



EXPERT

EXPERT SYSTEMS HOLDINGS LIMITED

思博系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8319



Environmental,  
Social and  
Governance Report

**2022**

# Environmental, Social and Governance Report 2022

## INTRODUCTION

Expert Systems Holdings Limited (the “Company”), and its subsidiaries (collectively, the “Group”, or “we”) is one of the Hong Kong’s leading information technology (“IT”) infrastructure solutions providers. The Group is principally engaged in the provision of IT infrastructure solutions whereby the Group assesses, designs and implements IT infrastructure solutions for the Group’s customers by integrating different hardware and software sourced from third-party suppliers to satisfy various IT requirements and needs of the Group’s customers. On 8 October 2021, the Group completed the acquisition of 70% of the issued share capital of ServiceOne International Holdings Limited (“S1IHL”) which is principally engaged in the provision of IT infrastructure management services and has become an indirect non-wholly-owned subsidiary of the Company.

This Environmental, Social and Governance (“ESG”) Report (the “ESG Report”) summarises the Group’s ESG initiatives, plans, and performances, and demonstrates its commitment to sustainable development. The Group adheres to the ESG management principles of sustainable development and is committed to effectively and responsibly handling the ESG affairs of the Group. We take ESG as the core part of our business strategy because we believe this is the key to our continued success in the future. With the aim to align with the goal of carbon neutralisation of the governments in the Group’s operating locations, the Group has set targets to enhance its performance on greenhouse gas (“GHG”) emissions, energy efficiency, water consumption and waste management. The Group believes setting ESG-related targets can enhance the Group’s commitment to corporate social responsibility and allow the Group’s stakeholders to have a clearer understanding of the ESG performance of the Group.

### ESG Governance Structure

To develop systematic management of the ESG issues, the Group has established an ESG Taskforce (the “Taskforce”), consisting of personnel from various departments. The board of directors (“Board”) of the Company holds the overall responsibility for the Group’s ESG issues as well as for ensuring the effectiveness of the Group’s risk management and internal control systems. In particular, the Board is accountable for setting forth ESG management approach, strategy, policies, and objectives, prioritising ESG issues, reviewing the Group’s ESG performance periodically, and approving disclosures in the Group’s ESG reports with the assistance of the Taskforce.

Meanwhile, the Taskforce is responsible for facilitating the Board’s oversight of ESG issues. The Taskforce has the responsibility for collecting and analysing ESG data, monitoring and evaluating the Group’s ESG performance, keeping track of and reviewing the progress made against the Group’s ESG-related targets, ensuring compliance with ESG-related laws and regulations, assisting in conducting materiality assessment to prioritise ESG issues and preparing ESG reports. The Taskforce arranges meetings regularly to evaluate the effectiveness of current policies and procedures, and formulates appropriate solutions to improve the overall performance of ESG policies. In addition, the Taskforce reports the ESG-related matters to the Board periodically for the evaluation and subsequent implementation or revision of the Group’s ESG strategies and management approaches, and to ensure appropriate risk management on ESG affairs.



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## ABOUT THE REPORT

### Reporting Scope

This ESG Report covers the Group's business operations at offices and warehouses in the Greater China Area (i.e. Hong Kong, Macau, Taiwan and all other parts of the People's Republic of China) and the Asia-Pacific region (including Japan, Korea, Singapore and Australia), which is in line with the annual report. Compared with the financial year ended 31 March 2021 ("FY2021"), this ESG Report newly included S1IHL's operations in the reporting scope. Since S1IHL was acquired by the Group on 8 October 2021, the ESG data of S1IHL only covers the period from the date of acquisition to 31 March 2022. In addition, the Group established the Malaysia office in April 2022, which is beyond FY2022, and relevant data generated will be included in the next reporting period. The Group will continue to assess the major ESG aspects of different businesses and extend the scope of disclosure when and where applicable.

### 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 Appendix 20 of the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") 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 pages 17 to 26 of the Company's annual report 2022.

### Reporting Period

This ESG Report describes the ESG activities, challenges, and measures being taken during the financial year ended 31 March 2022 (the "Reporting Year" or "FY2022").

### Reporting Principles

During the preparation of this ESG Report, the Group has applied the reporting principles in the ESG Reporting Guide as follows:

**Materiality:** Materiality assessment was conducted to identify material ESG issues during the Reporting Year, thereby adopting the confirmed material ESG issues as the focus for the preparation of the ESG Report. The materiality of ESG issues was reviewed and confirmed by the Board and the Taskforce. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

**Quantitative:** The standards, methodologies and applicable assumptions used in the calculation of key performance indicators ("KPIs") data were supplemented by explanatory notes.

**Consistency:** Unless otherwise stated, the preparation approach of this ESG Report is consistent with the previous year for meaningful comparison. During the Reporting Year, due to the acquisition of S1IHL, the scope of disclosure has been changed accordingly, as explained in the section headed "Reporting Scope". If there are any changes in the calculation methodologies in this ESG Report that may affect the comparison with previous reports, explanations will be provided to the corresponding data.

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## OUR SUSTAINABILITY GOALS

The announcement of the United Nations Sustainable Development Goals (“SDGs”) in 2015 had inspired us, as a corporate citizen to support the development priorities by integrating related goals into our business strategies. To demonstrate our commitment to the SDGs, we have identified 3 specific SDGs that connect mostly with our business nature and vision. The followings are the three potential areas that we believe we can support and contribute to the SDGs and the realisation of sustainable development.



### Achieve gender equality and empower all women and girls

Gender disparity is the easiest to spot in the IT industry, and this can be traced back to the misbelief that the industry is male-dominant and the perpetuated influence of the stereotype that IT is not for women. Despite the fallacies, the Group continues to uphold gender equality and will not discriminate against candidates and staff by gender. During the Reporting Year, we pride ourselves on an over 30% female representation. This is achieved by recognising the importance of creating and maintaining an inclusive working culture in our workplace and implementing female-friendly incentives.



### Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

We strive to contribute ourselves to the overall improvement and enhancement of cyber security by designing cyber security solutions which tailor to the needs and priorities of our corporate and institutional customers. Our Cyber Security Team continuously provide support to safeguarding customers from different cyber security concerns such as hacker attack and data loss in order to protect their IT properties such as network, systems, and cloud services. This does not only contribute to the growth of the overall IT ecosystem, but also improves the economic performance.



### Build a safe, healthy, fair and inclusive working environment

We protect labour rights and are committed to the abolition of child labour and elimination of all forms of forced or compulsory labour. We strive to maintain a safe workplace for all employees, promote economic growth and create job opportunities for the younger generations. Related policies such as Employment Policy and Health and Safety Policy have been implemented and are periodically reviewed with reference to industry best practices. With relevant measures and policies, we are not aware of any material non-compliance with related laws and regulations and our employees enjoy work-life balance in a safe, fair and inclusive working environment. Please refer to the sections “Employment” and “Health and Safety” for further details.

