



DOWWAY HOLDINGS LIMITED

天平道合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8403

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT 2021

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Scope and Reporting Period

This is the fourth Environmental, Social, and Governance (“**ESG**”) report of Dowway Holdings Limited (“**Dowway**”) and its subsidiaries (together referred as “**the Group**”), highlighting the Group’s ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 20 to the GEM Listing Rules and Guidance set out by the Stock Exchange of Hong Kong Limited.

The Group is an integrated exhibition and event management service provider in China, offering one-stop exhibition and event services for clients. Clients’ exhibitions and events are neatly crafted with distinctive themes and carefully executed in terms of planning, coordination and management in collaboration with suppliers. This ESG report covers the overall performance of Beijing Dowway International Exhibition Company Limited, Tianjin Dowway International Exhibition Company Limited, Beijing Dowway Culture Technology Company Limited, Connect-To-Create PR Consultant Company Limited, and Sense and Creative Technology Company Limited regarding the Environmental and Social aspects of their business operations in Beijing, with an office of total area 1196.17 m² from 1 January 2021 to 31 December 2021 (“**Reporting Period**”), unless otherwise stated.

During the Reporting Period, the Group has complied with all the “comply or explain” provisions stipulated in the “Environmental, Social and Governance Reporting Guidelines”. The Group has also complied with relevant laws and regulations that have a significant impact on the Group.

Reporting Principles

The preparation of the ESG Report has applied the following principles:

Materiality — materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section “Stakeholder Engagement and Materiality” in the Report.

Quantitative — key performance indicators (“**KPI**”s) have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

Consistency — consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

The Group’s Sustainability Mission and Vision

The Group recognises the values of sustainable development and integrates ESG aspects in its business operation. The Group maintains a high standard in business ethics and invests in sustainable business development to enhance its brand value.

The Group has fulfilled its corporate social responsibilities through establishment of a sound ESG management system. To become a leading exhibition and event management service provider in China, the Group strives to improve its environmental and social performances through implementing policies and measures. The Group particularly cares about protecting the rights and health of its employees, and nurturing the young generation.

Sustainability Governance

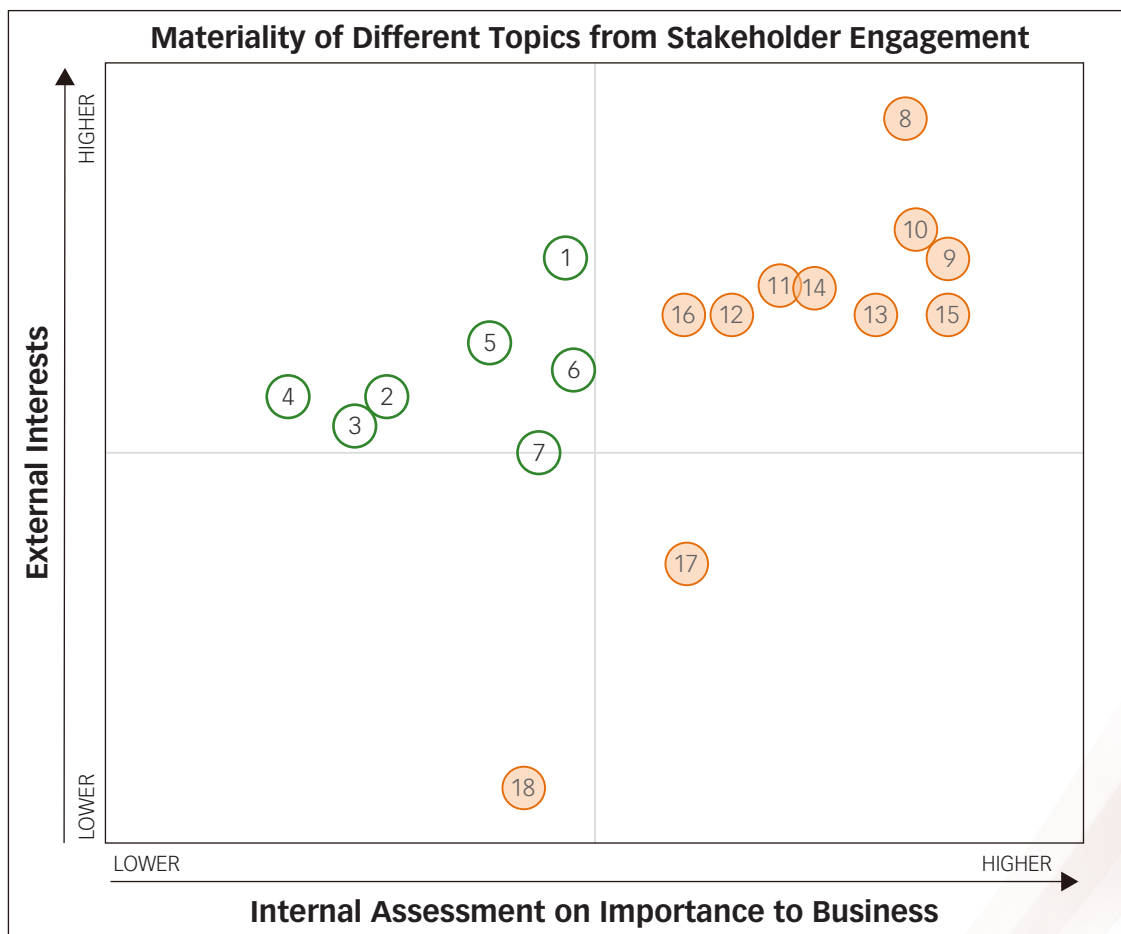
The Board of directors (“**Board**”) has overall responsibility to evaluate and improve ESG performance of the Group. The Board identifies ESG risks regularly, cascades its objectives to the management and ensures that departments across the Group possess ample knowledge to deal with the identified risks. ESG-related performance, goals and targets of the Group are reviewed by the Board annually to ensure achievement of continuous improvement in ESG-related issues.

