



# CHINA 33 MEDIA GROUP LIMITED 中國三三傳媒集團有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8087



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) APPROACH

China 33 Media Group Limited (the “**Company**” or “**China 33**”) and its subsidiaries (collectively, the “**Group**”, “**we**”, “**us**” or “**our**”) have always followed the business philosophy of integrating corporate social responsibility (CSR) into our operations and development over the years. The Group always strives to conduct our media business from an ethical and professional perspective. To achieve sustainability, the Group also advocates environmental protection and works with charities to contribute to the community and create long-lasting value in various ways.

The board (the “**Board**”) of directors (the “**Directors**”) strongly believes that a sound governance structure is critical to the effective management and implementation of ESG-related issues. The Board has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for overseeing the Group’s corporate governance and the overall ESG management approach, and supervises in the data collection, preparation and review of the Environmental, Social and Governance Report (the “**ESG Report**”).

On an operation level, our ESG Working Group works with internal departments across the Group to integrate sustainability into day-to-day operations. The ESG Working Group regularly reports to the Board to ensure appropriate execution and risk management on sustainability. Through regular meetings and discussions with the Board, the ESG Working Group plans and implements various policies, guidelines, measures and programme which contribute to our sustainable development.

## ABOUT THIS REPORT

Unless otherwise specified, this ESG Report covers our progress and performance on the environmental, social and governance (“**ESG**”) issues from 1 January 2023 to 31 December 2023 (the “**Reporting Period**”). It focuses on the core activities of the Group, which include outdoor and digital advertising, film and entertainment investment and prepaid card business.

The preparation and presentation of related information in this ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. The ESG Report has been prepared based on four reporting principles, including materiality, quantitativeness, balance and consistency.

1. **Materiality:** ESG issues that have major impacts on investors and other stakeholders must be set out in this ESG Report.
2. **Quantitative:** If the key performance indicators (KPIs) have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information.
3. **Balance:** This ESG Report must provide an unbiased picture of the ESG performance of the Company. It should avoid selecting, omitting, or presenting formants that may inappropriately influence a decision or judgement by the reader.
4. **Consistency:** This ESG Report should use consistent statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the ESG Report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT

The Group values the concerns and interests of each stakeholder highly, commits to enhancing communication with and the engagement of stakeholders and deepening operational transparency, and seeks win-win development with stakeholders. The table below lists the Group's stakeholders, and illustrates our communication and response measures:

Stakeholder Group	Specific Stakeholders	Methods of Communication
Investors	<ul style="list-style-type: none"><li>• Shareholders</li></ul>	<ul style="list-style-type: none"><li>• Corporate website</li><li>• Annual, interim &amp; quarterly financial reports</li><li>• Annual general meetings</li></ul>
Employees	<ul style="list-style-type: none"><li>• Senior management</li><li>• Staff</li><li>• Potential recruits</li></ul>	<ul style="list-style-type: none"><li>• Training, seminars</li><li>• Face-to-face meetings</li><li>• Independent focus groups and interviews</li><li>• CSR and volunteering activities</li></ul>
Customers	<ul style="list-style-type: none"><li>• Buyers</li><li>• Ultimate users</li></ul>	<ul style="list-style-type: none"><li>• Customer satisfaction survey</li><li>• Client feedback survey</li></ul>
Government	<ul style="list-style-type: none"><li>• National and local governments</li><li>• Regulators</li></ul>	<ul style="list-style-type: none"><li>• Written correspondence</li></ul>
Community and the public	<ul style="list-style-type: none"><li>• Local community associations</li></ul>	<ul style="list-style-type: none"><li>• Charity</li><li>• Volunteer services</li></ul>

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ESG issues that are pertinent to the Group and its stakeholders are identified through materiality assessment, which is a crucial step in developing the sustainability strategy. An issue is considered material when it may substantially affect our long term commercial and operational viability and the inclusion of sustainability agenda into its business development strategy. By conducting a materiality assessment, the Group has identified the ESG issues listed in the table below that are relevant and important to our operations.