# Environmental, Social and Governance Report 2022

## STAKEHOLDER ENGAGEMENT

The Group places great emphasis on stakeholders and their opinions on the business and ESG issues of the Group. To understand and respond to stakeholders' concerns, the Group stays in close communication with key stakeholders including shareholders and investors, customers and business partners, staff, suppliers, regulatory bodies and government authorities, media, non-governmental organisations and the public. We will continue to increase the involvement of stakeholders via constructive conversation to chart a course for long-term prosperity. The Group's communication channels with the key stakeholders and their respective expectations are summarised as follows:

Stakeholders	Communication Channels	Concerns
Shareholders and investors	<ul style="list-style-type: none"> <li>Annual general meeting and other shareholder meetings</li> <li>Financial reports</li> <li>Announcements and circulars</li> <li>Company website and email</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance system</li> <li>Business strategies and performance</li> <li>Financial results</li> <li>Investment returns</li> </ul>
Customers and business partners	<ul style="list-style-type: none"> <li>Customer support hotline and email</li> <li>Sales team</li> <li>Workshops and webinars</li> <li>Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Privacy protection</li> <li>Business integrity and ethics</li> <li>Workplace effectiveness and efficiency</li> </ul>
Staff	<ul style="list-style-type: none"> <li>Channels for staff to express opinions (e.g. internal meetings and emails)</li> <li>Regular performance reviews</li> <li>Training, seminars, webinars and briefing sessions</li> </ul>	<ul style="list-style-type: none"> <li>Career development</li> <li>Occupational health and safety</li> <li>Remuneration and benefits</li> <li>Equal opportunities</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Procurement team</li> <li>Supplier management meetings and events</li> </ul>	<ul style="list-style-type: none"> <li>Fair tendering</li> <li>Business ethics and reputation</li> </ul>
Regulatory bodies and government authorities	<ul style="list-style-type: none"> <li>Compliance officer</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with rules and laws</li> <li>Implementation of policies</li> </ul>
Media, non-governmental organisations and public	<ul style="list-style-type: none"> <li>Community activities</li> <li>ESG reports</li> <li>Media</li> <li>External public relations company</li> </ul>	<ul style="list-style-type: none"> <li>Giving back to society</li> <li>Environmental protection</li> <li>Social welfare</li> <li>Occupational health and safety</li> </ul>

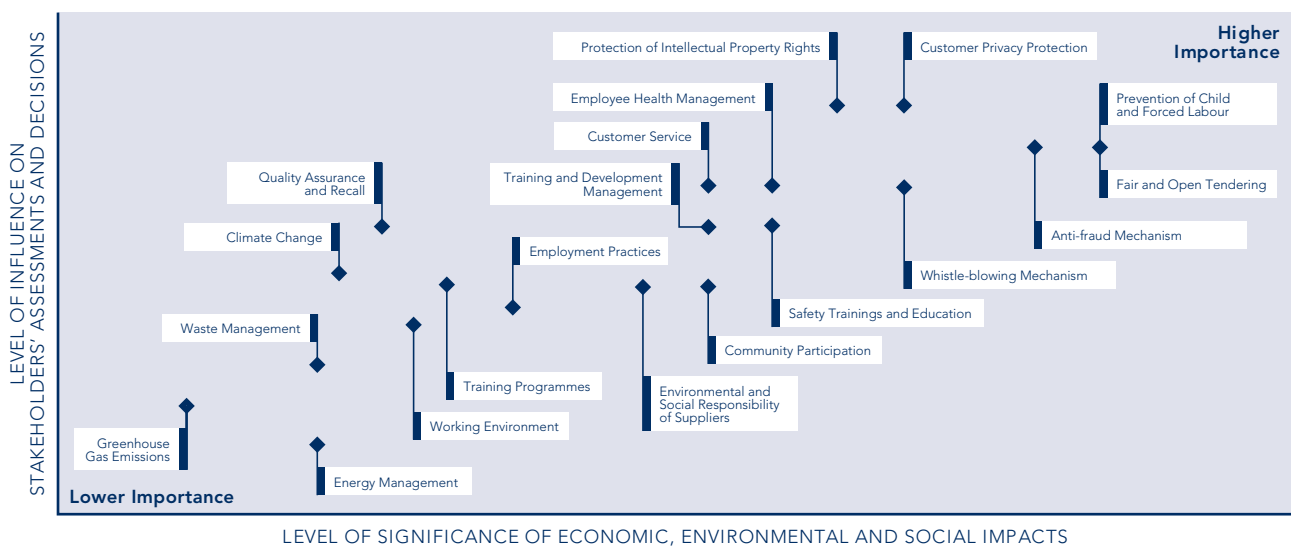
We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community continuously.

# Environmental, Social and Governance Report 2022

## MATERIALITY ASSESSMENT

In accordance with the ESG Reporting Guide and industry standard, the Group has identified 20 material ESG issues. The Group comprehensively assessed the importance of each issue based on the level of influence on stakeholders assessments and decisions as well as the level of significance of economic, environmental, and social impacts by conducting the survey and collecting the feedback from the stakeholders. The materiality assessment result is used to determine the focus of disclosure in the ESG Report and formulate the Group's ESG strategy. The Group will continue to conduct the materiality assessment in order to analyse its business risks, enhance the relevance of the ESG reports and respond to stakeholders' expectations. The following matrix is a summary of the Group's material ESG issues.

Materiality Matrix



The most concerned material topics of the Group are prevention of child and forced labour, fair and open tendering, followed by anti-fraud mechanism, and customer privacy protection. Other topics such as protection of intellectual property rights, whistleblowing mechanism, safety training and education, employee health management, customer service as well as community participation are material topics which are considered of relatively high importance amongst others.

We regard the result of the materiality assessment to be an important indicator for our future planning and policy design in the ESG aspects. We aim to enhance the Group's ESG strategies and strive to drive continuous improvement in sustainable development.

During the Reporting Year, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the information disclosed in the ESG Report complies with the requirements of the ESG Reporting Guide.

## CONTACT US

We welcome comments and suggestions from our stakeholders. We are pleased to receive your valuable feedback on the ESG Report and/or our sustainability performance. Please feel free to share your feedback by email at [enquiry@expertsystems.com.hk](mailto:enquiry@expertsystems.com.hk).

# Environmental, Social and Governance Report 2022

## A. ENVIRONMENTAL

### A1. Emissions

The Group strives to protect the environment through the implementation of relevant policies and measures in its business activities and workplace. We are prudent in controlling our emissions and consumption of resources, therefore we have implemented energy-saving and waste reduction measures, and other green initiatives across the life cycles of our products and services. We are also committed to educating our employees to raise their awareness of environmental protection and complying with the relevant environmental laws and regulations.

To better govern our environmental practices and mitigate the environmental impacts resulted from the Group's operations, we have adopted the Environmental Policy and have communicated such policy to our employees. The policy upholds the waste management principle of "Reduce, Reuse, Recycle and Replace" as well as the emission mitigation principle, to minimise the adverse environmental impacts. The policy also ensures the waste disposed or emissions generated are conducted in an environmentally responsible manner. Within our policy framework, we continually look for different opportunities to pursue environmentally friendly initiatives, enhance our environmental performance by reducing energy and the use of other resources.

During the Reporting Year, the Group did not identify any material non-compliance with environmental-related laws and regulations that would have a significant impact on the Group, including but not limited to the Air Pollution Control Ordinance of Hong Kong, the Water Pollution Control Ordinance of Hong Kong, the Waste Disposal Ordinance of Hong Kong, the Noise Control Ordinance of Hong Kong, the Environmental Protection Law of the People's Republic of China (the "PRC"), the Law on Environmental Impact Assessment of the PRC, the Law on the Prevention and Control of Atmospheric Pollution of the PRC, the Law on Prevention and Control of Pollution of the PRC and the Environmental Law of Macau.

#### *Exhaust Gas Emissions*

Due to our business nature, the Group does not generate a significant amount of exhaust gas emissions during our operations.

#### *GHG Emissions*

The Group has neither owned vehicles nor any stationary sources that require fuel consumption, hence there were no Scope 1 GHG emissions. The major source of the Group's GHG emissions was generated from purchased electricity (Scope 2). During the Reporting Year, the Group has set a target to conduct annual activities to raise awareness of GHG emission reduction among employees from the financial year ending 31 March 2023 ("FY2023") onwards. Also, we have actively adopted energy conservation measures and initiatives which are described in the section headed "Energy Management" under aspect A2, in order to reduce GHG emissions during operation.

