



# PF Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8221

## Environmental, Social and Governance Report 2021



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*This report, for which the directors (the "**Directors**") of PF Group Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.*



## INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

This Environmental, Social and Governance Report (the “**ESG Report**”) summarises the environmental, social and governance (“**ESG**”) initiatives, programmes and performance of PF Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in areas of environmental protection, employment and labour practices and operating practices, as well as demonstrates its commitment to sustainability.

Being an integrated financial service provider, the Group offers a broad range of services including (i) securities dealing and brokerage services; (ii) placing and underwriting services; (iii) financing services including securities and initial public offering (“**IPO**”) margin financing and (iv) asset management services. As the Group’s business nature is the provision of financial services in Hong Kong and it is primarily an office-based group with relatively low energy and water consumption, the direct environmental impact is relatively insignificant in the process of the Group’s daily operation and business development. However, the Group is still of the view that sound ESG performance is important to the sustainable development of the Group’s business and community, and hence upholds sustainable development as the ESG management goal and has made it a core part of its business strategy.

### The ESG Governance Structure

The board of Directors (the “**Board**”) has the ultimate responsibility for the Group’s ESG strategy, performance, reporting and the ESG risk management and internal control mechanism. The Group adheres closely to the principle of sustainable development and seeks to achieve required standards in various ESG areas so as to create positive values for its stakeholders. The Board, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this ESG Report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this ESG Report misleading.

## SCOPE OF REPORTING

This ESG Report covers the Group’s environmental and social performances of its major business operation in Hong Kong, unless otherwise stated. The reporting scope of this ESG Report remains unchanged as compared with the last reporting period. The ESG key performance indicators (“**KPIs**”) are gathered and are shown in the ESG Report supplemented by explanatory notes to establish benchmarks. The Group will continue to assess the major ESG aspects of different businesses to determine the scope of reporting.

## REPORTING FRAMEWORK

The ESG Report is prepared in accordance with the Environmental, Social and Governance Report Guide (the “**Reporting Guide**”) as described in Appendix 20 of the GEM Listing Rules.

For the Group’s corporate governance practices, please refer to p.17 to p.29 for the section “Corporate Governance Report” contained in its Annual Report 2021.

## REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures being taken during the financial year from 1 April 2020 to 31 March 2021 (the “Year” or “2021”).

