



Dadi International Group Limited **大地國際集團有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8130)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

For the year ended 31 March 2021, Dadi International Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”), were principally engaged in the publication, purchase and distribution of book, as well as environmental consultancy services and other businesses.

This Environmental, Social and Governance Report (the “ESG Report”) summarizes the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

THE ESG GOVERNANCE STRUCTURE

The Group has set up an ESG working taskforce (the “Taskforce”) composed of staff from relevant departments, of which full-time staff have been assigned to collect the data relevant to ESG initiatives and compile the ESG Report. The Taskforce periodically reports to the board of directors of the Company (the “Board”), assist in the assessment and identification of risk management of the Group on ESG aspects and determine whether its internal control system is appropriate and effective. The Taskforce also reviews the ESG performance of the Group, including environmental, labour practices, and other ESG aspects. The Board participates in the high level formulation of its ESG strategies and is responsible for ensuring effective risk management and internal controls. The details of the Group’s ESG strategies are as follows.

DETAIL OF THE ESG STRATEGY

We have established an ESG management system with clear management functions and responsibilities at all levels. We carry out specific work through the Taskforce and help the Board understand its ESG risks and performance in a timely manner, so as to better incorporate ESG factors into the Group’s planning and daily operations.

- The Board is responsible for:
 - assessing and determining the Group’s ESG risks ;
 - ensuring the establishment of appropriate and effective ESG risk management and internal control systems ;
 - developing ESG strategies, action plans and objectives ;
 - monitoring the progress and performance of ESG initiatives ; and
 - reviewing and approving the annual ESG reports.

- The management is responsible for:
 - reporting ESG-related risks and opportunities to the Board ;
 - implementing ESG risk management and internal control systems ;
 - informing the Board of the effectiveness of ESG risk management and internal control systems ;
 - arranging work in accordance with the ESG strategies, action plans and objectives formulated by the Board ;
 - reporting to the Board on the progress and performance of ESG work ;
 - reviewing and submitting annual ESG report to the Board for approval.
- The Taskforce is responsible for:
 - carrying out specific ESG tasks ;
 - reporting to the management on the task progress ;
 - collecting information and data in relation to ESG performance of the Group ;
 - preparing annual ESG reports and reporting to the management.

SCOPE OF REPORTING

This ESG Report covers the Group's business activities of offices the People's Republic of China, which represent the Group's major sources of revenue. The ESG key performance indicator ("KPI") data is gathered and included subsidiaries under the Group's direct control. The Group will extend the scope of disclosures when and where applicable. The KPIs are shown in this ESG Report and supplemented by explanatory notes to establish benchmarks.

REPORTING FRAMEWORK

This ESG Report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "ESG Reporting Guide") as set out in the Appendix 20 of the "GEM Listing Rules" governing the listing of securities on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on P.18 to P.26 of the Annual Report of the Company for the year ended 31 March 2021.

REPORTING PERIOD

This ESG Report describes the ESG activities, challenges and measures taken by the Group from 1 April 2020 to 31 March 2021 (the "Relevant Period").

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback on its businesses and ESG aspects. In order to understand and address their key concerns, the Group has maintained close communications with its key stakeholders, including but not limited to government, investors, customers, suppliers, employees, as well as the wider community and the public.

The Group take stakeholders' expectations into consideration in formulating its businesses and ESG strategies by utilising diversified engagement methods and communication channels as shown below.

Stakeholders	Expectation and Requirements	Actions
Government	Compliance with taxes and business operation laws	Compliance with the laws and regulations
		Paying taxes to the government
		Application for delaying tax payment by some subsidiaries benefiting from the government relief measures against the impact of the Covid-19 pandemic
Investors	Regular financial reporting	Providing annual report, interim report and quarterly report regularly to investors
		Engaging in operational activities in a fair and reasonable manner and in the interest of the Company and shareholders as a whole

Stakeholders	Expectation and Requirements	Actions
Customers	Excellent services	Setting up a variety of communication channels to understand customers' needs
Business partners	Good business cooperation	Maintaining good and strategic business relationships
Employees	Competitive salary and welfare benefits; Comprehensive appraisal and promotion standards and system; Fair promotion and career development; and Safe working environment	Protection of employee rights under a comprehensive management system and human resources policy
		Providing comprehensive salary, benefit and promotion mechanism under periodic and systematic performance appraisal
		Providing a comfortable, spacious, bright and safe working environment
Society	Corporate social responsibility	Participating in social activities
		Promoting environment protection and social stability

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community on a continuous basis.



MATERIALITY ASSESSMENT

The management and staff of the Group's major business streams have participated in the preparation of the ESG Report to assist the Group in reviewing its operations and identifying relevant ESG issues and assess the importance of related matters to its businesses and stakeholders. Based on the assessed significant ESG issues, a data collection questionnaire was prepared to collect information from relevant departments and business units of the Group.

The following is a summary of the Group's material ESG issues included in this ESG Report:

Material ESG aspects of the Group

- Greenhouse Gas ("GHG") Emissions
- Energy Consumption
- Paperless Office
- Recruitment, Remuneration, Promotion and Dismissal
- Customer Privacy Protection
- Customer Services

During the Relevant Period, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide under Appendix 20 to the GEM Listing Rules.