Aspects	Material ESG Issues
<b>B. Social Aspect</b>	
B1. Employment	<ul style="list-style-type: none"><li>• Employee welfare</li><li>• Inclusion and equal opportunities</li><li>• Talent attraction and retention</li></ul>
B2. Health and Safety	<ul style="list-style-type: none"><li>• Occupational health and safety</li></ul>
B3. Development and Training	<ul style="list-style-type: none"><li>• Development and training</li></ul>
B4. Labour Standards	<ul style="list-style-type: none"><li>• Prevention of child and forced labour</li></ul>
B5. Supply Chain Management	<ul style="list-style-type: none"><li>• Supply chain management</li></ul>
B6. Product Responsibility	<ul style="list-style-type: none"><li>• Protection of intellectual property rights</li><li>• Protection of customer privacy</li></ul>
B7. Anti-corruption	<ul style="list-style-type: none"><li>• Corporate governance</li><li>• Anti-corruption</li></ul>

## ENVIRONMENTAL ASPECTS

### EMISSIONS

Although the Group's principal activities did not generate any significant emissions, we are dedicated to ensuring sustainable development and protecting the environment from any potential impact from our daily business operations. The Group embraces the "Reduce, Reuse & Recycle" philosophy and applies it at every stage of its operations, to all types of emissions, including regulated air emissions, waste and wastewater.

During the Reporting Period, the Group did not violate any environmental protection laws and regulations that had a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Greenhouse Gas Emissions

During the Reporting Period, the total greenhouse gas emissions of the Group were 13.65 tonnes of carbon dioxide equivalent ("tonnes CO<sub>2</sub>-e") (2022: 10.1 tonnes CO<sub>2</sub>-e), which were mainly due to the indirect greenhouse gas emissions emitted from the consumption of fossil fuels due to office electricity purchased (scope 2 emissions); and the paper waste disposed at landfills (Scope 3 emissions) and the greenhouse gas intensity was 0.40 tonnes CO<sub>2</sub>-e per full-time employee (2022: 0.36 tonnes CO<sub>2</sub>-e per full-time employee). The Group is dedicated to energy saving and implemented suitable energy-saving measures. LED lights were installed to reduce energy consumption and thus the greenhouse gas emissions. The emissions data by emission scope are as follows:

Greenhouse gas emissions:

Emissions	2023	2022	Unit
Scope 1 emissions	–	–	Tonnes CO <sub>2</sub> -e
Scope 2 emissions	<b>12.24</b>	6.3	Tonnes CO <sub>2</sub> -e
Scope 3 emissions	<b>1.41</b>	3.8	Tonnes CO <sub>2</sub> -e
Total greenhouse gas emissions	<b>13.65</b>	10.1	Tonnes CO <sub>2</sub> -e
Intensity (by employee)	<b>0.40</b>	0.36	Tonnes CO <sub>2</sub> -e/ employee

The Group is developing its long-term reduction targets. In short term, the Group targets to reduce the greenhouse gas emissions level by 5% by 2024 with the baseline year in 2023.

## Waste Management

The Group adopts strict wastage management policies and strives to properly handle and dispose of waste generated from our operations. The Group not only maintains ink and toner cartridge recycling bins at our offices but also collects and recycles used coffee casings and pods. We encourage double-sided printing and the use of electronic documents and remind our employees to earmark double-printed paper for recycling to reduce solid waste from our offices.

During the Reporting Period, the Group produced 1.01 kg of hazardous waste (2022: 0.89 kg). All of them were used ink and toner cartridges, which were sent to recycling. The Group also produced 1.09 tonnes of non-hazardous waste (2022: 1.00 tonnes), which mainly consisted of recyclable office paper.

Other general office wastes were handled by the sorting and recycling facilities provided by the property management companies of the buildings in our offices. The Group targets to reduce the intensity level of hazardous and non-hazardous waste generation by 1% by 2024 with the baseline year in 2023.