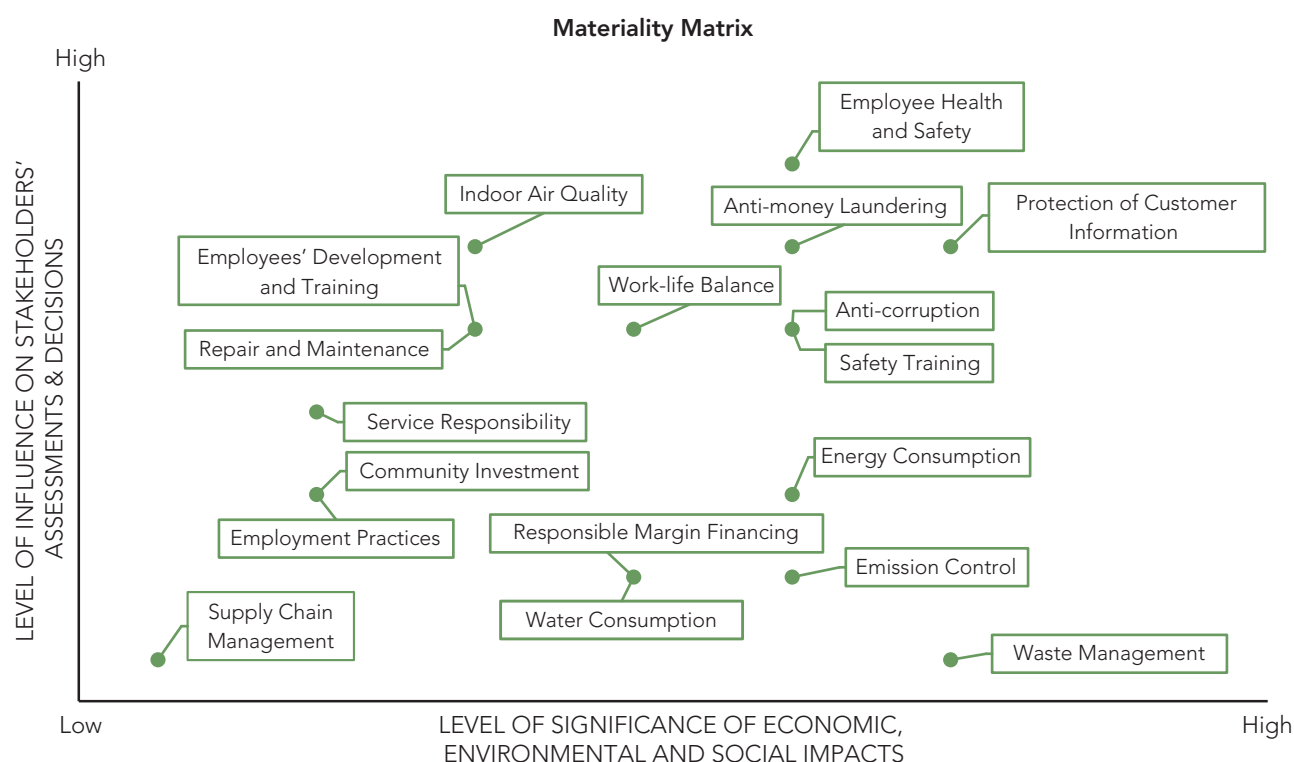
## STAKEHOLDER ENGAGEMENT

The Group values feedback from its stakeholders as they bring invaluable directions for continuous development to the Group. Internal and external stakeholders have been involved in regular engagement activities to share views regarding the Group’s operation and performances. By using diversified cooperation methods and communication channels as shown in the table below, the Group garners a better understanding of its stakeholders’ expectations, which helps the Group to enhance its operation and ESG strategies.

Stakeholders	Expectations and Concerns	Key Communication Channels
Investors and shareholders	<ul style="list-style-type: none"> <li>• Complying with relevant laws and regulations</li> <li>• Disclosing latest corporate information in due course</li> <li>• Financial results</li> <li>• Corporate sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meeting and other shareholder meetings</li> <li>• Financial reports</li> <li>• Investor meetings</li> <li>• Press releases</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Product and service responsibility</li> <li>• Customer information and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Emails and customer service hotline</li> <li>• Meetings</li> <li>• Website</li> <li>• Financial reports</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Equal opportunities</li> <li>• Remuneration and benefits</li> <li>• Career development</li> </ul>	<ul style="list-style-type: none"> <li>• Training, seminars, and briefing sessions</li> <li>• Conferences</li> <li>• Emails</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Fair competition</li> <li>• Business ethics and reputation</li> <li>• Cooperation with mutual benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier assessment exercise</li> <li>• Business cooperation</li> </ul>
Community, non-governmental organization and media	<ul style="list-style-type: none"> <li>• Giving back to society</li> <li>• Environmental protection</li> <li>• Compliant operations</li> </ul>	<ul style="list-style-type: none"> <li>• Public/Community events and partnership projects on different topics</li> <li>• Community investment program</li> <li>• ESG reports</li> </ul>
Government and regulatory bodies	<ul style="list-style-type: none"> <li>• Business ethics</li> <li>• Complying with relevant laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Consultations</li> <li>• Meetings</li> <li>• Emails and website</li> </ul>

## MATERIALITY ASSESSMENT

In hopes of understanding the views and expectations of stakeholders on the Group's ESG performance, the Group has maintained close communication with its key stakeholders to gain further insights on ESG material aspects and challenges. They are invited to participate in the materiality survey and prioritise material issues. The materiality matrix below presents the result of the materiality assessment:



## CONTACT US

The Group welcomes stakeholders' feedback on its ESG approach and performance. Please give suggestions or share your views with the Group via email at [info@pfs.com.hk](mailto:info@pfs.com.hk).

## A. ENVIRONMENTAL

### A1. Emissions

The Group realises the importance of the co-development between the Group and the environment and is committed to protecting the environment. The Group's commitment to the environment is mainly focused on energy saving, minimising paper consumption and reducing waste by recycling. With the vision of incorporating environmental sustainability into its business functions and processes, the Group has established environmental policies which have been communicated to every staff member of the Group.

The Group strictly complies with laws and regulations regarding environmental and resources management in Hong Kong, including but not limited to the Air Pollution Control Ordinance, the Waste Disposal Ordinance, and the Water Pollution Control Ordinance in Hong Kong. During the Year, the Group did not note any cases of material non-compliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that had a significant impact on the Group.