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During the Reporting Year, the Group's GHG emissions intensity has increased significantly from approximately 0.12 tCO<sub>2</sub>e per million HK\$ revenue in FY2021 to approximately 0.24 tCO<sub>2</sub>e per million HK\$ revenue. This was mainly due to the expansion of reporting scope. The Group's GHG emissions performance were as follows:

Indicator <sup>1</sup>	Unit	FY2022	FY2021
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	–	–
Energy indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	166.13	63.31
Total GHG emissions (Scope 1 and 2)	tCO <sub>2</sub> e	166.13	63.31
Intensity			
Per employee <sup>2</sup>	tCO <sub>2</sub> e/employee	0.18	0.70
Per total floor area <sup>3</sup>	tCO <sub>2</sub> e/m <sup>2</sup>	0.04	0.08
Per million HK\$ revenue <sup>4</sup>	tCO <sub>2</sub> e/million HK\$ revenue	0.24	0.12

Notes:

- GHG emission data are presented in terms of carbon dioxide equivalent and are based on, 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, "Sustainability Report 2021" published by CLP Holdings Limited, "2021 Sustainability Report" published by HK Electric Investment Limited, "2021 Sustainability Report" published by Companhia de Electricidade de Macau, the "2019 China regional power grid baseline emission factor (中國區域電網基準線排放因子)" published by the Ministry of Ecology and Environment of the PRC (CM method: 50/50 average of OM & BM), and "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
- The Group had 903 employees as at 31 March 2022 (31 March 2021: 90). The data will be used for calculating other intensity data.
- The Group's total floor area in FY2022 was approximately 4,482.30 m<sup>2</sup> (FY2021: 805.47 m<sup>2</sup>). The data will also be used for calculating other intensity data.
- The Group's revenue was approximately HK\$682.2 million for FY2022 (FY2021: HK\$533.9 million). The data will also be used for calculating other intensity data.

## Wastewater Discharge

We do not consume a significant volume of water in our daily operation, therefore our business activities did not generate a material portion of discharge into water. The majority of the water supply and discharge facilities are provided and managed by the property management company. The amount of water consumed and corresponding water-saving initiatives and targets will be described in the section headed "Water Consumption" under aspect A2.



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## *Waste Management*

### *Hazardous wastes*

Due to the Group's business nature, we did not generate a significant amount of hazardous waste during the Reporting Year. During the Reporting Year, only 29.16 kg of toner cartridge, which is equivalent to 0.03kg/employee, 0.01 kg/m<sup>2</sup>, and 0.04 kg/million HK\$ revenue, was generated by the Group (FY2021: 12.85 kg, which is equivalent to 0.14 kg/employee, 0.02 kg/m<sup>2</sup> and 0.02 kg/million HK\$ revenue). Despite the Group did not generate a significant amount of hazardous wastes, the Group has established guidelines in governing the management and disposal of hazardous wastes. In case there is any hazardous wastes produced, the Group must engage a qualified chemical waste collector to handle such waste, and comply with relevant environmental rules and regulations.

### *Non-hazardous wastes*

The Group adopts the principle of "Reduce, Reuse, Recycle and Replace" for waste management and strives to promote better utilisation of resources. During the Reporting Year, the Group has set a target to conduct annual activities to raise awareness of waste reduction among employees from FY2023 onwards. To minimise the environmental impacts of non-hazardous wastes generated from our business operation, the Group has implemented the Environmental Policy and adopted various wastes reduction measures and initiatives. With such waste management approaches, the Group hopes to embed an environmental-friendly mindset among our employees. Employees and designated administrative staffs are required to adopt the following initiatives and assume the responsibility for the overall waste management in our offices and warehouses:

- Utilise electronic communication means where applicable such as e-leave system, e-cards for festival greetings, medical e-claims, and e-brochures;
- Reduce printing and paper wastage by minimising font sizes and deleting unnecessary blank space in documents;
- Promote the collection and use of recycled paper;
- Reduce the use of single-use disposable items;
- Place recycling bins in office areas to encourage recycling;
- Use high-performance multifunction printers which incorporate the functions of printing, scanning, copying, and share the printers among different departments to reduce energy consumption;
- Redeploy office furniture, computers, and notebooks where possible;
- Sort recycled waste into appropriate receptacles and educate employees on sorting methods if needed;
- Place appropriate signages on walls and bins, stating what type of waste or recyclable should be placed in the bins; and
- Stop providing hard copy of meeting materials for all meetings unless upon request.

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In addition to the above measures, the Group also promotes waste reduction knowledge to employees through bulletin boards, company newsletters, and office memos to raise employees' waste-reduction awareness.

The Group's total non-hazardous waste intensity has increased significantly from approximately 0.58 kg per million HK\$ revenue in FY2021 to approximately 11.41 kg per million HK\$ revenue in FY2022. This was mainly due to the expansion of reporting scope. The Group's non-hazardous waste disposal performances were as follows:

Indicator	Unit	FY2022	FY2021
Office paper	kg	1,387.61	311.85
General waste <sup>5</sup>	kg	3,283.00	–
Food waste <sup>5</sup>	kg	3,113.00	–
Total non-hazardous waste	kg	7,783.61	311.85
Intensity			
Per employee	kg/employee	8.62	3.47
Per total floor area	kg/m <sup>2</sup>	1.74	0.39
Per million HK\$ revenue	kg/million HK\$ revenue	11.41	0.58

Note:

- General waste, including plastic and glass waste and food waste have been disclosed from FY2022 onwards due to the improvement of the Group's data collection system and the expansion of disclosure.

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## A2. Use of Resources

The Group upholds and promotes the principle of effective use of resources, and is committed to optimising the use of resources across business operations. We promote green office and operation environment and continue with initiatives to introduce resource efficiency and eco-friendly measures to the Group's operations. The Group has established and implemented the Environmental Policy in governing the efficient use of resources regarding the objective of achieving higher energy efficiency and reducing the unnecessary use of materials.

### *Energy Management*

The Group aims at minimising environmental impacts in our operations by identifying and adopting appropriate energy-saving measures. We have developed related energy measures and initiatives on the efficient use of energy, and such measures and initiatives have been formally documented in the Environmental Policy. All employees are required to adopt such measures and practices and assume responsibility for the Group's overall energy efficiency.

The Group has established an energy management system and regularly review our energy consumption objectives and targets to continuously enhance the Group's energy consumption performance. Unexpected high consumption of energy will be investigated for its root cause with corresponding preventive measures being taken when deemed necessary. Moreover, the Group aims to raise environmental awareness among our key stakeholders and suppliers. In the long run, the Group aims to enhance our energy-saving management by minimising the usage of lighting, air conditioning, and electronic appliances and track its energy consumption regularly. To uphold the Group's objectives to energy conservation, the Group has set a target to promote electricity conservation by participating in relevant activities such as Earth Hour from FY2023 onwards.

The energy consumed by the Group was mainly electricity consumption for operation. We have introduced various measures and initiatives to achieve the goal of electricity saving and efficient consumption. Such measures and initiatives include but are not limited to the following:

- Replace energy-inefficient light bulbs to energy-efficient LED lighting by phases;
- Utilise higher energy-efficiency office equipment in our workplace;
- Encourage staff to utilise teleconferences and video conferences whenever possible;
- Regularly publicise environmental protection messages to our staff via emails;
- Post reminders and posters next to power switches to encourage our staff to take initiatives in energy saving; and
- Encourage staff to participate in campaigns or activities relating to the promotion of energy conservation.

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The Group's total energy consumption intensity has increased significantly from approximately 261.94 kWh per million HK\$ revenue in FY2021 to approximately 491.58 kWh per million HK\$ revenue in FY2022. This was mainly due to the expansion of reporting scope. The Group's energy consumption performances were as follows:

Indicator	Unit	FY2022	FY2021
Direct energy consumption	kWh	–	–
Indirect energy consumption — purchased electricity	kWh	335,354.00	139,852.00
Total energy consumption	kWh	335,354.00	139,852.00
Intensity			
Per employee	kWh/employee	371.38	1,553.91
Per total floor area	kWh/m <sup>2</sup>	74.82	173.63
Per million HK\$ revenue	kWh/million HK\$ revenue	491.58	261.94

## Water Consumption

The Group's water consumption was mainly domestic water consumed in the offices and was only limited to basic cleaning and sanitation. The Group is dedicated to promoting behavioural changes in water consumption at the offices and encourage water conservation. We have been strengthening water-saving promotion by posting water-saving slogans in prominent places and guiding employees to consume water reasonably. During the Reporting Year, the Group has set a target to promote water conservation by participating in relevant activities such as World Water Day from FY2023 onwards.



