed electricity and petrol as energy sources for its operation. The total energy consumption was 39,220 kWh, and the intensity was 54.6 kWh/m<sup>2</sup>.

Energy source	Direct Consumption	Consumption in kWh
Electricity	37,891 kWh	37,891
Petrol	150 L	1,329
<b>Total</b>		<b>39,220</b>
<b>Intensity (kWh/m<sup>2</sup>)</b>		<b>54.6</b>

#### A2.2. Water Consumption

The total water consumption of the Group was 240 m<sup>3</sup>, with an intensity of 0.33 m<sup>3</sup>/m<sup>2</sup>. All water used by the Group came from municipal source. No issue on sourcing water was reported during the Reporting Period. Water was discharged as municipal wastewater after use.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

### ***A2.3. Energy Use Efficiency Initiatives***

The Group supports energy conservation. By reducing energy consumption, the Group can reduce emission while saving cost, bringing benefit to both the environment and the Group. The following measures have been implemented to control energy consumption:

- Installing energy efficient LED lightings;
- Setting the room temperature at 26°C or above in summer and 20°C or below in winter;
- Closing doors and windows whenever air conditioners are in use;
- Switching off all lights, air conditioners, computers, photocopiers and other electrical appliances before leaving the office;
- Assigning employees to manage the electricity use and ensure that lights and equipment are turned off before all the employees leave the buildings.

### ***A2.4. Water Use Efficiency Initiatives***

The Group consumed insignificant amount of water resources. No relevant policies nor initiatives have been formulated. Nevertheless, employees are reminded to conserve water and reduce wastage. When water leakage is detected, the Group repairs promptly to prevent water loss. Reusing wastewater for planting and car washing is encouraged.

No formal policy on energy or water use efficiency has been established for the Group's suppliers. Nevertheless, they are reminded to save water and energy.

### ***A2.5. Packaging Material***

The Group's business operation does not involve a significant use of packaging materials. The corresponding data is not available.

## **A3. The Environment and Natural Resources**

The Group's business nature does not pose significant impact on the environment and natural resources, and it has not implemented formal policy on such aspect. However, it monitors and manages the practices of its business partners. See section A3.1 of this report for the details.

### ***A3.1. Significant Impacts of Activities on the Environment***

The Group is aware of the emissions generated from the construction works carried out by its suppliers during project development. Construction wastes such as plastics, cardboard, and wooden frames are produced on every project and the amount produced varies with the size of each exhibition. Although the Group does not have direct control over the outsourced construction projects, as a responsible corporate, it monitors and manages its suppliers' environmental practices. The Group will continuously promote pro-environmental principles among its employees and monitor its air emissions and solid waste generation to minimise its impacts on the environment.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

## B. SOCIAL

### 1. Employment and Labour Practices

The Group understands that its employees form the backbone of its business and that the fair treatment of its employees is a top priority. The Group therefore adheres to the best employment guidelines and practices at all times.

During the Reporting Period, the Group strictly complied with national and local laws and regulations concerning employment and labour practices, including but not limited to the followings:

- Labour Law of the PRC;
- Labour Contract Law of the People's Republic of China;
- Social Insurance Law of the People's Republic of China;
- Labour Protection Regulations for Female Workers;
- Regulation on the Administration of Housing Provident Funds;
- Regulation on Work-Related Injury Insurance.

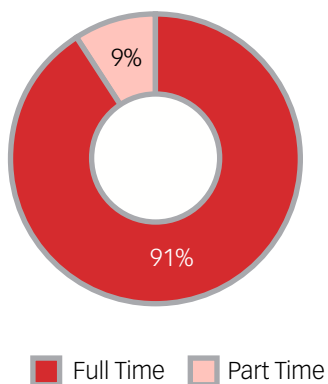
The Group has also been awarded SA8000 certificate which recognises socially acceptable practices in the workplace. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

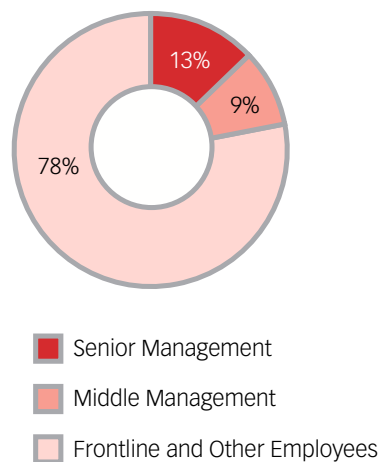
### B1. Employment

The Group had a total number of 93 employees as of 31 December 2019, 92 of them were from Mainland China and one employee was from Hong Kong. The figures below present the workforce distribution by different categories.

