



# Janco Holdings Limited 駿高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8035



# 2023

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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# 1. ABOUT THE REPORT

Janco Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) are pleased to present our Environmental, Social and Governance Report (the “**ESG Report**”) which presents the Group’s concern to environmental and social impacts, policies and initiatives of the Group to demonstrate our long-term commitment to ensure that our activities, at all levels, are economically, socially and environmentally sustainable to stakeholders. Additional information in relation to the Group’s corporate governance and financial performance can be referred to our annual report for the financial year ended December 31, 2023.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) acknowledges its responsibility for ensuring integrity of this sustainability report. To the best of its knowledge, this report addresses the principles of materiality, quantitative, and consistency, presenting ESG performance of the Group in a balanced manner.

## 1.1 SCOPE AND REPORTING BOUNDARY

The scope of the ESG Report covers the environmental and social performances of the Group’s principal operating activities spanning over the period from January 1 to December 31, 2023 (the “**Reporting Period**”). The Group has been a leading provider of international freight forwarder and global logistics services in Asia with expertise in supply chain management and e-commerce fulfilment. Over the years, we have developed an extensive global distribution and freight forwarding network covering all major markets worldwide. In recent years, we have connected with many last-mile delivery operators to service e-Commerce parcel delivery to and from the Mainland China, North America, Europe and Asia Pacific regions.

The reporting boundary of the ESG Report is established consistently based on the criteria that all operations and entities reported are substantially owned by the Group and are under our management across the Group’s structure. As a result, we do not report entities which are outside of the Group’s structure, where we do not own the assets and do not directly engage or employ the workforce, and where we do not operate the asset under a contractual obligation. In addition, we do not report entities which were sold or acquired during the Year. Part of the content may look back upon the performance of the Group in past years with a view to presenting the ESG Report in a more informative and comparable manner.

## 1.2 REPORTING GUIDELINES

To comply with the requirements set forth in Appendix 20 Environmental, Social and Governance (“**ESG**”) Reporting Guide (“**ESG Reporting Guide**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**” and “**Listing Rules**”, respectively), the Group is in compliance with the mandatory disclosure requirements and “comply or explain” provisions set out in the ESG Reporting Guide.

To guide our process, the Group also made reference to key reporting framework such as the Global Reporting Initiative (GRI) Standards and aligns with applicable industry standards from the Sustainability Accounting Standards Board (SASB) and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). We also looked to global ESG ratings agencies such as Sustainalytics, MSCI and ISS during this process to ensure our actions aligned with accepted standards.

# 1. ABOUT THE REPORT

## 1.3 REPORTING PRINCIPLES

In order to determine what issues are relevant and material to our business with respect to sustainability, the report is centered on the four principles summarized below.

**Materiality:** The ESG report covers the material ESG factors that are sufficiently important and material to different stakeholders. In order to determine what issues are relevant and material to our business with respect to sustainability, the Group is aware that the key is to understand what issues that our stakeholders concerned most. The Group's directors and senior management are mainly responsible for identification of key ESG factors on the basis of the feedback from the stakeholders.

**Quantitative:** To provide a comprehensive comparison of the performance in emissions and energy consumption, summary tables of performance are shown in relevant sections. Information on the standards, methodologies, assumptions and/or calculation tools, and source of conversion factors used for the reporting of emissions and energy consumption are mainly referred to the ESG Reporting Guide.

**Consistency:** Methodologies and key performance indicators are used and calculated in a consistent approach. If there are any changes in consistency that may affect a meaningful comparison detail would be disclosed.

**Balance:** Both positive and negative sides of our performance have been presented in a transparent manner.

## 1.4 REPORTING FRAMEWORK

With reference to the ESG Reporting Guide and the Group's business operation, the presentation of our ESG Report divides the relevant aspects and KPI, which are considered to be relevant and material to the Group, into five subject areas: Embracing ESG, Protecting our Environment, People, Operating Responsibly and Contributing to our Community.

A complete index in compliance with the ESG Reporting Guide is also available at the end of this report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this report is compliant with all the "comply or explain" provisions set out in the ESG Reporting Guide.

## 1.5 DATA COLLECTION

Data in this report is extracted from the Group's internal management system and statistics, and part of the data collected in previous years. Unless otherwise stated, HKD is used in this report as its functional currency.

## 1.6 REPORT AVAILABILITY

In addition to inclusion in the Group's Annual Report, this report is also accessible in electronic version from <https://www.jancofreight.com>.

## 1.7 CONTACT

We welcome all sorts of comments and suggestions from our stakeholders with respect to this ESG Report or our sustainability performance. Comments or views can be sent to [hkg@jancofreight.com](mailto:hkg@jancofreight.com).

## 2. ESG POLICY, STRATEGY AND MANAGEMENT

### 2.1 OUR BOARD'S STATEMENT ON ESG

The Group, as part of the great community, is committed to dedicating our resources and our best thinking to build a sustainable business fit for the future and to build a better world for all stakeholders in different aspects. Therefore, we believe that a sound corporate governance and well-developed operation practices are the foundation of the Group's sustainable and long-term development. Our board's statement of ESG management focuses on the following principles:

#### **Fighting Climate Change**

We recognize that the environment is under increasing strain, and it is imperative for us to do our part to address the impact of climate change. We are committed to protecting and preserving our planet by adopting sustainable practices throughout our business, identifying and assessing financial and other risks associated with climate change and integrating low-carbon solutions into our products and services. The Group has set up an ESG Working Group comprising the Board-level committee members and senior management to shoulder ESG responsibilities, including formulating a climate-related work plan, reviewing climate risk-related policies and disclosure documents, and identifying climate-related risks and opportunities that have a significant impact on the Group's operation and future development.

#### **Our People's Health and Safety**

We are determined to set ourselves in a good position to maintain a robust business performance and growth together with our employees, with an objective to uphold an open, fair, just and reasonable human resource policy. The Group is committed to a holistic approach to health and wellness, through a healthy, comfortable and safe workplace for our employees.

#### **Governance Framework**

An ESG management system requires a combined effort of an effective governance structure that comprises the decision-making level and execution level members. The formation of our ESG Working Group comprising the Board-level committee members represents the Board's further determination and action to strengthen our ESG management in the long run. The Board has the overall responsibility to define the Group's ESG strategy and approach, manage and assess the Group's ESG performance.

#### **Innovation**

We are dedicating our unmatched innovative capacity to accomplish the long-term sustainability, offering a range of innovative and practical applications to help manage energy use in a greener and smarter way. As for our operations, we will continue replacing and enhancing our technical levels and processes to enable our business to deliver improved results, leveraging innovation to facilitate our people in making better decisions. Going forward, we will continue being vigilant and keep strengthening our cyber resilience and enhancing the awareness of cyber security across the Group and our working partners.

#### **Community Engagement**

We encourage giving back and strengthening the community through volunteerism and philanthropy. The Group employees contribute their time and talent to a variety of community organizations.

#### **Diversified Talents**

The Group values diversity of experiences and backgrounds, and actively seeks to promote from within. Further, the Group is always seeking to improve and become better constituents to our community, our company and our shareholders. Opportunity and growth occur when we draw from the strengths of our diverse leadership and background.

# 2. ESG POLICY, STRATEGY AND MANAGEMENT

## 2.2 ESG STRATEGY AND MANAGEMENT

The Group, rooted in its business strategy and the characteristics of our industry, draws on domestic and international policies and ESG standards to identify, evaluate, and analyze material ESG issues. We collect input from stakeholders every year and use the results to rank the issues by materiality. We then identify issues to be disclosed in the report and submits them for board review and validation.

The Group has established a quantitative ESG performance management mechanism and regularly identify risks and opportunities over the short and long term. By benchmarking against international standards and industry best practices, we also identify and prioritize climate-related risks and opportunities.

The Group will continue to optimize the ESG management and operating mechanisms, further integrate ESG factors into corporate governance, risk management, and business strategies, and actively identify and supervise ESG risks and opportunities that have a significant impact on our business performance.



### Climate-Change

#### Impact on the Group

- The Group recognizes the environment is under increasing strain, and it is imperative that we do our part to address the impact of climate change.
- Climate change affects the Group’s business in a variety of ways. Both physical and transition risks can affect the Group’s business and value chain.

#### Status and Responses

- We are committed to protecting and preserving our earth by adopting sustainable practices throughout our business, identifying and assessing financial and other risks associated with climate change and integrating low-carbon solutions into our product and service offerings. Our strategic priorities are as follows:
  - Identify and assess material financial risks associated with climate change;
  - Staying resilient to climate change;
  - Decarbonizing logistics operations; and
  - Commitment to net zero emissions from its operations by 2050.

## 2. ESG POLICY, STRATEGY AND MANAGEMENT



### People

#### *Impact on the Group*

The Group continues to implement a variety of social good and regulate social practices to safeguard shareholders' rights and interests. We continued to align efforts with strategic priorities, including the below issues:

#### *Status and Responses*

- Developing a healthy and green community;
- Supporting overall health and well-being;
- Fostering talent growth and development;
- Advancing a culture of diversity, equity and inclusion;
- Investing in ongoing growth and development; and
- Optimizing customer service system



### Operating Responsibly

#### *Impact on the Group*

Due to the nature of the business, the Group collects, processes and stores confidential information. To protect its stakeholders, the Group complies with laws and regulations in relation to the protection of data and uphold the highest ethical standards of business integrity and foster a culture of compliance throughout the Group.

