



**Dadi International Group Limited**

**大地國際集團有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
(Stock Code: 8130)

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT

**2024**



## **INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES**

During the year ended on 31 March 2024, Dadi International Group Limited (the “Company”) with its subsidiaries (together the “Group”), was principally engaged in provision of environmental consultancy services as well as sales of healthcare products.

This Environmental, Social and Governance Report (the “ESG Report”) summarizes the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

### **The ESG Governance Structure**

The Group has set up an ESG working taskforce (the “Taskforce”), composed of staff from relevant departments, in which, full-time staff has been assigned to collect the data relevant to ESG and compile the ESG Report. The Taskforce would periodically report to the board of directors of the Company (the “Board”), assisting in the assessment and identification of risk management of the Group on ESG aspects and whether its internal control system is appropriate and effective. The Taskforce reviews the ESG performance of the Group, including environmental, labour practices, and other ESG aspects. The Board sets the tone at the top for its ESG strategies and is responsible for ensuring effective risk management and internal controls. The detail of the ESG strategy is stated below.

### **Detail of the ESG Strategy**

We established an ESG management system with clarified management functions and responsibilities at all levels. We carry out specific work through the Taskforce and help the Board understand our ESG risks and performance in a timely manner, so as to better incorporate ESG factors into company planning and daily operations.

- The Board is responsible for:
  - assessing and determining the Group’s ESG risks;
  - ensuring the establishment of appropriate and effective ESG risk management and internal control systems;
  - developing ESG strategies, action plans and objectives;
  - monitoring the progress and performance of ESG work; and
  - reviewing and approving annual ESG reports.
- The management is responsible for:
  - reporting ESG-related risks and opportunities to the Board;
  - implementing ESG risk management and internal control systems;
  - informing the Board of the effectiveness of ESG risk management and internal control systems;
  - arranging work in accordance with the ESG strategies, action plans and objectives developed by the Board;
  - reporting to the Board on the progress and performance of ESG work; and
  - reviewing and submitting annual ESG report to the Board for approval.
- The Taskforce is responsible for:
  - carrying out specific ESG work;
  - reporting to the management on the progress of the work;
  - collecting information and data; and
  - preparing annual ESG reports and reporting to the management.



## SCOPE OF REPORTING

This ESG Report covers the Group's business activities of offices in Hong Kong and mainland China, which represent the Group's major sources of revenue. The ESG key performance indicator ("KPI") data is gathered and included subsidiaries under the Group's direct control. The Group will extend the scope of disclosures when and where applicable. The KPIs are shown in the ESG Report as well as supplemented by explanatory notes to establish benchmarks.

## REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "ESG Reporting Guide") as set out in the Appendix 20 of the GEM Listing Rules of The Stock Exchange of Hong Kong Limited. Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on P. 28 to P. 46 of Annual Report for the year ended 31 March 2024.

## REPORTING PRINCIPLES

**Quantitative:** The Group regularly collects KPI required by the ESG Reporting Guide and follows up on the Group's performance in relevant aspects to optimize and improve the disclosure of KPIs. Where applicable, the Group compares data for each year and discusses relevant trends and impacts.

**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, details would be disclosed.

## REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group from 1 April 2023 to 31 March 2024 (the "Relevant Period").

## STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback regarding our businesses and ESG aspects. In order to understand and address their key concerns, we have maintained close communication with our key stakeholders, including but not limited to government, investors, customers, suppliers, employees, as well as community and public.

We take stakeholders' expectations into consideration in formulating our businesses and ESG strategies by utilizing diversified engagement methods and communication channels, shown as below.

Stakeholders	Expectations and Requirements	Means of Communication
Government	<ul style="list-style-type: none"> <li>Compliance with taxes and business operation laws</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the laws and regulations</li> <li>Paying taxes to the government</li> <li>Application for delaying tax payment by some subsidiaries benefiting from the government relief measures against the impact of the Covid-19 pandemic</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Regular financial reporting</li> <li>Stable return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Providing annual report, interim report and quarterly report regularly to investors</li> <li>Engaging in operational activities in a fair and reasonable manner and in the interest of the Company and shareholders as a whole</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Providing excellent services</li> </ul>	<ul style="list-style-type: none"> <li>Putting our best effort in delivering quality service for customers</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Good business cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining good and strategic business relationships</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Competitive salary and benefits</li> <li>Fair promotion and career development</li> <li>Good and safe working environment</li> </ul>	<ul style="list-style-type: none"> <li>Protection of employee rights under a comprehensive management system and human resources policy</li> <li>Providing comprehensive salary, benefit and promotion mechanism under periodic and systematic performance appraisal</li> <li>Providing a comfortable, spacious, bright and safe working environment</li> </ul>
Community and public	<ul style="list-style-type: none"> <li>Corporate social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Reduce costs and make correct decisions to ensure the legitimate rights and interests of stakeholders</li> <li>Integrity management, legal management, and building a society ruled by law</li> <li>Energy conservation and emission reduction, use environmentally friendly paper and electronic business cards, and perform due diligence for environmental protection and social stability</li> </ul>

