

# HM INTERNATIONAL HOLDINGS LIMITED



(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8416

# ESG



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2019

## ABOUT THE COMPANY

Being part of the major financial printing service providers in Hong Kong, HM International Holdings Limited (the "Company") and its subsidiaries (together the "Group") offer integrated printing services, including comprehensive one-stop Business Process Outsourcing ("BPO") solutions that cover financial printing projects, marketing collateral printing projects and value-added new media services, such as website design, video production, e-book and app production and electronic marketing presentation material production.

Upholding the mission to deliver quality services with the "CARE" attitude: C – Confidentiality; A – Accuracy; R – Reliability; and E – Ease of Mind, the Group has been focusing on strengthening on three major areas, which are Creativity, Service and Technology, to differentiate its services among the industry.

The Group aims to fulfil the needs of its diversified clientele including corporations which are listed or seeking to be listed on the Stock Exchange of Hong Kong Limited (the "SEHK"), multinational financial institutions such as fund houses and insurance companies, education organisations, and private companies in hospitality, marketing and advertising and legal sectors.

The Company has been listed on GEM of the SEHK since January 2017.

## ABOUT THIS REPORT

This report is prepared by the Group in accordance with the requirements set forth in the Environmental, Social and Governance ("ESG") Reporting Guide, Appendix 20 of the Rules Governing the Listing of Securities on GEM of the SEHK, and was approved by the board of directors of the Group (the "Board"). It presents and aims to provide a balanced representation of our major ESG policies, initiatives and performances of the Group in the four main areas – employment and labour practices, operating practices, community participation and environmental protection – for the year ended 31 December 2019 (the "Reporting Period").

### Scope of report

This report focuses on the operation of the Group's integrated printing services in its two offices in Hong Kong during the Reporting Period. We define the reporting scope as the core and material business units within our Group<sup>1</sup>. In order to compare the Group's yearly performances, the structures of this report is aligned as closely as possible to that of the previous years.

### Opinion and Feedback

This report is available online on our Company's website at [www.hetermedia.com](http://www.hetermedia.com) and the "Latest Listed Company Information" page of the GEM website at [www.hkgem.com](http://www.hkgem.com). This report will only be disseminated via electronic means.

We value feedback from our stakeholders. To enable us to address stakeholders' concerns and ensure continuous improvement of our reporting process, you are most welcome to share your feedback on our sustainability performance or reporting methods via email at [enquiry@hetermedia.com](mailto:enquiry@hetermedia.com).

<sup>1</sup> This report does not include the information of offices outside Hong Kong

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### MANAGEMENT STATEMENT

With the aim of contributing our effort to protecting the environment and supporting the society, we are dedicated to leading a business driven primarily by sustainability through tides of change. We emphasise the significance of sustainable development in our operational strategies as we believe to act responsibly, we must plan sustainably.

Engaging our employees is our top priority. In this regard we pride ourselves in being a leader in employee satisfaction, and we are likely to top the chart in any staff happiness index. To help our staff strike a balance between work and life, we offer family-friendly schedules and an open-space office setting to increase flexibility at work.

We care deeply about clients' trust and satisfaction. With this in mind, the importance of confidentiality needs no further emphasis given the nature of the information we handle. We have always maintained a firm stance on protecting confidentiality by adhering to the strictest standards. This was the drive for us to achieve the certification for ISO 27001 Information Security Management System in 2018. The Group keeps on with the standard to bring the incomparable and reliable services to our valued clients and will continue to strive for excellence in serving our clients.

Sustainable development is considered as part of our risk management and always the top priority to the Board. It has become an essential part of our long-term formulated strategy. We have emerged sustainability into our daily business operations. We have been investing on the technology to ensure remote employees can benefit by maintaining a work-life balance; having a digital document management in place to reduce the paper usage; offering e-books and apps production services to encourage our clients to join us on a more sustainable journey and reduce their paper consumption. We acknowledge that our industry owes a duty to pay special attention to sustainable use of resources. As part of our environmental impact mitigation measures, we have obtained the Chain of Custody Certification issued by the Forest Stewardship Council ("FSC™") and the majority of A4 office papers our employees use are FSC™-certified. Beyond being responsible use of resources, our firm business philosophy is "Taken from the society, Give back to society". We care the community in which we work and live, people-oriented leadership style has created a culture of trust, caring and cohesiveness within the Group. We engage our employees in giving and encouraging socially responsible behaviours. A Social Responsibility Team ("SRT") was therefore established years ago to summon all of our strengths to contribute to our society. The Group is at all costs to make it happen. We fully recognise that sustainability is an integral part on creating shared values with our stakeholders. We also understand our responsibility for the business growth should be taken into account for creating a sustainable future for the planet.

