



**FUTURE DATA**

**FUTURE DATA GROUP LIMITED**

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8229

**ENVIRONMENTAL,  
SOCIAL  
AND  
GOVERNANCE  
REPORT**

**S U S T A I N A B I L I T Y G R O W T H**

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## PREAMBLE

Future Data Group Limited (the “Company”) and its subsidiaries (collectively “the Group”) is a technology service provider focusing on provision of system integration, maintenance and cyber security services. The Group does not engage in any manufacturing activities which may be harmful to natural environment, but, the Group is still pursuing an eco-friendly working environment and pleased to publish an Environmental, Social and Governance (“ESG”) Report (this “Report”) annually.

During the financial year in 2020, the Group has two principal places of businesses located in Korea and Hong Kong. The addresses of principal place of businesses were presented in the Group’s annual report dated 22 March 2021.

The Group actively adheres to environmental and social responsibilities. A task force has been formed that comprises the board of directors (the “Board”) who are ultimately responsible for leading ESG works by developing strategies and a dedicated team to enforce and supervise the implementation of relevant policies. The management of the Group also realises 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 presents the Group’s approach and performance of two principal places of businesses on the subject areas of Environment, Society and Corporate Governance during the period covering from 1 January 2020 to 31 December 2020 in accordance with the guidance set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. Information of our Singapore’s subsidiary has not been reported after considered the materiality which accounted for less than 0.1% of the Group in term of revenue and total assets.

## SOURCE OF INFORMATION

The information of this Report was gathered internally from the official documents and statistics of the Group. The Group undertakes that there is no false record and no misleading statement in this Report, and assumes liabilities to the authenticity, accuracy and completeness of its content.

In determining our key performance indicators (“KPIs”) benchmark, we made reference to external research, information from open resources and historical internal data. The benchmark setting are illustrated in each KPI in this Report.

## 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 understands the importance of ESG issues and welcome our stakeholders, including shareholders, employees, customers and suppliers, as well as general public, to express their view and concerns on major social and environmental issues. To align with the stakeholders' expectation, the Group is committed its responsibilities to make continuous improvements on environmental and social matters in order to meet the needs of changing situation. If you have any opinion regarding to this Report or improving suggestion, please 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

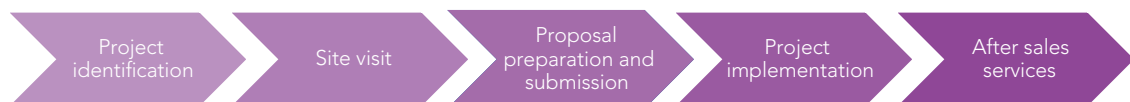
The Group is principally engaged in provision of integration systems, maintenance and cyber security services in Korea and Hong Kong. Due to our nature of business, only few wastes were

generated from our operations. Therefore, the Group's key environmental policies are encouraging our employees to work in an "environmental-friendly" workplace (i.e. effective paper usage and electricity consumption) and participating in environmental protection programme.

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 workflow of our system integration projects which account for more than 70% of our Group's business:



Our Korean business sourced the required equipment in accordance with their projects. Therefore, few wastes were generated from our operations namely emission from logistic (transporting the equipment) and accessories wastages (e.g. cable wire) from equipment installation.

Hong Kong operation engaged purely in providing cyber security 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)

	2019	2020
Korea	12,943	13,091
Hong Kong	353	570
Total:	13,238	13,661
NO <sub>x</sub> emission from using private cars/employee (g)	69	62

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

	2019	2020
Korea	953	964
Hong Kong	26	42
Total:	979	1,006
SO <sub>x</sub> emission from using private cars/employee (g)	5	5

**A1.2 Greenhouse gas (“GHG”) 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 our GHG emissions data and presented in below tables:

Scope 1

	CO <sub>2</sub> equivalent emission (kg)	
	2019	2020
Korea	52,228	45,655
Hong Kong	2,264	2,777
Total:	54,492	48,432

