

# Asia-express Logistics Holdings Limited 亞洲速運物流控股有限公司

(incorporated in the Cayman Islands with limited liability)  
Stock code: 8620

## Environmental, Social and Governance Report 2022



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# Environmental, Social and Governance Report

## ABOUT THIS REPORT

Asia-express Logistics Holdings Limited (the “Company”, together with its subsidiaries, the “Group”, “we”, “our” or “us”) is pleased to present its Environmental, Social and Governance Report for the period from 1 April 2021 to 31 March 2022 (the “Reporting Period” or “FY2022”). This report illustrates the impact of the principal operating activities of the Group on the environment and society, which include providing (i) air cargo ground handling services; (ii) transportation services; and (iii) warehousing and other value-added services in Hong Kong and the People’s Republic of China (the “PRC”).

This report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 20 to the rules governing the listing of securities on GEM (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This report focuses on the policies and performance of the Group in corporate social responsibility and sustainable development during the Reporting Period. For corporate governance section, please refer to the section headed “Corporate Governance Report” in the Group’s Annual Report 2022 dated 29 June 2022.

## REPORTING PRINCIPLES

The Group has followed the following reporting principles, namely Materiality, Quantitative, Balance and Consistency, in its preparation of this report:

- **Materiality:** The Board has identified material environmental, social and governance (“ESG”) issues through stakeholder engagement and the materiality assessment processes. The ESG Report has made key disclosures about these material issues which are sufficiently important to investors and other stakeholders.
- **Quantitative:** This report discloses the quantitative environmental and social key performance indicators (“KPIs”), thus allowing stakeholders to understand and evaluate the ESG performance of the Group comprehensively. Information on the standards, methodologies, references and sources of key emission and conversion factors used on these KPIs are stated whenever appropriate.
- **Balance:** This report presents an unbiased picture of the Group’s ESG performance.
- **Consistency:** The methodologies used to calculate environmental and social KPIs are consistent with the previous years, thus can provide a meaningful comparison of the ESG data over time. If there is any change in the methodologies, the Group will explain in details in the corresponding sections.

# Environmental, Social and Governance Report (Continued)

## STAKEHOLDER ENGAGEMENT

The Group values all stakeholders and their views on the Group's business and ESG issues. In order to know and understand the expectations of stakeholders, the Group has been maintaining close communications with stakeholders through various engagement methods and communication channels. The Group also takes into consideration the following issues of concern of stakeholders in the formulation of business and ESG strategies:

Major Stakeholders	Areas of Concern	Engagement Channels
The Stock Exchange	<ul style="list-style-type: none"> <li>Compliance with the GEM Listing Rules</li> </ul>	<ul style="list-style-type: none"> <li>Announcements published on the Stock Exchange's website</li> <li>Meetings as necessary</li> <li>Telephone calls and emails</li> </ul>
Government/ regulatory authorities	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Proper tax payment</li> </ul>	<ul style="list-style-type: none"> <li>Site visits and audits</li> <li>Regular declarations</li> <li>Announcements of new laws and regulations in the Gazette</li> <li>Annual, interim and quarterly reports and other publications on the Group's website</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Return on investments</li> <li>Transparent information disclosure</li> <li>Protection on rights and interests of shareholders and fair treatment of shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Annual and other general meetings of shareholders</li> <li>Annual, interim and quarterly reports, announcements and other publications</li> <li>Disclosure on the Stock Exchange's/the Group's website</li> <li>Company email managed by designated personnel</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Salaries and welfares</li> <li>Protection on employees' rights and interests</li> <li>Working environment</li> <li>Training and development</li> <li>Health and safety</li> <li>Feedback opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Comprehensive training notice and emails</li> <li>Regular company activities</li> <li>Annual performance appraisals</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Safe and high-quality services</li> <li>Good relationship</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>the Group's website</li> <li>Regular visit</li> <li>Telephone calls</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Long-term business relationship</li> <li>Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>Procurement contracts</li> <li>Emails and telephone calls</li> </ul>
Media	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>the Group's website</li> <li>Press release</li> </ul>



## Environmental, Social and Governance Report (Continued)

### MATERIALITY ASSESSMENT

The Group has identified the key ESG issues that are of practical relevance to its stakeholders in respect of the characteristics of its principal businesses. Based on the principle of materiality, this report illustrates the impact of our business on the environment and society.