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Since the Group's environmental impact was minimal due to its business nature, the Group has not set any environmental targets during the Reporting Period. The Group has, however placed its priority on its social performance, especially the social topics that were deemed important in the stakeholder materiality assessment. With the certifications of SA8000, ISO 9001, ISO 45001 and AAA Enterprise Credit Grade, the Group ensures an effective system in place for managing social practices and quality control. The Board will continue to evaluate the ESG performance of the Group and set ESG-related targets in the future whenever necessary.

Stakeholder Engagement and Materiality

The Group values stakeholders' feedback and opinion, which are indispensable to the business. The Group has engaged different stakeholders through various communication channels, including regular shareholder meetings, management meetings, task force analysis and discussions, regular face-to-face interviews or online meetings with employees, and opinion surveys to engage key internal and external stakeholders such as board members, managers, frontline staff, business partners and customers, etc. The following matrix shows the results of the materiality assessment of the stakeholder engagement on various topics.



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Environmental		Social	
1	Energy	8	Employment
2	Water	9	Occupational Health and Safety
3	Air Emission	10	Development and Training
4	Waste and Effluent	11	Labour Standards
5	Other Raw Materials Consumption	12	Supply Chain Management
6	Environmental Protection Measures	13	Intellectual Property
7	Climate Change	14	Data Protection
		15	Customer Service
		16	Product/Service Quality
		17	Anti-corruption
		18	Community Investment

The most material topics to the Group's stakeholders and its operation are:

- Employment
- Occupational health and safety
- Development and training
- Customer service
- Intellectual property

All topics that were deemed simultaneously important to the stakeholders and the Group's business development were social topics. This resonates with the Group's development strategy focusing on social aspects. With the Group's effort in improving social practices and initiatives, it has attained certifications of SA8000, ISO 9001, ISO 45001 and AAA Enterprise Credit Grade. Details of management approaches of the above material topics are provided in the relevant sections in this report. The Group will continue to improve its ESG management and performance by proactively communicating with its stakeholders and constantly enhancing its internal policies.

Stakeholders' Feedback

The Group welcomes stakeholders' feedback on its environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at dowway@dowway-exh.com.

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A. Environmental

The Group understands that as a responsible corporate, it plays an important role in environmental protection. The Group does not cast significant impacts on the environment due to its business nature. Therefore, the Group has not set any reduction targets on emission, energy consumption, water consumption and waste generation at the moment. Having said that, the Group spares no effort in mitigating its natural resources consumption and emissions through all feasible measures. The Social Responsibility Management Handbook of the Group states that all employees shall comply with all environmental laws and regulations. The Group raises its employees' environmental awareness through promoting green office practices and works closely with its suppliers and clients in sharing upstream and downstream ESG-related information.

During the Reporting Period, the Group complied with relevant laws and regulations including but not limited to the Environmental Protection Law of the PRC and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes. No material non-compliance case against environmental laws and regulations has been identified.

A1. Emissions

A1.1. Air Emissions

The Group owned a petrol-fueled vehicle for its business operation. The sulphur oxides, nitrogen oxides and respiratory suspended particles emissions from mobile combustion were 0.01kg, 0.07kg and 0.01kg respectively during the Reporting Period. As the vehicle was rarely used, its air emissions were insignificant.

A1.2. Greenhouse Gas (GHG) Emissions

The Group's GHG emissions were 49.98tCO₂eq. during the Reporting Period and the overall intensity of the GHG emissions was 0.04tCO₂eq./m².

Sources of GHG emissions included:

- Direct (Scope 1) emissions: mobile combustion sources;
- Indirect (Scope 2) emissions: purchased electricity;
- Other indirect (Scope 3) emissions: processing of freshwater and sewage, landfilling of waste paper, and business air travel.