The Group's water consumption expenses in the offices of Hong Kong, Shanghai, Guangdong, Beijing and Macau are included in the property management fee and the Group did not have water consumption records for the above premises during the Reporting Year. Therefore, the total water consumption during the Reporting Year only includes the water consumption in Hong Kong warehouse. Moreover, given the geographical location of the Group's operation, the Group does not encounter any significant issues in sourcing water that is fit for purpose.

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During the Reporting Year, the Group's total water consumption intensity per million HK\$ revenue in FY2022 remains at similar level compared to FY2021. The Group's water consumption performance were as follows:

Indicator	Unit	FY2022	FY2021
Total water consumption	m <sup>3</sup>	85.56	67.50
Intensity			
Per employee	m <sup>3</sup> /employee	0.09	0.75
Per total floor area	m <sup>3</sup> /m <sup>2</sup>	0.02	0.08
Per million HK\$ revenue	m <sup>3</sup> /million HK\$ revenue	0.13	0.13

## *Use of Packaging Materials*

Due to the Group's business nature, the Group does not consume a substantial amount of packaging materials for product packaging.

## **A3. The Environment and Natural Resources**

Although the core business of the Group has remote impacts on the environment and natural resources, the Group endeavours to minimise the negative environmental impact of our business operations as an ongoing commitment to good corporate citizenship.

### *Working Environment*

To enhance working efficiency, the Group is committed to providing a pleasant working environment for our employees by maintaining environmental sanitation and keeping the offices clean and tidy at all times. Besides, we regularly monitor and measure the indoor air quality of the workplace. Proper lighting and ventilation are installed, and cleaning services for the air-conditioning system at the workplace are arranged regularly to filter pollutants and contaminants. We also conduct pest control on carpets and clean the dust on the ceiling, lightboxes, and fan coils regularly.

## **A4. Climate Change**

Climate change poses escalating risks and challenges to the global economy, and such risks may negatively impact the Group's financial performance and business. As a result, the Group is aware of the importance of identifying and mitigating any major impacts caused by climate change and established the Climate Change Policy. The management of the Group holds regular meetings to identify and evaluate the impact of climate-related risks on the Group's business and corresponding opportunities. With reference to the risk categorisation by International Recommendations from the Taskforce on Climate-Related Financial Disclosures established by the Financial Stability Board, the identified climate-related risks of the Group and corresponding actions taken to manage them are as follows:

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## *Physical Risks*

The increasing frequency and severity of extreme weather events associated with climate change such as extreme cold or extreme heat, rainstorms and typhoons, could lead to an increased risk of power shortages, delays in delivery of some necessary IT hardware that the Group needs and damage to the Group's assets, disrupting the operation of the Group's offices and resulting in reduced revenue, as well as increasing the cost of repairing or restoring damaged assets. These events could also disrupt the work of employees and even cause casualties. As a countermeasure, the Group has backed up the IT system and stored job-related files on the server and offsite locations to minimise the potential impact of business interruption events. The Group will implement special work arrangements under extreme weather events in accordance with the governments' guidelines and relevant laws and regulations. At the same time, the Group has purchased insurance for employees and its related assets to protect related interests and reduce potential financial losses.

## *Transition Risks — Policy and Legal Risk*

The Group expects that there will be more stringent climate legislations, regulations and policies. For example, the Stock Exchange has required listed companies to enhance climate-related disclosures in their ESG reports. In addition, the governments in the Group's operating locations have set their own carbon neutrality targets, therefore, national or regional policy actions related to climate change and environmental protection will continue to develop. Under more stringent and aggressive policies and regulations, the Group may face higher operating and compliance cost to comply with relevant laws and regulations. Failure to meet the climate change compliance requirements may expose the Group to risks of claims and lawsuits. Corporate reputation may also decline consequently.

In response to such transition risk, the Group will regularly monitor existing and emerging climate-related trends, policies and regulations to avoid reputational risks due to delayed response. In addition, in order to reduce the Group's environmental impact and to comply with the requirements of the Stock Exchange, the Group has set targets to promote the awareness of energy conservation and GHG emissions reduction. The Group will continue to assess the effectiveness of the Group's actions to address climate change and enhance its resilience against climate-related issues.

## *Transition Risks — Market Risk*

There are an increasing number of investors who are aware of climate-related issues and customers who seek low-carbon services providers. In the long-term, companies which incorporate sustainability into its business strategy and daily operation will be more favored by investors and customers. If the Group fails to implement effective measures to meet such expectations and market change, the Group may lose potential investment and experience reduced demand for its services. The Group will maintain high transparency in the Group's ESG reports and related activities to build trust and confidence with investors and customers. Moreover, the Group will continue to explore potential ways to improve the sustainability of the Group's operations.



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## B. SOCIAL

### B1. Employment

Employees are fundamental to the continued success of the Group. Thus, the Group has adopted a people-oriented management philosophy to attract, develop and retain employees, hence developing mutual trust and building a close relationship with its employees. Meanwhile, the Group respects and protects the rights of employees, safeguards employees' occupational health and safety, ensures sufficient resources for career development, and creates a comfortable and harmonious working environment. The Group has formally documented relevant employment policies covering aspects including recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunity, etc. We review, and if necessary, revise the Employment Policy and its employment practices at least annually to ensure continuous improvements in the Group's employment standards.

During the Reporting Year, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance of Hong Kong, the Labour Law and the Labour Contract Law of the PRC and the Act on the Employment Policy and Labour Rights of Macau.

During the Reporting Year, ServiceOne Limited, a subsidiary of the Group, was awarded as Caring Company and Good Mandatory Provident Fund ("MPF") Employer in recognition of its efforts in terms of employee care.

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## *Employment Practices*

### *Recruitment, Promotion, and Dismissal*

The Group hires employees through a robust and transparent recruitment process. We have standardised our hiring procedures and adhered to the principles of openness and fairness. Job applicants are assessed based on their morality, knowledge, ability, and experience for the positions and potential to fulfil the Group's current and future needs, regardless of their race, gender, religion, physical disability, marital status, sexual orientation, etc. We aim to continuously attract, employ, and develop the right talents with consistent yet flexible employment policies and practices.

The Group offers promotion and development opportunities for outperforming employees to explore their capability, assist them in career development, and contribute to the Group's sustainable growth. The promotion of the Group's employees is subject to regular review, and the Group has established objective performance indicators for annual performance evaluation.

The Group offers two types of promotion paths, which are within the employees' department and across departments. The Group will also encourage employees to transfer to other departments when openings are available and where their qualifications, experience, and skills are more suitable.

The Group strictly prohibits any kind of unfair or unreasonable dismissal. Any termination of the employment contract must be based on reasonable and lawful grounds.

### *Remuneration and Benefits*

The Group has established a fair, reasonable, and competitive remuneration system. Employees of the Group are remunerated according to their knowledge, experience, and skills that the job requires, the responsibilities that will be undertaken, and the quality of personal contribution. Remuneration packages include holidays, annual leave, medical scheme, MPF (for employees in Hong Kong), state-managed retirement benefit scheme (for employees in the PRC excluding Hong Kong, Macau and Taiwan ("Mainland China")), share options and discretionary bonuses. Staff remuneration is reviewed annually to ensure it is up-to-date and competitive enough to attract and retain talents. Individual performance, departmental performance, business performance as well as the general increment rate of the market will all be taken into consideration.

### *Work-life Balance*

We recognise the importance of maintaining a healthy and work-life balanced lifestyle for our employees. We support a work-life balance workplace through continuously improving employees' working environment and reviewing their working hours and rest periods. We also actively engage our employees through various networking, employee bonding, outing, volunteering, and charity activities. Due to the uncertainty of Coronavirus Disease 2019 ("COVID-19") and social distancing requirements, we did not organise any employee gatherings during the Reporting Year. However, with the care and concern for the Group's employees' physical health, as well as to support the Hong Kong athletes, the Group has arranged a live broadcast of World Olympic Games for employees to cheer for Hong Kong athletes and to raise employee's interest in sports.