Scope 2

	CO <sub>2</sub> equivalent emission (kg)	
	2019	2020
Korea	112,206	129,751
Hong Kong	9,446	14,290
Total:	121,652	144,041

Scope 3

	CO <sub>2</sub> equivalent emission (kg)	
	2019	2020
Korea	25,880	4,286
Hong Kong	38,190	7,110
Total:	64,070	11,396

Total GHG emission

	CO <sub>2</sub> equivalent emission (kg)	
	2019	2020
Korea	190,314	179,692
Hong Kong	49,900	24,177
Total:	240,214	203,869
CO <sub>2</sub> equivalent emission per employee (kg)	1,258	927

Responding to the problem of climate changes, governments of the Republic of Korea and Hong Kong announced its carbon neutral strategies. The climate action plan in Hong Kong urges to reduce carbon emission to a level not exceeding 3.8 tonnes on a per capita basis by 2030. Echoing to the plan, the Group monitor carbon dioxide ("CO<sub>2</sub>") equivalent emission per employee. Total CO<sub>2</sub> equivalent emission was 0.9 tonnes per employee in 2020.

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

Scope of work of the Group's system integration 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 weight 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	
	2019	2020
Korea	1,597	1,796
Hong Kong	175	138
Total:	1,772	1,934
Non-hazardous waste/employee (kg)	9	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". Due to containment measures restricting overseas travel, CO<sub>2</sub> equivalent emission per employee decrease by 331 kg or 26% from 1,258 kg in 2019 to 927 kg in 2020.

#### 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	
	2019	2020
Korea	222,465	257,249
Hong Kong	11,957	18,089
Total:	234,422	275,338
kWh per square meter	150	261

During the year, our Korean subsidiary moved to a new office. Total size of office premises in Korea and Hong Kong approximately 1,054 square meters as at 31 December 2020 which is reduced from approximately 1,563 square

meters in last year. Again, we strive to follow the environment strategy proposed by the governments of Korea that energy consumption of each entity shall not exceed 80 terajoule (equivalent to approximately 22,000,000 kWh).



#### 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.

Further improving the environmental performance, better energy efficiency appliances and equipment will be applied 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 through paper usage in our offices. 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.

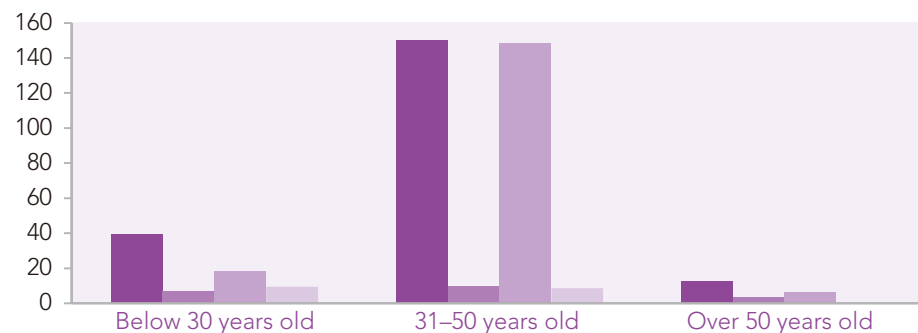
## B. SOCIAL

The Group treasures talent as it is the most valuable assets and a 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:



■ Male (2020)	39	150	12
■ Female (2020)	7	9	3
■ Male (2019)	18	148	6
■ Female (2019)	9	8	0