The following table sets out the summary of the key ESG issues of the Group:

Environmental	Social
<ul style="list-style-type: none"><li>• emission control</li><li>• waste management</li><li>• use of resources</li><li>• energy management</li><li>• water management</li><li>• climate change</li></ul>	<ul style="list-style-type: none"><li>• employment practice</li><li>• occupational health and safety</li><li>• career development and training</li><li>• prevention of child labour and forced labour</li><li>• supply chain management</li><li>• quality assurance</li><li>• health and work safety</li><li>• intellectual property rights</li><li>• privacy protection</li><li>• anti-corruption</li></ul>

### FEEDBACK

We encourage our stakeholders to provide us with their comments and suggestions. If you have any comments on this report or the Group's sustainability performance, please email us at [enquiry@asiaexpresslogs.com](mailto:enquiry@asiaexpresslogs.com) and the Group will keep on reviewing our performance and making improvements.

### SUSTAINABILITY GOVERNANCE

The Group believes that good sustainability governance is becoming increasingly important to our long-term business development. It is the Board's responsibility to oversee the ESG issues, including establishing ESG strategies and targets, identifying material ESG risks and evaluating, prioritizing and managing ESG-related issues. To better manage the Group's performance in ESG aspects and identify potential risks, the Board regularly conducts materiality assessment with the assistance of the ESG working group, taking into account of opinions from different stakeholder to assess and prioritise important ESG-related matters.

The Group has created a dedicated ESG working group (comprising our chief executive officer, chief financial officer and representatives of different business operation teams of the Company) to manage ESG matters. When a material ESG-related issue is identified, the ESG working group will develop appropriate mitigation plan and follow up with its implementation.

## Environmental, Social and Governance Report (Continued)

### A. ENVIRONMENTAL PROTECTION

The Group is committed to continuously enhancing its environmental and social responsibilities to achieve sustainable development of the Group. Our target is to reduce hazardous greenhouse gas emissions and unnecessary waste disposal in our daily business operations. At the same time, the Group has formulated a number of environmentally friendly policies and guidelines while establishing, tracking and closely monitoring the KPIs for continuous improvement. We regularly update and notify the management of the Group on the work results and KPIs to ensure that the Group follows the direction of the policies and upholds the same philosophy.

The Group strictly abides by applicable environmental laws and regulations regarding air emissions and generation of hazardous and non-hazardous waste. During the Reporting Period, we did not notice any non-compliance cases related to applicable environmental laws and regulations.

#### A.1 Emissions and Wastes

During the Reporting Period, the Group owns more than 160 trucks and private cars for the purpose of providing air cargo ground handling services and general business use. The Group generally provides ancillary delivery services to customers of our air cargo terminal operation services, point-to-point transportation services, as well as two-way non-stop cross-border transportation services between Hong Kong and Guangdong Province. As such, the table below shows the emissions of air pollutants during the Reporting Period:

##### A.1.1 Air emissions

Emission by vehicles	FY2022	FY2021
Emission of NO <sub>x</sub>	<b>29,490 kg</b>	27,650 kg
Emission of SO <sub>x</sub>	<b>24 kg</b>	23 kg
Emission of particulates	<b>2,060 kg</b>	1,917 kg



## Environmental, Social and Governance Report (Continued)

### A.1.2 Greenhouse gas emissions

The greenhouse gases generated in the business processes of the Group mainly, include Scope 1: vehicles; Scope 2: electricity and gas used in office and warehouses; and Scope 3: paper and water used in office and warehouses and business air travel by employees. The Group's greenhouse gas emissions during the Reporting Period were mainly carbon dioxide (CO<sub>2</sub>), with emission data detailed below.