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The table below summarises the GHG emission sources of the Group.

Scope of GHG Emissions	Emission Sources	Emission (in tCO ₂ eq.)	Total Emission (in percentage)
Scope 1			
Direct emissions	Mobile combustion source — petrol consumed by vehicles	2.13	4%
Scope 2			
Indirect emissions	Purchased electricity	26.57	53%
Scope 3			
Other indirect emissions	Paper consumption	2.79	43%
	Fresh water processing	0.1	
	Sewage processing	0.05	
	Business Air Travel	18.34	
Total		49.98	100%
Intensity (tCO₂eq./m²)		0.04	

Note 1: Emission factors were referred to Appendix 20 to the GEM Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

Note 2: Emissions were calculated using the online tool provided by the International Civil Aviation Organisation.

The emissions from business air travel were extremely low in 2020 due to the pandemic restriction controls. With the ongoing adaptation controls amid pandemic, emissions from business air travel escalated from 7.83tonnes in 2020 to 18.34tonnes during the Reporting Period, so scope 3 and the overall emissions increased significantly. The overall intensity of the GHG emissions, however, has reduced by 40% mainly due to the increase in total area of the Group's office.

A1.3. Hazardous Waste

Hazardous wastes involved in the business operation of the Group were mainly waste print cartridges and ink cartridges. During the Reporting Period, the amount of hazardous waste generated was 0.5kg, with an intensity of <0.01 kg/m².

A1.4. Non-hazardous Waste

Non-hazardous waste generated by the Group was mainly paper waste. The Group generated a total of 580 kg of paper waste, with an intensity of 0.49kg/m², during the Reporting Period.

A1.5. Measures to Mitigate Emissions

To reduce carbon footprint, the Group encourages employees to commute by public transport and to utilise virtual conference meetings to reduce business travel emissions. When a face-to-face meeting is necessary, the Group tends to use the most energy-efficient transit. If air travel is necessary, economic class contributing to a lower emission is always preferred. The Group keeps tracks of employees' business air travel to explore opportunities to mitigate emissions.

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A1.6. Waste Reduction and Initiatives

The major type of non-hazardous waste generated from the Group's business operations is paper. The non-hazardous waste is collected by the property management of the office buildings.

The Group strives to tackle the problem of paper waste by establishing a paperless office. Certain waste reduction measures have been formulated:

- Adopting paperless work practices to reduce the use of paper;
- Encouraging employees to use double-sided printing;
- Collecting and reusing single-sided printed paper; and
- Encouraging employees to recycle whenever possible.

Recycling bins for collection of recyclable waste and hazardous waste were placed in the office area. Employees were encouraged to sort wastes according to the waste categories. Hazardous waste such as waste florescent tubes were collected by specific containers set up by the property management companies for recycling. Ink cartridges were collected by printer leasing parties regularly.

The Group has not formulated formal waste reduction policies to govern its subcontractors, but it has encouraged subcontractors to reduce waste and reuse resources whenever possible.

A2. Use of Resources

In order to enhance efficient use of resources, the Group has implemented various resource-saving measures and has encouraged green practices among employees. For details of the measures and the implementation of the policies, please refer to Sections A2.3 and A2.4 of this report.

A2.1. Energy Consumption

The Group's business operations consumed electricity and petrol, with a total energy consumption of 50,640kWh and the intensity of 42.33kWh/m².

Energy Source	Direct Consumption	Consumption in kWh
Electricity	43,550kWh	43,550
Petrol	800L	7,090
Total		50,640
Intensity (kWh/m²)		42.33

A2.2. Water Consumption

The total water consumption of the Group was 240m³, with an intensity of 0.20m³/m². All water consumed by the Group is from municipal source. No issue on sourcing water was reported during the Reporting Period. Sewage is discharged through municipal wastewater system.

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A2.3. Energy Use Efficiency Initiatives

The Group believes that reducing energy consumption not only benefits the environment, but also saves cost and benefits the Group. Certain measures have been implemented to control energy consumption:

- Installing energy efficient LED lightings;
- Setting the room temperature at or above 26°C during summer and at or below 20°C during winter;
- Ensuring doors and windows are closed when air conditioners are on;
- Switching off all lights, air conditioners, computers, photocopiers and other electrical appliances before leaving the office; and
- Assigning employees to manage the electricity usage to ensure that all lights and equipment are turned off before all employees leaving the office building.

A2.4. Water Use Efficiency Initiatives

The Group's water resource consumption was insignificant. Hence, no policies nor initiatives have been formulated. Nevertheless, employees are reminded to always conserve water and reduce wastage. When a water leak is found, it will be repaired immediately to prevent water loss. The Group also encourages recycling of wastewater for plants watering and car washing.

The Group has not established formal policies regarding efficient use of energy or water for its sub-contractors. However, they are reminded to avoid unnecessary consumption of water and energy.