The Group is a potential target for cyber-attacks and any risks that threaten the confidentiality, integrity and availability of data and trigger disruption to its operations.

#### *Status and Responses*

- Cyber security specialists have been appointed to investigate any incident and ensure the systems are secure.
- The Group continues to enhance its security systems and will take every action necessary to protect both its customers and the organization against any future disruption.
- Review and monitor the internal control system and risk management processes to ensure the overall effectiveness with continuous improvement.
- Ensure our corporate governance structure meets the applicable laws and regulations, industry best practice and global trends.
- Our Board of Directors oversees and supports the implementation of responsible, stakeholder-centric practices consistent with the evolving governance environment, stakeholder expectations and the commitments we have made to them.

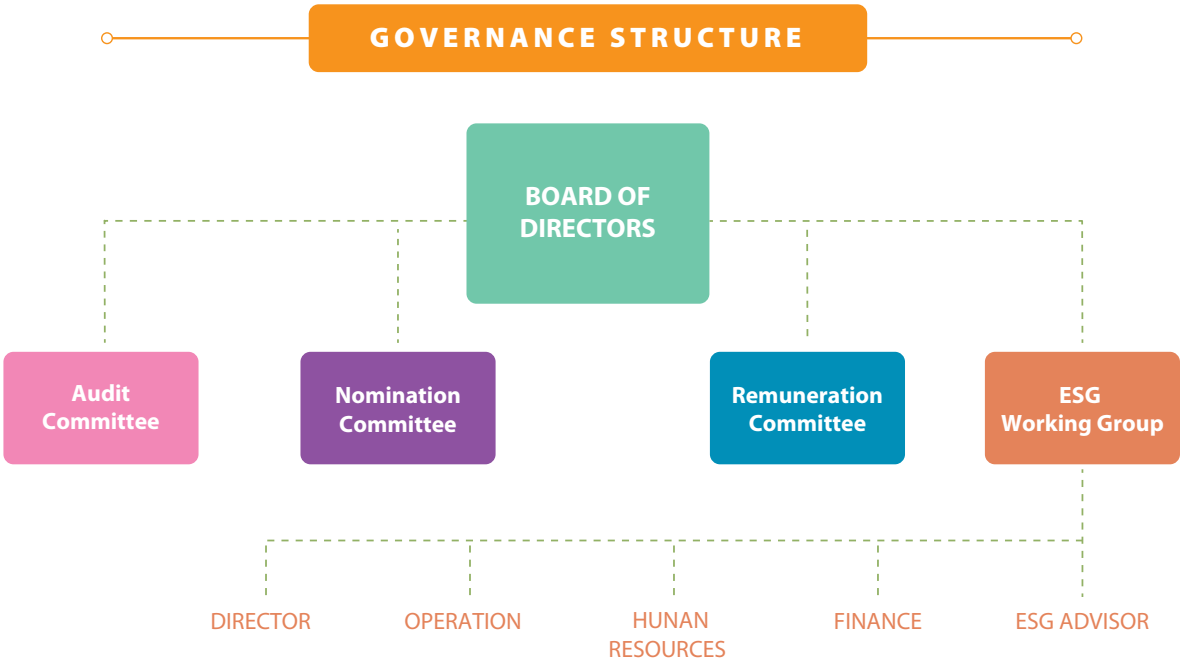
The Board will continue to optimize the Group's ESG management, actively respond to concerns of our stakeholders and facilitate the improvement of ESG management, working to fulfil our improvement, progress, performance and contribution to our community while maintaining robust growth and creating value for shareholders and investors.

# 2. ESG POLICY, STRATEGY AND MANAGEMENT

## 2.3 FORMATION OF ESG WORKING GROUP

The Group has set up the ESG Working Group which consists of a director of the Company, department heads of operation, finance and human resources and an ESG advisor. The ESG Working Group is delegated to review and monitor the Group’s ESG policies and performance regularly, identify risks and opportunities of ESG aspects, ensure the Group’s compliance with the relevant legal and regulatory requirements, monitor and respond to emerging ESG issues and make recommendations to the Board to improve the Group’s ESG performance.

The ESG Working Group organized meetings to review the Group’s ESG policy including, evaluating the effectiveness of existing ESG initiatives and progress of ESG performance, advising the Board on sustainability strategy and management approach, carbon footprint reduction, professional development for employees and engagement with the community.



**Governance structure of the Group**

## 2.4 STAKEHOLDER ENGAGEMENT




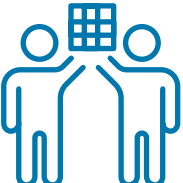

Stakeholder engagement is nowadays an important approach for us to understand the views and suggestions of different stakeholders on the progress of the Group’s ESG management as the groundwork for realizing the Group’s sustainability planning and social responsibility fulfilment.

In order to achieve so, the Group carried out a stakeholder engagement exercise during the Reporting Period by involving its stakeholders which might affect our decisions, people who may be affected by our decisions or who may influence the implementation of our decisions. The Group has developed an approach which identifies the broad topics that the stakeholder groups are concerned with, and used a materiality matrix to assess the material topics identified by our stakeholders during the engagement process. The stakeholder engagement is followed by the formulation of operating strategies, such that their views and voices could be heard by all business units of the Group and timely responses could be provided. A summary of the stakeholder groups, topics concerned, and communication channels are listed in the following table.



## 2. ESG POLICY, STRATEGY AND MANAGEMENT

**Table 2-1: Stakeholders and Communication Channels**

Stakeholders	Topics Concerned	Communication Channels
 <p>Customers</p>	<ul style="list-style-type: none"> <li>• Customer information and privacy</li> <li>• Development of new services</li> </ul>	<ul style="list-style-type: none"> <li>• Customer service hotline and email</li> </ul>
 <p>Employees</p>	<ul style="list-style-type: none"> <li>• Employees' health safety, working conditions and welfare</li> <li>• Career development and training</li> </ul>	<ul style="list-style-type: none"> <li>• Regular management meeting with staff representatives</li> <li>• Training sessions</li> <li>• Occupational health and safety training</li> </ul>
 <p>Shareholders</p>	<ul style="list-style-type: none"> <li>• Corporate governance and risk management</li> <li>• Business and financial performance</li> <li>• Operation in compliance with applicable law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Annual and interim reports</li> <li>• Regular meetings and correspondence</li> <li>• ESG report</li> </ul>
 <p>Suppliers</p>	<ul style="list-style-type: none"> <li>• Quality of products or services</li> <li>• Sustainability in business model</li> <li>• Operation in compliance with applicable law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Regular review meeting</li> </ul>
 <p>Community</p>	<ul style="list-style-type: none"> <li>• Local environment protection</li> <li>• Local community activities involvement</li> <li>• Operation in compliance with applicable law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in local community activities and volunteering work</li> </ul>

# 2. ESG POLICY, STRATEGY AND MANAGEMENT

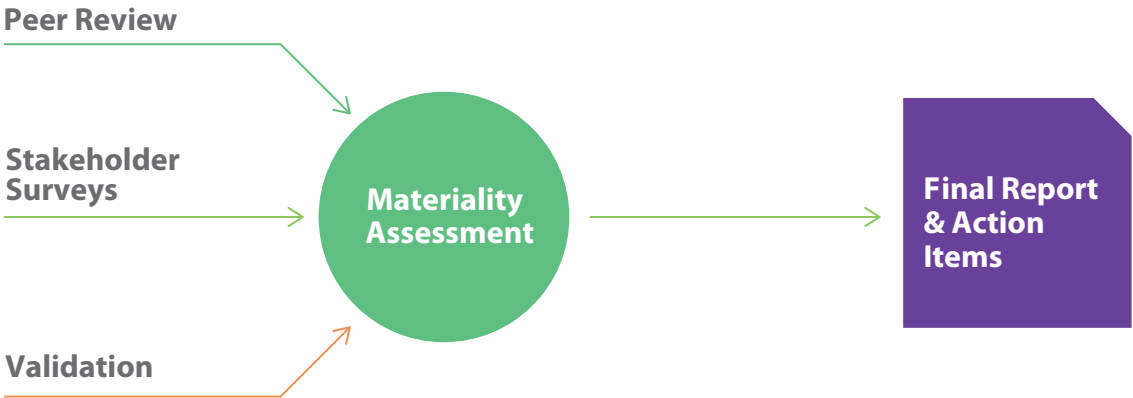
## 2.5 MATERIALITY ASSESSMENT

Following the stakeholder engagement, we conducted a materiality assessment during the Reporting Period with the following objectives:

- Re-examine, assess and update our ESG priorities, and verify why they matter;
- Evaluate trends in ESG policies, practices and disclosures, and peer comparisons;
- Align with stakeholders' expectations to address priorities;
- Prioritize sustainability reporting standards to further strengthen our public disclosures; and
- Identify key performance metrics and establish goals to modernize and further advance our sustainability strategy.