	FY2022		FY2021	
	CO <sub>2</sub> equivalent emission (tonnes)	Intensity (Note 1)	CO <sub>2</sub> equivalent emission (tonnes)	Intensity (Note 1)
Scope 1 — Greenhouse gas direct emissions	4,012	9.72	3,835	10.13
Scope 2 — Energy indirect emissions	419	1.01	443	1.17
Scope 3 — Other indirect emissions	1	0.00*	5	0.01
<b>Total</b>	<b>4,432</b>	<b>10.73</b>	<b>4,283</b>	<b>11.32</b>

Note 1: The intensity is measured in tonnes per HK\$1 million of the Group's revenue. The Group's revenue was approximately HK\$412.9 million during the Reporting Period (2021: HK\$378.4 million).

\* Less than 0.01

### A.1.3 Total amount and intensity of hazardous wastes generated

The Group's business does not involve discharge of pollutants and hazardous wastes to water and land. As assessed by the Group, immaterial amount of hazardous wastes is generated by the Group's business operations, so no relevant disclosure has been made accordingly.

### A.1.4 Total amount and intensity of non-hazardous wastes generated

Non-hazardous wastes directly generated by the Group are mainly generated from our warehouse operations and office administrative work, in which paper is the major type of such waste. The Group adopts appropriate and economical policies concerning the waste generated in the office during daily operation. For example, we encourage our employees to use recycled paper, and most of our internal administrative documents are published electronically instead of printing out on paper, putting our philosophy of being economical into practice.

Details of non-hazardous wastes generated by the Group during the Reporting Period are shown below:

Non-hazardous Waste	FY2022		FY2021	
	Usage (tonnes)	Intensity (Note 2)	Usage (tonnes)	Intensity (Note 2)
Paper Disposed	4.53	0.01	3.89	0.01

Note 2: The intensity is measured in tonnes per HK\$1 million of the Group's revenue. The Group's revenue was approximately HK\$412.9 million during the Reporting Period (2021: HK\$378.4 million).

## Environmental, Social and Governance Report (Continued)

### A1.5 Measures implemented for and results of reducing emissions

During the course of our operations, we always bear in mind environmental protection and resources efficiency. For example, we recommend the use of teleconferencing and videoconferencing instead of business trips, encourage our employees to use recycled paper, introduce some of our customers to accept our invoices, receipts and statements by electronic means, in an effort to reduce emissions from our daily operations in a versatile and effective way.

## A.2 Use of Resources

### A2.1 Direct and indirect energy consumption

We encourage our employees to use electricity effectively. We have taken various measures to improve energy efficiency, such as reducing electricity usage, keeping indoor temperatures at a reasonable level, and using energy-efficient equipment. During the Reporting Period, the Group's energy usage was as follows:

Energy Consumption	FY2022		FY2021	
	Usage (kW/h)	Intensity (Note 3)	Usage (kW/h)	Intensity (Note 3)
Electricity	664,921	1,610.4	703,075	1,858.0
Diesel	16,112	39.0	15,299	40.4
Petrol	152	0.4	200	0.5
	<b>681,185</b>	<b>1,649.8</b>	718,574	1,899.0

Note 3: The intensity is measured in kW/h per HK\$1 million of the Group's revenue. The Group's revenue was approximately HK\$412.9 million during the Reporting Period (2021: HK\$378.4 million).

### A2.2 Total amount and intensity of water consumption

Despite the fact that the Group does not operate in a highly water intensive industry, we strive to conserve water resources during our daily operations. Details of water consumption by the Group during the Reporting Period are shown below:

Water Consumption	FY2022		FY2021	
	Usage (m <sup>3</sup> )	Intensity (Note 4)	Usage (m <sup>3</sup> )	Intensity (Note 4)
Water	1,273	3.08	1,449	3.83

Note 4: The intensity is measured in m<sup>3</sup> per HK\$1 million of the Group's revenue. The Group's revenue was approximately HK\$412.9 million during the Reporting Period (2021: HK\$378.4 million).





## Environmental, Social and Governance Report (Continued)

### A2.3 Plan on energy utilization

The Group understands that the greenhouse gas emissions and energy footprints in our operations are mainly derived from power consumption. Therefore, the Group has formulated energy conservation policies and other environmental protection measures in the hope of reducing greenhouse gas emissions.