With concerted effort, we will continue to outperform ourselves in making a sustainable business. Taking different social needs and expectations into account, we endeavour to collaborate with our stakeholders at different levels to formalise a comprehensive sustainability governance structure. While we still have a long way to go, we have every confidence in achieving it.

**Chan Wai Lin**

*Chief Executive Officer, Executive Director and Compliance Officer*

**HM International Holdings Limited**



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### STAKEHOLDER ENGAGEMENT

Based on our experience and communication we have with our clients, external organisations and our employees, the Group consolidated six different groups of stakeholders that are relevant to our business. These include our employees, shareholders and investors, industry associations, suppliers and service vendors, our clients, and the community.

The Group tries its utmost best to communicate with its key internal and external stakeholders through various communication channels. Stakeholder participation allows the Group to ensure our business and sustainability strategies align with the stakeholders' perspectives and expectations.

These continuous communication channels and measures also stimulate the Group to keep up with the pace of change, identify and prioritise any emerging ESG risks, and turn them into opportunities.

The following table illustrates our key internal and external stakeholders with their expectations, communication channels and the measures we carry out to facilitate the communication.



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Stakeholder	Expectation	Communication Channel	Measures
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Rights and interests of employees</li> <li>• Comfortable and safe working environment</li> <li>• Clear career path, development and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Intranet, emails and notices</li> <li>• Training seminars and sharing sessions</li> <li>• Employee surveys</li> <li>• Quarterly talk</li> </ul>	<ul style="list-style-type: none"> <li>• Provide new staff orientation sessions and welcome events</li> <li>• Organise regular training and team building activities</li> <li>• Provide a comfortable and safe working environment</li> <li>• Listen to employees' comments and opinions proactively</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Investment return</li> <li>• Transparent and timely updated information</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meetings and extraordinary general meetings</li> <li>• Financial reports, circulars and announcements</li> <li>• Company website</li> <li>• Emails</li> </ul>	<ul style="list-style-type: none"> <li>• Issue notices of meetings, financial reports, circulars and announcements</li> <li>• Update the information on the Company website from time to time</li> </ul>
<b>Industry associations</b>	<ul style="list-style-type: none"> <li>• Experience sharing</li> <li>• Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>• Industry conferences and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperate with industry partners to achieve better performance</li> <li>• Attend open seminars in the industry</li> </ul>
<b>Suppliers and service vendors</b>	<ul style="list-style-type: none"> <li>• Long-term relationship with the Company</li> <li>• Transparent information</li> </ul>	<ul style="list-style-type: none"> <li>• Business meetings and verbal communication</li> <li>• Supplier assessments and reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance communication with suppliers and service vendors</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>• High-quality products and services</li> <li>• Close relationship with the Company</li> <li>• Transparent information</li> <li>• Business integrity and ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Financial reports, circulars and announcements</li> <li>• Business meetings and verbal communication</li> <li>• Product and service brochures</li> <li>• Client satisfaction survey</li> <li>• Various social media</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen quality control management</li> <li>• Obtain feedback from our clients proactively</li> </ul>
<b>The community</b>	<ul style="list-style-type: none"> <li>• Business integrity and ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reports, circulars and announcements</li> <li>• Company website</li> <li>• Various social media</li> </ul>	<ul style="list-style-type: none"> <li>• Organise and support charitable activities</li> </ul>



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### Materiality Assessment

Following the discussion with our senior management and operational staff, we assessed ESG issues relevant to the Group by considering their importance to our stakeholders as well as the Group. Combining the results of discussion, we identified three material aspects, Employment, Product Responsibility and Use of Resources, to be the focuses of this report.

## EMPLOYMENT AND LABOUR PRACTICES

### Employment

Employees are the foundation of the Group and the dedication and commitment of each of our employees are vital. As a responsible employer, we have in place a set of employment policies that ensures fair remuneration for all employees. Policies relating to our employment system, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare are set out in the Staff Handbook.