Our materiality assessment involves the following procedures.

1	2	3	4
<p><b>Preparation</b></p> <p>Sustainability issues relevant to the Group's business are identified according to international and local reporting standards.</p>	<p><b>Identification</b></p> <p>Feedback of internal and external stakeholders is collected. The Group's ESG working committee initially identified sustainability topics which may be considered important and relevant for disclosure in accordance with the ESG Guide.</p>	<p><b>Prioritisation</b></p> <p>The identified topics were ranked by stakeholders to reflect the level of interest and importance to the Group through various stakeholder engagements. A list of prioritized material topics was consequently generated with respect to the results from stakeholder engagements.</p>	<p><b>Verification</b></p> <p>The Group's ESG working committee reviewed and validated the material sustainability topics to ensure that they are relevant and material to the Group for disclosure.</p>



## 2. ESG POLICY, STRATEGY AND MANAGEMENT





Based on the stakeholder engagement exercise, business knowledge and management review, we identified the material topics and the stakeholder groups most significantly impacted by the topics summarized in the form of materiality matrix below, in the context of own business and day-to-day operation. The materiality matrix generally demonstrates that all issues raised were important to both primary and secondary stakeholders, albeit to differing degrees of importance to stakeholders and to the Group.

	Medium	High	Very High	
Importance to Stakeholders	Human rights and labor standards	Risk Management & Compliance Anti-Corruption Business Integrity	Occupational Safety and Health Career training and development Diversity, equity and inclusion	Very High
	Waste Management Community Engagement	Intellectual Property Rights Creating Value Human rights and labor standards Customer satisfaction	Data Security and Privacy Service and products quality management Climate change in action Energy Efficiency	High
	Renewable energy Community investment	Technology & Innovation Greenhouse gases management	Social risk management in supply chain Packaging optimization	Medium
	Importance to the Group			



# 2. ESG POLICY, STRATEGY AND MANAGEMENT

## 2.6 ESG PERFORMANCE

 <p>ENVIRONMENT</p>	<p>Total Energy Consumption: <b>1,665,968</b> kWh</p> <p>Total GHG Emission: <b>1,120,303</b> t</p>	<p>Total Water Consumed: <b>7,655</b> m<sup>3</sup></p> <p>Total Packaging Material Consumed: <b>1,029.71</b> t</p>
 <p>HEALTH AND WELLNESS</p>	<p><b>Zero</b> Work-Related Fatality</p> <p><b>3</b> Lost Days due to Injury at Work</p> <p><b>1</b> of Injuries at Work</p>	<p><b>152</b> Training Hours</p>
 <p>COMMUNITY</p>	<p>We support <b>the HKFYG</b></p> <p>Continuously recognized as <b>“Caring Company”</b></p>	
 <p>GOVERNANCE</p>	<p><b>Zero</b> complaints</p> <p><b>Zero</b> corruption cases concluded</p> <p><b>Zero</b> non-compliance with labour standard</p>	

## 2. ESG POLICY, STRATEGY AND MANAGEMENT

### 2.7 A GREENER FUTURE

The problem with CO<sub>2</sub>-intensive industries, though, is that they mainly run on fossil fuels and are a massive contributor to global CO<sub>2</sub> emissions. The challenge is now on to plot a greener and, ultimately, carbon-free course. Enhanced awareness of environmental and resource efficiency issues amongst our customers, suppliers, our people and stakeholders through improvement projects and the green logistic management approach in the respective areas. Customers were now more conscious than ever about where the money they spent was going, making a deliberate choice with every purchase to contribute to a green future. Doing good is good for business, so can The Group — as a whole — start to integrate more social or environmental impacts into our businesses. We are changing our business models to become more sustainable and helping our customers embrace the green transition. We firmly believe our business has the power to make at least one small change towards a sustainable future or a greater purpose in the world.

As such, it has never been more important for the Group to implement good ESG practices into our business model. We are committed to instilling the consciousness of resources conservation, deeply indoctrinated the low-carbon concept and environmental protection into the work and life of every employee. We continue to seek business partners who share our philosophy, commitment to environment conservation and compliance with the applicable environmental laws and regulations. We regularly assess the environmental risks of our business, and adopt preventive measures as necessary to reduce the risks, ensure the compliance of relevant laws and regulations and keep our green development. We firmly believe that our commitment to environmental protection will become a part of our competitiveness, leading the Group to a greater success in the future and fulfil our responsibilities as a member of the community we all live in.

Although change is always difficult and requires careful management, we believe that these initiatives will become part of our competitiveness and are capable to reflect our commitment to offering our clients the best quality of services with the least adverse impact on our planet, building a greener and healthier environment together with all the members of the community.

# 3. PROTECTING OUR ENVIRONMENT

## 3.1 CLIMATE CHANGE RESPONSE MANAGEMENT

The Group recognizes that climate change poses a potential threat and challenge to the global supply chain. As one of the industry members, the Group aims to maintain the resilience of its logistics network to climate change and to minimize its environmental footprint around the world and enable us to take advantage of any opportunities it may offer. The Group dedicated itself to empowering the low-carbon transformation of the global economy and is committed to implementing the recommendations of the Task Force on climate-Related Financial Disclosure (“TCFD”), providing investors and stakeholders with useful information on climate-related risks and opportunities that are related to our business. TCFD is a market-driven initiative that is set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings. The following climate change-related risks and opportunities are identified on this basis.



Governance	Strategies	Risk Management	Performance and Target
<p>The Group has set up an ESG Working Group to shoulder the ESG responsibilities, including formulating a climate-related work plan, reviewing climate risk-related policies and disclosure documents, and identifying climate-related risks and opportunities that have a significant impact on the Group’s development, and take appropriate coping measures.</p>	<p>The Group has identified major climate-related risks and opportunities based on the developments of the financial industry and takes strategies and measures to prevent and respond to the transformation and entity risks brought by climate change.</p>	<p>The Group embeds ESG factors into the risk management process of different businesses and integrates climate and environmental considerations across all stages of business management including approval, due diligence, investment decision-making, credit extension, and concentration management.</p>	<p>The Company discloses the performance of its sustainable businesses, discloses and analyzes relevant indicators such as water resources, energy, and GHG emissions in the annual ESG Report.</p>

# 3. PROTECTING OUR ENVIRONMENT

## 3.2 CLIMATE CHANGE MITIGATION

The Group is committed to net zero emissions by 2050, underlining its ambition to reduce its environmental impact and mitigate its exposure to transition risks. To prepare for climate-related disclosure, the Group allocated human and financial resources to continuously assess the impact of climate change on our business and operation. The assessment aims to identify the physical and transition risks that are most relevant to the Group. The result will be incorporated into our risk management system wherever appropriate.

Climate risks are typically classified into two major categories faced by the Group include physical risks and transition risks.

- Physical risks related to physical impacts of climate change, which can be driven by events such as floods and typhoons (acute risks) or long-term shifts in climate patterns such as sustained high temperatures and sea level rise (chronic risks).
- Transition risks related to the transition to a lower-carbon economy, which may entail policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

**Table 3-1: Climate-Related Risks and Opportunities**

Climate Risk Type	Climate Drivers		Main affected Time Horizon
<b>Physical Risks</b>	Acute	→ More frequent and severe climate events such as flooding, drought, etc, that could affect financed assets and the value of the collaterals	Short — Medium — Long-Term
		→ Alternations in weather patterns and stability of local ecosystems affecting food production and living environment	
	Chronic	→ Rising temperatures affecting working conditions, living conditions and local infrastructure.	Long Term
		→ Rising sea levels affecting local ecosystems, increasing subsidence and flood risks	
<b>Transition Risks</b>	Market and Customers	→ Change in consumer behaviours including a deliberate move to more sustainable products	Short — Medium Term
		→ Potential loss of competitive advantage with our green product proposition or pricing risks	
		→ Increased market volatility and cost, sourcing restrictions for carbon heavy raw materials	

# 3. PROTECTING OUR ENVIRONMENT

Climate Risk Type	Climate Drivers	Main affected Time Horizon
Policy Making	→ More demanding policy environment affecting our customer's business operations	Short — Medium — Long Term
	→ Increased GHG emissions pricing to foster movement to renewable sources	
Technology and Data	→ Investment in technology to reduce emissions or improve energy efficiency ratings	Medium term
	→ Lack of procedures and systems to obtain and store reliable data for risk assessments and disclosure	
Regulatory Pressure	→ New disclosure requirement which increases the risk of misrepresentation	Short — Medium Term
	→ Increased regulatory requirements may lead to potential increase of non-compliance	
	→ Increasingly demanding banking regulation (disclosure, stress testing, taxonomies, etc)	
	→ Inefficiencies resulted from different climate regulations	
	→ Increased scrutiny from different stakeholders	
Reputational	→ As public awareness about climate change and green and low-carbon development continues to grow, failure to meet stakeholder expectations may put the Company to reputational risk	Short — Medium — Long Term
	→ Reputational impact from potential misalignment of emissions reduction	