The Group has adopted a green policy to encourage our employees to save electricity, water and paper both at work and in daily life. In order to save energy, our employees are required to turn off equipment, machinery and electronic products after work.

In order to save paper and ink, our employees are required to verify the data before printing them out and print on both sides of the paper if possible. We also use telecommunications systems for business communication, and hold teleconferences and video conferences instead of business trips.

### A2.4 Water resources management

The Group is fully aware of the importance of water as one of the most precious resources on the planet. Thus, different water conservation initiatives have been implemented at our workplace, such as encouraging our employees to save water by posting notices at conspicuous locations, reminding them to turn off the taps after use, regular checking of faucet water pipes to prevent leakage and random inspection to avoid unused running taps. Meanwhile, we also constantly monitor and record our water usage at our office and warehouses.

Owing to the geographical location of the Group's office and warehouses, the Group has not encountered any problems in obtaining suitable water sources during the Reporting Period.

### A2.5 Total amount of packaging materials used

The Group does not produce any finished products. Therefore, the Group does not consume significant amount of packaging materials for product packaging and no relevant disclosure has been made accordingly.

## A.3 Environment and Natural Resources

The Group is committed to protecting our environment and minimizing the impact of its daily operations on the environment and natural resources. To achieve this, we pursue the best practices in our business operations while always keeping the importance of environmental protection in our mind. We regularly monitor, assess and evaluate the environmental risks faced by the Group and execute risk mitigation plans through our integrated risk management system. At the same time, our ESG working group (comprised of the chief executive officer, chief financial officer and representatives of different business operation teams of the Company) continues to monitor any environmental and social issues relating to our business operations on a daily basis. In case any significant environmental risks identified, the ESG working group will develop appropriate mitigation plan and follow up with its implementation.



## Environmental, Social and Governance Report (Continued)

### A.4 Climate Change

The Group is aware that climate change may introduce uncertainty to its business operations, as climate change increases the likelihood of extreme weather-related events, such as hurricanes, rainstorms, sea-level rise and flooding. These extreme weather-related events may disrupt supply chain, interrupt the Group's business operations and cause financial and physical damages. Climate change may also adversely impact the Group's employees in terms of health and commuting. To combat climate change, the Group has adopted the following preventive and countermeasures:

- exploring ways of recycling to reduce wastes and discharges from the Group's operation;
- promoting energy efficiency in the working environment;
- providing trainings to staff on ESG risks covering issues including climate change to raise internal awareness; and
- regularly reviewing the Group's business strategies to ensure both resilience and timely responses to climate-related risks and opportunities.

## B. SOCIETY

### B.1 Employment

The Group complies with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Law of the PRC on the Protection of Women's Rights and Interests (《中華人民共和國婦女權益保障法》), the Social Security Law of the PRC (《中華人民共和國社會保障法》), the Trade Union Law of the PRC (《中華人民共和國工會法》), the Special Regulations on Protection of Women Workers (《女職工勞動保護特別規定》) and other relevant regulations. The Group also makes timely contributions to the Mandatory Provident Fund for employees in Hong Kong and five major insurances and housing funds for employees in PRC.

During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to employment and labour standards.

The Group understands that its employees are critical assets and its business development wholly depends on their contribution and hard work. The growth of our employees leads to continuous innovation in our services and helps us achieve excellence and quality. The Group provides competitive remuneration packages to its employees with reference to industry practices and benchmarks, including paid annual leaves, marriage leaves, maternity leaves, internal promotion opportunities and annual bonuses.

During the recruitment process, we strive to be fair and just, and therefore we have adopted an open recruitment process. The Group will not tolerate any kinds of discrimination, including gender, sexual orientation, disability, age, religion, family background or other personal characteristics protected by law.