Waste Management:

	2023	2022	Unit
<b>Hazardous Waste</b>			
Total hazardous waste produced	<b>1.01</b>	0.89	Kg
Intensity (by employee)	<b>0.03</b>	0.03	Kg/employee
<b>Non-Hazardous Waste</b>			
Total non-hazardous waste produced	<b>1.09</b>	1.00	Tonnes
Intensity (by employee)	<b>0.032</b>	0.036	Tonnes/employee

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## USE OF RESOURCES

To enhance its operational efficiency and reduce the impact of its business on the environment, the Group embraces and applies the “Reduce, Reuse & Recycle” philosophy in its daily operations. The Group has put in place a number of environmental measures, such as energy initiatives, in its office premises. The Group systematically manages the environmental impact of its operations and strengthens the sustainability awareness of each of its employees. We committed to continuously increase the efficiency of energy use and become a sustainable corporation.

### Energy Use and Efficiency

The Group’s business activities do not involve direct use of energy. Office lighting and air-conditioning are the major components of our energy consumption. Hence, improving the efficiency of electricity use is our biggest challenge. During the Reporting Period, the Group’s total energy usage was 64.80 GJ (2022: 58.32 GJ), with an energy intensity of 1.91 GJ per full-time employee (2022: 2.08 GJ per full-time employee).

To improve energy efficiency, we adopted energy-efficient lighting systems and set up policies, including installing LED lights, switching off lighting or air-conditioning after office hours and in rooms that were unused. The Group targets to reduce the energy consumption level by 1% by 2024 with a baseline year in 2023.

Direct and/or indirect energy consumption by type:

Use of resources	2023	2022	Unit
Direct energy consumption	–	–	GJ
Indirect energy consumption	64.80	58.32	GJ
Total Energy Consumption	64.80	58.32	GJ
Intensity (by employee)	1.91	2.08	GJ/employee

### Water Use and Efficiency

The Group’s water supply is sourced and provided by the office property management. Although obtaining statistics regarding the individual use of water may be difficult, the property management has predetermined water usage limits which we have not exceeded in the Reporting Period. The water consumption of the Group is minimal and was included in the management fee and therefore the Group is unable to set a water reduction target at the current stage.

To reduce water usage, we will develop more effective water efficiency initiatives and reveal relevant results on an ongoing basis.

### Use of Packaging materials

The packaging materials used in the Group’s prepaid card business totalled 0.20 tonnes (2022: 0.21 tonnes). All of which were degradable environmentally friendly materials.

Packaging Material:

Packaging material used for finished products	2023	2022	Unit
Total packaging material used	0.20	0.21	Tonnes
Intensity (by employee)	0.0058	0.0030	tonnes/employee

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ENVIRONMENT AND NATURAL RESOURCES

Although the Group does not have significant impacts on the environment and seldom involves direct use of natural resources, we still strive to improve waste management mechanisms. To reduce negative impacts on forests and to act responsibly towards the environment, we have sourced paper certified by the Forest Stewardship Council for the issuance of our annual report and encouraged double-sided printing on a variety of documents. When pursuing sustainability and a greener environment, the Group regularly performs evaluations with staff and stakeholders to look for improvements in our operations and reduce our impact on the environment.

## CLIMATE CHANGE

Climate change is the biggest environmental challenge in the recent years. Climate change encompasses not only rising average temperatures but also extreme weather events, shifting wildlife populations and habitats, rising seas, and a range of other impacts. The emission of greenhouse gases is the major factor contributing to climate change and global warming.

The Group principally engaged in prepaid card business; investment on film and entertainment; and outdoor and digital advertising business. Since its operation mainly involves the use of the internet and technology platforms, the acute impacts affecting our business due to climate change is not significant.

Besides, more frequent and severe extreme weather may hinder the productivity of the daily operation and pose danger to the employee when commuting. The Group will further investigate the possibilities and review the existing policies.

## EMPLOYMENT AND LABOUR STANDARDS

### EMPLOYMENT

Employees are valuable resources to the Group. The Group aims to provide a safe and healthy environment for the whole workforce and has taken appropriate measures to safeguard the wellbeing and safety of our employees. The Group also encourages career development and training while advocating for a healthy work-life balance. To maintain an advantage in a highly competitive industry, the Group sees the professional team as its most treasured asset. The Group has complied with the Employment Ordinance, the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination Ordinance. The Group has also entered into a labour contract with each of its PRC employees in compliance with the Labour Law of the PRC.