A2.5. Packaging Material

The Group's business operation has not involved a significant use of packaging materials. Packaging materials were handled by suppliers or contractors. The corresponding data was not available yet. The Group encourages suppliers and contractors to reduce the use of packaging materials.

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A3. The Environment and Natural Resources

The Group's business nature does not pose significant impacts on the environment and natural resources and hence, no formal policy has been formulated in this respect. However, the Group has monitored and managed the work practices of its business partners. For details, please refer to Section A3.1 of this report.

A3.1. Impacts on the Environment

The Group is an integrated exhibition and event management service provider, principally engaging in the design, planning, coordination and management of exhibitions and events. The impact of its business operation on the environment and resources is minimal. The Group is aware of the emissions generated from the construction works by its suppliers for various projects. Construction wastes such as plastic, cardboard and wooden frames are generated during the project implementation, and the amount of waste varies by the scale of exhibitions. Although the Group does not have direct control over the outsourced construction projects, it monitors and manages its contractors' environmental practices to minimise indirect impact it causes on the environment. The Group will consistently promote the principles of environmental protection among employees and contractors, and effectively monitor its air emissions and solid waste generation.

A4. Climate Change

Climate change affects businesses with varying extent. In particular, extreme weather can pose risks to the Group's business through damages and disruptions. The risk level is high and is expected to increase in long term. Climate change was not a topic deemed important to stakeholders and the Group's business development. The Group has not formulated climate-related policy. However, to mitigate risks of extreme weather events, the Group has the safety emergency procedure in place which provides guidelines for handling disruptions caused by extreme weather. The safety emergency procedure defined various extreme weather events and put forward the preventive and control measures. The Group places high priority on employees' safety and will cease operation and evacuate employees when the extreme weather events threaten safety of its people. Regular safety training and emergency drills are performed to ensure that employees are capable to handle and respond to such emergency.

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B. Social

The Group sees employees as a pillar of its business and it treats all employees on a fair basis. Hence, the Group spares no effort to achieve the best employment standards and practices. The Group has the Employee Handbook in place which stipulates procedures regarding employment, labour practices, review of performance, compensation and benefits, development and training, data protection and intellectual properties protection.

1. Employment and Labour Practices

During the Reporting Period, the Group stringently complied with national and local laws and regulations regarding employment and labour practices, including but not limited to the followings:

- Labour Law of the PRC;
- Labour Contract Law of the People's Republic of China;
- Social Insurance Law of the People's Republic of China;
- Labour Protection Regulations for Female Workers;
- Regulation on the Administration of Housing Accumulation Funds; and
- Regulation on Work-Related Injury Insurance.

The Group was awarded with the SA8000 certificate, demonstrating its implementation of globally acceptable social practices in areas of forced and child labour, occupational health and safety, freedom of association, discrimination, working hours and compensation, and management systems in the workplace. The Group's Social Responsibility Management Handbook laid out the terms for freedom of association and the collective bargaining. The Group respects the rights of employees to form trade unions and collective bargaining, employees can also enjoy freedom to elect their representatives. It ensures that members of trade union will not be discriminated against. The Social Responsibility Management Handbook also ensures equal opportunities are given to employees and sets stringent labour standards.

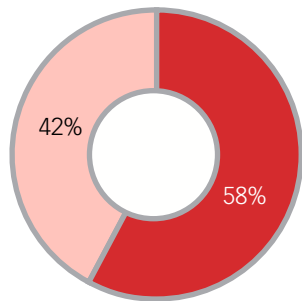
No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

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B1. Employment

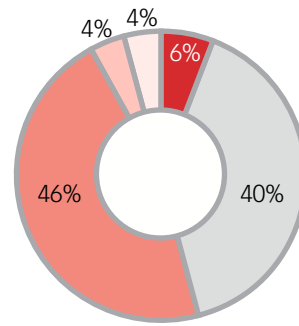
As of 31 December 2021, the Group had a total of 50 employees, all from Mainland China. The figures below show the workforce distribution by different categories.