CONTACT US

The Group welcome stakeholders to provide their opinions and suggestions. You can provide valuable advices in respect of the ESG Report or its performances in sustainable development by phone contact (852) 2382 8588 for Hong Kong or by email at ir@dadi-international.com.hk for the People's Republic of China.

A. ENVIRONMENTAL

A1. Emissions

General Disclosure and KPIs

During the Relevant Period, the Group was principally engaged in publication, purchase and distribution of books, as well as environmental consultancy services and other businesses. Its business operation generated immaterial GHG and exhaust gases emissions, hazardous waste, and non-hazardous waste.

By integrating environmental consideration into its decision-making processes, the Group has embraced its responsibilities to create an environmentally sustainable business. It is also committed to raising its employees' environmental awareness and compliance with relevant environmental laws and regulations.

To enhance its environmental governance practice and mitigate the environmental impacts from its operations, the Group has implemented relevant environmental protection policies upon sufficient communication with and recognition from its employees. These policies encouraged its staff to contribute towards sustainability by adopting environmentally friendly operation methods. In the long run, the Group will continue to enhance its environmental management strategies by regularly monitoring and minimizing the environmental impacts brought by its businesses in the coming years.

During the Relevant Period, the Group did not have any material non-compliance with the relevant environmental laws and regulations the People's Republic of China, including but not limited to Environmental Protection Law of the People's Republic of China which have an impact on the Group's operations.

The main types of emission sources from the Group during the Relevant Period included petrol consumed by vehicles, electricity and disposal of paper to landfill (for other indirect emission of GHG). The Group's business does not entail significant consumption of packaging materials, industrial production-related air, water and land pollutions which are regulated under national laws and regulations. In addition, the Group's principal businesses do not contribute to significant environmental or natural resources impact when compared to businesses in other sectors. Most importantly, the Group strives to minimize its adverse environmental impact of its business operation by implementing a range of green practices in its daily operations.

Exhaust Gas Emissions

A total of approximately 3,000 litres of petrol was used as fuel for vehicles over the course of business operations during the Relevant Period, generating approximately 1.20 kg of nitrogen oxides, 0.04 kg of sulphur oxides and 0.02 kg of particulate matter. Therefore, the exhaust gas emissions generated from the Group's operations were immaterial.

GHG Emissions

The Group's GHG emissions include direct emissions (Scope 1) generated by fuel combustion by vehicles, indirect emissions (Scope 2) from purchased electricity and other indirect emissions (Scope 3) from paper consumption.

Scope of Greenhouse Gas Emissions	Emission Sources	Emission (in tCO ₂ e)	Total Emission (in %)
Scope 1			
Direct emission	Unleaded petrol consumed by vehicle	8.12	16%
Scope 2			
Indirect emission	Use of electricity	40.15	79%
Scope 3			
Other indirect emission	Paper consumption	2.48	5%
Total		50.75	100%

There were 50.75 tonnes of carbon dioxide equivalent ("tCO₂e") greenhouse gases (mainly comprising carbon dioxide, methane and nitrous oxide) emitted from the Group's business operations in the Relevant Period. The total GHG emissions from direct, indirect and other indirect emissions are 50.75 tCO₂e and the annual emission intensity was 0.08 tCO₂e/HK\$ million revenue (calculation based on the revenue of the Group in the Relevant Period).

Measures to Mitigate Emissions

The Group has adopted the following measures to mitigate the indirect GHG emissions from electricity consumption in its operations:

- Requiring employees to turn off all the lights and switch off the desktops after work;
- Encouraging employees to turn off the lights when it is not necessarily used;
- Keeping the air-conditioning temperature at 26 degrees Celsius;
- Encouraging employees to use power-saving appliances;
- Opening windows for ventilation when applicable to reduce reliance on air-conditioning; and
- Avoiding employees from working overtime to reduce electricity consumption in the office

Consumption of electricity was accounted as the highest source of indirect GHG emission for the Group. As such, the Group has implemented measures as set out in the paragraph headed “Energy Consumption” of Aspect A2 below in order to reduce energy consumption, and thereby minimizing carbon footprint.

Through the implementation of the GHG emissions mitigating measures as mentioned above, the employees’ awareness of GHG emission mitigation has been enhanced.

Sewage Discharge

During to the nature of the Group’s business, its operations do not necessitate a high level of water consumption and accordingly, there would not be significant sewage discharge by the Group or pollution issues arising from such discharge. The majority of the water supply and discharge facilities were provided and managed by the property management companies as well as the municipal authorities.

Waste Management

Hazardous waste handling method

Despite the fact that the Group did not generate hazardous waste during the Relevant Period, the Group has established guidelines in governing the management and disposal of hazardous waste. In case there is any hazardous waste produced, the Group will engage a qualified chemical waste collector to handle such waste, in order to comply with relevant environmental regulations and rules.

Non-hazardous waste handling method

The Group's waste had been mainly generated from office operation, and include paper, toner cartridge and ink cartridge. With the aim of minimizing the environmental impacts from non-hazardous waste generated from its business operations, the Group implemented measures to handle such waste and launched various reduction initiatives. The Group disposed the waste generated in the course of business operation by firstly classifying them into three categories, namely general waste, recyclable waste and special waste. Recyclable waste includes papers, paper boxes, bottles, cans, etc, and special waste includes toner, battery, etc. The three categories were handled in different ways based on their nature.