Our Group has been awarded with the Certificate of the Good Employer Charter organised by the Labour Department as a recognition of being an employee-oriented employer, and also the Family-Friendly Employers Award Scheme (2017-2018) co-organised by the Home Affairs Bureau and Family Council. We pledge to continue offering care for our employees, enhancing work-family balance, providing employee benefits above the statutory requirements and encouraging communication amongst employees.

Our BPO services are often complex and time-critical, and to meet the clients' needs the Group operates around the clock throughout the year including public holidays. Yet to ensure our employees can achieve and maintain a healthy balance between work and family commitments, we have implemented family-friendly practices such as offering flexible working hours or work-from-home permit to those who consulted with their supervisors.

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We believe creating a culture of diversity and inclusion helps our employees unleash their potentials. We value staff diversity in our workplace, and therefore we provide equal opportunities for all applicants and employees regardless of race, colour, national origin, religion, gender, marital status, age, sexual orientation, and disability. We are committed to treating all employees with fairness and respect. Employees are hired based on their abilities and merits, and are promoted based on their performance. These commitments are stated in our Inclusive Working Environment Policy. Our Code of Conduct also requires employees to maintain a proper demeanour and conduct to eliminate discrimination and harassment in our workplace. Employees who are being discriminated or harassed should report to the Group directly. Disciplinary actions will be applied to employees who have committed any act of discrimination or harassment.

During the Reporting Period, there were no cases of non-compliance with laws and regulations related to employment and labour practices.

### Social performance – Employment indicators

#### Number of full-time employees

Gender	Employee category	2019				2018			
		Age group				Age group			
		<30	30-40	41-50	>50	<30	30-40	41-50	>50
Male	Top Management	0	0	1	2	0	0	1	2
	Senior Management	0	0	0	0	0	0	0	0
	Middle Management	0	3	3	0	0	3	2	1
	General Staff	22	23	7	3	16	17	7	3
Female	Top Management	0	0	0	0	0	0	0	0
	Senior Management	0	0	1	2	0	0	2	1
	Middle Management	0	5	3	0	0	4	3	0
	General Staff	26	17	6	5	29	16	6	3
<b>Total workforce</b>		129				116			
<b>Male to female ratio</b>		0.99:1				0.8:1			
<b>Change</b>		11.21%							



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### Employee turnover

Gender	Employee category	2019				2018			
		Age group				Age group			
		<30	30-40	41-50	>50	<30	30-40	41-50	>50
Male	Top Management	0	0	0	0	0	0	0	0
	Senior Management	0	0	0	0	0	0	0	0
	Middle Management	0	1	0	1	0	0	0	0
	General Staff	5	2	1	0	7	5	1	0
Female	Top Management	0	0	0	0	0	0	0	0
	Senior Management	0	0	0	0	0	0	0	0
	Middle Management	0	1	0	1	0	1	0	1
	General Staff	14	4	0	0	13	9	3	0
<b>Total employee turnover</b>		30				40			
<b>Employee turnover rate<sup>2</sup></b>		2.02%				4%			
<b>Change</b>		-25.00%							

As at 31 December 2019, the Group had a total of 129 employees (2018: 116 employees). The talent acquisition on IT development project was mapping out last year based on the forward-looking plan as we believe the proactive engagement of the best performers is crucial for the success of the future development.

### Development and Training

We believe by providing training programmes to our employees, we can promote improvement in their performance and nurture their career growth. The Group has prepared a training and development guideline for the management to establish training plans in a systematic manner. According to the guideline, we will conduct assessment to identify the training needs of our staff every year. The training programmes would eventually be developed based on the identified needs and will be organised both internally and externally. During the Reporting Period, the Group has provided more than 18 internal and external training programmes which comprised a variety of topics including professional and technical knowledge, corporate culture and communication skills.

Our employees are highly valued, and we show this by elevating their skills not only for our business growth, but also for their career growth. Apart from the continuous and effective trainings that promote knowledge acquisition and knowledge transfer, suitable performance evaluations are adopted to monitor the development of all employees. Regular transparent evaluations are conducted to review the employees' performance, attitude and abilities.

<sup>2</sup> Employee turnover rate is calculated based on the average of monthly full-time employees' departure during the Reporting Period, divided by the average of the employee numbers at the beginning and end of year.