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community on a continuous basis.

## **MATERIALITY ASSESSMENT**

The management and staff of the Group's respective major operations have participated in the preparation of the ESG Report to assist the Group in reviewing our operations and identifying relevant ESG issues and assess the importance of related matters to our businesses and stakeholders. Based on the assessed significant ESG issues, a data collection questionnaire was prepared to collect information from relevant departments and business units of the Group.

The following is a summary of the Group's material ESG issues included in this ESG Report:

### **Material ESG aspects of the Group**

- Greenhouse Gas ("GHG") Emissions
- Energy Consumption
- Paperless Office
- Recruitment, Remuneration, Promotion and Dismissal
- Customer Privacy Protection
- Customer Services

During the Relevant Period, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the "ESG Reporting Guide".

## **CONTACT US**

We welcome stakeholders to provide their opinions and suggestions. You can provide valuable advices in respect of the ESG Report or its performances in sustainable development by phone contact (852) 2382 8588 or by email at [ir@dadi-international.com.hk](mailto:ir@dadi-international.com.hk)

## **A. ENVIRONMENTAL**

### **A1. Emissions**

#### **General Disclosure and KPIs**

During the Relevant Period, the Group principally engaged in publication, purchase and distribution of books, provision of environmental consultancy services as well as sales of healthcare products. Our business operation did not directly GHG emissions, exhaust gases emissions, hazardous waste, and only generated an insignificant amount of non-hazardous waste. Nonetheless, we recognized our responsibilities towards the potential indirect negative environmental impacts associated with our business operations.

By integrating environmental consideration into our decision-making processes, we embraced our responsibilities to create an environmentally sustainable business. We were also committed to raising our employees' environmental awareness and complying with relevant environmental laws and regulations.

To enhance our environmental governance practice and mitigate the environmental impacts produced by our operations, we have implemented relevant environmental protection policies and communicated such policies to our employees. These policies encouraged our staff to contribute towards sustainability by adopting environmentally friendly operation methods. In the long run, we will continue to enhance our environmental management strategies in monitoring and minimizing the environmental impacts brought by our businesses regularly in the coming years.

During the Relevant Period, the Group did not have any material non-compliance with the relevant environmental laws and regulations the People's Republic of China, including but not limited to Environmental Protection Law of the People's Republic of China which have an impact on the Group's operations.

The main types of emission sources from the Group during the Relevant Period included petrol consumed by vehicles, electricity and disposal of paper to landfill (for other indirect emission of GHG). The Group's business does not entail significant consumption of packaging materials, industrial production-related air, water and land pollutions which are regulated under national laws and regulations. In addition, the Group's principal businesses do not contribute to significant environmental or natural resources impact when compared to businesses in other sectors. Most importantly, the Group strives to minimize its adverse environmental impact of its business operation by implementing a range of green practices in its daily operations.

#### *Exhaust Gas Emissions*

A total of approximately 550 litres of petrol was used as fuel for vehicles over the course of business operations during the Relevant Period, generating approximately 0.6 kg of nitrogen oxides, 0.013 kg of sulphur oxides and 0.047 kg of particulate matter. Therefore, the exhaust gas emissions generated from the Group's operations were immaterial.

#### *GHG Emissions*

The Group's GHG emissions include direct emissions (Scope 1) generated by fuel combustion by vehicles, indirect emissions (Scope 2) from purchased electricity and other indirect emissions (Scope 3)



from paper consumption.