Workforce Distribution by Gender



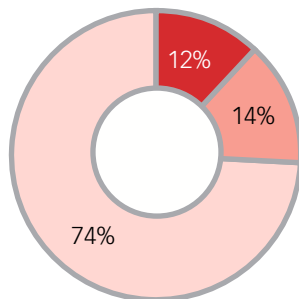
Male Female

Workforce Distribution by Age Group



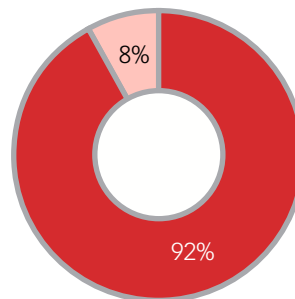
18-25 26-35 36-45
46-55 56 or above

Workforce Distribution by Employment Category



Senior Management
Middle Management
Frontline and Other Employees

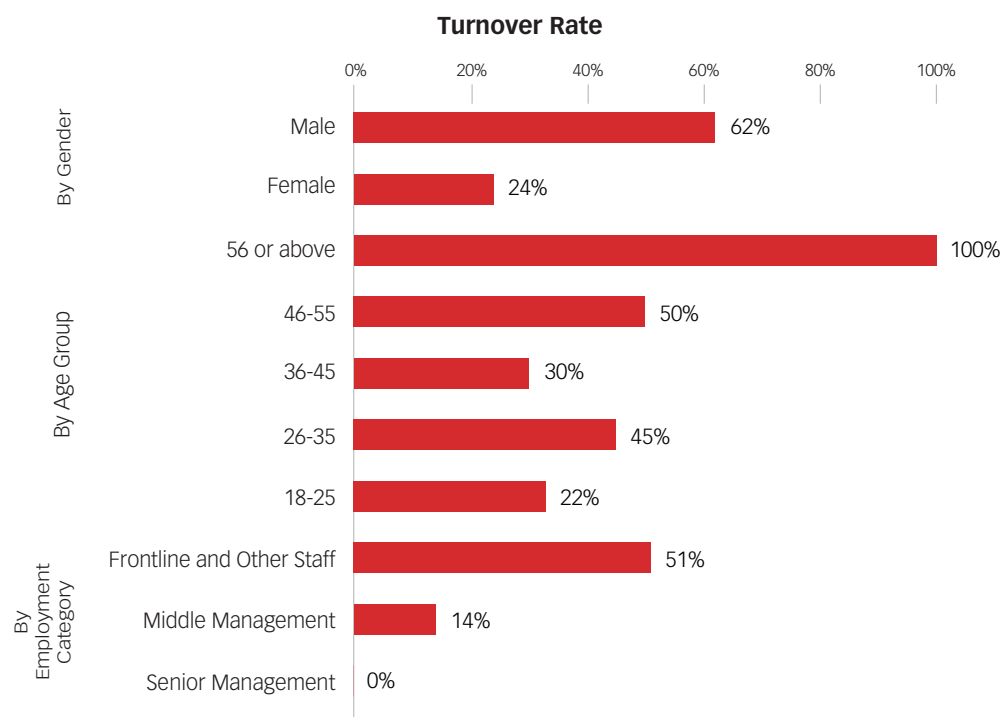
Workforce Distribution by Employment Type



Full Time Part Time

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The overall turnover rate during the Reporting Period was 40%. Turnover rates by different categories are shown below.



Due to the pandemic, the Group saw a drop in the number of projects. Employees were given choices to stay, voluntarily resign or to work for the company on the basis of flexible staffing. Those who opted for the latter were provided with compensation.

Competitive Compensation and Benefits Package

Employees were entitled to a basic salary commensurate with their educational background, professional knowledge, experience and responsibilities. Various types of leaves, including annual leave, sick leave, work-related injury leave, marriage leave, maternity leave and compassionate leave, were provided. The Group contributed to the mandatory social insurance and housing provident fund monthly. It reviews employees' performances regularly and makes pay adjustment with reference to the average salary level of the market. Promotion of employees is considered when there is a business need or vacancy availability.

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Equal Opportunity

The Group provides equal opportunities for all employees in respect of recruitment, job advancement, compensation and benefits, and training and development. Employees were not discriminated against or deprived of such opportunities based on gender, ethnic background, religion, colour, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable law. The Group hired unemployed senior citizens and disabled, offered ample opportunities to fresh graduates, and guaranteed to offer reasonable pay to the disadvantaged groups.

Employee Communication

The Group attaches great importance to workplace communication as it allows effective collaboration among employees of different categories and increases productivity. Various channels were in place to enhance communication among employees of different levels. Line managers conduct appraisal meetings with employees annually to review employees' performance, understand their concerns and difficulties, and set targets for the coming years. During the Reporting Period, the Group rewarded employees through distribution of shopping coupons during Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival.

B2. Employee Health and Safety

The Group is committed to providing a safe and healthy working environment to its employees. It strictly complied with relevant laws and regulations relating to occupational health and safety. It has implemented the safety management system with ISO 45001 accreditation.

The Group has complied with the requirements for working hours and related labour environment and labour protection measures under the labour law. To ensure physical wellbeing of employees, free medical examinations were arranged for new employees and annual health checks for existing employees. Additional medical and accident insurance were provided. Together with the property management, the Group arranged regular fire safety trainings and drills for employees to raise their awareness of safety and emergency response management. Inspections of firefighting equipment and manual alarms were performed regularly. Signages with the numbers of the local fire station and emergency call were placed on conspicuous places in office for exigency.