In addition, the Group adheres to its principles and strictly follows the regulations in respect of recruitment, promotion, dismissal, work hours, rest hours, equal opportunities, diversity of culture, and anti-discrimination. During the Reporting Period, the Group has not noted any cases of non-compliance in relation to employment and labour laws and regulations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at the end of the Reporting Period, the Group had a total of 34 employees (2022: 28), and 34 of whom are full-time employees. The charts and table below show the composition of staff according to gender, geographical region, level and age group.

Total workforce:

Employment		2023	2022	Unit
Total number of employees		<b>34</b>	28	Employee
By Gender	Male	<b>14</b>	12	Employee
	Female	<b>20</b>	16	Employee
By employment type	Full-time	<b>34</b>	27	Employee
	Part-time	<b>0</b>	1	Employee
By age group	30 years old or below	<b>1</b>	1	Employee
	31-40 years old	<b>4</b>	4	Employee
	41-50 years old	<b>17</b>	7	Employee
	Over 50 years old	<b>12</b>	16	Employee
By employment category	Management	<b>7</b>	15	Employee
	Senior	<b>5</b>	4	Employee
	Middle	<b>19</b>	5	Employee
	Junior	<b>3</b>	4	Employee
By Employee Function	Executive	<b>7</b>	7	Employee
	Technical	<b>2</b>	5	Employee
	Administrative	<b>22</b>	16	Employee
	Production	<b>3</b>	0	Employee
By geographical region	Hong Kong	<b>20</b>	19	Employee
	China	<b>14</b>	9	Employee

Employee turnover rate:

Employment		2023	2022	Unit
Total employee turnover rate		<b>16</b>	39	%
By Gender	Male	<b>15</b>	19	%
	Female	<b>17</b>	67	%
By employment type	Full-time	<b>16</b>	41	%
	Part-time	<b>0</b>	0	%
By age group	30 years old or below	<b>0</b>	7	%
	31-40 years old	<b>0</b>	50	%
	41-50 years old	<b>8</b>	14	%
	Over 50 years old	<b>29</b>	6	%
By employment category	Management	<b>72</b>	7	%
	Senior	<b>67</b>	25	%
	Middle	<b>8</b>	100	%
	Junior	<b>29</b>	100	%
By geographical region	Hong Kong	<b>5</b>	16	%
	China	<b>43</b>	89	%



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Employee Welfare

The Group strictly follows labour laws and regulations, and provides comprehensive leave packages to employees, covering sickness, casual, marriage, funeral, maternity, annual, and injury leave, as well as statutory holidays. The welfare provisions aim to take care of all employees, broaden the range of corporate cultural activities, and increase the sense of belonging of the employees.

We respect our employees' family roles and responsibilities. We are committed to supporting them and maintaining a family-friendly work environment. The Group's employees have a five-day workweek so they can spend more time with their families. As breastfeeding is the superior form of infant nutrition, it provides a multitude of health benefits to both infants and mothers. We provide breastfeeding rooms in our workplace to foster a mother-friendly culture, as breastfeeding employees need ongoing support for providing their milk for their babies in the workplace.

To further enhance our employee welfare support, male employees are entitled to 5 days of paternity leave, allowing them more time to take care of their families. Medical insurance is provided to the spouses and kids of manager grade or above employees for those who work in the Hong Kong office. We also offer birthday leave.

## HEALTH AND SAFETY

To safeguard employees' occupational health and safety, the Group works hard to provide a safe, healthy and comfortable working environment. It has complied with the Employee's Compensation Ordinance of Hong Kong, the Labour Law of the PRC and other applicable regulations. Employees are asked to stringently abide by all safety rules and regulations, and make available and applicable protection measures at all times to avoid accidents and protect themselves and co-workers from safety risks, in accordance with the relevant laws and regulations.

The Group complies with the health and safety regulations of the Occupational Safety and Health Ordinance and formulates requirements for environmental control and hygiene at the workplace. In order to reduce the chance of employees suffering from respiratory infections, we issue influenza notifications, when necessary, to encourage preventive measures, such as the preparation of hygiene masks and disinfectant hand sanitizers for staff to use at any time.