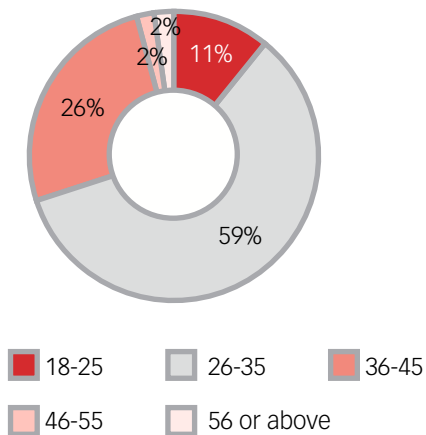
**Total Workforce by Employee Type**



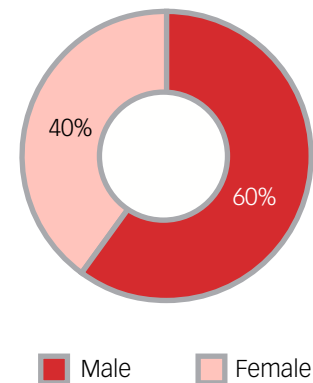
**Total Workforce by Employee Category**



**Total Workforce by Age**

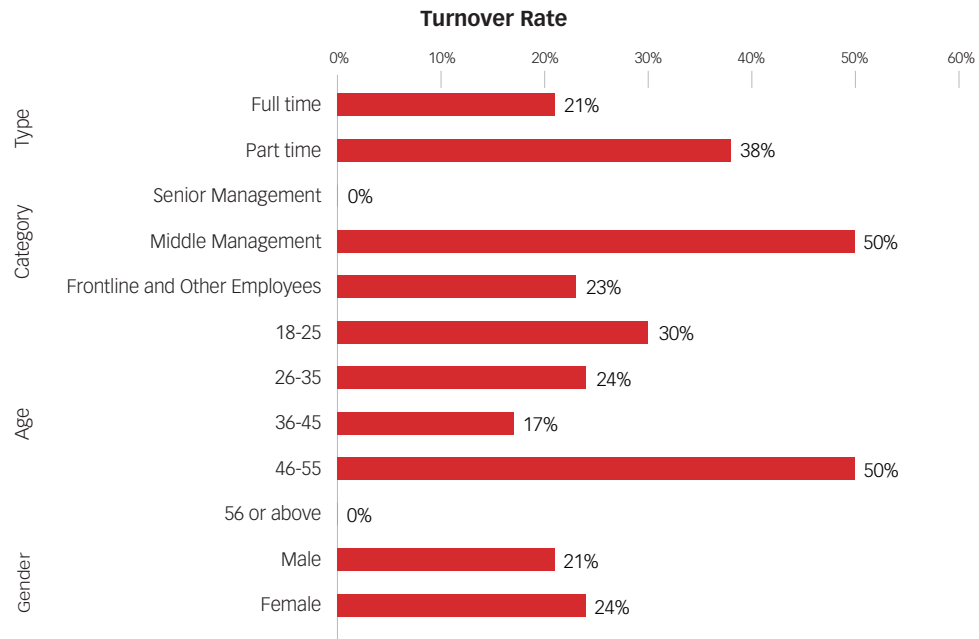


**Total Workforce by Gender**



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

The total turnover rate during the Reporting Period was 23%. Details of turnover rate are shown below.



### *Competitive Compensation and Benefits Package*

Employees are entitled to basic salary which commensurates with their educational background, professional knowledge, experience and responsibilities. Various types of leaves, including annual, sick, work-related injury, marriage, maternity and compassionate leaves, are provided. The Group also contributes to the mandatory social insurance and housing provident fund monthly. The Group regularly reviews the employees' performance and refers to the market average salary level to make salary adjustment. Promotion of employees are considered when business needs arise and when any vacancy is available.

