



# ECO-TEK HOLDINGS LIMITED

環康集團有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08169)

(the “Company”)

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## TERMS OF REFERENCE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

*(Adopted pursuant to the Board meeting of the Company held on 19 January 2022)*

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### 1. Objective

- 1.1 The Environmental, Social and Governance (“ESG”) Committee (the “Committee”) is to advise and assist the board of directors (the “Director(s)”) of the Company (the “Board”) in managing matters relating to ESG of the Company and its subsidiaries (the “Group”), such as governance, policies, initiatives, performance and reporting.
- 1.2 In these terms of reference, “ESG” refers to the aspects as stipulated in the Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 2. Membership

- 2.1 Members of the Committee shall be appointed or re-appointed by the Board. They need not be Directors of the Company.
- 2.2 The Chairman of the Committee shall be appointed by the Board. The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the Articles of Association of the Company (as amended from time to time), if applicable.
- 2.3 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board.

### **3. Proceedings of the Committee**

#### **3.1 Notice**

3.1.1 Unless otherwise agreed by all the Committee members, a meeting of the Committee shall be called by at least 7 days' notice. The presence of a member at the meeting deems to have given his/her consent to a waiver or short notice.

3.1.2 A member of the Committee may, on the request of a member of the Committee, at any time summon a meeting of the Committee. Notice shall be given to each member of the Committee orally in person or in writing or by telephone or by fax from time to time or in such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.

#### **3.2 Quorum**

The quorum of the Committee meeting shall be 3 members of the Committee. Decisions shall be determined by a simple majority.

#### **3.3 Attendance of meetings by non-members**

Other members of the Board, apart from the members of the Committee, have the right to attend any meetings of the Committee, though they shall not be counted in the quorum. Other management may be invited by the Committee's Chairman to attend, if necessary.

#### **3.4 Frequency of meetings**

Meetings shall be held at least once every year. The members of the Committee may call any meetings at any time when necessary. In addition, the Committee's Chairman may convene additional meetings at his discretion. The Company Secretary of the Company shall act as the secretary of the Committee.

#### **3.5 Others**

Meetings could be held in person, by telephone or by video conference. Members of the Committee may participate in a meeting of the Committee by means of a telephone conference or similar communication equipment by means of which all persons participating in the meeting of the Committee are capable of hearing each other.

### **4. Authority**

The Committee may exercise the following powers:

- (a) to obtain sufficient resources to discharge its duties, including the resources for seeking independent professional advice at the Company's expense,

subject to the Board's prior approval, as the Committee considers necessary in discharge of its duties;

- (b) to delegate its authority and duties to sub-committees, or individual members of the Committee, as it deems appropriate;
- (c) to access any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Committee;
- (d) to do any such things to enable the Committee to discharge its authority and duties conferred on it by the Board; and
- (e) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

## **5. Duties and responsibilities**

Duties of the Committee shall include:

### **ESG Vision and Strategy**

- (a) research, monitor and review current and rising ESG trends and issues in understanding emerging ESG matters that affect the Group's operations; and;
- (b) determine and review the Group's ESG vision, objectives and strategy, and make recommendations to the Board for the approval of the relevant initiatives;

### **ESG Governance**

- (c) identify, determine and evaluate ESG risks and opportunities of the Group, which shall be reported to the Board;
- (d) ensure effective risk management and internal control systems are in place for managing ESG risks;
- (e) identify, assess and determine ESG issues that are material to the operations of the Group and/or stakeholders' interests;
- (f) advise the Board on the allocation of resources on ESG initiatives;
- (g) develop and establish ESG policies and procedures in guiding the implementation of relevant ESG initiatives;
- (h) review the Group's ESG policies and procedures to ensure that they remain valid and fit for purposes;

- (i) monitor and review the Group's operations to ensure that they are in compliance with relevant ESG policies and procedures, as well as applicable laws and regulations and international standards;
- (j) oversee the implementation of the Group's ESG strategy and initiatives;
- (k) set targets to measure the attainment of the initiatives and develop continuous improvement programme for ESG performance;
- (l) measure and evaluate performance of the Group against ESG targets set, which shall be reported to the Board, and advise on actions needed to improve performance;
- (m) ensure sufficient and adequate training on ESG issues is provided to relevant employees; and
- (n) oversee stakeholder engagement and materiality assessment processes to ensure effective communication and relationship are maintained with stakeholders, while safeguarding the Group's reputation.

#### **ESG reporting**

- (o) determine the reporting standard to be adopted for the ESG report;
- (p) determine the reporting boundary of the ESG report;
- (q) oversee the ESG reporting preparation; and
- (r) review the annual ESG Report and make recommendations to the Board for approval.

#### **6. Continuing applications of the Articles of Association of the Company**

The Articles of Association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with these terms of reference shall apply, mutatis mutandis, to regulate the meetings and proceedings of the Committee.

*\* For identification purpose only*

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