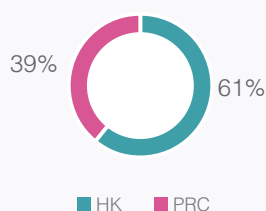


## Environmental, Social and Governance Report (Continued)

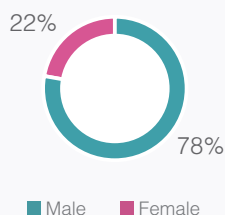
As at the end of the Reporting Period, the Group had a total of 225 (2021: 222) full-time employees. The following figures are compiled based on the total number of employees as at the end of the Reporting Period.

### FY2022

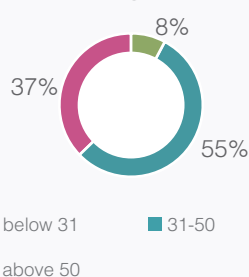
#### Geographical Region



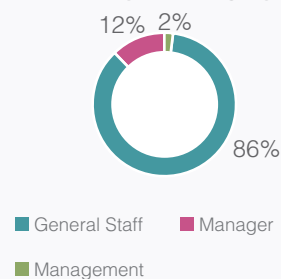
#### Gender



#### Age

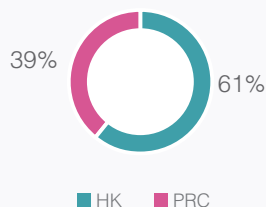


#### Employee Category

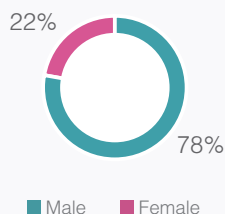


### FY2021

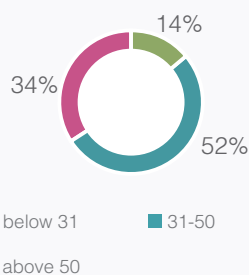
#### Geographical Region



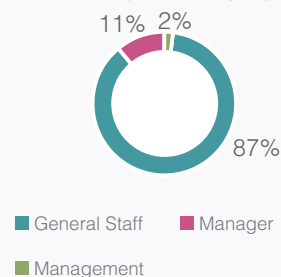
#### Gender



#### Age



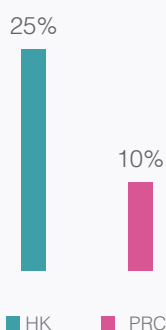
#### Employee Category



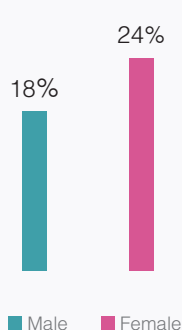
The analysis of staff turnover rates during the Reporting Period is as follows:

### FY2022

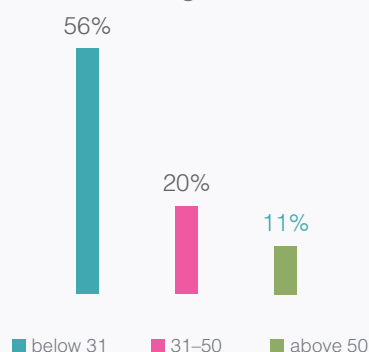
#### Geographical Region



#### Gender



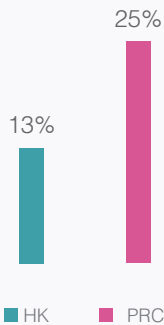
#### Age



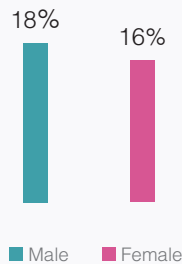
## Environmental, Social and Governance Report (Continued)

FY2021

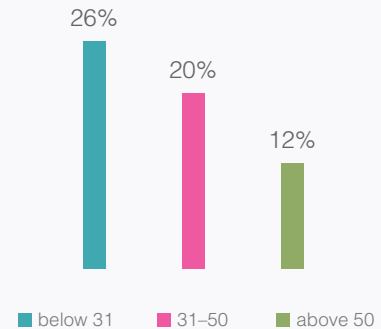
### Geographical Region



### Gender



### Age



The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare of the Group during the Report Period. In addition, no non-compliance with relevant laws and regulations that results in significant fines or sanctions had been reported during the Reporting Period.