Scope of Greenhouse Gas Emissions	Emission Sources	Emission (in tCO <sub>2</sub> e)	Total Emission (in %)
<b>Scope 1</b> Direct emission	Unleaded petrol consumed by vehicle	1.18	40.4%
<b>Scope 2</b> Indirect emission	Use of electricity	1.66	56.85%
<b>Scope 3</b> Other indirect emission	Paper consumption	0.08	2.75%
<b>Total</b>		2.92	100%

There were 2.92 tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>e”) greenhouse gases (mainly comprising carbon dioxide, methane and nitrous oxide) emitted from the Group’s business operations in the Relevant Period. The total GHG emissions from direct, indirect and other indirect emissions are 2.92 tCO<sub>2</sub>e and the annual emission intensity was 0.15 tCO<sub>2</sub>e/HK\$ million revenue (calculation based on the revenue of the Group in the Relevant Period).

### Emission Targets

The Group targets to reduce GHG emission by 10% in the coming period.

### Measures to Mitigate Emissions

The Group has adopted the following measures to mitigate the indirect GHG emissions from electricity consumption in its operations as our effort to achieve the aforementioned emission targets:

- Requiring employees to turn off all the lights and switch off the desktops after work;
- Encouraging employees to turn off the lights when it is not necessarily used;
- Keeping the air-conditioning temperature at 26 degrees Celsius;
- Encouraging employees to use power-saving appliances;
- Opening windows for ventilation when applicable to reduce reliance on air-conditioning; and
- Avoiding employees from working overtime to reduce electricity consumption in the office

Consumption of electricity was accounted as the highest source of indirect GHG emission for the Group. As such, the Group has implemented measures as set out in the paragraph headed “Energy Consumption” of Aspect A2 below in order to reduce energy consumption, and thereby minimizing carbon footprint.

Through the implementation of the GHG emissions mitigating measures as mentioned above, the employees’ awareness of GHG emission mitigation has been enhanced.

### Sewage Discharge

Due to the nature of the Group's business, its operations do not necessitate a high level of water consumption and accordingly, there would not be significant sewage discharge by the Group or pollution issues arising from such discharge. The majority of the water supply and discharge facilities were provided and managed by the property management companies as well as the municipal authorities.

## **Waste Management**

### **Hazardous waste handling method**

Despite the fact that the Group did not generate hazardous waste during the Relevant Period, the Group has established guidelines in governing the management and disposal of hazardous waste. In case there is any hazardous waste produced, the Group will engage a qualified chemical waste collector to handle such waste, in order to comply with relevant environmental regulations and rules.

### **Non-hazardous waste handling method**

The Group's waste had been mainly generated from office operation, and include paper, toner cartridge and ink cartridge. With the aim of minimizing the environmental impacts from non-hazardous waste generated from its business operations, the Group implemented measures to handle such waste and launched various reduction initiatives. The Group disposed the waste generated in the course of business operation by firstly classifying them into three categories, namely general waste, recyclable waste and special waste. Recyclable waste includes papers, paper boxes, bottles, cans, etc, and special waste includes toner, battery, etc. The three categories were handled in different ways based on their nature.

<b>Type of non-hazardous waste</b>	<b>Unit</b>	<b>Amount</b>	<b>Intensity<sup>I</sup> (Unit/HK\$ million)</b>
Paper	sheets	3,700	194 Sheets/ HK\$ million

I. The intensity is calculated by dividing the unit of paper to the revenue (in HK\$ million) of the Group in the Relevant Period.