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### Social performance – Development and training indicators

#### Employee Training Information

Year	Employee category	Number of employees trained			Percentage (%) of employee trained by gender	Number of hours trained		
		Male	Female	Total		Male	Female	Total
2019	Top management	3	0	3	Male: 62.50% Female: 80.00%	7	0	7
	Senior management	0	3	3		0	32	32
	Middle management	6	8	14		21	107.5	128.5
	General staff	31	41	72		149.5	359.5	509
	<b>Total</b>			<b>92</b>				<b>676.5</b>
2018	Top management	3	0	3	Male: 69% Female: 48%	21	0	21
	Senior management	0	2	2		0	24.5	24.5
	Middle management	3	6	9		42	111.5	153.5
	General staff	30	23	53		341	199	540
	<b>Total</b>			<b>67</b>				<b>739</b>

Compare to 2018, the total number of training hours has dropped by 8.46% in 2019. It is due to the six-month protests happened in Hong Kong. Investment in our people remains the core value of the Group, we managed to train 92 staff in 2019, which has dramatically increased by 37.31%. The Group continues to pay special attention to employee engagement and talent retention. By doing so we not only strengthen employee's professional skills but also promote team-building and communication through training games and activities.

#### Health and Safety

Creating a healthy and safe working environment is our commitment to all employees, particularly when it comes to protecting employees from work injury and occupational diseases. To accomplish this objective, our Occupational Health and Safety Policy states the joint responsibility of the Group and our employees.

We are proud of our zero-injury record in 2019 and our employees who made and will continue to make safety a daily priority. The wellbeing of our staff is imperative to us and therefore we have facilities and activities in place that encourage calories burning and nutrients intake. Dart board, table tennis table and synthetic bowling greens are installed in the office and we have arranged more physical activities to promote healthy lifestyle.



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To go beyond the standard set out in the regulations and to maintain a safe and healthy workplace, we are keen on listening to our staff who are encouraged to talk to the occupational safety and health representatives regarding any potential hazards at workplace. To take this even further, the Group introduced an “ESG Corner” on its intranet, where tips on workplace health and safety are shared with our employees, and by having quiz games, we opened up another channel to collect feedback from our employees. The Group also provided several Occupational Safety and Health awareness training to employees in 2019.

During the Reporting Period, there were no cases of non-compliance with laws and regulations related to health and safety.

### Social performance – Health and safety indicators

#### Number of work-related fatality and/or injury

	2019	2018
Number of work-related fatalities	0	0
Number of work-related injury	0	0
Lost day due to work-related injury	0	0

### Labour Standard

Child and forced labour do not only put our reputation at risk, but more importantly, it is associated with possible infringement of basic human rights.

The Group has established policies to provide guidance on prohibiting any form of child or forced labour in our operations. As stated in our Hiring Procedure, the use of child labour is prohibited according to the Employment of Children Regulations made under the Employment Ordinance or other relevant employment laws. Reimbursements, cash compensation and compensatory leaves are provided to eligible employees who agree to engage in overtime work during work days and rest days.

During the Reporting Period, there were no cases of non-compliance with laws and regulations related to child and forced labour.

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### OPERATING PRACTICES

#### Supply Chain Management

As a business involving the use of natural resources, the Group pays greater attention to minimising the environmental and social impacts of our business along with our suppliers and service vendors. We prefer selecting those who have environmental commitments and we look for indicators such as the ISO 14001 certification. We also consider factors such as compliance with environmental legal requirements in our supplier and service vendor assessment, selection and evaluation process.

The Group understands supply chains can increase the reputational risks to an organisation, for that reason a Green Procurement Guideline is in place and an assessment of suppliers' social performance is required when sourcing. The Group has taken measures to enhance the sourcing workflow and raise our employees' awareness by ensuring environmental and social impacts are also taken into account when assessing the cost-effectiveness in our purchasing decision-making process. Supplier Code of Conduct, which is published under Section "Stakeholder Communications" on our Investor Relations Page on the Company website, has stated the baseline and our suppliers are encouraged to strive to exceed the industry sustainability standards.