Types of non-hazardous waste	Unit	Amount	Intensity ¹
			(Unit/HK\$ million)
Paper	Sheets	102,446	166.32 Sheets/ HK\$ million

Note:

1. The intensity is calculated by dividing the unit of paper to the revenue (in HK\$ million) of the Group in the Relevant Period.

Because of the business development of the Group in the Relevant Period, the Group's paper consumption increased inevitably (2020: 71,176 sheets). However, the Group has endeavored to minimize waste and to encourage employees to share responsibilities in waste management and minimization:

- Using double-sided printing or photocopying wherever possible;
- Avoiding unnecessary paper using in the office;
- Utilizing electronic media for communication;
- Recycling single printed paper;
- Avoiding using single-use disposable items;
- Encouraging employees to bring their own cutlery and utensils; and
- Placing "Green Message" reminders on office equipment.

Through these waste reduction measures, the employees' awareness of waste management has been enhanced.

A2. Use of Resources

General Disclosure and KPIs

The Group strives to optimise resource usage in its business operations and take initiatives to introduce measures on promoting resource efficiency and adopting eco-friendly approaches in its operations. The Group's major resource consumption are energy consumption and office paper consumption. The Group has established related policies and initiatives related to energy consumption management, which are stated in this section. It has also noticed the potential environmental impacts brought by the consumption of other natural resources, such as water consumption. Related policies and initiatives have also been implemented to mitigate such impacts brought by its operation.

The resources used by the Group are principally attributed to electricity, water, paper and petrol consumed in its daily operation. With the aim to better manage its use of resources, regular assessments of the use of resources have been performed. The Group has adopted green office practices to reduce natural consumption and its impact on the environment. Throughout the years, the Group placed emphasis on minimizing the usage of mentioned materials during its daily operations. The following table sets for the breakdown of material resource consumption by the Group.

Types of resources	Unit	Amount	Intensity (Unit/HK\$ million)
Petrol	Liter	3,000	4.87 Liter/ HK\$ million
Electricity	kWh	63,733	103.47 kWh/ HK\$ million
Tap water	m ³	N/A	N/A

Note:

The intensity is calculated by dividing the consumption amount to the revenue (in HK\$ million) of the Group in the Relevant Period.

During the Relevant Period, the Group consumed 63,733 kWh electricity. The Group did not have any issue in sourcing water for its business operations during the Relevant Period.

Energy Consumption

Energy Consumption Sources	Direct Consumption	Energy Consumption (in kWh)
Petrol	3,000 Liter	27,300
Electricity	63,733 kWh	63,733
Total		91,033

The major energy consumption of the Group was electricity consumption in daily operations. The Group aims to minimize its impacts on the environment by identifying and adopting appropriate measures in its operations. The Group continuously explores the use of new energy such as the possibilities of using solar energy in its business operation and how to optimize, integrate and use the resources in a highly efficient manner with the support of the latest information in science and technology by considering the possibilities of adopting the intelligent temperature adjustment device and thermal insulation technology in the office for energy optimization, thereby achieving sustainable development. Related policies and initiatives on energy conservation have been developed to show its focus on energy efficiency. All employees must implement the adopted policies and measures in resource utilization. Regular review is conducted on its energy objectives and targets to seek continuous improvement in the Group's energy performance.

Monthly monitoring on the usage of electricity, water and other materials was implemented. Unexpected high electricity consumption would be investigated to find out the root cause and preventive measures would be taken. During the Relevant Period, the Group has implemented the following measures relating to mitigation of energy consumption:

- Switching off unnecessary lightings and electrical appliances when not in use;
- Using appliances and devices which are eco-friendly or energy-saving;
- Setting all printers, photocopiers and computers to energy saving mode; and
- Administrative staff will inspect office periodically to ensure adoption of energy-saving measures

As a result, the employees' awareness of energy conservation has been increased through these energy-saving measures.

Use of Packaging Material

As the principal business of the Group was publication, purchase and distribution of books, as well as environmental consultancy services and other businesses, The Group did not consume any significant amount of packaging materials for product packaging during the Relevant Period.

A3. The Environment and Natural Resources

General Disclosure and KPIs

While the business activities of the Group has no direct or significant impact on environment and natural resources; however, the Group nonetheless recognizes the importance of minimizing the negative environmental impacts of its business operations. The Group has made substantial efforts in classification of hazardous and non-hazardous waste for better treatment and recycling of such waste. The Group believes that it is essential to act as an environmentally responsible corporate to meet the customers' demands in environmental protection and the expectation of the community for a healthy living environment. It is also devoted to achieving sustainable development for generating long-term values to the community and its stakeholders.

The Group spent efforts in mitigating its potential environmental impacts through adopting industry best practices targeted at reducing natural resources consumption and developing effective environmental management. It regularly assesses the environmental risks of its businesses, adopt preventive measures to reduce potential risks and ensure compliance with relevant laws and regulations.

Paperless Office

In order to reduce paper usage, the Group strongly advocated paperless office operations by adopting the Office Automation system provided by Shanghai Weaver Network Co., Ltd. All offices are operated in the electronic system to reduce the use and consumption of office paper in order to save forest resources. Electronic medium for communications within the office and with suppliers are adopted during the Group's operation.