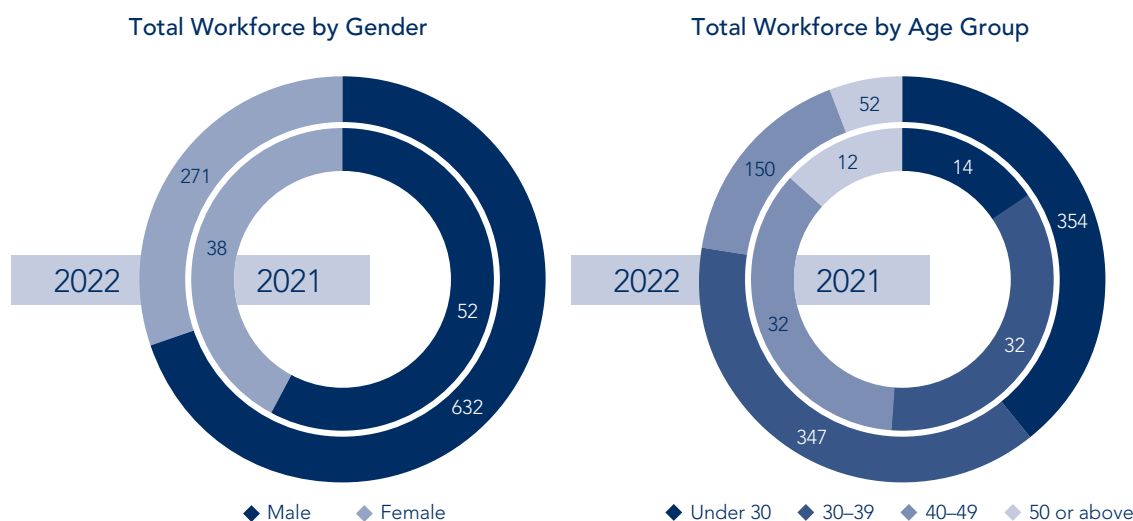
# Environmental, Social and Governance Report 2022

## Diversity, Equal opportunity, and Anti-discrimination

We recognise the value of a diverse and skilled workforce and are committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive. The Group is dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, sexual orientation or any other characteristics protected by law.

Any employees with questions or concerns about any forms of discrimination and harassment at the workplace are encouraged to bring these issues to the attention of their immediate supervisor or the Human Resources and Administration (“HRA”) Department. We strive to ensure that complaints, grievances, and concerns, including whistle-blowing, are dealt with in a prompt and confidential manner. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaged in any form of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

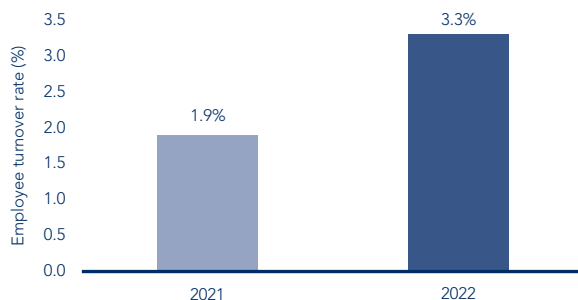
As at 31 March 2022, the Group had a total of 903 (as at 31 March 2021: 90) employees. All of the employees were full-time employees, with 201 employees based in Hong Kong, 698 employees based in Mainland China and 4 employees based in Macau (as at 31 March 2021: all are full-time employees based in Hong Kong). The significant increase is due to the change in reporting scope, mentioned in the section headed “Reporting Scope”, the employee demographic is shown as follows:



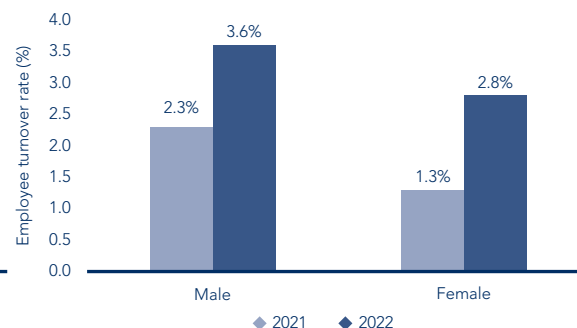
During the Reporting Year, there were 239 employees who left the Group and the employee turnover rate<sup>6</sup> was 3.3%, which shows an increase when compared with FY2021.

# Environmental, Social and Governance Report 2022

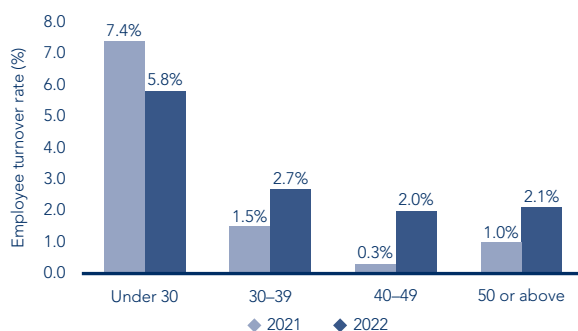
Employee Turnover Rate<sup>6</sup>



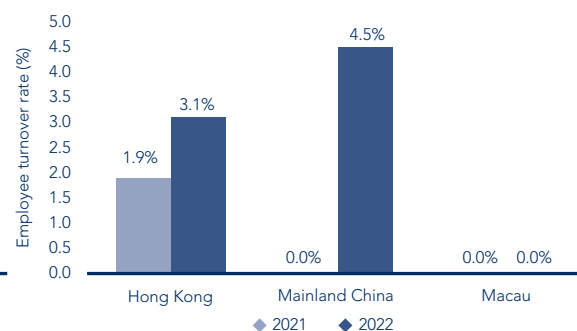
Employee Turnover Rate by Gender<sup>7</sup>



Employee Turnover Rate by Age Group<sup>7</sup>



Employee Turnover Rate by Geographical Region<sup>7</sup>



Notes:

- The employee turnover rate = the average of the monthly turnover rates during the financial year. The monthly turnover rate = the total number of employees who resigned during the month/the total number of employees at the end of the month\*100%.
- The employee turnover rate (by category) = the average of the monthly turnover rates (by category) during the financial year. The monthly turnover rate = the total number of employees (by category) who resigned during the month/the total number of employees (by category) at the end of the month\*100%.

# Environmental, Social and Governance Report 2022

## B2. Health and Safety

The Group highly values employees' health and safety and is committed to providing employees with a healthy, safe, and comfortable working environment. To maintain a safe working environment, the Group has established the Health and Safety Policy ("HS Policy") on the prevention and remediation of safety accidents, and detection of potential safety hazards in the workplace. We review, and if necessary, revise the HS Policy and its health and safety practices at least annually to ensure continuous improvements of the Group's health and safety standards.

We follow the occupational health and safety guidelines recommended by the Labour Department and Occupational Safety and Health Council and regularly encourage employees to attend related workshops or training courses. The HRA Department also takes responsibility for offices' occupational health and safety and relevant promotions and monitoring.

During the Reporting Year, the Group was not aware of any material non-compliance with health and safety-related laws and regulations, including but not limited to the Occupational Safety and Health Ordinance of Hong Kong, the Employee Compensation Ordinance of Hong Kong, the Fire Services Law of the PRC and the General Regulations on Health and Safety on industrial working environment of Macau that would have a significant impact on the Group. There were no work-related fatalities occurred in each of the past three years (including the Reporting Year), nor any lost working days due to work injury in the Reporting Year (FY2021: Nil).