The Group has printed and distributed the Safety Handbook that explains the general rules of workplace safety to all employees. The Handbook covered the following topics:

- proper safety practices of employees;
- precautionary measures against work injuries caused by machineries, lifting, electric shock, pressure vessels, poisoning and suffocation, falling from height and vehicles;
- safe use of work equipment; and
- common violations in project implementation and precautions.

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COVID-19

In the early stage of the pandemic, the Group issued the DOWWAY Hygiene Guide to instruct employees to take personal protective measures. During the pandemic, the Group immediately kept track of employees' activities within and out of Beijing. Collective on-site nucleic acid tests were arranged. Employees were requested to measure body temperature before going to work, fill out the health record card and synchronise it to the Health Kit app for record. In line with the control measures taken by the community and the office property management, the Group disinfected the office regularly, distributed preventive supplies such as surgical masks and disinfection alcohols to employees, and posted reminder stickers in different parts of the office, reminding employees to dine alone, keep social distance at work, wash hands frequently, ensure adequate ventilation, to lower the risks of infection.

Although construction works of the projects were outsourced, the Group kept a close eye on the implementation done by service providers to ensure that effective mitigation controls were adopted at construction sites. Project managers regularly review safety compliance of service providers.

Occupational Health and Safety Statistics during the Reporting Period

There was no material non-compliance with the applicable laws and regulations relating to occupational health and safety which had a material impact on the Group during the Reporting Period.

Occupational Health and Safety Statistics during the Reporting Period	2021	2020	2019
Work-related fatality	0	0	0
Work-related fatality rate	0%	0%	0%
Work injury cases > 3 days	0	0	0
Work injury cases ≤ 3 days	0	0	0
Lost days due to work injury	0	0	0

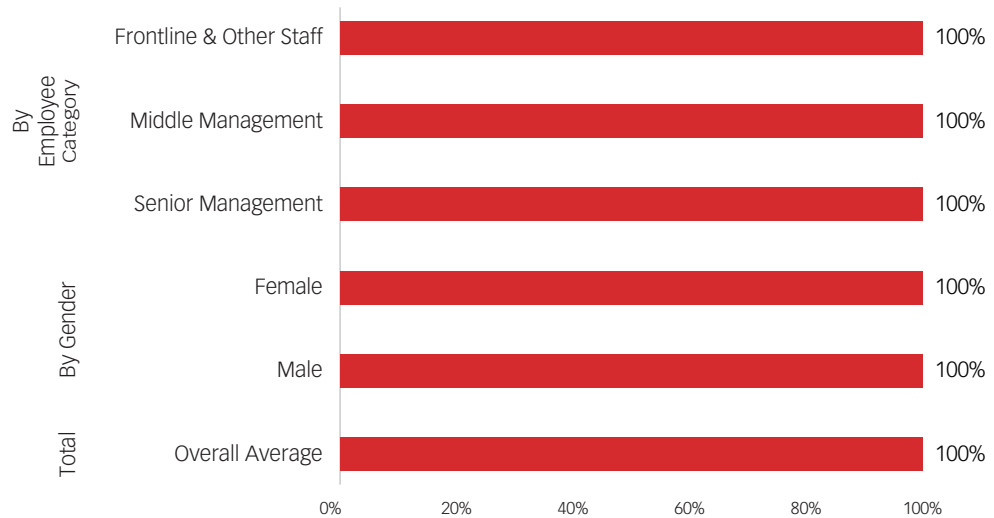
B3. Development and Training

The Group provides continuous training and development programmes for its employees. According to the Group's Employee Handbook, training needs of different employees were identified and assessed regularly in order to arrange appropriate training programmes for employees. The Group values employees' opinions. Feedback on the training programmes was constantly collected and analysed for future enhancement.

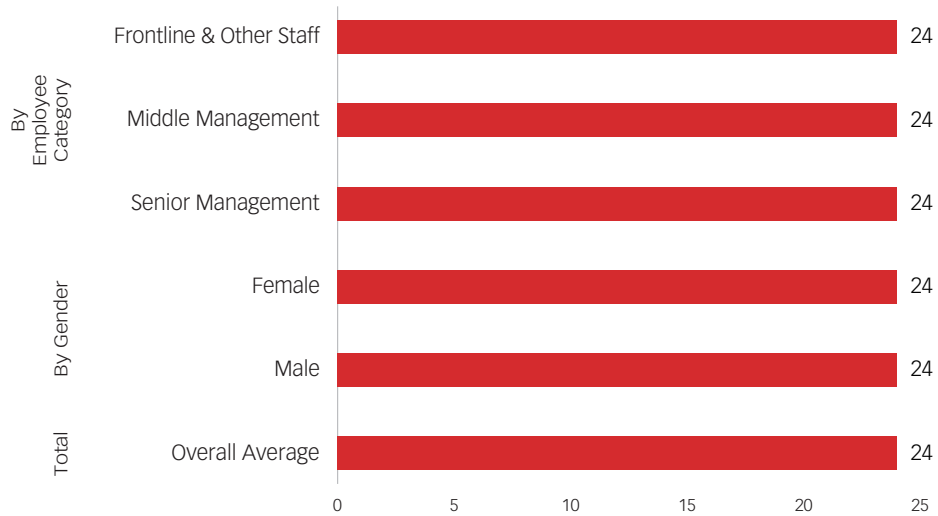
During the Reporting Period, 100% of the employees were trained and a total of 1,200 hours of training were provided. Each employee received 24 hours of training on average. The graphs below illustrate the percentage of employees trained by category and the average training hours trained per employee.