## B.2 Health and Safety

We value health and work safety of our employees which is of utmost importance. Due to the nature of work in the air cargo terminal operation services and transportation services industry which generally involves carrying heavy objects and usage of machinery, workers are subjected to risks of accidents and injuries. In response, we have established guidelines in our staff manual for our staff to follow. We have in place safety checklists for our supervisors to conduct checking from time to time. Our supervisors are also encouraged to attend external training on occupational safety to keep abreast of latest developments in work safety and attain certificates from the Occupational Safety and Health Council in Hong Kong.

In relation to work safety for our drivers, we have (i) installed real time cameras at the driver seats of some of our vehicles to monitor the driving behavior of our drivers; and (ii) provided inhouse training for drivers to improve their driving skills and manners.



## Environmental, Social and Governance Report (Continued)

We have provided training programmes and weekly briefings to educate and remind our employees of the importance of and the correct practices for health and safety in the workplace. The personnel at our human resources and administration department records and keeps track of any injuries of our employees that have occurred during their performance of work duties, to ensure insurance claims and treatments are effectively pursued to protect our employees and our Group.

During each of the past three years including the Reporting Period, the number of work-related injuries are as follows:

	Unit	FY2022	FY2021	FY2020
Number of work-related injuries	case(s)	1	1	0
Lost days due to work-related injuries	day(s)	172	181	0

Save as disclosed above, there had not been other major work-related injuries or work-related fatalities of our employees or traffic accidents that would have caused material adverse impact on the business, operations or financial performance of our Group during the past three years including the Reporting Period.

### B.3 Development and Training

We provide training to enhance our employees' skills, knowledge and capability. For new hires, we offer an induction program followed by an on-the-job training during their probation period, and continually monitors their progress. In-house training courses are conducted to give our employees understanding regarding basic background of logistics business, regulations and other relevant topics. Further, our Group also provides on-site trainings to enhance our employees' understanding on the standard operating procedures, such as the proper techniques in cargoes handling, loading and unloading. During the Reporting Period, around 20% of staff have received training, among which, 12% are managers and management level staff; 88% are general staff, 93% are male and 7% are female. They have attended training courses on work safety or other work-related programs, each of them has attended in average 8 hours of training.

During the Reporting Period, the Group also presents trophies to employees with outstanding work performance and long service, thereby expressing gratitude for their hard work and dedication over the past year with the hope that our employees will remain true to their original aspirations and move forward with perseverance.



## Environmental, Social and Governance Report (Continued)

### B.4 Labour Standards

The Group strictly complies with the laws in the place where it operates, including the Labour Law of the PRC (《中華人民共和國勞動法》), the Special Protection Regulations for Juvenile Workers (《未成年工特殊保護規定》) and the Regulations on Prohibition of Child Labour (《禁止使用童工規定》), and absolutely refrains from hiring child labour or involuntary labour. The human resources department of the Group verifies the age of the candidate during the recruitment process. During the Reporting Period, there was no child labour or forced labour involved in the Group's business activities and the Group was not aware of any non-compliance with the relevant laws and regulations relating to prevention of use of child or forced labour which have a significant impact on the Group. In case of any non-compliance, the Group will take immediate measures to terminate his/her work.

Being fully aware that exploitation of child and forced labour violates human rights and international labour conventions, the Group has established policies that prohibit any forced, bonded or otherwise involuntary labour throughout our operations. Additionally, through our procurement and tendering policies, the Group also endeavours to ensure that our suppliers and contractors are free from the employment of forced, bonded or otherwise involuntary labour.

### B.5 Supply Chain Management

Our suppliers mainly include (i) dispatched work agencies providing dispatched labour; (ii) external transportation service providers providing transportation services; (iii) companies supplying packaging materials and the lease of crane trucks; and (iv) landlords of our logistics centre and offices. In order to maintain the high quality of our services, we have adopted a strict screening mechanism in the selection of suppliers. When selecting and evaluating a potential supplier, we generally consider (a) the quality of the supplier's services or products; (b) delivery time; (c) the pricing of its services or products; and (d) the reputation of the supplier. For suppliers that we are currently engaging, we regularly evaluate them in various aspects, such as quality and price competitiveness to ensure they perform satisfactorily and consistently over time. Management will review suppliers that fail to meet our standards and reconsider whether it will continue to be one of our approved suppliers.