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

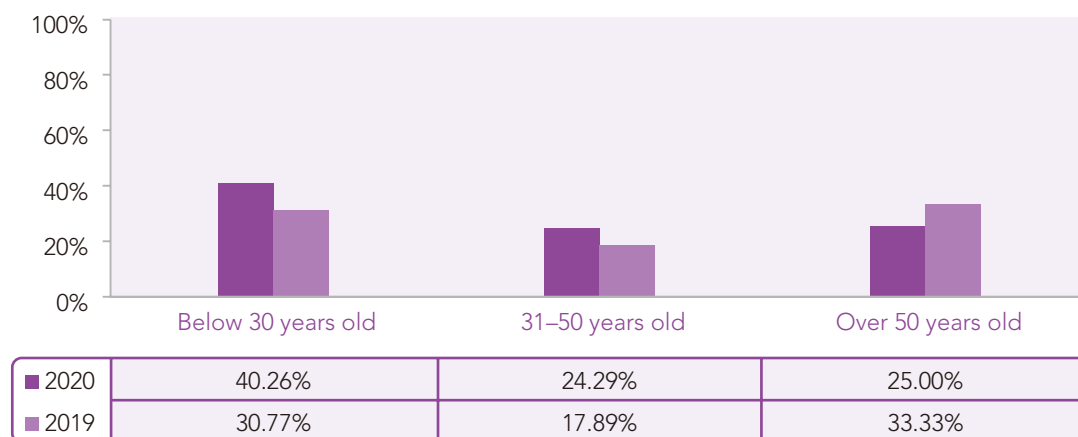


Chart 2: Turnover ratio for the reporting period (by age group)

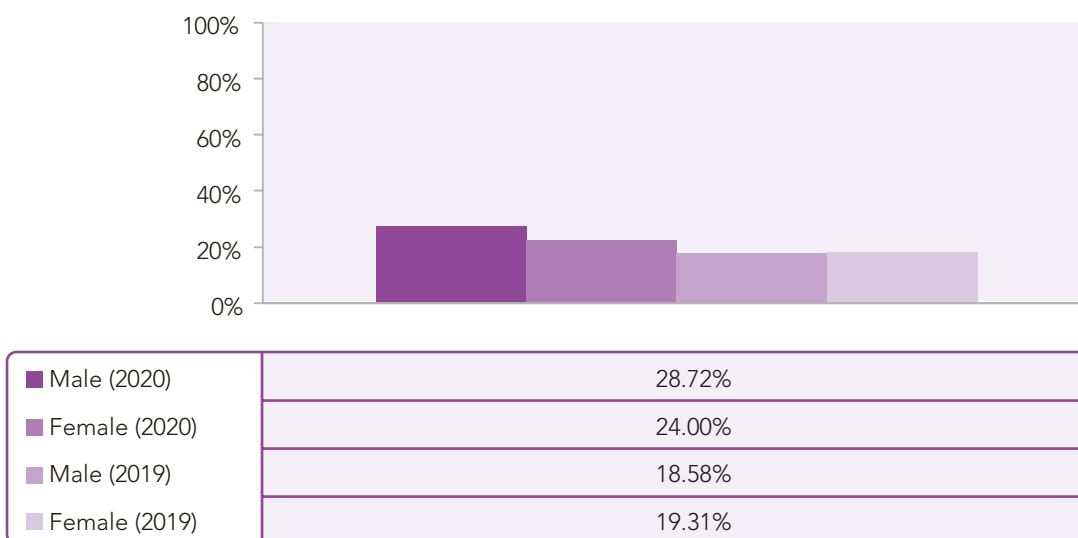


Chart 3: Turnover ratio for the reporting period (by gender)

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.

The outbreak of coronavirus disease pandemic became the global biggest health issue in 2020 due to its strong

infectivity. Governments in Korea and Hong Kong imposed various containment measures to cope with the severe situation. Accommodating to the call of governments to fight against the virus, the Group implemented special arrangements of enhancing the hygiene of office area and allowing flexibility to staff to work from home to minimize the risk of infection in society and get over the epidemic.

## 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 domestic legislation, ISO standards and cyber security. On employees' personal development, the Group provided sponsorship to employee attending examination.

## 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' acknowledgment 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 49,000 to few Korean charity organisations. 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.