### *Employee Health Management*

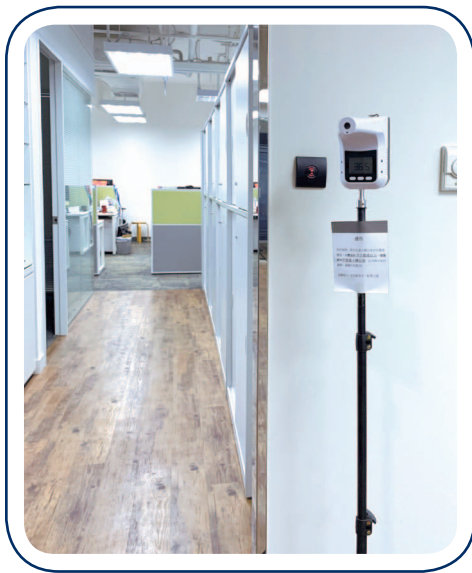
The HRA Department is responsible for monitoring and reviewing the safety and security management of the Group. It is also responsible for performing regular checks in both office and warehouse to ensure furniture, fixtures, fittings, and fire safety equipment are well-maintained. Moreover, first aid boxes are available at easily accessible locations in both offices and warehouses. The HRA Department is responsible for ensuring the supplies inside the first aid boxes are not expired and sufficient in amount.

The Group offers comprehensive health care coverage for its employees. Besides, the Group has continued to organise various activities to promote healthy living practices and work-life balance. We also communicate different health and safety information to our employees regularly to raise their awareness of occupational health and safety issues.



# Environmental, Social and Governance Report 2022

In response to the continuous outbreak of COVID-19, the Group has actively taken actions to strengthen the health and safety precautionary measures at its workplace to ensure the health of its employees. Apart from increasing the frequency of office cleaning and sterilisation, employees were also required to wear surgical face masks in office areas and check their body temperature before work every day. During the new wave of COVID-19 infection, employees were allowed to work from home or work on shift with permission from their corresponding department heads. As COVID-19 situation stabilises, employees were arranged into two groups with different working hours and lunch hours to avoid infections during peak hours. The Group has strictly followed guidelines and announcements made by the Center for Health Protection in regard to COVID-19 prevention, and we strive to provide a healthy and safe working environment for employees.



## *Safety Training and Education*

The Group offers various training courses and seminars relating to occupational safety, environmental control, as well as crises and emergencies for employees, and employees are obliged to attend such training organised by the Group. We have also established emergency and evacuation procedures to proactively respond to any major safety accidents in a timely and orderly manner. Moreover, fire exit route floor plans and exit signs were placed in prominent areas to ensure employees are well-aware of emergency routes in cases of emergencies.

In order to foster employees' sense of responsibility and participation in maintaining a safe working environment, employees are encouraged to provide feedback on improving workplace safety and to report any potential hazards that may lead to injury or danger.

# Environmental, Social and Governance Report 2022

## B3. Development and Training

The Group recognises the valuable contribution of its talents to the continuing success of the Group. We are committed to investing in its human capital in order to deliver excellent services and create an intellectual-stimulating environment within which employees do not only develop basic skills and knowledge but also optimise their potential. This is achieved through developing training strategies that focus on creating values and serving the needs of the Group's customers, talents, and society.

### *Training and Development Management*

The Group has established the Training and People Development Policy to govern the management of training strategies and procedures. All supervisors are responsible for working with their subordinates to identify training needs and implement development plans to enhance employees' performance and effectiveness while aligning the needs of the Group. For the development of IT staff, the Group encourages department heads to work closely in assessing areas of training and development for their subordinates to improve their capabilities and ability in career advancement. Training sponsorships are also available to employees who have met certain conditions set by the Group.

We review, and if necessary, revise the Training and People Development Policy and its training and staff development activities at least annually to continuously improve relevant provisions.

### *Training Programmes*

The Group believes that successful training and staff development lead to the overall enhancement of organisation efficiency in delivering its vision. We are committed to providing relevant training opportunities and ensuring the availability of appropriate resources with the following focuses:

- **Customer Centric:** Equipping the Group talents with the necessary skills and knowledge to discharge their duties effectively and efficiently so as to serve its customers;
- **Talent Centric:** Assisting and encouraging employees to identify, review and formulate their development plans through annual objective setting and performance review process, to strengthen their capabilities in areas including self-motivation, self-confidence, leadership, and teamwork;
- **Team Work and Collaboration:** Fostering team and collaborative learning, such as buddy system, internal sharing, cross-department learning; and
- **Social Responsibility:** Ensuring the Group talents uphold the interest of key stakeholders as part of their daily routine, such as safeguarding customer privacy, protecting the environment, and contributing to society.

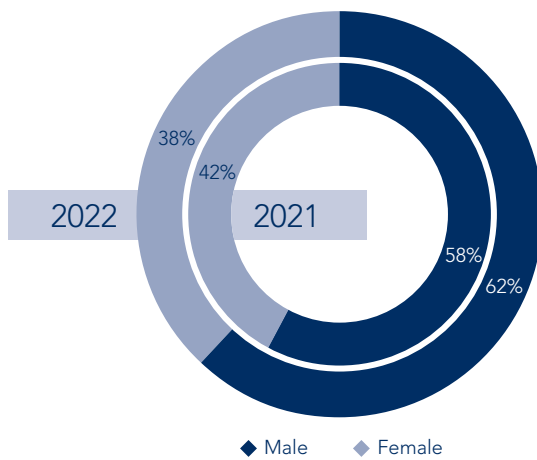
With respect to the above focuses, the Group provides regular training and development programmes to improve employees' level of skills and knowledge while maximising their potential. The Group's training programmes include product knowledge training for the sales team, marketing training, and new IT solutions training for technical teams, etc. Training contents are regularly updated to ensure that the up-to-date materials can enhance the skills, knowledge, and competency of employees.

# Environmental, Social and Governance Report 2022

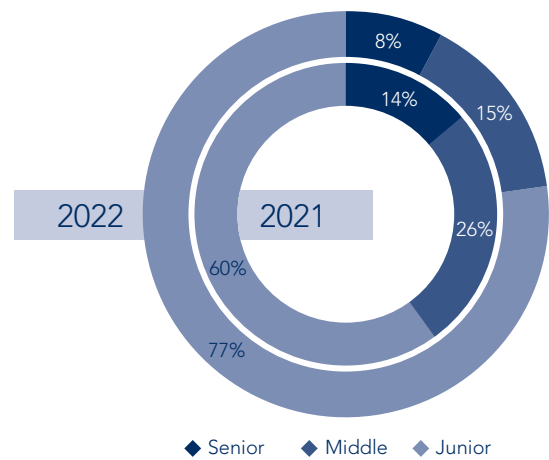
During the Reporting Year, the Group has provided a total of approximately 2,614.0 training hours (FY2021: 1,650.5 hours) to 250 employees, while the average training hours completed per employee<sup>8</sup> was approximately 2.9 hours (FY2021: 18.3 hours). This significant decrease in average training hours was mainly due to the decrease in the portion share of technical staff in the Group's workforce after the acquisition of S1IHL while technical staff receives more training on average within the Groups.

The following charts show the breakdown of employees trained by gender and employee category among all trained employees.