As a socially responsible enterprise, protecting the nature and the environment has become an integral part of the Group's corporate culture and important value. The Group will constantly look for ways to maximize benefits with minimal resource consumption and environmental impact, and continues to have regard to sustainable development for the community and environment in its day-to-day operation.

A4. Climate change

During the Relevant Period, the Group has not been significantly impacted by climate-related issues while the Group was aware that climate-related issues had caused serious damage to the environment and as such, had been subject to rigorous regulation by the United Nations' Framework Convention. The Group recognises the importance of identifying climate change risks in order to mitigate the associated impacts on its business operations. The Group has been planning to set up a committee for providing effective governance for integrating and addressing the climate change issue within its business. The committee will aim to meet on quarterly basis and will play an integral role in overseeing the transitional risks posed from climate change.

B. SOCIAL

B1. Employment and Labor Practices

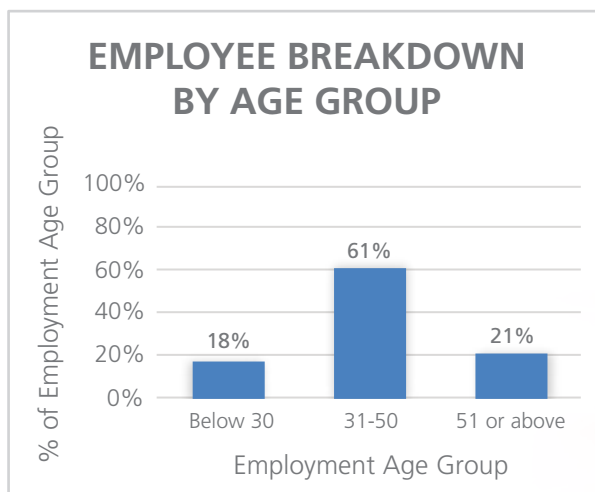
General Disclosure

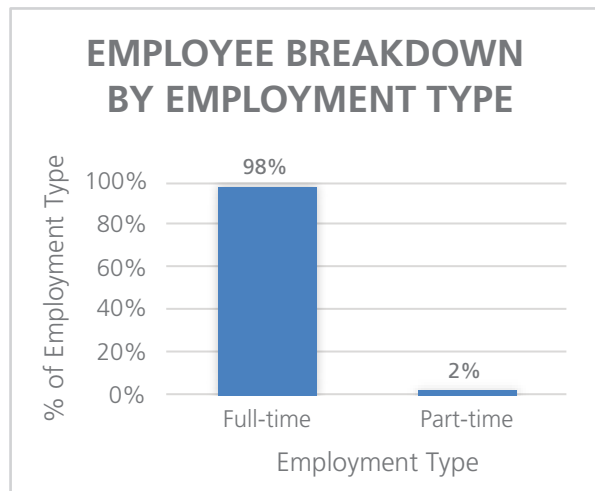
The Group places significant emphasis on the welfare of employees whom it considers to be the Group's most valuable assets. Hence, the Group strives to attract and retain talents and reconcile economical imperatives with well-beings, aiming at reinforcing satisfaction, loyalty and commitment of human capital.

The Group has adopted a comprehensive human resources manual, which includes policies and procedures applicable to staff. These policies and employment procedures are periodically reviewed to ensure continuous improvements in its employment standards. All employees are treated fairly in relation to their recruitment, training and development, appraisal of work performance, promotions, rest periods, remuneration and benefits. The Group is committed to providing equal opportunity for all employees and applicants without regard to race, color, religion, national origin, sex, age, marital status, sexual orientation, disability, political affiliation, personal appearance, family responsibilities, matriculation or any other characteristics protected under applicable laws and regulations.

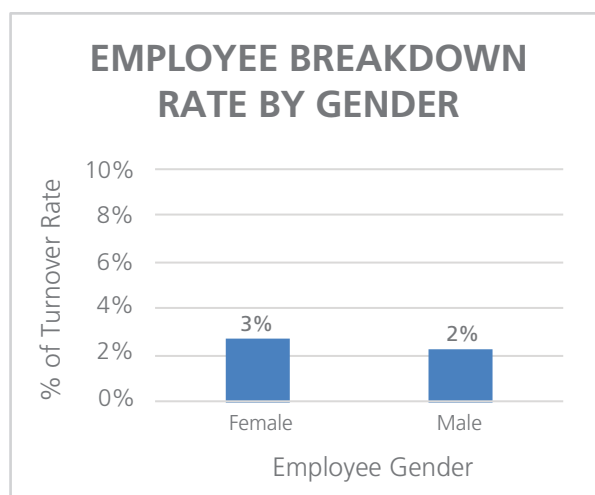
During the Relevant Period, the Group has complied with employment-related laws and regulations in the People's Republic of China, including but not limited to the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, and the Provision on the Prohibition of Using Child Labour of the People's Republic of China. Throughout its operation, the Group strives to provide an excellent and comfortable working environment. Taking into account of the nature of the specific operational needs, the Group sets appropriate working hours and rest breaks for all staff members. It also provides paid annual leave, marriage leave, maternity leave, casual leave and compassionate leave in addition to statutory holiday entitlements to them.