The Group did not identify any casualties or accidents in the past three years. In the Reporting Period, the Group did not identify any material non-compliance of laws and regulations with significant impact to the Group in relation to workplace health and safety.

Health and Safety:

Health and Safety	2023	2022	Unit
Number of work-related fatalities	0	0	No.
Rate of work-related fatalities	0	0	%
Lost days due to work injury	0	0	Days

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## DEVELOPMENT AND TRAINING

The Group views employee growth and development as being of vital importance for the enterprise's long-term development. It attaches great importance to retention, education and development of a rich variety of high-end talent, and provides such talent with broad development platforms and ample training.

The Group aims to create an environment of continuous improvement in which our employees are encouraged to pursue excellence at work and career development. Customised training programmes, in areas such as internal control training and anti-money laundering, are arranged on an ongoing basis for staff members at different levels and across the organisation throughout the Group.

During the Reporting Period, a total of 19 Hong Kong employees were given training, accounting for approximately 56% of the total employees.

The Group recognises the importance of the self-development of its staff and has to ensure equal opportunities of training for different levels of staff. The average durations of training activities for the employee was 5.03 hours.

Percentage of trained employees:

Development and Training		2023	2022	Unit
Total number of trained employees		19	16	No.
Percentage of trained employees		56	57	%
By Gender	Male	64	50	%
	Female	50	50	%
By employment category	Management	100	38	%
	Senior	60	25	%
	Middle	32	38	%
	Junior	100	0	%
By Function	Executive	100	38	%
	Technical	100	38	%
	Administrative	45	24	%
	Production	0	0	%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Average training hours completed:

Development and Training		2023	2022	Unit
Average training hours per employee		<b>5.03</b>	1.07	Hour/employee
By Gender	Male	<b>5.74</b>	1.13	Hour/employee
	Female	<b>4.53</b>	1.00	Hour/employee
By employment category	Management	<b>10.43</b>	0.90	Hour/employee
	Senior	<b>7.00</b>	1.88	Hour/employee
	Middle	<b>3.05</b>	1.80	Hour/employee
	Junior	<b>1.67</b>	0.00	Hour/employee
By Function	Executive	<b>10.43</b>	1.93	Hour/employee
	Technical	<b>4.00</b>	1.80	Hour/employee
	Administrative	<b>4.09</b>	0.47	Hour/employee
	Production	<b>0</b>	0	Hour/employee

## LABOUR STANDARDS

The Group has formulated comprehensive human resource policies, and stated the same expressly in its Staff Manual or Staff Information materials for colleagues, laying down the rules affecting personnel. In addition to compliance with basic labour laws, the Group also formulates and implements human resource policies when necessary, and provides benefits above those required by law. To ensure diversity and equality, our selection process is non-discriminatory and is based solely on employees' performance, experience and skills. Employees are also encouraged to discuss with senior management their goals for job advancement and career development in daily activities. A performance appraisal is conducted annually.

The Group resolutely rejects the use of child or forced labour. In order to prevent illegal use of child or forced labour, the human resource department of the Group requires candidates to provide effective identification certification before confirmation of employment to ensure they can be employed according to the law. The Group has not noted any cases of non-compliance in relation to employment and labour laws and regulations and do not engage in any forced or child labour during the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OPERATING PRACTICES AND SOCIAL INVESTMENT

### SUPPLY CHAIN MANAGEMENT

We consider our suppliers as strategic partners and contributors to our businesses, and we are committed to building long-term relationships with suppliers who share our values. The Group has a procurement policy which sets out criteria for evaluation of our suppliers. The factors taken into account for selection include: what kind of environmental protection facilities the potential supplier has set up, whether its environmental protection performance has credentials from any well-recognised and legitimate organisation, and whether the potential supplier has participated in any cultural preservation, charitable or community care activities.

During the Reporting Period, the Group had an aggregate of 11 suppliers.

To foster collaboration with suppliers, during the procurement process both parties must sign essential policies and agreements while also regularly holding meetings to sustain cooperation from each side.