### **Exhaust Gas Emissions**

As the Group primarily engages in financial services, its business activities do not generate a significant amount of exhaust gas.

### **Greenhouse Gas Emissions**

The main contributor to the Group's carbon footprint is the energy indirect greenhouse gas ("GHG") emissions from the generation of purchased electricity, which is mainly attributed to the use of lighting, air-conditioning and office equipment. Methane gas generated at landfills due to office paper disposal also contributed to the other indirect GHG emissions. To minimise the Group's carbon footprint, the Group actively adopts energy saving and paper saving measures, which will be explained in the section headed "Energy Consumption" in aspect A2 and "Waste Management" in this aspect respectively.

During the Year, the Group's total GHG emissions decreased by approximately 23.35%. The reduction was mainly due to the implementation of effective energy saving and paper saving initiatives, as well as the reduction in business activities during COVID-19.

The Group's GHG emissions in 2021 and 2020 is summarised below:

<b>Greenhouse Gas Emissions<sup>1</sup></b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>
Scope 2 Energy Indirect GHG Emissions			
• Purchased electricity	tCO <sub>2</sub> e	26.81	33.72
Scope 3 Other Indirect GHG Emissions			
• Paper waste	tCO <sub>2</sub> e	2.40	4.39
<b>Total GHG Emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>29.21</b>	<b>38.11</b>
<b>Intensity<sup>2</sup></b>	<b>tCO<sub>2</sub>e/employee</b>	<b>1.33</b>	<b>1.52</b>

Note:

- GHG emission data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5), "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the "Sustainability Report 2020" released by HK Electric.
- As at 31 March 2021, the Group's total number of employees was 22 (as at 31 March 2020: 25). The data was also used for calculating other intensity data.

### *Sewage Discharge*

Due to the nature and scope of the Group's business, the sewage discharge into land is insignificant. The Group's office is located in a commercial premise. It does not generate any industrial wastewater in the course of operation, but only domestic sewage. Water supply and discharge are solely controlled by the property management, hence, it is not feasible for the Group to obtain water consumption and discharge data or sub-metering from the relevant management office. Therefore, the Group cannot provide statistical data on water consumption and discharge. However, it is believed that the domestic sewage discharge amount of the Group is normal and reasonable.

### *Waste Management*

The Group adheres to the principles of sustainable waste management and is dedicated to minimising the amount of waste generated from its business activities. To maintain a high standard in reducing waste, the Group educates its employees on the importance of sustainable development and provides them with relevant support to improve their skills and knowledge in responsible disposal.

#### *Hazardous waste*

Due to its business nature, the Group does not generate a significant amount of hazardous waste during its daily operation. Nevertheless, it is still devoted to reducing waste. If any hazardous waste is generated, the Group must appoint a licensed chemical waste collector to handle such waste in order to comply with the relevant environmental laws and regulations.

#### *Non-hazardous waste*

The major non-hazardous waste generated during the Group's operation is office paper. To reduce waste generation, the Group takes environmental protection, resource saving and recycling readiness into consideration when procuring office equipment and supplies. The Group also donates unused computer devices to charity organisations. With regard to paper consumption in the office, it has implemented the following measures:

- Other than formal documents that require the use of paper, each department is advised to handle documents electronically while employees are encouraged to communicate electronically; and
- When the use of paper is required, duplex printing and reusing single-sided printed paper are recommended.

With effective waste management and a reduction in business activity during COVID-19, the amount of non-hazardous waste of the Group decreased by approximately 45.05% during the Year.

The performance of the Group's non-hazardous waste in 2021 and 2020 is summarised below:

Type of waste	Unit	2021	2020
Paper waste	Tonnes	0.50	0.91
<b>Total non-hazardous waste</b>	<b>Tonnes</b>	<b>0.50</b>	<b>0.91</b>
<b>Intensity</b>	<b>Tonnes/employee</b>	<b>0.02</b>	<b>0.04</b>

## A2. Use of Resources

The Group recognises the importance of consuming finite resources in a responsible manner. To reduce resources utilisation, the Group is devoted to implementing environmental control mechanisms and monitoring measures in its business activities and workplace.

### *Energy Consumption*

The major energy consumption involved in the Group's operation is the use of electricity supplied by the Hongkong Electric Company, Limited. To encourage energy conservation in its daily operation and promote green office culture, the Group has established the following measures:

- Turn off lights and air-conditioning in the office premises when not in use;
- Set air-conditioning at optimal temperature; and
- Turn off electronic appliances, such as computers, photocopy machines, printers, etc. when employees are off duty or on leave.