On top of the quality aspect, the Group values the importance of sustainable business practices and expects our suppliers to uphold the same philosophy. We constantly monitor the environmental and social risks along our supply chain, for example, we recognize the significance of air emissions and fuel consumption of land transportation, ensure our fleet subcontractors to meet the environmental requirement and also encourage them to upgrade their vehicles to more energy efficient and lower emission models. We believe a green supply chain is a key factors for sustainable business growth.

During the Reporting Period, we had a total of 32 major suppliers, of which all suppliers are located in Hong Kong.

During the Reporting Period, the Group had not experienced any significant problems with the quality of the services provided by the suppliers. The Group believes that the supply chain management and procedures can ensure the quality of the supply chain.



## Environmental, Social and Governance Report (Continued)

### B.6 Service Quality

#### Quality Assurance

We believe our ability to maintain the quality of our services is important to the growth of our Group. Our quality assurance measures are designed and implemented by quality assurance department, who oversee our logistics services to ensure we provide quality services and satisfy our customers' KPIs at all times. Regular meetings are held where senior management would review the effectiveness of our operations and to respond to feedback from customers with the view to keep improving our quality standards. Our quality assurance policies generally include the following:

1. We develop a set of customised KPIs with our customers after understanding their needs.
2. We encourage feedbacks from our customers. Within 24 hours upon receiving feedbacks from our customers, our staff will respond to the customers and thereafter, follow up with our customers' feedback.
3. The quality assurance department of our Group will conduct regular and/or surprise spot check on our services in order to improve the service standard.
4. We will regularly communicate with our customers regarding the service quality of our Group.

During the Reporting Period, we had not experienced any material complaints or disputes from our customers in relation to the quality of our services.

#### Intellectual Property Rights

The Group respects intellectual property rights. the Group has registered our trademark and patents properly to protect our intellectual property rights. We regularly review our policies and control measures in this regard to ensure compliance with relevant laws and regulations such as the Patents Ordinance (Cap. 514 of the Laws of Hong Kong) and the Patent Law of the PRC.

#### Data Privacy

The Group emphasizes data privacy. We apply all necessary internal controls to safeguard the data security of our stakeholders in accordance with local applicable laws and regulations. We pay additional attention in handling sensitive customers' data and maintain complete confidentiality to protect customers' interests. In particular, we strictly govern the process of collecting, using, storing and transferring data to ensure compliance with relevant laws and regulations including the Personal Data (Privacy) Ordinance (Cap.486 of the Laws of Hong Kong). We also imposed clear guidelines regarding data privacy in our human resources management policies, in which all confidential information are strictly prohibited from unauthorized disclosure or private manipulation.



## Environmental, Social and Governance Report (Continued)

### B.7 Anti-corruption

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Criminal Law of the PRC (《中華人民共和國刑法》), the Regulations of the PRC for Suppression of Corruption (《中華人民共和國懲治貪污條例》) and the Prevention of Bribery Ordinance (《防止賄賂條例》) (Cap. 201 of the Laws of Hong Kong) and no concluded legal cases regarding corrupt practices were brought against the Group or its employees.

We have established guidelines on anti-corruption and set out in our human resources management policies. Our staff handbook also provides guidance to employees on acting with integrity and communicates clearly with them on the proper behaviours and prohibited acts when performing duties. In particular, staff are prohibited from any accepting or soliciting of advantages to or from suppliers, business partners and customers.

In order to establish an open, fair and transparent business culture, and deter violations such as bribery, extortion, fraud and money laundering, the Group has established a whistle-blowing channel for our employees, which is responsible for receiving and reviewing relevant whistle-blowing reports and is determined to crack down on all corrupt activities.