In compliance with the ESG Reporting Guide, the diagrams below illustrate the social performance of the Group during the Relevant Period:

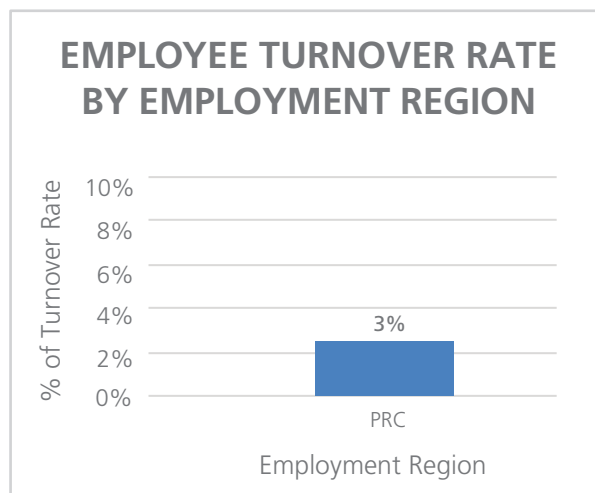
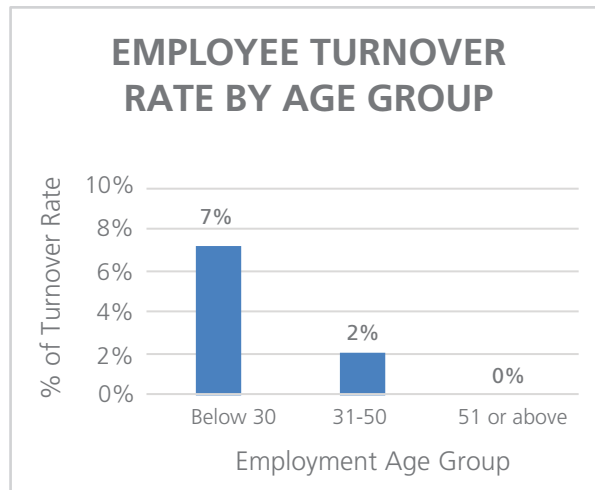




During the Relevant Period, over 90% of the Group's staff was full-time staff and over 60% of them aged between 31 to 50.



During the Relevant Period, 100% of the Group's staff was employed in the People's Republic of China and the turnover rate of female and male staff was maintained at a low level of around 2% to 3%.



Among the 3 employee age groups, the below 30 age group had the highest employee turnover rate, with around 7% turnover rate in the Relevant Period. Among two geographical regions, there is no employee turnover rate in Hong Kong since there are no employees in Hong Kong and the employee turnover rate in the People's Republic of China is 3%.

As at 31 March 2021, the Group had 80 employees in total. In terms of gender, there were 36 females and 44 males in the Group, reflecting the gender equality principle adhered by the Group. Over half of the employees, (49 of them), are between 31 to 50 years old. Most of the employees are full time staffs and all of them were employed in the People's Republic of China.

Recruitment, Remuneration, Promotion and Dismissal

In its recruitment process, the Group adheres to the principle of “open, fair and just”, by considering candidates’ skills, capability and related experience, and avoiding discrimination on either nationality, gender, age, religion, or culture. For each recruitment, the human resources department of the Group will post job advertisements publicly and internally by accepting internal employees’ referrals and internal transfer applications. Application from the candidates that fulfill the job requirements will be examined and interviews with relevant staff at the human resources department as well as with department heads will be conducted to ensure the suitability of candidates and uphold the compliance with merit-based admission principle. The work experiences, education background, certificates and professional qualification of candidates are verified before employment opportunity is offered. Based on the aforementioned procedures, the open, transparent and fair principle of employment is ensured. The Group has also established clear human resources policies stipulating the processes of termination, payroll management and employee insurance, etc. Furthermore, extra commercial medical insurance is provided to its employees. The Group is strictly in compliance with the various relevant national personnel laws and regulations and provides all employees with comprehensive benefits.

The Group has developed a set of comprehensive employment rules and regulations and made clear provisions of the rights and obligations imposed on the employees in the employee handbook. The employee handbook stipulates the daily working hour of the employees. The office hour is from 9:00am to 5:30pm, including one and a half hour lunch break. Employees work for seven hours per day, with an average of around 40 hours per week. In principle, overtime is not encouraged. Employees are also entitled to statutory holidays and annual leave benefits in accordance with law.

Employees’ benefits of various branches of the Group are as follows:

- The People’s Republic of China Office: The Group provides a defined contribution to the endowment insurance, medical insurance, unemployment insurance, employment injury insurance, and maternity insurance according to the related regulations. Employees who have served for over one year are entitled supplemental medical insurance, paid sick leave, etc.

Communication Channels

The Group recognizes the importance of maintaining close and open communication with its employees. Employees are encouraged to exchange information, ideas and views about matters of mutual interest and concerns through both formal and informal channels. Management reviews the result of the survey and implements corresponding improvement actions.

Diversity, Equal Opportunities and Anti-discrimination

A diverse and skilled workforce is crucial for the Group’s business. The Group is committed to creating and maintaining an inclusive and collaborative workplace culture. The Group is dedicated to providing equal opportunities in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, color, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. Employees are welcome to report any suspected cases to protect the rights and interests of each employee. As stipulated in the employee handbook, employees can report any suspected cases of inequality and discrimination to the human resources department directly. The Group has zero tolerance on sexual harassment or abuse in the workplace in any form.