The Group places more reliance on suppliers and service vendors as the Group's businesses evolve. When more and more sensitive data is being processed and stored with third parties, the Group has extended to its suppliers and service vendors the commitment and responsibility they have to the clients in maintaining the confidentiality, integrity and availability of such data, which is the rationale of the Group's vendor risk management policy. Vendor-related or project-based risks are assessed and categorised in high, medium or low criticality, subject to factors such as sensitivity of vendor-controlled data and access type, while appropriate controls are implemented to limit any threat or damage that may cause to the Group.

#### Product Responsibility

The Group has become the participating member to Green Event Pledge organised by Environmental Protection Department (the "EPD") since 2019. We committed to make reference to the "Green Event Guidebook" published by EPD when organising or providing services to events, integrate the green concepts into events of different nature to enhance the environmental performance.

As a BPO service provider, having an effective approach in risk management is critical in safeguarding our clients. The Group has in place a set of privacy and security policies to make sure all employees are provided with sufficient guidelines to strictly comply with all relevant regulations and laws.

We care deeply about our clients' trust and satisfaction. With this in mind, the importance of confidentiality needs no further emphasis given the nature of the information we handle. We have always maintained a firm stance on protecting confidentiality by adhering to the strictest standards. Our Access Control Policy outlines our controlling measures on information access, while the Code of Conduct states clearly that all employees should treat all non-public information about the Group, any clients, and any suppliers and service vendors as confidential information. Employees who have access to confidential information are not permitted to use or share such information to any third parties except for the conduct within the Group's business.



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The Group has attained an accredited certification for ISO 27001 Information Security Management System in 2018, to demonstrate a clear commitment to third parties and stakeholders in relation to information security management. The Group has also implemented a series of IT/ISO 27001 related policies and procedures to ensure consistency and data protection in the delivery of our services to the clients.

Looking forward, we are reviewing the mechanism and considering to prepare policies or guidelines related to product responsibility. In particular, we are going to formalise procedures for risk assessment and management policy to enhance our corporate governance, as well as updating our internal control guidelines and methods of redress, which will be opened to external stakeholders in the future.

During the Reporting Period, there were no cases of non-compliance with laws and regulations related to product and service responsibility.

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### Anti-corruption

The Group is aware of the impact of its activities and its relationships with other members in the community. In line with our Code of Conduct, our employees should be vigilant to any acts involving fraud, deception, theft, forgery, bribery or corruption. Unless consent is given, our employees should not offer, solicit or accept anything of material value to or from their colleagues, clients, suppliers and service vendors or other business partners of the Group.

We put special emphasis on preventing insider trading. The Code of Conduct requires our employees to keep all information of any listed companies strictly confidential, especially when the disclosure of such information would cause sharp fluctuation of share prices. Employees are also prohibited from trading the securities of these companies directly or indirectly.

The Group regularly communicates with our staff on the importance of integrity and arranges anti-corruption training sessions for all employees to arouse their awareness on business ethical standards and to ensure a full understanding on its expectations. We have also established a confidential whistle-blowing system as a channel for our staff to report any illegal behaviours. The whistle-blowing system will be reviewed continually to provide guidance in reporting and handling procedures. A more elaborated reporting channels and mechanism was launched in 2018 for different stakeholders to address their relevant concerns. If any person of the Group is suspected to have involved in illegal or dishonest acts, anyone can provide relevant information through reporting channels such as their line manager, department head, Chief Executive Officer, and the Chairman of the Audit Committee, depending on the seriousness and sensitivity of the issues involved and who is suspected of the wrongdoing. We are committed to achieving the highest possible ethical standards in all of its practices.

Whistle-blowing policy is also published under Section "Stakeholder Communications" on our Investor Relations Page on the Company website, it is dedicated to external stakeholders to report any suspected misconduct, malpractice or illegal acts. Further details on the Whistle-blowing Policy and the reporting form can now be downloaded from the Company website.

During the Reporting Period, there were no concluded legal cases and cases of non-compliance with laws and regulations related to anti-corruption.



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### COMMUNITY PARTICIPATION

#### Community Investment

The Group's SRT was established in 2007, and ever since we have been taking part in various charity events, projects and donation drives. In 2019, we have recruited 218 volunteers and have contributed a total of 287.5 service hours to visiting the elderly and providing interest classes to the community. We have also donated around HK\$46,150 in support of various charitable activities.