### B.8 Community Investment

Acting as a responsible corporate citizen, we understand the importance of giving back to society. Our management cares about those in need in the communities and continue to support the people by providing the necessary assistance. We also encourage our employees to participate in community and charitable activities to give back to society. During the Reporting Period, the Group donated HK\$80,000 to the Save the Children HK Limited and HK\$300,000 to the Future Hong Kong Football Development Charity Limited, aiming to fulfill social responsibility, create a healthy and safe environment for young children and promote the development of local youth footballer. The management will continue to focus on the needs of the society and endeavour to enhance the sustainability of the community.





## Environmental, Social and Governance Report (Continued)

### APPENDIX I: CONTENT INDEX FOR THE STOCK EXCHANGE ESG REPORTING GUIDE

General Disclosures and KPIs	Description	Section	Page no.
<b>Environmental</b>			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A. ENVIRONMENTAL PROTECTION	P.5–7
KPI A1.1	The types of emissions and respective emissions data.	A.1.1 Air emissions	P.5
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in tonnes and, where appropriate, intensity.	A.1.2 Greenhouse gas emissions	P.6
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	A.1.3 Total amount and intensity of hazardous wastes generated	P.6
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	A.1.4 Total amount and intensity of non-hazardous wastes generated	P.6
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	A.1.5 Measures implemented for and results of reducing emissions	P.7
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.	A.1.5 Measures implemented for and results of reducing emissions	P.7
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A.2 Resources Utilization	P.7
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	A.2.1 Direct and indirect energy consumption	P.7

## Environmental, Social and Governance Report (Continued)

General Disclosures and KPIs	Description	Section	Page no.
KPI A2.2	Water consumption in total and intensity.	A.2.2 Total amount and intensity of water consumption	P.7
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A.2.3 Plan on energy utilization	P.8
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.	A.2.4 Water resources management	P.8
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	A.2.5 Total amount of packaging materials used	P.8
Aspect A3: Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	A.3 Environment and Natural Resources	P.8
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A.3 Environment and Natural Resources	P.8
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer	A.4 Climate Change	P.9
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.	A.4 Climate Change	P.9



## Environmental, Social and Governance Report (Continued)

General Disclosures and KPIs	Description	Section	Page no.
<b>Social</b>			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	B.1 Employment	P.9–11
KPI B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region.	B.1 Employment	P.10
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B.1 Employment	P.10-11
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B.2 Health and Safety	P.11
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B.2 Health and Safety	P.12
KPI B2.2	Lost days due to work injury.	B.2 Health and Safety	P.12
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B.2 Health and Safety	P.12

## Environmental, Social and Governance Report (Continued)

General Disclosures and KPIs	Description	Section	Page no.
Aspect B3: Development and Training			
General Disclosure	Policies on improving employee's knowledge and skills for discharging duties at work. Description of training activities.	B.3 Development and Training	P.12
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B.3 Development and Training	P.12
KPI B3.2	The average training hours completed per employee by gender and employee category.	B.3 Development and Training	P.12
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B.4 Labour Standards	P.13
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B.4 Labour Standards	P.13
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B.4 Labour Standards	P.13
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B.5 Supply Chain Management	P.13
KPI B5.1	Number of suppliers by geographical region.	B.5 Supply Chain Management	P.13
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.	B.5 Supply Chain Management	P.13
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B.5 Supply Chain Management	P.13



## Environmental, Social and Governance Report (Continued)

General Disclosures and KPIs	Description	Section	Page no.
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B.5 Supply Chain Management	P.13
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods to redress.	B.6 Service Quality	P.14
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B.6 Service Quality — Quality Assurance	P.14
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B.6 Service Quality — Intellectual Property Rights	P.14
KPI B6.4	Description of quality assurance process and recall procedures.	B.6 Service Quality — Quality Assurance	P.14
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B.6 Service Quality — Data Privacy	P.14

## Environmental, Social and Governance Report (Continued)

General Disclosures and KPIs	Description	Section	Page no.
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B.7 Anti-corruption	P.15
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcome of the cases.	B.7 Anti-corruption	P.15
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B.7 Anti-corruption	P.15
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B.7 Anti-corruption	P.15
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B.8 Community Investment	P.15
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B.8 Community Investment	P.15
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B.8 Community Investment	P.15