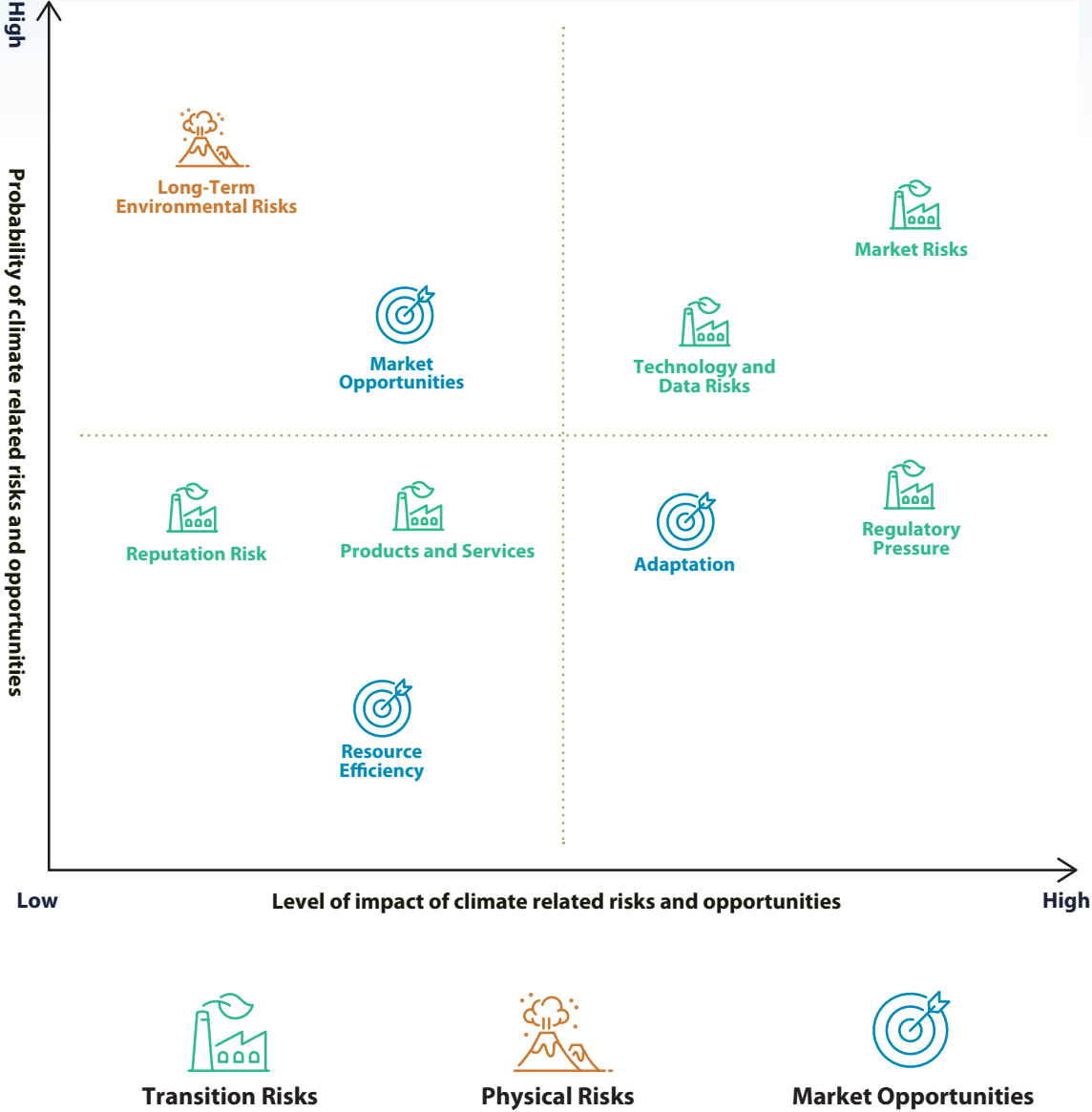


### 3. PROTECTING OUR ENVIRONMENT

**Table 3-2: Impact of Climate-Related Risks and Opportunities**

	Specifics	Adverse Impacts/Benefits	Our Response and Actions
<b>RISKS</b>			
<b>Physical Risks</b>	Increased frequency and severity of extreme weather events, such as typhoons, wildfire, rain and flooding, which may affect us from providing services, and damage our facilities and/or products	Increased operating and maintenance costs  Loss of revenue  Increased chance of extreme weather-related injuries which affect employees' health and safety	Monitoring and strengthening environmental risk prevention  Implementing natural disasters emergency plan  Conducting preventive measures and flexible working arrangement
	The increase in global average temperature will raise the average temperature of the Group's data centers. As such, more energy will be consumed by the air conditioning units to ensure the stable operation of the data center equipment and systems, which will necessitate extensive data center upgrades		The Group can revamp and upgrade its data centers by streamlining and optimizing the computer rooms and using more clean energy to promote energy conservation and carbon reduction efforts, improve resource efficiency, and reduce energy consumption.
<b>Business Risks</b>	Market risks — National policies for low-carbon transition such as carbon neutrality and green finance may lead to a shift in market preferences, with more funds flowing into low-carbon sectors and out of high-emissions sectors.	Failure to align with such business directions as low-carbon and green may lead to market setbacks.	Reducing consumption of packaging materials and increasing the proportion of sustainable packaging material  De-carbonizing logistics operations
	Reputational risk — As public awareness about climate change and green and low-carbon development continues to grow, failure to meet stakeholder expectations may subject the Company to reputational risk.	Failure to meet stakeholder expectations may subject the Company to reputational risk.	Controlling and reducing of hazardous materials in logistics operations  Exploring new environmental technologies  Making our operations greener  Greening transport modes

# 3. PROTECTING OUR ENVIRONMENT



Looking forward, the Group will further examine the alignment of its policies with the TCFD recommendations.

## 3. PROTECTING OUR ENVIRONMENT

### 3.3 GROUP ENVIRONMENT POLICY

The Group continues to make progress in mitigating our environmental impacts by gradually improving resources usage efficiency and waste management and adopting of green technologies throughout our business operations. Our business operations and facilities are compliant with all the relevant environmental, legal and statutory requirements.

The Group set out relevant rules and regulations for a sound and effective management of energy consumption, greenhouse gas (“GHG”) emission, as well as discharge of waste and sewage and other pollutants, highlighted as below.

- To comply with applicable environmental protection laws and regulations;
- To integrate environmental considerations in the operations;
- To define appropriate objectives and targets on a regular basis for our ESG management approach;
- To reduce energy and water consumption in our operations;
- To prevent pollution and to protect the environment by conserving natural resources and minimizing waste;
- To improve education and raise environmental awareness among the workforce through training and campaigns;
- To communicate our environmental performance to stakeholders and seek their involvement wherever applicable; and
- To equip our employees with relevant skills and knowledge in relation to the ESG management.

During the Reporting Period, the Group complied with environmental protection laws and regulations in relation to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.

### 3.4 OPTIMIZING ENERGY SAVING

The central government of the People’s Republic of China (“PRC”) has announced its target to achieve carbon neutrality in 2060. It is expected that the policies and regulations on carbon emissions will be more stringent in coming years. To reduce our indirect emission, we actively explore the possibilities of reducing electricity consumption and increasing energy efficiency in operations.

The main contributors to the Group’s carbon footprint are (1) indirect GHG emission generated from electricity consumption, (2) direct GHG emission generated from office administration and consumption of fossil fuel directly or indirectly, (3) indirect GHG emission generated from paper consumption in business operation, which releases Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Carbon Dioxide (CO<sub>2</sub>) into the air. The Group is highly aware that such GHG emission is one of the major sources of global warming. Therefore, we strive to reduce our carbon and ecological footprint and adopt practices that are sustainable to the environment and minimize our impact on the environment. As such, the Group keeps minimizing the environmental impacts by reducing GHG emission from its operations with the following means:

## 3. PROTECTING OUR ENVIRONMENT

### Road Transport

The Group is committed to improving energy efficiency in connection with road transport through operational optimization and fleet modernization. To optimize its operation, the Group focuses on enhancing route planning and instilling proper driving habits through measures such as carrier capacity optimization, mileage yield monitoring, driving training, and regular fleet maintenance. To modernize its fleet, the Group is exploring the use of alternative fuel vehicles and phasing out vehicles with lower emissions standards.

### Warehouse and Office Operations

Furthermore, the Group focuses on improving energy efficiency of the warehouse and office operations by implementing appropriate practices as below

- Lighting — we have been progressively replacing T8 fluorescent light tubes with more energy efficient light-emitting diode (“**LED**”) lamps to reduce energy consumption and associated GHG emissions at the warehouses. Our warehouse in Hong Kong underwent the upgrade lighting system and providing on-off and zoning control of lighting. Similar projects will be extended to all our workplaces if appropriate;
- Air conditioning and refrigeration system — the room temperature of the workplaces is maintained at around 24–26°C for an optimal level for comfort. To ensure effective operation of the air conditioning system, maintenance plans are implemented, such as regular cleaning of dust filters and fan coils. The Group prefers environmentally friendly air conditioners in its procurement process, especially for those that do not require refrigerant additions for 6 to 10 years;
- Switching off electronic products and office equipment when idle;
- Prioritizing the use of green technologies in business operations, constantly upgrading the facilities and equipment to increase energy efficiency;
- Organizing training session for staff members to improve energy efficiency and encourage GHG saving awareness; and
- Established energy targets and indicators, as well as the implementation plan.