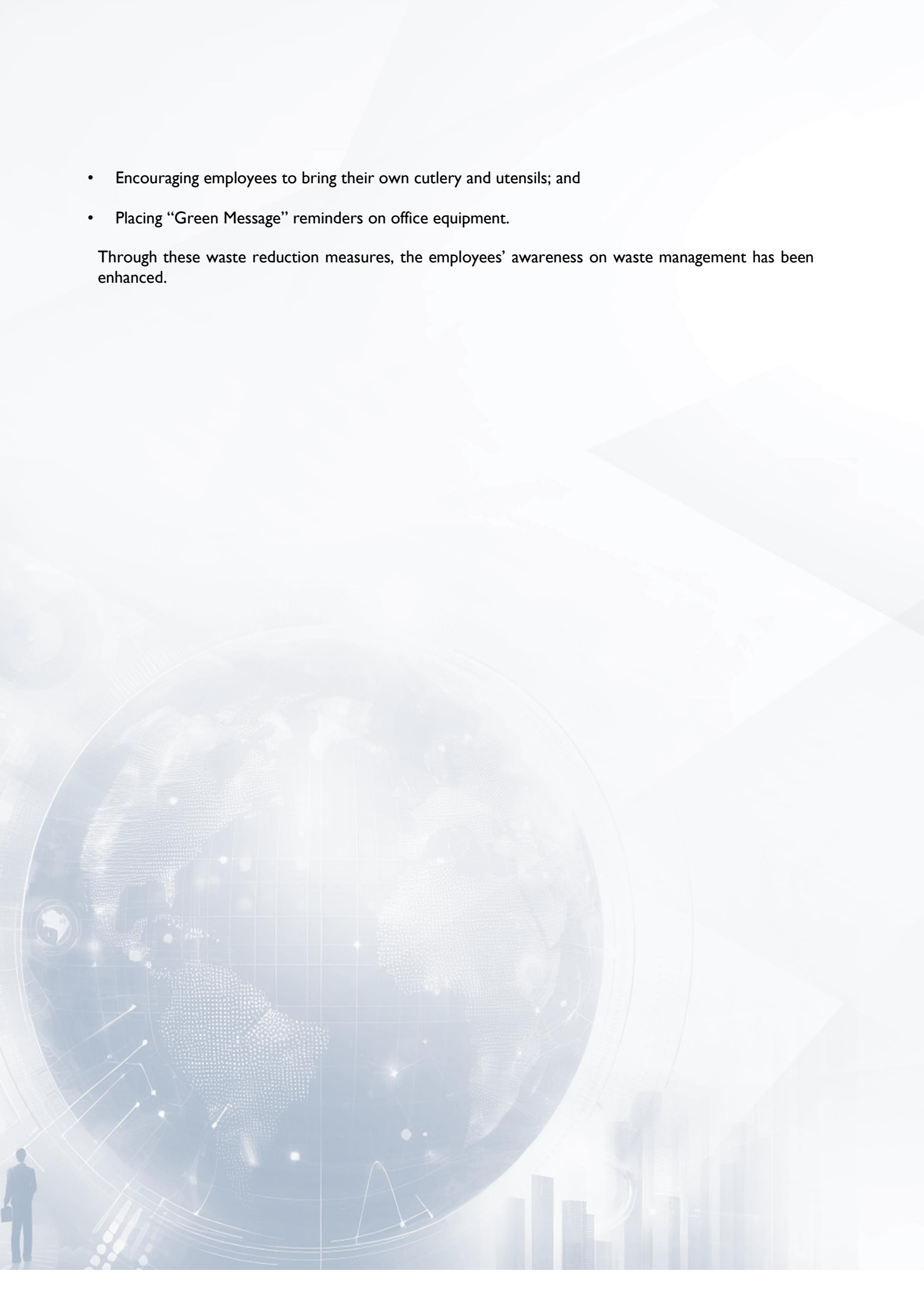
In the Relevant Period, the Group's paper consumption decreased significantly (2023: 6,500 sheets). The Group targets to reduce waste further by 15% in the coming period. To achieve the above targets, the Group has endeavoured to minimize waste and to encourage employees to share responsibilities in waste management and minimization:

- Using double-sided printing or photocopying wherever possible;
- Avoiding unnecessary paper using in the office;
- Utilizing electronic media for communication;
- Recycling one-sided printed paper;
- Avoiding single-use disposable items;



- Encouraging employees to bring their own cutlery and utensils; and
- Placing “Green Message” reminders on office equipment.

Through these waste reduction measures, the employees’ awareness on waste management has been enhanced.



## A2. Use of Resources

### General Disclosure and KPIs

The Group strives to optimise resource usage in its business operations and take initiatives to introduce measures on promoting resource efficiency and adopting eco-friendly approaches in its operations. The Group's major resource consumption are energy consumption and office paper consumption. The Group has established related policies and initiatives related to energy consumption management, which are stated in this section. It has also noticed the potential environmental impacts brought by the consumption of other natural resources, such as water consumption. Related policies and initiatives have also been implemented to mitigate such impacts brought by its operation.

The resources used by the Group are principally attributed to electricity, water, paper and petrol consumed in its daily operation. With the aim to better manage its use of resources, regular assessments of the use of resources have been performed. The Group has adopted green office practices to reduce natural consumption and its impact on the environment. Throughout the years, the Group placed emphasis on minimizing the usage of mentioned materials during its daily operations. The following table sets for the breakdown of material resource consumption by the Group.