### *Equal Opportunity*

The Group provides equal opportunities for all employees in respect of recruitment, job advancement, compensation and benefits, and training and development. Employees are not discriminated against or deprived of such opportunities based on gender, ethnic background, religion, colour, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable law.

### *Employee Communication*

The Group believes that workplace communication is crucial as it allows employees of different categories to collaborate effectively and enhances productivity. It has various channels to enhance communication among employees of different levels. Line managers conduct appraisal meetings with employees at the end of each year to review employees' performance, understand their concerns and difficulties, and set targets for the coming years. The Group also organised annual meeting, dining and gathering, Virtual Reality (VR) experience, and other activities to strengthen the bond between employees during the Reporting Period.

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### **B2. Employee Health and Safety**

The Group is committed to providing a safe and healthy working environment to its employees. It strictly observes relevant laws and regulations relating to occupational health and safety. The Group has implemented safety management system and been awarded the OHSAS 18001 certificate.

The Group arranges free health checks for new employees and annual health checks for existing employees to promote employees' wellness. It reinforces employees' awareness of safety and emergency response management through regular trainings and fire drills. Inspections of firefighting equipment and manual alarms are performed regularly. Signages with local fire station and emergency numbers are placed on conspicuous places in office for exigency. Safety Handbook explaining general workplace safety rules is provided to all employees.

Though the construction works of projects are outsourced, the Group proactively monitors measurements implemented by suppliers to ensure effective control and mitigation at construction sites. Project managers examine the safety compliance of the suppliers at regular intervals.

There was no material non-compliance with the applicable laws and regulations relating to occupational health and safety which had a material impact on the Group during the Reporting Period.

#### **Occupational Health and Safety Statistics in the Reporting Period**

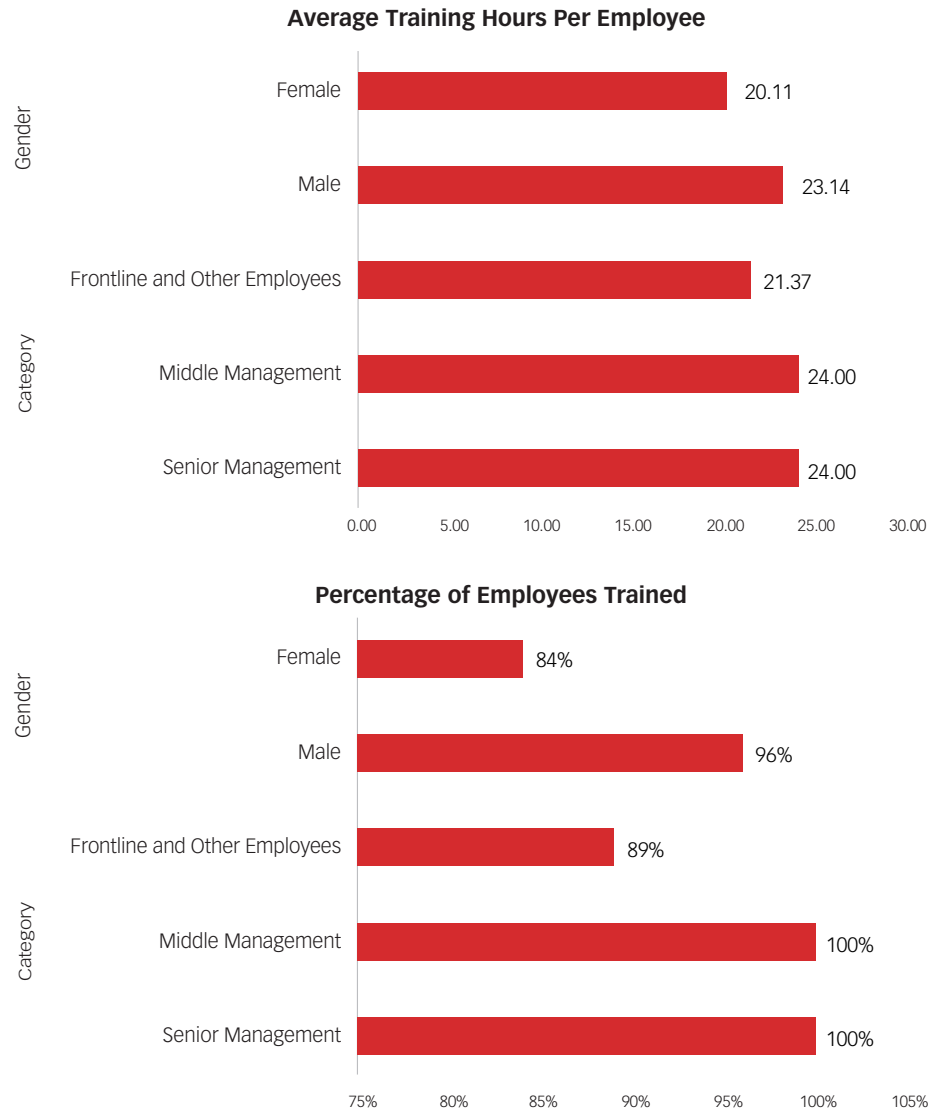
Work-related fatality	0
Work injury cases > 3 days	0
Work injury cases ≤ 3 days	0
Lost days due to work injury	0