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Percentage of Employees Trained



Average Training Hours Per Employee



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Various kinds of training programmes were provided by the Group to enrich employees' professional knowledge and broaden their horizon. Training topics include:

Categories	Topics
Induction	Corporate Culture, Anti-Corruption, Rules and Regulations, Administrative Issues and Green Practices
Basic Knowledge	Email Writing Skills, Financial Policies and Reimbursement, Anti-corruption, First-aid and Safety
Professional Knowledge	Audio-visual Skills and Exhibition Events
Certificate Courses	Intermediate Economist Certificate, Safety Officer Certificate, Construction Officer Certificate
Software Application Training	Adobe Illustrator, Photoshop and Computer-aided Design

B4. Labour Standard

The Group adopts a zero-tolerance policy for child labour and forced labour. In accordance with the Labour Law of the People's Republic of China, there were no child labour nor forced labour in the Group's operations during the Reporting Period. In order to prevent child labour or forced labour, the Human Resources Department checks the applicant's identification documents, such as identity cards and academic certificates, and their proofs of resignation from previous employers or reference letters from schools to ensure that they are legally eligible to work for the Group before hiring them as the Group's employees. If any child labour or forced labour is discovered subsequent to his/her employment, the Group will immediately dismiss the employee concerned and report the incident to the related authority. If any violation of Labour Law of the PRC is found, the employee will be dismissed without any financial compensation.

2. Operating Practices

B5. Supply Chain Management

The Group understands that proper management of its supply chain brings positive impacts to the Group, the society, and the environment. Suppliers of the Group were chosen through a stringent selection process to ensure the delivery of work is of high quality. The Group also maintained a close relationship to secure long-term and stable partnerships.

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The Group complied with laws and regulations such as the Regulation on the Implementation of the Bidding Law of the PRC, Measures for the Bid Invitation and Bid Tendering for Construction and Engineering Projects, and Measures for Survey and Design Bidding of Construction Projects. Suppliers were selected through tendering. The Group conducted pre-qualification and tender analysis on bidding suppliers. Before working with the Group, suppliers are required to sign Confirmation of Compliance with the Code of Integrity and Professional Ethics.

Regulations on Procurement Management has been formulated to establish a robust supplier management system, standardise the procurement operation procedure, and better collaborate with suppliers, in order to control procurement risks. The regulation stipulated the roles and responsibilities of the procurement department, procurement standards, criteria used in supplier selection, supplier ranking list, procurement rights management and procurement procedure. The Group's procurement department was responsible for continuously enhancing effectiveness of its supplier management. Principally, there will be no less than three suppliers in each procurement category. If there is a quality problem on service or product provided by a supplier, or a collusion between internal procurement staff and a supplier to raise price or to provide false products, the Group will terminate its cooperation with the supplier involved.

The Group ensures that its suppliers were capable of providing qualified products. Priority was given to companies which are large and medium-sized, awarded with ISO 9001 quality control system certification and with capacity for high-quality mass production. Suppliers were required to submit test reports approved by a product quality assurance agency, such as National Building Material Quality Supervision and Inspection Center and National Fireproof Building Material Quality Supervision and Inspection Center, etc. to prove that the raw materials used were non-toxic and safe.

In addition to quality assurance, environmental performance was also considered in supply chain management. Prospective suppliers were requested to submit their business licences, the environmental impact assessment reports, and the certificates from China Association for Exhibition Centres for selection. The Group visits its suppliers' factories regularly for compliance check.

During the Reporting Period, the Group had a total of 8 suppliers in China, providing construction, lighting and operational services. All engaged suppliers must comply with the above-mentioned policies to minimise the environmental and social risks of the supply chain.

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B6. Product Responsibility

Quality Assurance and Customer Satisfaction

The Group is dedicated to maintaining the highest standard of exhibition services quality. Its exhibition design, construction and after-sales service were all certified with the ISO 9001 Quality Management System.

The Group ensures that sufficient resources are available on site for supervision of the project implementation. For quality assurance, onsite checks were conducted against the workmanship and the materials used, according to the requirements of the contracts. Inspection was conducted in every stage of the project. If any defect or any non-conformity with the operating procedures arises, project managers will follow up the case immediately. Remediation will be made accordingly before proceeding to the next stage. Materials used in the projects have obtained respective certificates, so as to ensure that the products meet the desired quality.