The above initiatives of energy saving in the office have been effective so that during the Year, the total energy consumption of the Group decreased by approximately 11.50%. The reduction in business activities during COVID-19 also led to the reduction in the Group's energy use.

The performance of the Group's energy consumption is summarised below:

Types of energy	Unit	2021	2020
Indirect energy consumption			
• Electricity	'000 kWh	37.77	42.68
<b>Total energy consumption</b>	<b>'000 kWh</b>	<b>37.77</b>	<b>42.68</b>
<b>Intensity</b>	<b>'000 kWh/employee</b>	<b>1.72</b>	<b>1.71</b>



***Water Consumption***

The Group's water consumption is mainly for domestic use in the office area. The Group has strengthened the promotion of water conservation by posting water saving slogans at prominent locations in the office to remind all employees and clients to develop the habit of saving water consciously.

The water consumption of the Group was included in the management fee and it is not feasible for the Group to obtain water consumption data or sub-metering from the relevant management office. Therefore, the Group cannot provide statistical data on water consumption in this ESG Report.

The Group does not have any issues in sourcing water that is fit for purpose and believes that the water consumption is at a reasonable level.

***Use of Packaging Materials***

Due to its business nature, the Group does not sell any physical product, therefore the Group's business does not involve the use of packaging materials.

**A3. The Environment and Natural Resources**

Despite that the Group's major operations do not have any significant impacts on the environment and natural resources, the Group is committed to environmental protection in order to demonstrate its corporate social responsibility. Recognising its responsibility in minimising the negative environmental impacts of its operations on the environment and natural resources, the Group has integrated the concept of environmental protection into its internal management and carried out continuous monitoring during its daily operations. To minimise pollution and environmental impacts arising from the Group's daily business operations, the Group actively reviews its environmental policies and strives to improve the environmental management in its business process through a series of measures and comply with the applicable environmental laws and regulations.

***Indoor Air Quality***

Indoor air quality in the office is regularly monitored and measured. During the Year, the indoor air quality of the Group's office was satisfactory. Air-purifying equipment is used in office and the air conditioning system is cleaned periodically to improve indoor air quality by filtering pollutants, contaminants and dust particles.

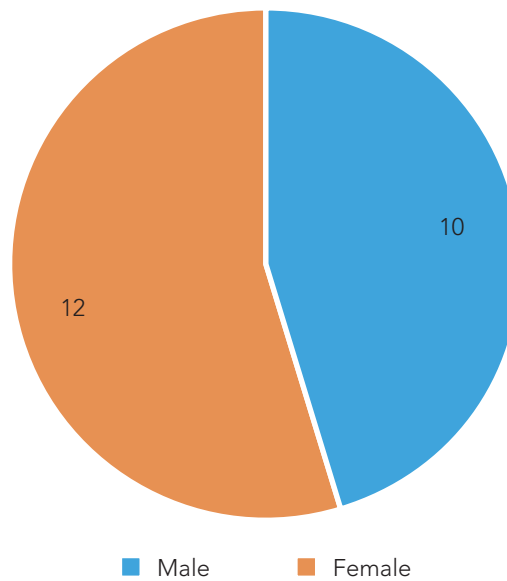
**B. SOCIAL****B1. Employment**

Employees are the most valuable assets of the Group. To fulfil its vision on people-oriented management, and to respect and protect the legitimate rights and interests of every employee, the Group has distributed the Employment Handbook to every employee, which clearly states the terms and conditions of employment, including terms relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