### **B3. Development and Training**

The Group provides continuous training and development programmes for its employees. The Group regularly identifies and assesses the training needs of different employees to arrange appropriate training programmes for them. The Group values employees' opinions, and hence it collects and analyses program feedback for enhancement.

Training sessions totaling 2,040 hours were provided to 91% of employees during the Reporting Period. On average, each employee received 22 hours of training. The tables below illustrate the average training hours completed per employee and the percentage of employees trained by category.

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Various trainings are provided by the Group to enhance employees' professional knowledge and broaden their horizon. Training topics includes:

Categories	Topics
<b>Induction</b>	Corporate culture, rules and regulations, administrative issues and green practices
<b>Basic</b>	Email writing skills, financial policies and reimbursement, anti-corruption, first-aid and safety
<b>Professional Knowledge</b>	Audio-visual system and exhibition events
<b>Certificate Course</b>	Intermediate level economist certificate, safety officer certificate and construction officer certificate
<b>Software Training</b>	Adobe Illustrator, Photoshop and Computer-aided design

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### **B4. Labour Standard**

The Group adopts a zero-tolerance policy towards child and forced labour. In compliance with the Labour Law of the People's Republic of China, there were no child nor forced labour in the Group's operation during the Reporting Period. The Human Resources Department checks the new employees' identification documents, such as identity card and academic certificates, to ensure that they are legally entitled to work for the Group to prevent any child labour or forced labour. Should any child or forced labour be discovered, the Group will immediately dismiss the employee and report the matter to the relevant authority. The employees are obligated to ensure the information provided is true and accurate. Should there be any violation of the Labour Law of the People's Republic of China, the employees will be dismissed from his/her job without any monetary compensation.

## **2. Operating Practices**

### **B5. Supply Chain Management**

The Group understands that proper management of its supply chain brings positive impact to the Group, the society, and the environment. The Group implements strict supplier selection process to ensure the delivery of high-quality work. The Group also maintains a close relationship with its suppliers to ensure a stable supply chain.

The Group complies with related laws and regulations such as the Regulation on the Implementation of the Bidding Law of the PRC, Measures for the Bid Invitation and Bid Tendering for Construction and Engineering Projects, and Measures for Survey and Design Bidding of Construction Projects. It invites tenders and conducts pre-qualification and tender analysis when selecting suppliers. Before working with the Group, suppliers are also required to sign the Code of Integrity Acknowledgement.

To ensure the supplier's capabilities in providing qualified products, the Group has given priority to large and medium enterprises, ISO 9001 Quality Management System certificated corporates, and those performing large-scale and high-quality production. Suppliers are also required to submit test reports from approved product quality assurance agencies such as the National Center of Quality Supervision & Test for Building Materials and National Center for Quality Supervision and Testing of Fire Building Materials, certifying that the raw materials are non-toxic and safe.