B2. Health and Safety

General Disclosure

In general, the daily operations of the Group would not pose a significant threat to the health and safety of its employees. Nonetheless, the Group undertakes to safeguard the health and safety of its employees and expects all employees to strictly observe its health and safety policies. It will continue to invest sufficient resources and devote efforts to maintain and enhance safety management so as to reduce the risks involved in health and safety of its employees.

During the Relevant Period, the Group has ensured full compliance with relevant occupational health and safety-related laws and regulations in the People's Republic of China, including but not limited to the Occupational Disease Prevention Law and Safe Production Law of the People's Republic of China.

Workplace Health and Safety

The Group considers health and safety of its employees as one of its primary responsibilities. As such, the Group is committed to providing a workplace free from injury and illness through effective procedures and practice for occupational health and safety.

Regarding workplace health and safety, first aid boxes are available at readily accessible locations in the Group's offices and expiry date is clearly marked on each medicine to prevent expired use. Treatment for minor injuries can be obtained on request to the supervisor in charge at the site of the first aid box nearest to the scene of the accident. The Group conducts health check from time to time to ensure the health of employees. Employees who suffer from injury arising out of and in the course of employment are entitled to compensation in accordance with the related regulations. During the Relevant Period, there were no fatal cases and work injury cases reported.

The measures for emergency situations in respect of fire occurring in certain buildings or installations are also regulated in terms of guidelines assisting employees to take sensible immediate action when discovering a fire. The Group provides fire drill and safety training twice a year for the employees to ensure they can evacuate quickly and safely from the premises and assembled in the designated area away from the building in the event of a fire. Furthermore, basic fire-fighting trainings and fire-fighting equipments are also provided to employees to increase their handling ability in the event of a fire. No severe injury or fatality was reported throughout the Relevant Period.

Employees are free to provide feedbacks on improving the workplace safety and report any potential hazards that may lead to injury or danger. Besides, additional occupation safety guidelines including proper working postures and posters of proper lifting method are accessible on the intranet and are put up at appropriate locations in offices respectively to raise the safety awareness among employees. The Group has also developed health and safety policies including prohibition of abuse of alcohol and drugs, identification and prevention of risks and hazards in the working area. The Group requires its employees to strictly adhere to and comply with the policies mentioned above.

B3. Development and Training

General Disclosure

Training and Development Management

The Group recognizes the valuable contribution of its talents for the continuous success of the Group. Nurturing talents and polishing the skills of its human capital is crucial in leading the Group to excellence. This is achieved through development of training strategy that focuses on creating values and serving the needs of its customers, talents and society. Therefore, it encourages its employees to attend trainings and obtain professional qualifications.

Employee Training	Hours
Average hours of training per employee by gender	
Male	10
Female	10
Average hours of training per employee by employment category	
Management	20
General	10

The Group notes the importance of training and development for its staff to keep abreast of the latest trend in the industry and the dynamic pace in current market. The Group provided onboard training and company policy training for the employees who newly joined. The Group stipulates the training policies that each employee shall develop his or her own training objectives where sales staffs are expected to stay up to date with latest market trends and industry insights by conducting research regularly. For employees in finance, human resources, merger and acquisition department and employees holding technical certificates or professional qualification, on-the-job education is provided for their skills learning and future career development. The Group also provides suitable training and development opportunities to assist employees to meet their training objectives as well as achieving business goals, specifically for sales team, customer service and administration team, finance team, and information technology team in order to maintain excellent service for its customers. Besides, comprehensive office skills and safety training are provided for all employees from time to time.

New employees are required to participate in the onboard training program within the first week of employment. The program will provide information on the Group's structure, mission and business model, the employee's role in contributing to business success and objective, as well as office procedures.

B4. Labour Standards

General Disclosure

Prevention of Child and Forced Labor

The Group strictly complies with the Minors Protection Law of the People's Republic of China in order to prohibit the use of child labour and forced or compulsory labor at all of its units and suppliers. Furthermore, the Group has instituted a comprehensive screening and recruiting process to prohibit the use of child labour. Under the recruitment policy of the Group, new recruits are required to have a bachelor's degree or above and The Group only employs employees aged over 18 years and never force employees to work overtime. No employee is made to work against his/her will or work as forced labor, or subject to corporal punishment or coercion of any type related to work.

Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates' personal data to ensure no child labor will be recruited. The human resources department also ensures identity documents, education certificates and professional qualification of candidates are carefully checked. Also, compensation is provided for overtime working with prior approval obtained from respective supervisor. If violation is noted, it will be dealt with in the light of the circumstances.

Also, the Group has zero tolerance to child labour and forced labor and the Group is not aware of any non-compliance with relevant rules and regulations on preventing child or forced labor.

B5. Supply Chain Management

General Disclosure

Supply Chain Management Structure

The Group highly values its relationship with suppliers and regards them as important business partners. All suppliers are evaluated carefully and subject to regular monitoring and assessment. The Group has formulated related procurement policies and procedures to manage its suppliers and the policies and procedures are reviewed annually.