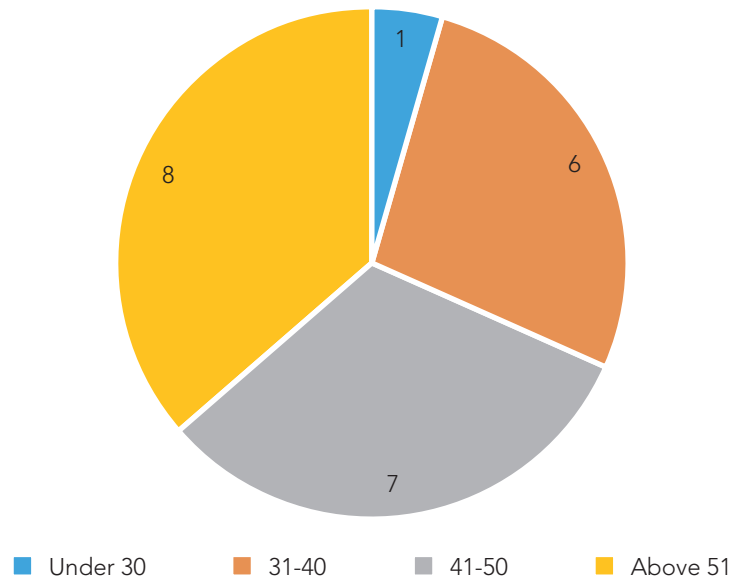
The Group strictly complies with laws and regulations regarding employment, including but not limited to the Employment Ordinance, the Sex Discrimination Ordinance, the Employees' Compensation Ordinance and the Minimum Wage Ordinance in Hong Kong. During the Year, the Group did not note any cases of material non-compliance with laws and regulations regarding its benefits and welfare, compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and anti-discrimination and other labour practices that had a significant impact on the Group.

As of 31 March 2021, the total number of staff members employed by the Group was 22, in which all of them were full-time staff in Hong Kong. Demographic data for the Group's staff, with breakdown by gender, age group and employee category are presented in the figures below:

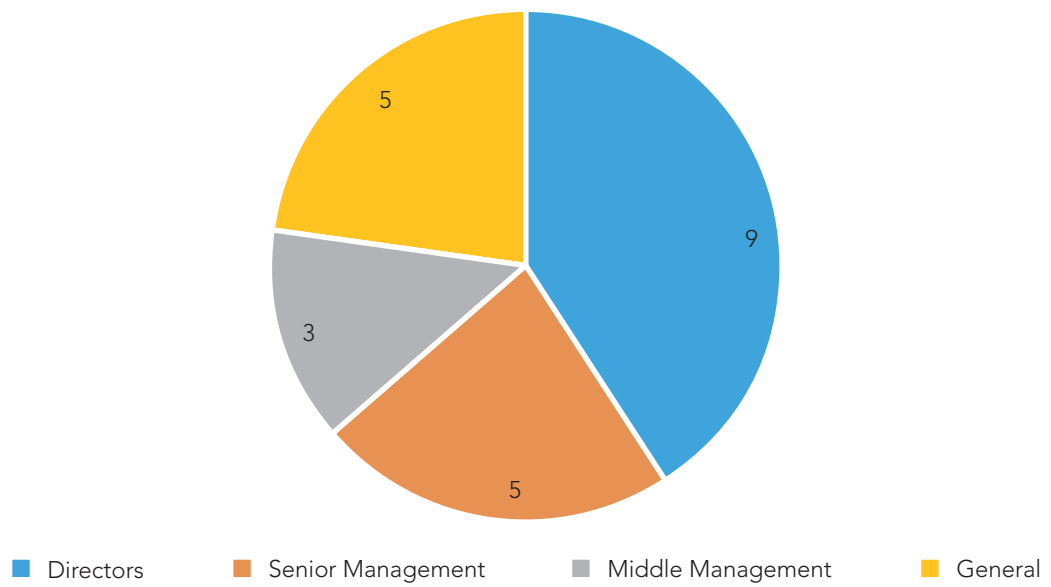
**Number of Employees by Gender**



Number of Employees by Age Group



Number of Employees by Employee Category



During the Year, the total turnover rate of the Group was approximately 63.63%.

The employee turnover rate by gender, age group and geographical region is summarised below:

Employee Turnover Rate	Percentage (%)
<b>By Gender</b>	
Male	70.00
Female	58.33
<b>By Age Group</b>	
30 years old or below	100.00
31 to 40 years old	83.33
41 to 50 years old	28.57
51 years old or above	75.00
<b>By Geographical Region</b>	
Hong Kong	63.63

#### ***Recruitment, Promotion and Dismissal***

The Group proactively implements strategies for talent recruitment, establishes and continuously improves its recruitment system. The Group's prospective employees are recruited under a transparent and fair recruitment process based solely on their suitability for the position and potential to fulfil the Group's current and future needs.

The Group offers promotion and development opportunities for outperforming employees through an open and fair assessment system so as to explore their capability and contribute to the Group's sustainable growth. The Group's Performance Appraisal Employee Guide states that the Group conducts performance reviews annually to provide employees with feedback on past performance, to agree on standards for future performance and to develop goals and objectives for their personal and professional growth. Meanwhile, the results of the performance appraisal are used in their salary review and promotion appraisal. The Group also gives preference to internal promotion to encourage consistent and continuous effort.