In addition to the quality aspect, environmental performance has been incorporated into the supply chain management. Potential suppliers are requested to submit their business licence, environmental impact assessment and China Association for Exhibition Centres Certificates for selection. The Group regularly visits its suppliers' factories for compliance check. During the Reporting Period, the Group had a total of 8 suppliers, all of which are based in China and provide a range of services from construction, lighting to operation services. All these suppliers are required to comply with the above selection measures to minimise the possibility of any environmental and social risks of the supply chain.

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### **B6. Product Responsibility**

#### *Quality Assurance and Customer Satisfaction*

The Group is committed to maintaining the highest standard of exhibition services quality. Its exhibition design, construction and after-sales service are ISO 9001 Quality Management System certified.

The Group ensures that adequate site monitoring resources are deployed to check the workmanship and materials used on site to guarantee that the project works are of identical quality to what had been agreed. Inspection is conducted at each phase. Should any defects, or works not conforming to the operating procedures arises, project managers will follow up immediately. Amendments would be made accordingly before proceeding to the next stage.

To improve customers' satisfaction, they will be given an evaluation form, rating parameters such as product quality, odour control, communication, and service at the end of each project. The Group treasures feedback from customers and strives to improving its weaknesses while maintaining its strength.

During the Reporting Period, there were no non-compliance with laws and regulations regarding health and safety of the Group's products and services. Negative feedbacks were resolved immediately and no further complaints were received. No products sold was returned for safety and health reasons.

#### *Data Protection*

The Group acknowledges the importance of protecting the privacy and confidentiality of relevant stakeholders. A Data Privacy Management System is established to prevent data leakage, and misuse or abuse of customer sensitive information. Employees and business partners are required to sign a Confidential and Non-disclosure Agreement to prevent unauthorised disclosure of information.

It is stated on the Employee's Handbook that all employees are obligated to protect the trade secrets. The Employee's Handbook clearly defines trade secrets and lists measures to protect privacy and confidentiality. For instance, visitors to the office should be accompanied by its employees and not allowed to read confidential documents. Meeting of the Group shall not be recorded without authorisation. The minutes of meeting are only provided to relevant personnel. Private CDs, floppy disks, or USB drives are not allowed on the Group's computer.

#### *Intellectual Property*

The Group extensively introduces innovative designs and services to various customers. Correspondingly, the Group pays great attention to protect its intellectual property (IP) rights. At all times, employees shall keep confidential, except authorised by the Group, any trade secrets, confidential information, knowledge, data or other information of the Group relating to its designs, software systems, models and any other intellectual properties.

As of 31 December 2019, the Group has 12 registered patents. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to privacy matters had been identified during the Reporting Period.



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### *Product Labelling and Advertising*

The Group strictly follows applicable laws and regulations such as the Advertising Law of the PRC and Trademark Law of the PRC. No non-compliance with relevant laws and regulations relating to product labelling and advertising that have a significant impact on the Group had been identified during the Reporting Period.

### **B7. Anti-corruption**

The Group is committed to managing all business without undue influence and has regarded honesty, integrity, and fairness as its core values. It strictly follows the Anti-unfair Competition Law of the PRC, Company Law of the PRC, Criminal Law of the PRC, and other laws, regulations and regulatory documents related to commercial bribery. All directors and employees are required to strictly follow the Group's policy to prevent potential bribery, extortion, fraud and money laundering.

The Group has established policies and a whistleblowing channel for employees to report any suspected fraud and irregularities to the management. An Integrity Management Team has been built to monitor the integrity performance. Whenever a suspicious case is detected or reported, the Integrity Management Team will undergo investigation procedures with secured protection on complainant's confidentiality.

Understanding that the Group's employees play an important role in fighting against corruption, the Group has been taking proactive steps to raise employees' awareness by arranging training on national anti-corruption laws and regulations as well as the Group's anti-corruption policies. Employees are regularly reminded about anti-corruption policies through internal memos.

There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

### **B8. Community Investment**

The Group is committed to contributing to the community, focusing on education and supporting disabled persons. In addition to fulfilling corporate responsibility in its daily business operation, the Group also employed two disabled persons and collaborated with the Beijing Disabled Person's Federation to organise a one-day visit to share the joy and happiness with physically handicapped persons during the Reporting Period. The Group will continue to contribute to developing a sustainable and dynamic community.