Charity visit to Po Leung Kuk Lau Chan Siu Po Neighbourhood Elderly Centre



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Homemade Sticky Rice Dumpling Day  
2019 at Po Leung Kuk Siu Ming Memorial  
Home cum Care & Attention Unit



Scent with Love - Handmade Plaster  
Aroma Stone DIY Workshop with  
Po Leung Kuk mentally disabled



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As a caring enterprise, the Group is keen on understanding the needs and fulfilling the expectations of our stakeholders and the communities which we operate in. The enactment of Community Investment Guideline indicates our commitment to foster positive relationships in the communities.

In recognition of our continuous efforts, we have been awarded with the Caring Company Logo from the Hong Kong Council of Social Service for eleven consecutive years.



Dress Pink Day to support Hong Kong Cancer Fund



SPCA Aniform Day





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### ENVIRONMENTAL PROTECTION

The nature of our business carried out by the Group does not involve direct destructive effects on the environment. Yet, the Group has been and still is devoted to conserving and protecting the environment, for which, several activities and measurements are undertaken. Moreover, the Group understands its role as a responsible enterprise and aims at minimising the impact of its operation on the environment while facilitating its financial growth by establishing the Environmental and Social Policy and adopting the measures therein.

#### Emissions

During the Reporting Period, we have quantified the greenhouse gas emissions from our operations with a carbon assessment. The Guidelines compiled by the EPD and the Electrical and Mechanical Services Department of Hong Kong, and international standards such as ISO 14064-1 and Greenhouse Gas Protocol were referred to during the quantification of greenhouse gas emissions. The assessment process allowed us to understand the use of resources better, develop specific action plans to enhance efficiency and formulate carbon reduction targets.

Greenhouse gas emission is mainly generated from fossil fuel combustion that the Group consumes directly and indirectly in its daily operation. Direct emissions include unintentional greenhouse gas released from printing machines. Indirect greenhouse gas emissions are mainly attributed to the consumption of electricity from using the lighting system, air-conditioning and office equipment.

Business travel, especially by air, is one of the contributors to the Group's greenhouse gas emissions. We encourage employees to make use of virtual meetings and virtual training courses to avoid overseas business travel whenever practicable. We also encourage employees to schedule visits or offsite meetings within one trip to reduce the frequency of travel.

In order to reduce the number of non-hazardous waste, the Group engages a professional vendor to handle recycling of sensitive paper documents. Paper wastes, plastic bottles and aluminium cans would be collected separately by putting them in the designated color recycle bins at offices. Reusing of stationery such as paper clips, folders, binders, envelopes, refillable ball pens, etc. are recommended to fully utilise the office materials.



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### Use of Resources

It is the Group's duty to use resources efficiently and responsibly. We have adopted a series of measures which allows us to effectively manage our use of resources.

Paper is a major resource the Group uses, therefore the majority of A4 office papers in our daily operation is FSC™-certified, the mark of responsible forestry in production. We also minimise our paper consumption by replacing printed notices and memorandums with uploaded versions published on the Group's intranet and encouraging paperless meetings. In November 2019, a digital document management process was designed and launched in the operations departments. Benefits of transforming into a paperless office is more than cost effective, it has also created an efficient workflow with the files being easily saved and retrieved, enhanced the data security and promoting the environmental friendliness. Since the implementation of the digital document management, the paper ordering has dramatically dropped to 100,000 pieces of paper compared to 363,500 pieces in the same period of time in 2018. The Group has applied the green and digitisation approach in the marketing programmes. We have E-card/eDM/online media placement and advertisement to replace the traditional printing products; produced an online product catalogue for sales toolkit. We have also leveraged different social media channels for branding campaign and deploying an online platform for event promotion and registration.

The Group encourages water conservation at the workplace to nurture a water saving culture among the employees by reminding employees to turn off water taps when they are not in use. Any leakage or dripping found in our office areas should also be reported promptly to prevent unnecessary water consumption.

The Group has established guidelines to advise employees to use energy efficiently. Office copy machines will be automatically switched to energy saving mode when left idle for a set period of time. Electric appliances will also be automatically switched off when they are not in use.

The Group is dedicated to using resources efficiently and has certain energy and resource saving initiatives in place to help reducing its consumption of resources.