Employees Trained by Gender<sup>9</sup>

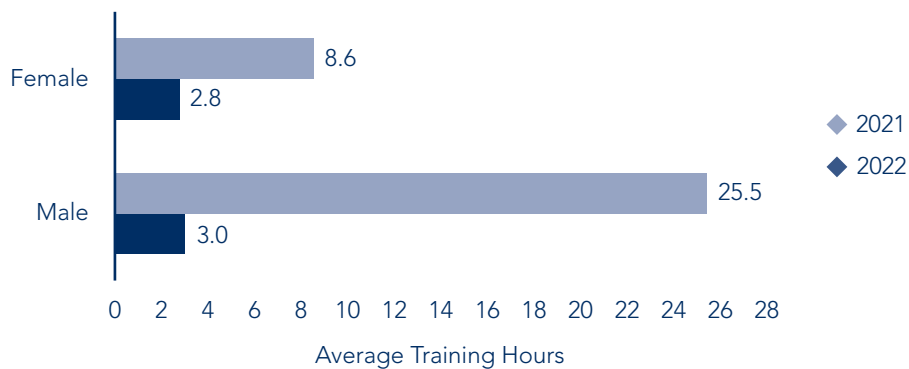


Employees Trained by Employee Category<sup>9</sup>



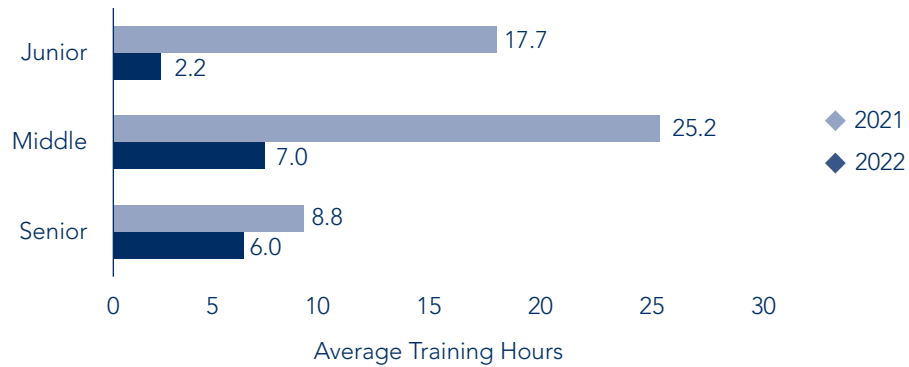
The following charts show the average training hours completed per employee by gender and employee category.

Average Training Hours by Gender<sup>10</sup>



# Environmental, Social and Governance Report 2022

Average Training Hours by Employee Category<sup>10</sup>



Notes:

8. Average training hours completed per employee = Total training hours during the financial year/Total number of employees at the end of the financial year.
9. The breakdown of employees trained by category = Total number of employees trained during the financial year by category/Total number of employees trained during the financial year\*100%.
10. Average training hours completed per employee by category = Total training hours during the financial year by category/Total number of employees at the end of the financial year by category.

# Environmental, Social and Governance Report 2022

## B4. Labour Standards

### *Prevention of Child Labour and Forced Labour*

The Group strictly complies with local laws and prohibits any child and forced labour employment. The HRA Department is responsible for monitoring and ensuring compliance with the latest and relevant laws and regulations that prohibit child labour and forced labour.

Child labour is strictly prohibited during the recruitment process as defined by laws and regulations, personal data are collected during the recruitment process to assist in the selection of the suitable candidate, and the HRA Department will take responsibility for checking the provided identity document to ensure the candidate is legally entitled to work.

Forced labour is strictly prohibited in the Group. Office hours are clearly regulated in the Employee Handbook, it may vary according to different job functions and nature, and employees may be assigned work schedules other than normal office hours or appropriate to carry out the employment duties properly and effectively. Nonetheless, employees of the Group work overtime on a voluntary basis to prevent any breaches of labour standards.

If there is any suspected violation case regarding child and forced labour, the Group will conduct an investigation. When the violation case is confirmed, the Group would terminate the employment contract in real time and might take disciplinary actions against any staff members are responsible for the cause of the incident.

During the Reporting Year, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance of Hong Kong, the Labour Law of the PRC and the list of jobs restrained to minors of Macau.

## B5. Supply Chain Management

The IT infrastructure solutions we provide to its customers include the procurement of hardware and software from its third-party suppliers or subcontractors. The Group's suppliers and subcontractors are prominent international and local hardware and/or software manufacturers and distributors, and we normally procure our products from the manufacturer suppliers directly or through their authorised distributors.

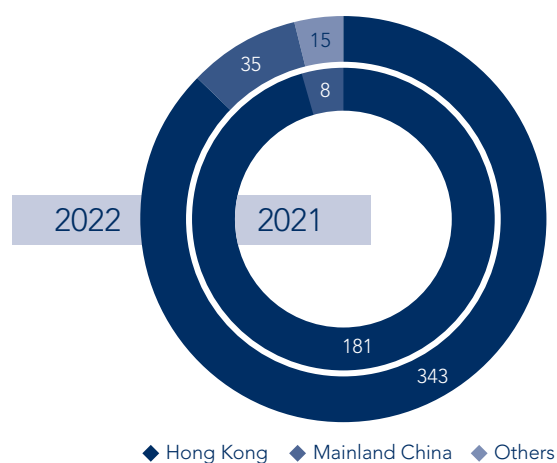
The Group has formulated the Purchase and Payment Policy to regulate procurement practices, and the policy is subjected to review annually. We have also established a stringent and standardised procurement system in which all suppliers are evaluated carefully and subjected to regular monitoring and assessments. The Group has maintained the Approved List of Suppliers/Subcontractors. Suppliers or subcontractors are subjected to annual performance evaluations and may be suspended or removed from the approved list if they fail to fulfil our standards. The termination of a supplier or sub-consultant relationship may also be incurred by any substantial violation of related laws and regulations.



# Environmental, Social and Governance Report 2022

During the Reporting Year, the Group had a total of 393 major suppliers (FY2021: 189 suppliers) and all such suppliers are subject to the supplier engagement practices. The local procurement rate was approximately 96.18%. The regional distributions of the Group's suppliers during the Reporting Year were as follows:

Regional Distribution of the Group's Suppliers



## Environmental and Social Responsibility of Suppliers

In view of the increasing environmental concerns in society, the Group is aware of the importance of managing the environmental and social risks of its supply chain. We actively share green practices with our suppliers and propagate the importance of sustainable operations with them. The Group also gives priorities to the local suppliers and suppliers who provide or promote environmental products or services in the selection process. During the supplier selection process, suppliers' environmental and social performances are considered as a selection criterion for establishing a long-term relationship. We aim to maintain a good relationship with suppliers which have remarkable records in environmental and social performance. Suppliers should not violate relevant environmental and labour laws, and substantial violations may incur the termination of the supplier relationship. The Group will continue to monitor its supply chain in regard to environmental and social standards.

## Fair and Open Procurement

We have also formulated rules to ensure suppliers can participate in the Group's procurement in an open and fair manner. Subject to priorities being given to the local suppliers and suppliers who provide or promote environmental products or services, the Group does not differentiate or discriminate against any suppliers; and we do not allow any forms of corruption or bribery. Employees or other individuals having any interest in the supplier will not be allowed to participate in the relevant procurement activity. The Group only selects suppliers with a good track record in the past and no serious violations of business ethics.

# Environmental, Social and Governance Report 2022

## B6. Product Responsibility

Customer satisfaction serves as the cornerstone of the Group's sustainable development. We are convinced that the satisfaction of its customers means the success of the Group and have been emphasising customer-centric business philosophy in our operation at all levels. Therefore, we strive to optimise and improve the quality of products and services according to the requests of customers.

During the Reporting Year, the Group was not aware of any material non-compliance with any laws and regulations concerning advertising, labelling, and privacy matters relating to products and services provided that has a significant impact on the Group, including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong, the Patent Law of the PRC and the Consumer Protection Law of Macau.

The Group services and products have won unanimous recognition and support from customers and suppliers. During the Reporting Year, we have received the following awards:

- Entrust New Customer Contributor of the Year 2021 Hong Kong
- Jabra Hong Kong Top 5 Revenue Generator — IT Partner — 2020
- Palo Alto Networks Excellence in Cortex XDR 2021
- Forcepoint Strategic Win Public Sector
- HPE Top Performing Partner HPC 2021
- VMware Excellent Award 2022

### *Quality Assurance and Recall*

We recognise the importance of achieving and maintaining high product quality standards for the sustainable growth of the Group. To maintain high product quality, we attach great emphasis on quality management and have formulated the Quality Assurance and Recall Procedures to manage any potential recall procedures and define the roles of related personnel and departments during the recall procedure.

When a product quality issue is raised by any third-party, the management team will immediately assess the risk of the product quality issue to make decisions for the next step. Once a product recall action is initiated, announcements will be made to all related departments, and affected customers will be informed about the product recall programme by the sales operation manager and sales administrators. The Logistic Department is responsible for consolidating all recalled products and returning such products to vendors or disposing of them properly.

During the Reporting Year, there were no product recalled for safety and health reasons (FY2021: Nil).