Besides, the termination of employment contract is governed by internal policies to ensure all dismissal comply with relevant laws and regulations in Hong Kong. The Group strictly prohibits any kinds of unfair or unlawful dismissals.

#### ***Remuneration and Benefits***

To retain and motivate employees, the Group recognises their contributions by offering competitive remuneration packages, including competitive staff salaries, discretionary bonuses and allowances. The Group ensure that the salary is commensurated with the employee's qualifications, experience and working performance. The management also regularly reviews the Group's remuneration policy with reference to relevant market standards.

In addition to annual leave and sick leave, employees of the Group are entitled to leave entitlements such as maternity leave, paternity leave and marriage leave. Group medical insurance packages are provided to each employee at the expenses of the Group.



### *Equal opportunities and anti-discrimination*

The Group also strives to create a workplace that is free from discrimination and provide equal employment and promotion opportunities by recruiting or promoting people mainly based on job requirements and employees' performance factors irrespective of the employees' age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job related elements in all business units of the Group. In addition, the Group has zero tolerance for any workplace discrimination, harassment or vilification. Employees are highly encouraged to report any incidents involving discrimination. All cases reported will be handled fairly and transparently in accordance with the local laws and regulations.

### *Working Hours and Rest Periods*

The Group cares about the well-being of employees and recognises the importance of work-life balance. Therefore, the Group has developed basic working hours according to different business needs, with the hope to enable employees to achieve work-life balance. The Group's Employment Handbook has stated the working hours and rest periods for employees following local employment laws and regulations. In addition, employee consent must be obtained for any necessary overtime arrangement, and the employee must be compensated in accordance with the laws and regulations to prevent any forced overtime work.

## **B2. Health and Safety**

Given the nature of its business, the Group's operation does not involve any high-risk activities. However, the Group is still committed to providing employees with a safe and healthy working environment and has formulated the Occupational Safety and Health Policy to eliminate any potential health and safety risks.

The Group strictly complies with laws and regulations regarding occupational health and safety, including but not limited to the Occupational Safety and Health Ordinance in Hong Kong. During the Year, the Group did not note any cases of material non-compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that had a significant impact on the Group. In addition, there was no significant incident of safety and work-related fatalities or lost days due to work injuries during 2021.

To ensure the cleanliness and safety of the workplace, the Group has strictly implemented relevant measures. The office layouts are designed in accordance with relevant health and safety regulations. The exit aisles are equipped with lighting panels "Exit" to guide the way out of the workplace when an emergency such as fire occurs. Smoking is strictly prohibited in the entire office premises. Besides, the Group continues to promote work-life balance by encouraging its employees to pursue personal interests and achieve physical and mental health.



### *Outbreak of COVID-19 pandemic*

In response to the outbreak of the COVID-19 pandemic, the Group has taken measures to enhance health and safety precautions in the workplace to ensure the health of employees and the Group's business continuity. In addition to strengthening the sanitation of the office, the Group strictly requires staff to wear surgical masks, conducts stringent temperature checks, and reminds employees of the importance of maintaining personal hygiene.

## **B3. Development and Training**

Knowledge and skills of employees are vital to the continuous business growth and success of the Group. As such, the Group is committed to providing support to its employees in continuous professional training and encourages them to attend professional training programs by offering eligible employees sponsorship, examination fee reimbursement, education and examination leave. The Group has formulated the Succession Planning Policy to ensure that the Group identifies and develops a talent pool of employees through mentoring and training. Meanwhile, the details of training and development-related matters are stated in the Group's Employment Handbook.

As a financial service provider, the Group's employees are required to obtain relevant professional qualifications and licences. Employees with any relevant licences must fulfil prescribed hours of continuous professional training for each type of regulated activity in each calendar year in accordance with all applicable laws, rules, regulations and guidelines (including but not limited to the Securities and Futures Ordinance in Hong Kong). Also, pursuant to the GEM Listing Rules, the company secretary of the Company and all Directors are required to participate in continuous professional training to develop and refresh their knowledge and skills. During the Year, the Group has provided adequate support to its employees to ensure that its employees are equipped with sufficient knowledge and skills to fulfil their duties and to comply with the aforesaid training requirements.