# 3. PROTECTING OUR ENVIRONMENT

## **Control of Paper Consumption**

The business operation of the Group consumes significant amount of papers and the Group has adopted a series of initiatives to reduce the level of paper consumption:

- Achievement of paperless office by digitalizing the business operations whenever possible to reduce paper consumption;
- Tend to use electronic approvals instead of paper signatures, make full use of electronic archives and documents, and online communication;
- Selection of working partners which provide paperless operating procedures;
- Promotion of electronic statements among our customers and provision of platform for online transaction to customers;
- Paperless board meeting;
- Encourage use of electronic means of communication such as email, intranet and WeChat, VooV and Zoom to manage daily process;
- Use duplex printing and reuse single-side printed papers; and
- Organized events and activities for enhancing employees' motivation to minimize the use of electricity and paper in office.

## 3. PROTECTING OUR ENVIRONMENT

### 3.5 EXHAUST GAS AND GHG EMISSIONS

Our Group's business inevitably involves consumption of fossil fuel, which directly or indirectly, releases Nitrogen Oxides (NO<sub>x</sub>), Sulphur Oxides (SO<sub>x</sub>), and Carbon Dioxide (CO<sub>2</sub>) into the air. In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of "Emissions" during the Reporting Period is tabulated below.

**Table 3-3: Emissions**

	Unit	FY2023	FY2023 Intensity	FY2022	FY2022 Intensity
GHG Emissions	CO <sub>2</sub> e (kg)	<b>1,120,303</b>	<b>8,118</b>	1,573,637	9,654
Scope 1	CO <sub>2</sub> e (kg)	<b>503,872</b>	<b>3,651</b>	888,280	5,450
Scope 2	CO <sub>2</sub> e (kg)	<b>616,408</b>	<b>4,467</b>	685,357	4,205
Nitrogen Oxides	g	<b>2,120,542</b>	<b>15,366</b>	5,235,346	32,119
Sulphur Oxides	g	<b>3,038</b>	<b>22</b>	5,361	33
Particulate Matter	g	<b>162,859</b>	<b>1,180</b>	389,803	2,391

Notes:

GHG emission data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Greenhouse Gas Inventory Guidance Direct Emissions from Mobile Combustion Sources" issued by the United States Environmental Protection Agency, the latest emission factors published by the power plant and "How to prepare an ESG Report? — Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX.

During the Reporting Period, there were no non-compliance cases reported in relation to GHG emission within the Group.

# 3. PROTECTING OUR ENVIRONMENT

## 3.6 WASTE MANAGEMENT

### Waste Management Policy

Waste is inevitably generated by day-to-day operations at the Group's facilities and offices. The Group's waste management policy endeavours, through adoption of the waste management hierarchy (waste prevention followed by re-use, recycling, recovery and finally disposal), so as to achieve a green operation and a minimal generation of waste wherever possible and practical. Through the following strategy and practices, the Group strives achieve our waste control target.

**Table 3-4: The Group's waste management hierarchy**

Strategy	Objectives
<b>Reduce:</b> <b>Reduce consumption at the source</b>	Reduce consumption of inbound and outbound packaging material (pallets, carton boxes, cardboard containers, dunnage and lashing materials) by combining packaging at each delivery point to reduce repackaging
	Reduce paper consumption by digitalizing business operations through the use of electronic approvals instead of paper signatures, electronic archives and documents, and online communication
	Encourage double-sided printing
<b>Reuse:</b> <b>Reuse materials or products in their original forms</b>	Use of re-treaded tyres to extend their life cycle where appropriate
	Reuse of carton boxes
	Reuse paper printed on one side
<b>Recycle:</b> <b>Recycle materials that would otherwise be disposed of as waste and turn them into new products</b>	Recycle regulated electrical equipment (" <b>REE</b> ") under the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment (" <b>WPRS</b> ") in Hong Kong
	Recover heavy metals from the waste of electrical and electronic equipment (" <b>WEEE</b> "); for examples obsolete computers, electronic goods, customers' products
	Promote the use of recycled paper
<b>Replace:</b> <b>Replace materials with Alternative environmentally friendly materials</b>	Replace carton boxes and wood pallets with more durable or recycled alternatives, such as logistics carts, plastic tote boxes and plastic pallets
	Promote the use of paper from sustainable sources

## 3. PROTECTING OUR ENVIRONMENT

### Hazardous Waste

Given our business nature, the Group does not directly produce hazardous waste throughout the operation. Waste generated at our warehouses such as lubricating oil, organic solvents, refrigerants and electronic waste are handled properly by qualified contractors. The Group also endeavors to recycle electronic waste throughout our operation wherever practical, ultimately reducing both the monetary and environmental costs involved in disposal of these electrical parts.

### Non-hazardous Waste

The non-hazardous wastes generated by the Group are mainly domestic waste including stationery, packaging materials, paper from our operations, among which, recyclable wastes will be recycled for reuse.

### Wastewater Discharge

As a logistic service provider, the Group does not consider itself as a highly water-intensive enterprise. Water is used primarily for drinking and sanitation and is discharged properly into the public sewage systems.

**Table 3-5: Waste Discharge**

	Unit	FY2023
Non-hazardous Waste	kg	n/a

During the Reporting Period, there were no non-compliance cases reported in relation to discharge into water and land, and generation of waste within the Group.

### 3.7 USE OF RESOURCES

As natural resources are depleted, sustainability becomes essential throughout the entire process of business, so we are working to optimize and reduce the overall amount of natural resources we consume. We have implemented various initiatives throughout our operations such as deploying energy-efficient devices which carry certified Energy Label, minimizing the use of fuel, energy, paper and water. Through actively monitoring and managing the use of resources, we aim to reduce our carbon footprints as well as our operating cost.

#### Water Consumption

The Group does not have any water stress issues in its operation, nor do the Group have issues finding adequate water sources for its business operations. Nevertheless, the Group strives to conserve water in its daily operations. We strive to engage all employees to develop a habit of conserving water consciously. Pantry is posted with environmental messages to remind employee the importance and urgency of water conservation by checking taps and pipes for leaks regularly and monitoring water consumption. The utility facilities are maintained regularly for service to ensure that water seepage or leaking pipelines are replaced or repaired on a timely basis.

#### Packaging Material

Packaging is a key part of the storage, distribution and transport services provided by the Group. Materials used in the packaging process include stretch film, boxes and pallets. The Group is committed to using durable, recycled materials for packaging to minimize consumption. Adhering to the philosophy of reducing resource consumption and pollutant discharge at the source, we encourage green products design, the usage of green materials and the reduction of over-packaged and invalid package. Packaging material used during the Reporting Period is tabulated below.



### 3. PROTECTING OUR ENVIRONMENT

**Table 3-6: Packaging Material**

	Unit	FY2023
Plastic (e.g. wrapping film, plastic bottle, plastic bag)	t	<b>40.4</b>
Glass	t	<b>n/a</b>
Wood	t	<b>n/a</b>
Metal	t	<b>n/a</b>
Paper (including cardboard)	t	<b>989.3</b>
Styrofoam	t	<b>n/a</b>
<b>Total</b>	<b>t</b>	<b>1,029.7</b>

#### **Environmental Performance**

In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of “Energy and Resources Use” during the Reporting Period are tabulated below.

**Table 3-7: Energy and Resources Use**

	Unit	FY2023	FY2023 Intensity	FY2022	FY2022 Intensity
Electricity	kWh	<b>1,665,968</b>	<b>12,072</b>	1,852,317	11,364
Purchased Gas	kg	<b>n/a</b>	<b>n/a</b>	n/a	n/a
Unleaded Petrol	L	<b>5,929</b>	<b>43</b>	11,529	71
Diesel	L	<b>183,308</b>	<b>1,328</b>	322,463	1,978
Paper	kg	<b>4,819</b>	<b>34.92</b>	6,968	43
Water	m <sup>3</sup>	<b>7,655</b>	<b>55.47</b>	6,352	39
<b>Total Energy Consumption</b>	<b>kWh</b>	<b>3,685,416</b>	<b>26,706</b>	5,415,457	33,224

During the Reporting Period, there were no non-compliance cases reported in relation to use of resources within the Group.

## 4. OUR PEOPLE

### 4.1 EMPLOYEE WELLNESS

COVID-19 continued to disrupt the lives of our employees during the Reporting Period. Against this background, fostering a safe and healthy workplace remains the most important issue, as the protection of staff health, sufficiency of human resources and business innovation became crucial factors affecting the Group's sustainability. During the Reporting Period, we adopted the following anti-epidemic procedures and precautionary measures to ensure the safety and well-being of our employees, suppliers and support our clients, stakeholders and community to combat the COVID-19 pandemic together.