# Environmental, Social and Governance Report 2022

## *Protection of Intellectual Property Rights*

The Group registered trademarks in Hong Kong, Macau, Mainland China and Singapore respectively. For any infringement of its intellectual property ("IP"), the Group will urge infringers to cease such infringement. The HRA Department of the Group will take further action if the infringement continues.

To protect third-party IP rights and comply with relevant licensing terms when the software is used, employees are prohibited from duplicating, installing, or using the software in violation of its copyright or licence terms as part of the Group's Information Security Policy which is documented in the Employee Handbook. Prior authorisation is required to install any free software and installation of software is constantly monitored. Employees in violation of the policy will be subject to disciplinary actions. The Group will also notify the manufacturers if any illegal or unauthorised use of their hardware and/or software is noticed.

## *Customer Privacy Protection*

The Group respects the values and rights of customers' information assets while protecting and maintaining customers' privacy always remains the priority of the Group. The Group adheres to the Personal Data (Privacy) Ordinance of Hong Kong, the Patent Law of the PRC and the Consumer Protection Law of Macau expressly reiterates confidentiality obligations in its Customer Database and Privacy Handling Policy, and will regularly reviews its policy to ensure its effectiveness.

Any sensitive information such as customer databases and personal information requires strict control and limited access. Electronic sensitive information is secured with passwords and stored in separate and restricted drives. Only authorised employees are granted to access particular drives according to their needs and rights. We also store print sensitive information securely and the access to such information is restricted to authorised employees. We require employees to properly dispose of, delete or destroy all electronic sensitive information. Besides, firewalls, anti-virus, and anti-spam solutions are installed for IT systems to prevent leakage of confidential information, and such systems will be upgraded regularly.

## *Customer Service*

Maintaining good communication with the Group's customers has been the Group's underlying principle for effective customer management. The Sales Operations Department is responsible for reviewing customers' feedback and complaints and providing action plans to address the problems by coordinating with relevant teams and departments. The feedback or complaints will also be reported to management if necessary.

During the Reporting Year, 6 services-related complaints (FY2021: Nil) have been received, all complaints have been handled with care in accordance with the internal policies.

## *Advertising and Labelling*

As the Group's operation process does not involve advertising and labelling practices, information relating to advertising and labelling is considered as non-material to the Group.

# Environmental, Social and Governance Report 2022

## B7. Anti-corruption

The Group values and upholds integrity, honesty, and fairness, and strives to achieve high standards of ethics in its business operations. To maintain a fair, ethical, and efficient business and working environment, the Group strictly adheres to the laws and regulations relating to anti-corruption and bribery as set out by the governments of the Group's operating locations.

During the Reporting Year, the Group was not aware of any material non-compliance with any laws and regulations relating to bribery, extortion, fraud, and money laundering, including but not limited to the Prevention of Bribery Ordinance of Hong Kong, the Anti-unfair Competition Law of the PRC and the Criminal Code of Macau that has a significant impact on the Group. During the Reporting Year, the Group also did not have any concluded legal cases regarding corrupt practices brought against the Group or its employees (FY2021: Nil).

To maintain the Group's high integrity corporate culture, the Group has provided 2 and 3 anti-corruption training sessions to the Group's directors and employees respectively. Such training could increase the employee's awareness and facilitate the implementation of the Group's Anti-fraud Policy, Whistle-blowing Policy, Code of Conduct and relevant procedures.

### *Anti-fraud Mechanism*

We have established an Anti-fraud Policy which sets out methods in identifying and handling fraudulent behaviours including misstatement on one's expenses, kickback, offering and accepting bribery, embezzlement of the Group's assets in one's position, fraudulent financial statements, etc.

To reduce fraud risks, a formal fraud risk evaluation will be organised by the Board annually. The HRA Department will arrange training on professional ethics and fraudulent behaviours. All managers are also required to evaluate fraud risks within their scope of duty constantly and ensure adequate controls are in place. Material fraud risks must be reported to the Board.

The Group also requires all employees to decline any offer of advantage if acceptance of it could affect their objectivity in conducting the Group's business. Employees will be subjected to disciplinary actions if they are found to have violated the Anti-fraud Policy after investigation. Disciplinary actions include verbal or written warnings, demotion, and dismissal, and the case may be reported to law enforcement authorities for possible prosecution, depending on the situation.

### *Whistle-blowing Mechanism*

To further maintain and achieve the highest degree of openness, probity, and accountability, the Group has also formulated a Whistle-blowing Policy. This policy allows all employees of the Group as well as independent third parties (e.g. customers, suppliers, sub-contractors, creditors, and debtors) who deal with any employees to report any possible improprieties, misconducts, malpractices, or irregularities in matters of financial reporting, internal control or other matters to the Board or the Audit Committee anonymously. Reports and complaints received will be handled in a prompt, fair, and confidential manner. The policy also aims at protecting whistle-blowers from unfair dismissal, victimisation, and unwarranted disciplinary actions. Any person who is found to have victimised or retaliated against those who have raised concerns under this policy will be subjected to disciplinary sanctions.

We have appointed an independent internal control consultant to undertake a review of the adequacy and effectiveness of its internal control systems during the Reporting Year. The Board and the Audit Committee also supervise and review the implementation and effectiveness of the internal control systems regularly.

# Environmental, Social and Governance Report 2022

## B8. Community Investment

The Group is committed to emboldening and supporting the public by various means of social participation and contribution as part of its strategic development. We strive to nurture the corporate culture and practices of a corporate citizen in its daily work life. To fulfil the Group's corporate social responsibility, the Group has developed the Community Investment Policy and put the Group's community investment focus on helping the underprivileged groups in society. We believe participating in activities that repay society can increase our employees' civic awareness while establishing correct values. During the Reporting Year, the Group has participated in 2 community activities.

### *Dress Casual Day 2021*

During the Reporting Year, the Group participated in the fund-raising event "Dress Casual Day 2021" organised by The Community Chest. The Dress Casual Day was successfully held on 28 October 2021, and our employees were enthusiastic about joining the fund-raising event. The Group has also raised donations to the Community Chest for which it will be donated to over 165 members of social welfare agencies that serve a variety of disadvantaged groups and reach out to more than 2.5 million beneficiaries in Hong Kong.



# Environmental, Social and Governance Report 2022



## Leftover Food Recycling

The Group's employees have participated in the collection of market leftover food at Wong Tai Sin Wet Market to raise the awareness of reducing food waste and promote food recycling. The collected food was later distributed to underprivileged community in Hong Kong.



# Environmental, Social and Governance Report 2022

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

Mandatory Disclosure Requirements	Sections
Governance Structure	ESG Governance Structure Stakeholder Engagement Materiality Assessment
Reporting Principles Reporting Boundary	Reporting Principles Reporting Scope

### “Comply or explain” Provision

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect A1: Emissions</b>		
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 air 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 (not applicable — explained)
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and intensity.	Emissions — GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions — GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste Management

# Environmental, Social and Governance Report 2022

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect A2: Use of Resources</b>		
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 Management
KPI A2.2	Water consumption in total and intensity.	Use of Resources — Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources — Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	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)
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts 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 — Working Environment
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
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



# Environmental, Social and Governance Report 2022

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect B1: Employment</b>		
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, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment — Employment Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment — Employment Practices
<b>Aspect B2: Health and Safety</b>		
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
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	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, and how they are implemented and monitored.	Health and Safety — Employee Health Management, Safety Training and Education
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Development and Training — Training Programmes
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training — Training Programmes

# Environmental, Social and Governance Report 2022

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect B4: Labour Standards</b>		
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
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards — Prevention of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards — Prevention of Child Labour and Forced Labour
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management — Environmental and Social Responsibility of Suppliers
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management — Environmental and Social Responsibility of Suppliers

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect B6: Product Responsibility</b>		
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
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility — Quality Assurance and Recall
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility — Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Quality Assurance and Recall
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility — Customer Privacy Protection
<b>Aspect B7: Anti-corruption</b>		
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
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption — Anti-fraud Mechanism, Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<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
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Community Investment