The Group had mainly four major suppliers during the Relevant Period, namely Shanghai Weaver Network Co., Ltd, Fuji Xerox of Shanghai Limited, Shanghai Telecom Co., Ltd. and S.F. Holding Co., Ltd. During the Relevant Period, Shanghai Weaver Network Co., Ltd provided the Office Automation system to the Group for its office operation. Fuji Xerox of Shanghai Limited supplied printers for the Group's operation. Shanghai Telecom Co., Ltd. provided the telecommunication services and S.F. Holding Co., Ltd. provided the delivery services to the Group.

The Group has established clear requirements on selection and management of suppliers to ensure standardized management and proper selection of suppliers and effective control over operational risks resulting from improper selection, unreasonable method or fraudulent practice of suppliers. The Group's policies regarding the purchase from suppliers focused on service and product quality, price level, technical ability, after sales service, and current cooperation situation etc. Furthermore, areas such as the environmental and labor employment policy of suppliers on the use of recycle or natural materials and forbidding child and forced labour are considered by the Group in selecting its suppliers.

In order to manage the progress and quality of work conducted by its suppliers, the Group has set up standards for the tender and purchase from suppliers. It has also established a database of suppliers, which includes the basic information of suppliers, such as the name of suppliers, the types of products, the provision of services, the types of suppliers, contact details (including name, job title, mail address and telephone) of suppliers, date of purchase and the supply prices for the Group's long-term follow-up assessment of suppliers. Its managers and project coordinators also conduct regular review with the appointed suppliers.

Fair and Open Procurement

Procurement and bidding policies are formulated and strictly implemented by the Group to ensure that the suppliers could participate in competitions in an open and fair way. The Group should not have differentiated or discriminated treatment on certain suppliers; it would strictly monitor and prevent all kinds of business bribery; and employees or personnel having any interest relationship with the supplier should not be involved in the related business activity.

Environmental and Social Risks of Supply Chain

Besides the policies and strategies mentioned above, the Group also focused on the environmental and social risks of its suppliers. The Group focused on purchasing from the suppliers who are environmentally conscious and the society and rejected the suppliers who would cause pollution to the environment. To achieve the above, The Group makes serious assessment of suppliers' compliance with all applicable laws and regulations; actions in safeguarding workers' health and safety; and actions in mitigating environmental impacts. During the Relevant Period, the Group did not notice that its main suppliers had any environment and social risks.

B6. Product Responsibility

General Disclosure

The Group highly values customers' satisfaction in its pursuit of quality excellence. In such case, the Group strictly complies with the the Product Quality Law of the People's Republic of China. The quality management system of the Group is applicable to all operation related departments. Regular internal audit on the effectiveness and level of compliance of quality management system are carried out on an annual basis. Moreover, management review meeting is conducted at least once a year to ensure the stability adequacy and effectiveness of the quality management system. The Group recognizes the importance of advertising, labelling and privacy matters related to products and services provided by the Group.

The Group also adopts the following quality control policies on the products:

- A series of inspections upon the receipt of the products regarding, among others, their appearance, packaging, specification and brand logo on a sampling basis; and
- The relevant product will be returned to the supplier for replacement if any defects are identified.

The Group has established relevant policies to ensure compliance with applicable laws and regulations and to fulfill its corporate responsibility towards the customers. During the Relevant Period, there was no case of non-compliance with laws and regulations in relation to product responsibility within the headquarters and offices of the Group.

Customer Privacy Protection

The Group takes serious protection of its members' confidential information. The Group seeks to protect its members' information and accounts by employing data security measures such as encryption, passwords and firewalls, etc. The Group has used technologies WeCom to encrypt and store important data of customers and enterprises. Different access authority in respect of information viewing is set to ensure information security from the source. WeCom provides device terminal type identification, login protection, malicious device identification, etc., which to a large extent eliminates the leakage of corporate information caused by equipment problems. In order to prevent employees from leaking WeCom-protected information due to the loss of mobile phones and other terminal devices, mobile SMS verification is required when using uncommon devices to log in to WeCom system. To ensure customer privacy protection, employees need to apply for approval if they are required to access the information of its customers. The Group does not sell, rent or otherwise share the personal information of clients with any third parties without their prior consent. Stipulated in its privacy policy, the Group makes sure that the processing of personal data for marketing purposes, fulfill the requirements of applicable law. Furthermore, each of its external websites includes an online privacy statement and procedures for fulfilling the requirements of applicable laws and regulations.

Customer Services and Complaint Mechanism

To provide a pleasant user experience for its customers, the Group has long established a set of procedures to handle customers' feedbacks or complaints in a professional manner. Customers' information will be recorded, and enquiries or complaints cases received will be transferred to the related departments or further handling. Reviews on feedback or complaints is conducted, and action plans are in place promptly to address the identified issues. The Group will collect the information on the complaint cases, such as the occasion, reason, and the contact of the client, etc. Customers' satisfaction is evaluated after the cases are settled, and feedbacks or complaints may be circulated to management if necessary.

Protection of Intellectual Property Rights

The Group so far has not encountered any intellectual property infringement. For any infringement of its intellectual property, it will urge infringers to cease such action, and set up a specific working group to handle such infringement.