**Table 4-1: Anti-Pandemic Arrangement**

<b>Precautionary measures</b>	A safe and disinfected workplace is ensured through preventive measures
<b>Distribution of protective equipment</b>	Employees are provided with hygiene and protective equipment, such as surgical masks, nucleic acid testing and disinfectant.  To encourage employees to receive their vaccinations against COVID-19 to protect themselves, their families, friends and colleagues.
<b>Special arrangements</b>	Work from home arrangements supplemented by a special duty roster  Reduce physical contact among employees, we allowed staggered working hours and lunch breaks
<b>Open and transparent communication</b>	To keep employees connected and informed during the pandemic, the Group uses online platforms to provide up-to-date information on the current situation and the company's response, shipping schedules and work schedules
<b>Crisis management team</b>	The Group established a reporting system for cases of the virus and appointed a crisis management team. The reporting system enables immediate communication in the event that any employee is confirmed to be infected. The crisis management team takes immediate precautionary action whenever suspected or confirmed cases are identified.

The resolve, dedication, commitment and hard work of all employees to fight this unprecedented threat have led us successfully to navigate through disturbances together with our employees, suppliers, clients, and local communities. We ensure to maintain our operations as smoothly and efficiently as possible during these exceptionally challenging times while putting our peoples' wellness first.

## 4. OUR PEOPLE

### 4.2 OCCUPATIONAL HEALTH AND SAFETY

We are committed to providing and maintaining a safe, healthy, and hygienic workplace for all employees, and all other persons likely to be affected by our operations and activities. Health and safety standards are given prime consideration in our operations, and regulatory compliance is strictly upheld. The goals of our Occupational Safety and Health (“**OSH**”) policy are highlighted as below:

- Pursuit of a healthy, comfortable and safe working environment for our employees;
- Commitment of appropriate resources and leadership to the OSH management system;
- The OSH management system aims at identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries;
- The OSH management system defines appropriate objectives and targets on a regular basis;
- Zero tolerance of accidents and injuries;
- Promotion of a safety culture among employees;
- Communication of our health and safety performance with stakeholders and seek their involvement wherever applicable;
- Regular review of the performance of various OSH measures so that their effectiveness and reliability can be maintained;
- Compliance with applicable laws and regulations in relation to occupational safety and health.

To achieve the goals of our OSH policy, the following appropriate measures are taken to continuously improve the safety and health aspects in the workplace.

- Formulation of emergency response plans, risk assessment and accident investigation mechanism so as to ensure legal compliance with OSH;
- Organization of fire drills and emergency evacuation simulations to raise the employees’ awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency;
- Promotion of safety culture among employees;
- Organization of induction programs and safety training programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can;
- Provision of OSH training sessions to employees according to their roles and responsibilities to ensure awareness of job hazards and conformity to safety practices with respect to OSH;

## 4. OUR PEOPLE

- Provision of job-related training to existing staff-members to strengthen their professional knowledge and skills in daily operations and safety matters;
- Training courses and measures are reviewed and regularly reported to the management by the safety officer;
- Encourage contractors or sub-contractors to assist in the implementation of policies, procedures and practices related to OSH at work wherever practical;
- Prohibition of smoking and abuse of alcohol and drugs in workplaces; and
- Set up posters of proper working postures and lifting method accessible on the intranet and at appropriate locations in workplaces.

During the Reporting Period, the Group complied with the Occupational Safety and Health Ordinance, by ensuring that the employees are working in a safe environment in respect of health, hygiene, ventilation, fire evacuation plans, building structure and means of escape.

During the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury. No material non-compliance with laws and regulations relevant to health and safety of employees were identified during the Reporting Period. Summary of work-related fatalities and injuries during the Reporting Period are shown in the table below.

**Table 4-2: Health and Safety**

	<b>FY2023</b>
No. of Work-Related Fatalities	<b>n/a</b>
Rate of Work-Related Fatalities	<b>n/a</b>
No. of Injuries at Work	<b>1</b>
Lost Days due to Injury at Work	<b>3</b>

## 4. OUR PEOPLE

### 4.3 TALENT ATTRACTION AND RETENTION

Considering that every employee has unique talents, competencies and the potential to become a driving force for our corporate development and long-term growth, the Group supports the development of competencies of our employees while proactively managing our talent pipeline and career development for them.

The Group is determined to uphold an open, fair, just and reasonable recruitment and human resource policies, with respect to equal opportunities, diversity and anti-discrimination. We encourage differences and individuality in employees, with the philosophy that diversity can bring new ideas, dynamics and challenges to our operations. We discourage all forms of discrimination on gender, age, family status, sexual orientation, disability, race and religion. Our employment policy encourages hiring of talented people with physical or mental disabilities. We are committed to supporting our employees to maintain a family-friendly work environment because we respect their roles and responsibilities in their families. We strive to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in employment. We bring in new recruits and equip them with necessary skill sets to develop a long-term rewarding career with us.

In order to attract and retain our employees, the Group offers competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees. The Group decides the remunerations payable to its staff based on their duties, work experience and the prevailing market practices. Apart from basic remuneration, share options may be granted to eligible employees by reference to the performance of the Group and individual employees. We are committed to nurturing skills and capabilities in order to unlock the best in our employees, and therefore drive creativity and innovation that will contribute to our long-term sustainable growth.

During the Reporting Period, we strictly observed the applicable laws and regulations and follow our employment policies relating to recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, by providing competitive remuneration package, including internal promotion opportunities and performance-based bonus, so as to recruit and retain experienced employees.

## 4. OUR PEOPLE

### 4.4 TALENT DEVELOPMENT

The Group envisions that empowering its people through development and training is the cornerstone of our success in the long-run. The Group listens and responds to our people, striving to create an environment of continuous learning, to facilitate development of careers and to provide knowledge and skills for better fulfilment of roles and responsibilities. Our training programmes are designed not only to enhance the sustainable development of the Group and to provide skillset required for the operation, but also for the benefit of society as a whole wherever possible.

During the Reporting Period, the Group organized a total of 152 hours of development and training. Each employee at all levels received, on average, 1.10 hours of development and training, including induction training, technical skills training, thematic courses such as anti-corruption, and pre-post training as summarized below.

**Table 4-3: Employee Training**

	Unit	FY2023
Average hours of training received per employee	hours	<b>1.10</b>
Average hours of training per employee by ranking		
Senior Staff	hours	<b>3.07</b>
Middle Staff	hours	<b>1.82</b>
Junior Staff	hours	<b>0.75</b>
Average hours of training per employee by gender		
Male	hours	<b>0.51</b>
Female	hours	<b>1.10</b>
Percentage of employees trained by employment level		
Senior Staff	%	<b>57.1</b>
Middle Staff	%	<b>16.7</b>
Junior Staff	%	<b>20.8</b>
Percentage of employees trained by gender		
Male	%	<b>17.7</b>
Female	%	<b>27.1</b>

We encourage directors and senior management to take part in professional training sessions and seminars with topics generally including occupational safety, corporate governance, business development and strategy in order for them to develop and refresh their knowledge and skills. We additionally provided the management with a series of thematic courses to strengthen and refresh their knowledge, leadership and management skills, covering various topics stipulated in different ordinances, rules and guidelines. Latest applicable laws, rules and regulations are circulated with employees and directors from time to time.

The Group pays full attention to the relevant regulatory changes and work closely with different departments to determine the continuous professional training required for relevant employees and directors to update their knowledge and skills to maintain their professional competence. Details of the development and training programs are summarized as below.

## 4. OUR PEOPLE

**Table 4-4: Development and Training Programs**

<b>New Employee Orientation Session</b>	The Group organized new employee trainings by introducing the history and corporate culture of the Group, as well as functions of respective departments, aiming at helping new employees adapt to the work environment and to settle in.
<b>Video Training</b>	Employees from respective departments participated in training sessions provided by the head office through video conferencing, aiming at widening the perspective of our employees.
<b>Professional &amp; Thematic Training</b>	<p>Directors and senior management are encouraged to take part in professional thematic training and seminars including occupational safety, corporate governance, business development and strategy.</p> <p>Employees from respective departments are encouraged to take part in thematic courses to strengthen and refresh their knowledge, management skills, including various topics stipulated in different ordinances, rules and guidelines such as Listing Rules and Guidelines, compliance, anti-money laundering (“<b>AML</b>”), anti-corruption and Know-Your-Customer</p>

### 4.5 OUR WORKFORCE

In Hong Kong, the Group complied with the Labour Law of Hong Kong and relevant employment laws and regulations throughout the Year, including the Mandatory Provident Fund Schemes Ordinance by participating in the Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) for our eligible employees, Minimum Wage Ordinance, Employment Ordinance and Employees’ Compensation Ordinance by offering competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees.