Although the Group has put waste recycling and donation into practice to minimise any environmental impact, we understand that waste reduction is more beneficial and cost-effective than recycling. We encourage our employees to reuse office stationaries and advocate the use of reusable containers and utensils in the office. Research reveals that plastic waste requires upto 1,000 years to decompose. To promote behavioural changes to foster a green lifestyle, we have distributed reusable stainless-steel cutlery sets and tote bags to our clients and employees. We hope this can arouse their awareness to understand the importance of going plastic-free and to encourage them to replace the disposable tableware.



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### Environment and Natural Resources

We understand that in order to generate long-term values for stakeholders and local communities, it is important to minimise the negative environmental impact of our business operations.

Due to our business nature, apart from emissions and use of resources, our operation does not have other significant impact on the environment. The Group is certified with the FSC™ Chain of Custody Certification, which outlines the requirements for tracking certified materials from the forest to the final product to ensure the wood contained in the product or product line originates from certified forests.

The Group has established a whistle-blowing system for employees to raise concern on any behaviour that is detrimental to the environment. During the Reporting Period, there were no cases of non-compliance with laws and regulations related to emissions and environmental protection.

### Environmental performance

Air emission	Air Pollutant Emission (kg)		Change
	2019	2018	
Nitrogen oxides (NOx)	1.82	3.3	-44.85%
Sulphur oxides (SOx)	0.06	0.09	-33.33%
Respiratory suspended particles (RSP)	0.13	0.2	-35.00%

During the Reporting Period, the air pollutants of NOx, SOx and RSP decreased by 44.85%, 33.33% and 35.00% respectively. The changes were mainly due to the minimised usage of motor vehicles, which reduced a great amount of emission percentage.

Greenhouse gas emissions	Greenhouse Gas Emission (tonnes)		Change
	2019	2018	
Greenhouse gas in total	146.42	143.8	+1.82%
Scope 1: Direct greenhouse gas emissions	11.00	12.9	-14.73%
Scope 2: Energy Indirect greenhouse gas emissions	98.58	112.3	-12.22%
Scope 3: Other Indirect greenhouse gas emissions	36.84	18.60	+98.06%
<b>Intensity of greenhouse gas (tonnes CO<sub>2</sub>-e per employee)</b>	<b>1.14</b>	<b>1.2</b>	<b>5.00%</b>

During the Reporting Period, the total greenhouse gas emissions were 146.42 tonnes with an intensity of 1.14 tonnes of CO<sub>2</sub>-e per employee. This figure represents a slight increase of 2.62 tonnes, or 1.82%, compared to the total greenhouse gas emissions in 2018. This increase was mainly due to the frequent travel to our newly set office and merger and acquisition projects whilst we keep promoting the implementation of energy efficient practices in our business operation.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2019

Use of energy	Energy Consumption (MWh)		Change
	2019	2018	
Petrol	39.41	62.5	-36.94%
Purchased electricity	128.35	142.3	-9.80%
<b>Total</b>	<b>167.76</b>	<b>204.8</b>	<b>-18.09%</b>
<b>Intensity of energy (MWh per employee)</b>	<b>1.30</b>	<b>1.8</b>	<b>-27.78%</b>

During the Reporting Period, the total energy consumption used was 167.76 MWh with an intensity of 1.30 MWh per employee. This figure represents a reduction of 37.04 MWh, or 18.09%, compared to the total energy consumption in 2018. This decrease was mainly due to a further reduction in the use of electricity and the promotion of an energy saving culture. The minimised usage of motor vehicles also contributed to this drop of consumption.

Data of water consumption is not available since the Group operates in leased office premises for which both water supply and consumption are solely controlled by the building management. The provision of water consumption data or sub-meter for individual occupants is not feasible.

Waste disposal	Waste Disposal (tonnes)		Change
	2019	2018	
Hazardous wastes	0	0	N/A
Non-hazardous wastes	12.02	14.6	-17.67%
<b>Total</b>	<b>12.02</b>	<b>14.6</b>	<b>-17.67%</b>
<b>Intensity of waste (tonnes per employee)</b>	<b>0.09</b>	<b>0.12</b>	<b>-25.00%</b>

During the Reporting Period, the non-hazardous wastes produced were 12.02 tonnes with an intensity of 0.09 tonnes per employee. This figure represents a decrease of 2.58 tonnes, or 17.67%, compared to the total waste in 2018. This decrease was mainly due to the reduction in paper usage.