Advertising Guidelines

The Group has formulated clear guidelines on advertising for its employees to follow in order to standardize its sales procedures. Sales procedures ranging from briefing, service recommendation, quotation and information check, confirmation, campaign set up and testing, campaign launch, etc. are clearly listed in the related policy. This ensures proper authorization and recognition on sales.

B7. Anti-corruption

General Disclosure

The Group commits to maintaining a high standard of integrity when doing business as The Group strongly believes that it is essential to meeting the expectations of its stakeholders.

The Group promotes integrity and prevents unethical pursuits. The Group strictly complies with the Anti-Money Laundering Law of the People's Republic of China, the People's Republic of China Anti-unfair Competition Law and the People's Republic of China Criminal Law by implementing an effective whistle-blowing policy for reporting fraud, corruption, bribery, extortion and money laundering. The Group encourages the reporting of suspected business irregularities and provide clear channels such as dedicated report mailbox specifically for this purpose. When suspected wrongdoings are identified, such as breach of duty, abuse of power, receiving bribes, staff should report to the Board for investigation and verification, and report to the regulator and/or to law enforcement authority when necessary. Instructional manuals of the anti-fraud will be provided to corporate directors and each employee with trainings on anti-corruption laws and regulations. Integrity and ethics educations are provided to employees in order to raise anti-corruption awareness and encourage employees to monitor corruption issues. The Group has been dedicated to improving the construction of the compliance system by updating anti-corruption-related knowledge systems periodically.

To the best knowledge of the Board, there were no legal proceedings regarding corruption brought against the Group or its employees during the Relevant Period.

Anti-money Laundering

The Group has in place various relevant policies to educate employees of the importance of anti-money laundering and the serious consequence to themselves and the Group should it occur. The Group ensures that all the employees in the Group has the awareness of anti-money laundering. Besides, the Group will investigate any potential money laundering issue to reduce any chance that may ultimately result in a money laundering case. If any money laundering discovered during the operation of the business, such case and personnel involved will be reported to the Board for further action.

Anti-corruption

Basic standards of expected conducts for all employees are clearly set out in related anti-corruption policy. Any incidents that may have conflict of between their personal interest and the Group's interest in dealing with suppliers, consumers and all other organizations doing or seeking to do business with the Group or its associates should be avoided. In business cooperation with suppliers, the Group uses tripartite price comparison and strictly investigate the quality of suppliers before the final selection of suppliers in order to prevent bribery problems. Employees should not offer, solicit or accept anything of material value to or from their colleagues, customers, suppliers or other business partners of the Group unless consent is given. Gifts or favours of a token nature or generally available to others are however acceptable. Incidents or suspected cases of corruption, theft, fraud and embezzlement must be reported to management through their department managers.

For prevention of corruption problems in promotion issues within the Group, the promotion of employees will be examined based on the results of the all-round performance appraisal. The promotion will be discussed and announced in meetings in order to prevent underhand secret dealings problem and potentially corruption issues.

Employees will be subjected to disciplinary actions if violation of related anti-corruption policy and code of conduct are found after investigation. Disciplinary actions include verbal or written warnings and dismissal. Management will make an investigation and report to the police if appropriate. Employees receive training from time to time to ensure that they comply with the guides and all policies and procedures of the Group during the Relevant Period.

B8. Community Investment

General Disclosure

The Group believes that giving back to society through social participation and contribution is a form of showing corporate citizenship. The Group also sees the potential to nurture corporate culture and inspire its employees towards social concerns in the daily work life. The Group would embrace the human capital into the social management strategies to sustain its corporate social responsibility as a part of the strategic development of the Group.

Community Participation

During the Relevant Period, the Group participated in various community activities, volunteering services, community sanitation cleaning to assist the community. To have a better understanding of the needs in society and strengthen the connection with local communities, it regularly communicated with local charities. It has also encouraged its employees to participate in community activities such as the Road Intersection One Day Guide Activity and the step donation in emission reduction activities. In the coming years, the Group will continue to make financial and social contributions to the environmental, employee and customer aspects of the wider community. Riding on the success of this year, the Group will intend to invest more resources into volunteering initiatives to contribute to society.

INDEX FOR ESG REPORTING GUIDE

Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Exhaust Gas Emissions; GHG Emissions; Waste Management; Sewage Discharge
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes)	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management (Not applicable – Explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.5	Description of reduction initiatives and results achieved.	Emissions – Exhaust Gas Emissions; GHG Emissions; Waste Management
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved.	Emissions – Waste Management

**Subject Areas,
Aspect, General
Disclosure and KPIs**

Description

Section/Declaration

Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Consumption
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Consumption (Applicable – But without sufficient data)
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Use of Resources – Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of Packaging Material (Not applicable – Explained)

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Paperless Office

**Subject Areas,
Aspect, General
Disclosure and KPIs**

Description

Section/Declaration

Aspect A4: Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
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KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
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Aspect B1: Employment

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment and Labor Practise
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Aspect B2: Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
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**Subject Areas,
Aspect, General
Disclosure and KPIs**

Description

Section/Declaration

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
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Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
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Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
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Aspect B6: Product Responsibility

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
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**Subject Areas,
Aspect, General
Disclosure and KPIs**

Description

Section/Declaration

Aspect B7: Anti-corruption

General Disclosure

Information on:
(a) the policies; and
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.

Anti-corruption

Aspect B8: Community Investment

General Disclosure

Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.

Community Investment