## **B4. Labour Standards**

The Group respects human rights and strictly prohibits any unethical hiring practices, including child labour and forced labour in the workplace. The Group conducts recruitment based on the Employment Ordinance and other relevant laws and regulations in Hong Kong. Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates' eligibility. Through the well-established recruitment policies, the Group ensures that its employees are all above the minimum legal working age and no forced labour is hired. If any violation is involved, it will be dealt with in the light of the circumstances as clearly stated in the Group's Employment Handbook.

The Group strictly complies with laws and regulations regarding child and forced labour, including but not limited to the Employment Ordinance in Hong Kong. During the Year, the Group did not note any cases of material non-compliance with relevant laws and regulations relating to child and forced labour that had a significant impact on the Group.

## B5. Supply Chain Management

The Group believes that proper management of its supply chain could help mitigate the indirect environmental and social risks and bring positive impact to the Group, the natural environment as well as society. Therefore, a stringent procurement system and a systematic selection process for suppliers have been established and its requirement of environmental and social risk control has been imposed on all suppliers.

Due to the business nature and needs of the Group, it did not engage major suppliers for the provision of products, raw materials and services, nor did it take part in any negotiation between its corporate or institutional clients and their suppliers during the Year. Generally, the Group purchases stationery, paper, computers and other office supplies, however, it has not entered into any long-term or bulk purchase agreements with any suppliers.

The Group promotes fair and open competition and aims to develop long-term relationships based on mutual trust during the procurement process. Its suppliers are required to work in a responsible manner and comply with all relevant regulations, international treaties and contractual responsibilities. In avoidance of transfer of interests or exploitation of suppliers, the Group closely monitors the procurement made by the staff and forbids any practices that are against business ethics.

## B6. Service Responsibility

The Group recognises that market reputation and customers' confidence in its services are keys to success and strives to win customer loyalty by providing them with quality and reliable services and managing customers' inquiries and complaints promptly and effectively. The Group has a risk management system in place and implemented compliance and operational manuals to ensure its full compliance with all applicable laws, rules and regulations. This is controlled and monitored by a team of experienced management, including responsible officers and compliance officers.

The Group strictly complies with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, including but not limited to the Personal Data (Privacy) Ordinance and the Trade Descriptions Ordinance in Hong Kong. During the Year, the Group did not note any cases of material non-compliance with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that had a significant impact on the Group.

### *Responsible Margin Financing*

Trading securities on a margin basis is a high-risk investment strategy. The Group works closely with margin clients to help them to understand the benefits and risks involved in margin trading, and to closely monitor their margin positions through well-established margin lending policies, including but not limited to conducting sufficient know-your-client procedures to assess the suitability and creditworthiness of margin clients, setting a proper margin loan limit for each margin client, determining appropriate margin ratios for pledging securities, and communicating with margin clients about the strategy to meet a margin call should one occur.

### *Protection of Customer Information*

The Group emphasises the importance of confidentiality of personal data and the privacy of its clients. Apart from complying with the relevant laws and regulations when collecting, processing and using clients' personal data, the Group has implemented various measures to prevent unauthorised access of clients' data, such as installation of firewall and storing clients' data in a secured place.

### *Advertising and Labelling of Products*

The Group respects the customers' rights and is committed to providing accurate marketing information for customers in connection with their purchase decision. The Group strictly regulates and reviews the advertising materials to protect the interests of its customers. Labelling of its financial products should also be accurate, legitimate, clear, and not misleading in order to avoid any non-compliance with relevant laws and regulations.

### *Intellectual Property Rights*


The Group endeavours to protect intellectual property rights. Intellectual properties and technical specifications of the Group and customers are protected and managed by a designated department. Employees shall not copy or disclose any information, including but not limited to designs, techniques and trade information, to third parties without the Group's consent.

## **B7. Anti-corruption**

The Group is committed to promoting a culture of integrity, fairness, honesty and openness when doing business and has zero tolerance of bribery and corruption. All employees of the Group are regulated by the Prevention of Bribery Ordinance in Hong Kong and required to adhere to high standards of business and ethical conduct as laid out in the Group's Employment Handbook. The Group strictly complies with laws and regulations regarding anti-corruption, including but not limited to the Prevention of Bribery Ordinance in Hong Kong. During the Year, the Group did not note any cases of material non-compliance with relevant laws and regulations relating to bribery, extortion, fraud, money laundering and other corrupt practices that had a significant impact on the Group.