Supply Chain Management:

Supply Chain Management		2023	2022	Unit
Number of suppliers by geographical region				
Total number of suppliers		11	24	Supplier
By geographical region	China	3	15	Supplier
	Hong Kong	8	9	Supplier

### PRODUCT RESPONSIBILITY

#### Product Quality

The Group is committed to offering quality products and services to its customers. By formulating and implementing product quality standards, the Group closely monitors the work of every employee in the production process to ensure compliance with requirements in respect of procedures, regulations and systems. The products under research and development should meet preliminary planning requirements, thus ensuring the final quality of the products. The Group is dedicated to strengthening its information security systems to protect the data privacy of customer service users, in accordance with the relevant laws and regulations of the places where the Group's operations are carried out.

In the Reporting Period, none complaints were received by the Group regarding our products and services. The Group offers clients maintenance services via a customer service hotline. These services offer continuous technical support and solutions to customers and theatres nationwide.

Product Responsibility:

Product Responsibility		2023	2022	Unit
Percentage of total products sold or shipped subject to recalls		0	0	%
Number of products and service-related complaints received		0	9	No.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## User Data Protection

As our prepaid card business continues to grow, the Group has accumulated a large amount of user data. The Group prioritises the protection of customer information and personal privacy and has in place a complete set of mechanisms and systems for the management of information security in compliance with relevant laws and regulations. Security issues are factored into electronic systems at an early stage of development, and they are equipped with strong firewalls to prevent hacking and divulgence of information.

More specifically, the Group has established a Privacy Policy as a commitment to the protection of personal privacy in compliance with the Personal Data (Privacy) Ordinance, the Payment Card Industry Data Security Standard (PCI DSS) Requirements and the Security Assessment Procedures. In addition, optical discs and data stored in applications are placed in locked storage rooms. During the Reporting Period, the Group has not noted any cases of non-compliance in relation to data privacy laws and regulations, such as the Personal Data (Privacy) Ordinance.

Also, the Group has set up a Business Continuity Plan ("BCP") covering short or long-term disaster scenarios that the Group may have to handle, including the complete destruction of the building in which the primary office is located and the possible need for backup facilities over an extended period.

We fully understand the importance of a stable and secure internet network to our customers and our products, so an Information Technology ("IT") Disaster Recovery Plan is in place and can be put into operation by the IT Unit and outside vendors to restore data centre services at a backup site within 24 hours. Meanwhile, the BCP is separate from the Group's IT Disaster Recovery Plan, which focuses on technology facilities and platforms, such as critical applications, databases, servers or other required technology infrastructure.

## Intellectual Property Rights

In order to maintain and protect our intellectual property, we have also registered our copyrights with relevant government authorities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ANTI-CORRUPTION

The Group is committed to eliminating all fraud and corruption activities and resolutely adheres to its principles of education, supervision, precautions and controls. Internally, the Group has set up an Anti-Money Laundering Committee, which is comprised of the Chief Operating Officer, Chief Compliance Officer. The Committee is responsible for developing, enhancing and maintaining the Group's compliance culture, with regular training, policies and procedures to raise compliance awareness among staff. Under the Group's policy, all new staff members are strictly required to undergo adequate Anti-Money Laundering training in their staff orientation.

The committee is devoted to upholding the standards of business conduct, strengthening anti-corruption awareness of staff and establishing an anti-corruption structure, playing an effective supervisory role. Once identified, all corruption activities are handled rigorously, with penalties ranging from warnings and reduction of compensation to termination of employment for the employees concerned, depending on the severity of offences. In particular, the Group upholds its anti-corruption commitment in its commercial operations, maintains good discipline when working with business partners, and follows standardised commercial procedures, as it works to eradicate all corrupt practices.

To encourage our employees to report illegality, irregularity, malpractice, unethical or inappropriate conducts, which may damage the Group's interests, we have devised whistle-blowing procedures, setting up a separate channel for employees and any person who deals with the Company to report suspicious fraudulent actions, in confidence and anonymity, to the Audit Committee and/or Chairman of the Company.

In order to comply with and supplement the legal requirements, the Group organized 17 anti-corruption training sessions for our directors and employees with a total of 31 training hours, including AML training for newcomers and refresher, post investigation training and transaction monitoring training arranged for the compliance team. Regular anti-corruption training sessions are organised by the Independent Commission Against Corruption (ICAC) to enhance their awareness of anti-corruption and further create a healthy corporate culture.