To enhance customers' satisfaction, customers were asked to fill in the evaluation form at the end of each project to rate against the parameters such as product quality, odour control, communication, and service. The Group treasures feedback from customers and strives to make improvement to stay competitive.

During the Reporting Period, the Group did not violate any law and regulation relating to the health and safety of products and services. There was no product recalled due to safety and health reasons. No major complaint nor negative feedback has been received from customers during the Reporting Period. If the Group receives any negative feedback from customers, it will be resolved immediately until no further complaints.

Information Protection

Protection of privacy and confidentiality of stakeholders is of utmost importance. The Group has established the Data Privacy System to prevent data breach, and misuse or abuse of the sensitive information of customers. Employees and business partners are required to sign Confidentiality Agreement with the Group to prevent unauthorised disclosure of information.

It was stated in the Group's Employee Handbook that all employees are obliged to keep trade secrets. The Employee Handbook clearly defined trade secrets and listed measures to protect privacy and confidentiality. For instance, visitors to the office should be accompanied by its employees and are not allowed to read confidential documents. Meetings should not be recorded without authorisation. Circulation of minutes are only restricted to relevant personnel only. Private CDs, floppy disks, or USB drives are not allowed on computers of the Group.

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Intellectual Property

The Group extensively introduces innovative designs and services to various customers. Hence, the Group attaches great importance to the protection of intellectual property rights. At all times, Employee shall keep confidential, except authorised by the Group, any trade secrets, confidential information, knowledge, data or other information of the Group relating to its designs, software systems, models and any other intellectual properties.

Clauses on intellectual property rights have been listed in employees' contracts to strictly protect the Group's intellectual property rights, such as copyrights, patents, trademarks, trade secrets, domain names, etc.

As of 31 December 2021, the Group had 12 registered patents. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to privacy matters had been identified during the Reporting Period.

Product Labelling and Advertising

The Group strictly complied with applicable laws and regulations, such as Advertising Law of the PRC and Trademark Law of the PRC. During the Reporting Period, no violations of relevant laws and regulations related to product labelling and advertising that have a significant impact on the Group were found.

B7. Anti-corruption

The Group is committed to managing all businesses to avoid undue influence. It upholds honesty, integrity, and fairness as its core values. The Group strictly abides by the Anti-Unfair Competition Law of the PRC, The Company Law of the PRC, Criminal Law of the PRC and other laws, regulations and regulatory documents related to commercial bribery. All directors and employees are required to strictly observe the Group's policy to prevent bribery, extortion, fraud and money laundering.

The Group has formulated the Code of Business Conduct to provide all employees with an official guideline on business conduct. It was stated in the guideline that employees should not have interest conflict with the Group and its customers. Employees and their immediate family members shall not accept, or offer, gifts and benefits from, or to, any personnel who has business engagement or is in business negotiations with the Group.

Employees who offer or accept gifts and benefits must comply with Dowway's Policy on Gifts and Hospitality. Any act that may be considered as bribery and covert payment is prohibited. Suppliers, contractors, and any other companies and/or individuals being regarded by the Group as suppliers or service providers must abide by the Group's procurement policies. Employees' decisions should be based only on price and quality, as well as suppliers' integrity. In the process of considering the signing of such contract or the procurement of goods or services, gifts, benefits, and other personal benefits and concessions shall never be accepted.

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The Group has formulated relevant policies on whistleblowing and established whistleblowing channels, including complaint mailboxes, suggestion boxes, and employee committees. Employees can report any suspected fraud and violations to the management. The Integrity Risk Control and Management Team has been set up to monitor employees' integrity. When a suspicious case is reported, an investigation will be conducted by the Integrity Risk Control and Management Team. The identity of the whistle-blower will be kept confidential.

There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

Anti-corruption Training

Employees of the Group play a crucial role in fighting against corruption. The Group has been taking proactive steps to raise employees' awareness. Training sessions on anti-corruption are arranged regularly to introduce relevant national laws and regulations, as well as the Group's own policies on anti-corruption. Employees are reminded of the anti-corruption policies through memorandums on a regular basis. Also, all employees have signed the Rules on Integrity in Business and Integrity Pledge.

During the Reporting Period, a total of 1,200 hours was spent on anti-corruption training with attendance of 100% of the Group's employees.

B8. Community Investment

The Group is dedicated to giving back to the community with a focus on supporting the disabled. The Group supports employment of the disabled and have led by example to employ 2 employees with disabilities during the Reporting Period. The employment targets to provide opportunities for people with disabilities to gain working experience and to promote inclusiveness at workplace.

Due to the restrictions of the COVID-19 pandemic, the Group has not arranged visits to the communities in need during the Reporting Period. The Group will continue to support the development of a sustainable and dynamic community through future community engagements.