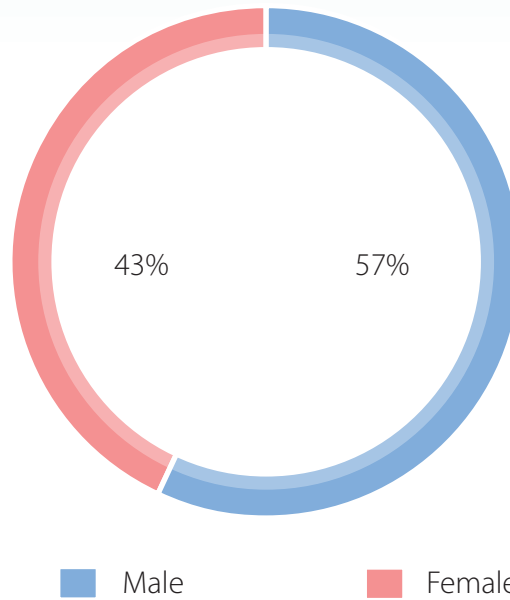
**Table 4-5: Our Workforce**

	FY2023
Total Number of Full-Time Employees	<b>138</b>
Turnover Rate by Gender	
Male	<b>39.2%</b>
Female	<b>52.5%</b>
Turnover Rate by Age	
Under 30 years old	<b>144.4%</b>
30–50 years old	<b>24.7%</b>
Over 50 years old	<b>42.9%</b>

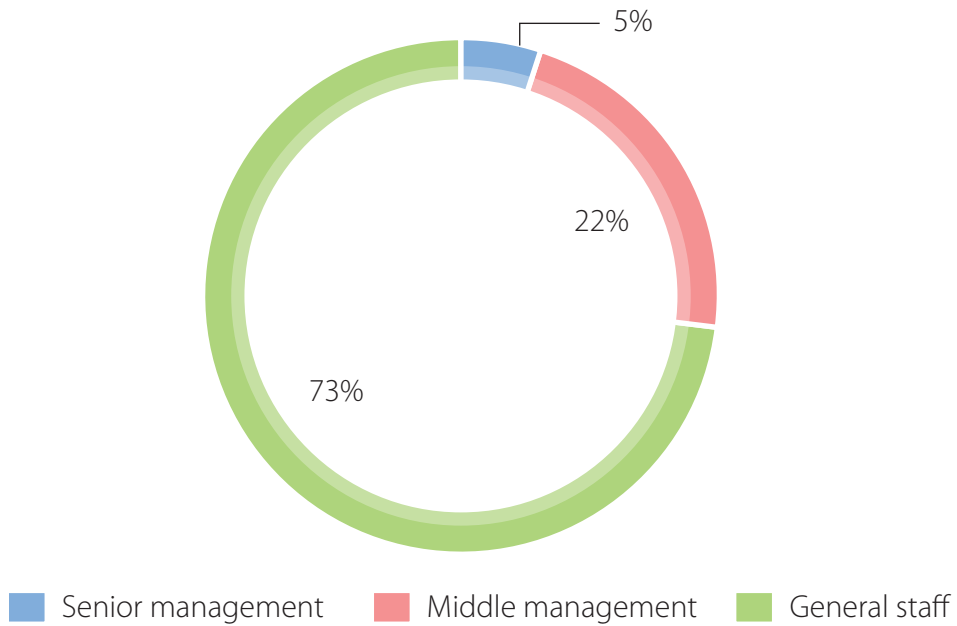
All employees mentioned above are in Hong Kong.

## 4. OUR PEOPLE

**Total Workforce by Gender as of  
31 December 2023**



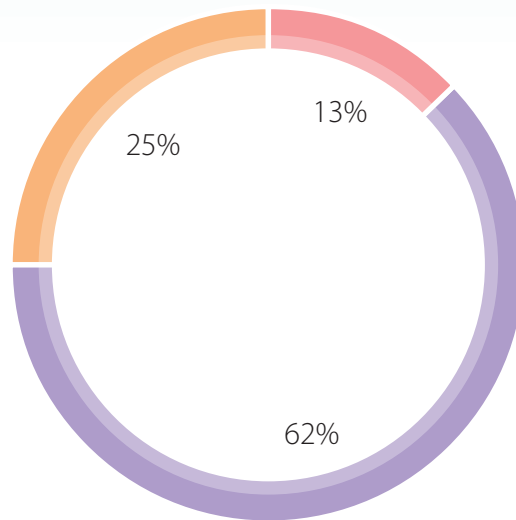
**Total Workforce by Employment Level as of  
31 December 2023**





## 4. OUR PEOPLE

**Total Workforce by Age Group as of  
31 December 2023**



- Aged 30 years old or below
- Aged between 31 and 49 years old
- Aged 50 years old or above

All employees mentioned above are in Hong Kong.

### 4.6 LABOUR STANDARDS

The Group strictly prohibits the employment of any child labour and forced labour in any form, being fully aware that exploitation of child and forced labour violates human rights and international labour conventions. All candidates applying to a position in the Group are required to present their identity documents for inspection and ascertaining their identities, ages and validity of employment status. Recruiters strictly review the entry documents including identity cards, academic certificates and medical examination certificates (whenever feasible).

During the Reporting Period, the Group strictly complied with the relevant laws and regulations, including the Employment Ordinance of Hong Kong. In the event that any irregularities in ages, identities and/or validities of employment status is subsequently found, employment with all such concerned candidates will be immediately terminated, and the Group will report such incident to the relevant authorities as soon as practicable. No non-compliance case was reported in relation to labour laws and regulations during the Reporting Period.

## 4. OUR PEOPLE

### 4.7 CORPORATE CULTURE

The Group is strongly convinced that a harmonious corporate culture among the employees and management are always the key drivers to the Group's healthy and prosperous growth. To achieve this, the following items are implemented:

- Zero-tolerance policy for workplace discrimination and harassment including workplace violence;
- Regular all-staff meetings to update on business performance and the development of key projects;
- Employee engagement to ensure that employees' voices are heard and responded to at both corporate and team levels; and
- Regular and festival gatherings were organised during the Reporting Period to enhance the harmonious spirit of different levels of staff members in recognition of their contributions and dedicated work to the Group.

The Group believes that such a corporate culture and harmonic working environment will naturally achieve a synergistic result to facilitate employee retention and to improve productivity.

## 5. OPERATING RESPONSIBLY

The Group, as a responsible corporate, strives to operate in a sustainable fashion with a comprehensive ESG management approach and dissemination of pursuing sustainability into our core business. We fulfil the expectations of its customers by maintaining a resilient and reliable supply chain network. It helps customers to achieve their sustainability goals by operating responsibly. The Group aims to go the extra mile for its customers by providing exceptional services and innovative solutions

### 5.1 SUPPLY CHAIN MANAGEMENT

The Group anticipates that innovation and technology shall play a crucial role in our long-term business development, in particular our supply chain management. As a logistics provider, the Group works with a wide variety of suppliers, such as airlines, shipping companies and storage facilities, to create a network that connects the world. Supply chain management plays one of the key aspects in delivering solutions to the Group's customers and daily operation. Our sustainable supply chain management includes adoption of environmentally conscious operations in logistics, environmentally responsible sourcing of raw material, due diligence of material and product procurement, distribution and inventory management.

We developed a vendor and supplier selection mechanism based on potential vendors' compliance with all applicable laws and regulations in relation to the safety, environment, forced labour, child labour and other social aspects. Products and services with environmentally friendly and socially responsible features will be given a higher technical score during our assessment process. To evaluate the performance of the selected suppliers as well as to minimize the environmental and social risks along the supply chain, regular assessments covering the professional qualification, services/products quality, financial status, integrity, and social responsibility will be conducted if deemed necessary. When the evaluation result of a supplier is not satisfactory, the supplier will be removed from the approved list. We are obliged to terminate the cooperation contract with suppliers if they fail to reach the applicable compliance standard.

The Group encourages our business partners to adopt the best environmental and social practices and to disseminate the pursuit of sustainability into the core business. Every supplier is required to comply with our code of practice, which prohibits offering of gifts, loans, hospitality, services or favor in an improper manner. We believe that, through the above review process, we can minimize the potential environmental and social risks associated with the supply chain management.

During the Reporting Period, we engaged suppliers which are located close to where we are operating for administrative supply and services. We had less than 1% of the suppliers located in the United States and the rest are located in Hong Kong. No complaint was received from the suppliers and there was no disputed debts or unsettled debts and all the debts are settled on or before due dates or a latest date as mutually agreed.

### 5.2 SUSTAINABLE PROCUREMENT PRACTICES

The Group actively promotes the procurement of environmentally friendly materials and has adopted the use of reusable packaging in its logistics operations.

## 5. OPERATING RESPONSIBLY

### 5.3 PRODUCT AND SERVICE RESPONSIBILITY

#### **Digital Transformation and Automation**

We have assigned significant resources to research and development to maintain and strengthen our position in the market. We continue to establish a fully-automated smart warehouse to improve operational efficiency and save energy. With mobile technology development and increasing integration of online and offline customer experience, the Group's express business has designed, developed and deployed an application to extend shipment tracking to mobile devices. It allows the Group's customers to track shipment progress anytime and anywhere easily. Embracing innovation and enhancing customer experience have long been critical to adding value to the Group's customers while maintaining its competitiveness and future success.

#### **Quality of Services**

To be a successful business, we are committed to the highest standards of services we deliver, maintaining continuous communication with our clients to ensure that we understand and fulfil their needs and expectations. Furthermore, we keep track of emerging trends and continue to develop and optimize services that offer the best plans to our clients.

The Group undertook a series of measures to ensure our logistics solutions and services accountability during the Reporting Period. We ensured that our packaging product is correctly labelled with sufficient information required by legislation and industry codes of practice. We also performed continuous and regular assessments of the service quality and review of opportunities for improvements and changes.