During the Reporting Period, the Group has not noted any cases of non-compliance brought against the Group or its employees in relation to corruption-related laws and regulations, such as the Prevention of Bribery Ordinance in Hong Kong.

Anti-Corruption:

Anti-Corruption	2023	2022	Unit
Number of concluded legal cases regarding corruption	0	0	Case
<b>Anti-Corruption Training</b>			
Number of anti-corruption training sessions	17	16	No.
Total number of training hours related to anti-corruption	31	28.5	Hour
Percentage of employees with anti-corruption training			
Directors	67	33	%
General Employees	78	54	%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## COMMUNITY INVESTMENT

We are committed to supporting the community by incorporating social participation and contribution into our strategic development. We believe this will nurture excellence in Group corporate culture and practices.

The Group acknowledges a sustainable business is dependent on the stability and well-being of the community where it operates and regards improving the community's well-being as an important way to realise its value. The Group does not have policies on community engagement during the Reporting Period. Nevertheless, we firmly adhere to the principle that our staff can contribute to the community by participating in voluntary services while developing personal capabilities in areas such as leadership, management and communication skills.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs	Disclosure Requirements	Sections
1	<p>Governance Structure disclosure of the board's oversight of ESG issues; board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues) (including risks to the issuer's businesses</p> <p>how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p> <p>Reporting Principles Description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report</p> <p>Reporting Boundary A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change</p>	<p>ESG Governance ESG Governance</p> <p>ESG Governance</p> <p>About This Report</p> <p>About This Report</p>
<b>Environmental</b>		
<b>Aspect A1: Emissions</b>		
A1	General Disclosure	<p>Policies Emissions</p> <p>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. Emissions</p>
A1.1	The types of emissions and respective emissions data.	Emissions
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).	Emissions
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
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.	Waste Management



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs	Disclosure Requirements	Sections
<b>A2 Use of Resource</b>		
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
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.	Water Consumption
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials
<b>A3 The Environment and Natural Resources</b>		
A3 General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
<b>A4 Climate Change</b>		
A4 General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
<b>Social</b>		
<b>B1 Employment</b>		
B1 General Disclosure	Policies	Employment and Labour Practices
	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, antidiscrimination, and other benefits and welfare.	Employment and Labour Practices
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labour Practices
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practices

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs	Disclosure Requirements	Sections
<b>B2 Health and Safety</b>		
B2	General Disclosure	Policies compliance with relevant laws and regulations that have a significant impact on the issuer
B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.
B2.2		Lost days due to work injury.
B2.3		Description of occupational health and safety measures adopted, and how they are implemented and monitored.
<b>B3 Development and Training</b>		
B3	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.
B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management).
B3.2		The average training hours completed per employee by gender and employee category.
<b>B4 Labour standards</b>		
B4	General Disclosure	Policies compliance with relevant laws and regulations that have a significant impact on the issuer
B4.1		Description of measures to review employment practices to avoid child and forced labour.
B4.2		Description of steps taken to eliminate such practices when discovered.
<b>B5 Supply chain management</b>		
B5	General Disclosure	Policies on managing environmental and social risks of the supply chain.
B5.1		Number of suppliers by geographical region.
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.
B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs	Disclosure Requirements		Sections
<b>B6 Product Responsibility</b>			
B6	General Disclosure	Policies	Product Responsibility
		compliance with relevant laws and regulations that have a significant impact on the issuer	Product Responsibility
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2		Number of products and service related complaints received and how they are dealt with.	Product Responsibility
B6.3		Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4		Description of quality assurance process and recall procedures.	Product Responsibility
B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
<b>B7 Anti-corruption</b>			
B7	General Disclosure	Policies	Anti-corruption
		compliance with relevant laws and regulations that have a significant impact on the issuer	Anti-corruption
B7.1		Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2		Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3		Description of anti-corruption training provided to directors and staff.	Anti-corruption
<b>B8 Community investment</b>			
B8	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community investment
B8.1		Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment
B8.2		Resources contributed (e.g. money or time) to the focus area.	Community investment