To encourage employees of the Group to report any suspected illegal activities such as money laundering, bribery and fraud, the Group has implemented the Whistleblower Protection Policy. The audit committee of the Company (the "**Audit Committee**") has overall responsibility for the said policy. The Audit Committee has delegated the day-to-day responsibility for overseeing and implementing the said Policy to the whistleblowing function of the Company (the "**Whistleblowing Function**"). Within the said policy, the Group has set out a detailed reporting and investigative procedure to encourage employees to report fraudulent activities to the Whistleblowing Function and to ensure that their reports are given due regard. Responsibility for monitoring and reviewing the operation of this Policy and any recommendations for action resulting from investigations into complaints lies with the Audit Committee. Meanwhile, the use and effectiveness of this policy will be monitored and reviewed regularly by the Whistleblowing Function. When there is any suspected case in the violation of laws, regulations or the Group's policy, the Group will investigate and impose disciplinary actions, which could result in dismissal.





In addition, all employees of the Group are required to adhere to the requirements set out in the Anti-Money Laundering and Counter-Terrorist Financing Ordinance and the Hong Kong Securities and Futures Commission's Guideline on Anti-Money Laundering and Counter-Financing of Terrorism and any update in relation thereto. The Group has adopted policies and procedures in the Group's Compliance Manual to identify and detect money laundering activities, covering policies in relation to, among others, customer due diligence, records retention, handling of cash and reporting of suspicious transactions to the management of the Group.

## **B8. Community Investment**

The Group is committed to operating as a responsible corporate and contributing to the economic and social development of local communities. The Group has implemented relevant guidelines on community investment to nurture the corporate culture and practices of a corporate citizen. It is also dedicated to fostering employees' sense of social responsibility by encouraging them to participate in volunteering service and charitable activities during their working hours and leisure time.

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on:	Emissions
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Exhaust Gas Emissions (not applicable – explained)
KPI A1.2	GHG emissions in total and intensity.	Emissions – Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced and intensity.	Emissions – Waste Management – Hazardous Waste (not applicable – explained)
KPI A1.4	Total non-hazardous waste produced and intensity.	Emissions – Waste Management – Non-hazardous Waste
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Emissions – Greenhouse Gas Emissions
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved.	Emissions – Waste Management – Hazardous Waste, Non-hazardous Waste

**Subject Areas, Aspects,****General Disclosures 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 (not applicable – explained)
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 – Water Consumption
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 Materials (not applicable – explained)

**Aspect A3: The Environment and Natural Resources**

General Disclosure	Policies on minimising 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 – Indoor Air Quality

**Subject Areas, Aspects,****General Disclosures and KPIs****Description****Section/Declaration****Aspect B1: Employment**

General Disclosure

Information on:

Employment

- (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, anti-discrimination, and other benefits and welfare.

KPI B1.1

Total workforce by gender, employment type, age group and geographical region.

Employment

KPI B1.2

Employee turnover rate by gender, age group and geographical region.

Employment

**Aspect B2: Health and Safety**

General Disclosure

Information on:

Health and Safety

- (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.

KPI B2.1

Number and rate of work-related fatalities.

Health and Safety

KPI B2.2

Lost days due to work injury.

Health and Safety

KPI B2.3

Description of occupational health and safety measures adopted, how they are implemented and monitored.

Health and Safety



**Subject Areas, Aspects,****General Disclosures 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

**Aspect B4: Labour Standards**

General Disclosure

Information on:

Labour Standards

- (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.

KPI B4.1

Description of measures to review employment practices to avoid child and forced labour.

Labour Standards

KPI B4.2

Description of steps taken to eliminate such practices when discovered.

Labour Standards

**Aspect B5: Supply Chain Management**

General Disclosure

Policies on managing environmental and social risks of the supply chain.

Supply Chain Management

**Subject Areas, Aspects,****General Disclosures and KPIs****Description****Section/Declaration****Aspect B6: Product Responsibility**

General Disclosure

Information on:

Product Responsibility

- (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.

KPI B6.3

Description of practices relating to observing and protecting intellectual property rights

Product Responsibility – Intellectual Property Rights

KPI B6.5

Description of consumer data protection and privacy policies, how they are implemented and monitored.

Product Responsibility – Customer Privacy Protection

**Aspect B7: Anti-corruption**

General Disclosure

Information on:

Anti-corruption

- (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.

KPI B7.2

Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.

Anti-corruption

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B8: Community Investment</b>		
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