During the Reporting Period, our operation in Hong Kong complied with relevant laws and regulations, for instances, the Trade Description Ordinance. During the Reporting Period, the Group did not identify any material non-compliance of the laws and regulations related to the quality of products and services.

### 5.4 ANTI-CORRUPTION

The Group makes every effort to uphold a high standard of business ethics and prohibition of any forms of bribery and corrupt practices. The Group has developed a series of policies and compiled code-of-conduct with respect to anti-fraud and anti-bribery, which apply to all staff-members. In general, we require our employees to declare any conflict of interest, to avoid any possible such conflict with sub-contractors or suppliers, organizing seminars in relation to anti-corruption and avoidance of conflict of interest for our employees. We also encourage our business-related parties, including suppliers to observe those principles of the policies and to proactively report any suspected misconduct issues to the Group.

To further strengthen the governance and increase the awareness of anti-corruption, the Group provides anti-corruption training to employees. A total of 65 training hours on anti-corruption was recorded during the Reporting Period.

During the Reporting Period, the Group observed with related laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Prevention of Bribery Ordinance of Hong Kong and Criminal Law and the Regulations for Suppression of Corruption of the PRC.

During the Reporting Period, the Group did not have legal cases regarding corruption practices brought against the Group or its employees.

## 5. OPERATING RESPONSIBLY

### 5.5 WHISTLE-BLOWING

In order to encourage our employees to report illegality, irregularity, malpractice, unethical acts or behaviors, inappropriate conducts or actions, which may damage the Group's interests, we established whistle-blowing policy and implement procedures for our employees to report improprieties via a confidential reporting channel to the extent that is made possible to all employees. The policy aims to encourage our employees to report behaviour that is not in line with the principles of ethics and the Group's policy such as events that are non-compliant with the Group's policy, laws, rules, regulations, general practice of financial reporting and internal control.

The Group is committed to addressing the "whistle-blowers" concerns in a fair and reasonable manner and to handling the reports with due care and conducting a comprehensive and independent investigation for each reasonably established report. All "whistle-blowers" who report in good faith are reasonably protected from retaliation or adverse consequence of their employment regardless of whether the allegation is substantiated.

### 5.6 ANTI-MONEY LAUNDERING

The Group fully supports the international community drive against serious crime, drug trafficking and terrorism and is committed to assisting the authorities to identify money laundering and terrorist financing transactions. The Group's anti-money laundering ("**AML**") policy has clearly specified that all employees are obliged to comply with all applicable AML laws and regulations. In order to safeguard from the use of the Group's services for money laundering and terrorist financing purpose, the operation manuals include the procedures in conducting customer due diligence and ongoing monitoring on a risk-based approach, suspicious activity reporting and record keeping. The operation manuals are reviewed regularly and updated according to relevant legal and regulatory changes. Internal control review is also carried out regularly to ensure that the AML procedures are adhered to.

### 5.7 CUSTOMER RELATIONSHIP MANAGEMENT

The Group highly values the level of satisfaction of customers and their feedback. Regular communication channels and feedback systems, such as telephone hotline, emails, social media and websites, are in place to collect information on satisfaction and suggestions for improvement from our diverse portfolio of clients.

The Group consolidated and comprehensively analysed the customers' feedback in order to identify the issues. Follow-up actions, including internal evaluation and modification of training programs for employees, will be taken to address the issues identified and to continuously improve our service delivered. Feedback will additionally be provided to the customers in a timely manner.

There were no cases of product recall nor complaints received against our services due to health and safety issues during the Reporting Period.

**Table 5-1: Product Recalls and Complaints**

	FY2023
Percentage of complaints received about the products related to health and safety issues	n/a
Percentage of sold/shipped products recalled due to safety and health reasons	n/a

## 5. OPERATING RESPONSIBLY

### 5.8 PERSONAL DATA PROTECTION AND PRIVACY POLICIES

The Group emphasizes the importance of protecting customers' personal data against unauthorized access, use or loss and we adhere to the Personal Data (Privacy) Ordinance when collecting, processing and using customers' personal data. To safeguard customers' privacy, the Group takes practicable steps to ensure the customers' data are securely stored and the use of data is limited to or related to the original collection purpose. The Group respects privacy rights of its stakeholders with utmost importance.

The Group sets out data privacy requirements in our corporate policies, under which customer and supplier data would be used exclusively for matters relating to the Group's operation only. We strive to ensure all collected data kept is free of unauthorized or accidental access, processing, erasure or other use.

There were no non-compliance cases noted in relation to our data privacy and no material complaints received regarding our services that would have significant impact during the Reporting Period.

### 5.9 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The Group respects and attaches great importance to intellectual property rights. In order to prevent infringement and enhance copyright protection, a copyright ordinance compliance policy is in place covering the area of installation of computer software, making copies of copyright works, publication and use of internet information. During the Reporting Period, there were no non-compliance cases in relation to intellectual property rights.

## 6. CONTRIBUTING TO OUR COMMUNITY

We believe the Group benefits from the overall social development and should give back to the society in return. We are actively committed to making a better society through our active involvement in the community and taking concrete actions, putting the best effort in helping the community and people in needs through community services and charitable donation programs. The contribution made by the Group mainly focused on environmental protection and community services.

### 6.1 ENVIRONMENTAL PROTECTION

In April 2023, we attended a technical visit organized by the Green Council to the China Resources Power Group Haifeng Plant. This provided valuable insights into their initiatives in carbon capture, utilization and storage technologies. Engaging with industry leaders at such forums allows us to stay informed of emerging best practices.



On June 5, 2023, in recognition of World Environment Day, we participated in Hong Kong Green Day, a public awareness campaign held in partnership between Green Council and the United Nations. By visibly demonstrating support through recommended clothing and pins, we aimed to thoughtfully contribute to conversations around pressing environmental issues facing our communities.



# 6. CONTRIBUTING TO OUR COMMUNITY

## 6.2 COMMUNITY SERVICES

As part of our commitment to community support, we supported several community organizations working to distribute nutritious meals to those in need during the reporting period. In October and September, we contributed to meal box distribution initiatives organized by the Hong Kong Federation of Youth Groups. We also donated food supplies to Food Grace via Community Leap Limited as well as Food Angel through Bo Charity Foundation Limited. Food insecurity remains a pressing issue affecting the well-being of many individuals and families in our communities. By participating in these distributions, our goal was to help those facing financial hardship access nutritious meals without worry.



**The Hong Kong Federation of Youth Groups**

As part of our commitment to supporting children and families facing hardship, we donated essential items to Pathfinders during the reporting period. Items donated included diapers, infant formula and dry foods.



**Pathfinders**



## 6. CONTRIBUTING TO OUR COMMUNITY

During the Reporting Period, the Group continued to participate in the charitable activities organized by Helping Hand and continued to be recognized as a “Caring Company” by the Hong Kong Council of Social Service (“HKCSS”).



### The Group's recognition as a “Caring Company”

Going forward, the Group will continue to foster the culture of active participation in community services, encouraging our staff members to be actively engaged in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.

## 7. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
<b>A. Environmental</b>			
<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 greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Protecting Our Environment	
KPI A1.1	Types of emissions and respective emissions data	Protecting Our Environment	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting Our Environment	
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	Protecting Our Environment	
KPI A1.4	Total non-hazardous waste produced and intensity	Protecting Our Environment	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	Protecting Our Environment	
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.	Protecting Our Environment	

## 7. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	Protecting Our Environment	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Protecting Our Environment	
KPI A2.2	Water consumption in total and intensity	Protecting Our Environment	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting Our Environment	
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.	n/a	Defined to be irrelevant to the Group's operation
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Protecting Our Environment	
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Protecting Our Environment	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Protecting Our 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.	Protecting Our Environment	
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.	Protecting Our Environment	

## 7. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<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	People	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	People	
KPI B1.2	Employee turnover rate by gender, age group and geographical region	People	
<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	People	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	People	
KPI B2.2	Lost days due to work injury	People	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People	

## 7. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
<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	People	
KPI B3.1	The percentage of employees trained by gender and employee category	People	
KPI B3.2	The average training hours completed per employee by gender and employee category	People	
<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	People	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	People	
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	n/a	No such incidents were reported during the Reporting Period.

## 7. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Operating Responsibly	
KPI B5.1	Number of suppliers by geographical region	Operating Responsibly	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Operating Responsibly	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Operating Responsibly	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Operating Responsibly	

## 7. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	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	Operating Responsibly	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Operating Responsibly	
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	Operating Responsibly	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Operating Responsibly	
KPI B6.4	Description of quality assurance process and recall procedures	n/a	Not applicable to the Group's core operation
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Operating Responsibly	

## 7. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
<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	Operating Responsibly	
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	Operating Responsibly	No concluded legal cases regarding corrupt practices during the Reporting Period.
KPI B7.2	Description of preventive measures and whistle — blowing procedures, how they are implemented and monitored	Operating Responsibly	
<b>Community</b>			
<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 takes into consideration communities' interests	Contributing to our Community	
KPI B8.1	Focus areas of contribution	Contributing to our Community	
KPI B8.2	Resources contributed to the focus areas	Contributing to the Community	