Types of resources	Unit	Amount	Intensity (Unit/HK\$ million)
Petrol	Liter	550	28.9 Liter/HK\$ million
Electricity	kWh	2,350	123.7kWh/HK\$ million
Tap water	m <sup>3</sup>	N/A	N/A

Note:

The intensity is calculated by dividing the consumption amount to the revenue (in HK\$ million) of the Group in the Relevant Period.

During the Relevant Period, the Group consumed 2,350 kWh electricity. The Group did not have any issue in sourcing water for its business operations during the Relevant Period.

### Energy Consumption

Energy Consumption Sources	Direct Consumption	Energy Consumption (in kWh)
Petrol	550 Liter	5,330
Electricity	2,350 kWh	2,350
<b>Total</b>		<b>7,680</b>

The major energy consumption of the Group was electricity consumption in the daily operation. The Group aims to minimize our impacts on the environment by identifying and adopting appropriate measures in our operations. The Group targets to improve energy efficiency level further by 15% in the coming period. To achieve these targets, we continuously explore the use of new energy in our business

operation and how to optimize, integrate and use the resources in a highly efficient manner with the support of the latest information science and technology, thereby achieving sustainable development. Energy saving and consumption reduction are one of the Group's priorities, raising awareness of energy saving, and to maximize energy efficiency. By formulating energy efficiency standards, energy consumption quota standards, measurement and monitoring standards, as well as other energy management requirements, a standardized and reasonable integrated promotion system is formed, enabling the Group to scientifically strengthen energy management, reduce energy consumption and improve energy utilization efficiency.

Through the development of an energy management system, the Group actively promotes the awareness, enthusiasm, initiative and creativity for all employees to participate in energy saving, improve energy utilization efficiency, reduce environmental pollution, and reduce energy consumption. The Group aims to actively undertake social responsibilities, seek harmony between the enterprise and society, and turn social responsibilities into the driving force and long-term interests of the Group's development.

Monthly monitoring on the usage of electricity, water and other materials was implemented. Unexpected high electricity consumption would be investigated to find out the root cause and preventive measures would be taken. During the Relevant Period, the Group has implemented the following measures relating to mitigating energy consumption:

- Switching off unnecessary lightings and electrical appliances when not in use;
- Using appliances and devices which are eco-friendly or energy-saving; and
- Setting all printers, photocopiers and computers to energy saving mode.
- Administrative staff will inspect office periodically to ensure adoption of energy-saving measures

As a result, the employees' awareness of energy conservation has been increased through these energy-saving measures.

### **Use of Packaging Material**

As the principal business of the Group was publication, purchase and distribution of books, as well as environmental consultancy services and other businesses, The Group did not consume any significant amount of packaging materials for product packaging during the Relevant Period.



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

#### **General Disclosure and KPIs**

The business activities of the Group have no direct/significant impact on environment and natural resources, we still recognized the importance in minimizing the negative environmental impacts of our business operations. The Group believed that it was essential to act as an environmentally responsible corporate to meet the customers' demands in environmental protection and the expectation of the community for a healthy living environment. We were also devoted to achieving sustainable development for generating long-term values to the community and our stakeholders.

We spent efforts in mitigating our potential environmental impacts through adopting industry best practices targeted at reducing natural resources consumption and developing effective environmental management. We regularly assess the environmental risks of our businesses, adopt preventive measures to reduce potential risks and ensure compliance with relevant laws and regulations.

#### **Paperless Office**

In order to reduce paper usage, the Group strongly advocated paperless office operations. All offices are operated in the electronic system as far as possible to reduce the use and consumption of office paper in order to save forest resources. We also encouraged electronic medium for communications within the office and with suppliers.

As a socially responsible enterprise, protecting nature and the environment has become an integral part of the Group's corporate culture and important value, the Group constantly looks for ways to maximize benefits with minimal resource consumption and environmental impact, and continue to strive for sustainable development.

### **A4. Climate change**

During the Relevant Period, the Group has not been significantly impacted by climate-related issues while the Group was aware that climate-related issues had caused serious damage to the environment and as such, had been subject to rigorous regulation by the United Nations' Framework Convention. The Group recognises the importance of identifying climate change risks in order to mitigate the associated impacts on its business operations. The Group has been planning to set up a committee for providing effective governance for integrating and addressing the climate change issue within its business. The committee will aim to meet on quarterly basis and will play an integral role in overseeing the transitional risks posed from climate change.

## **B. SOCIAL**

### **BI. Employment and Labour Practices**

#### **General Disclosure**

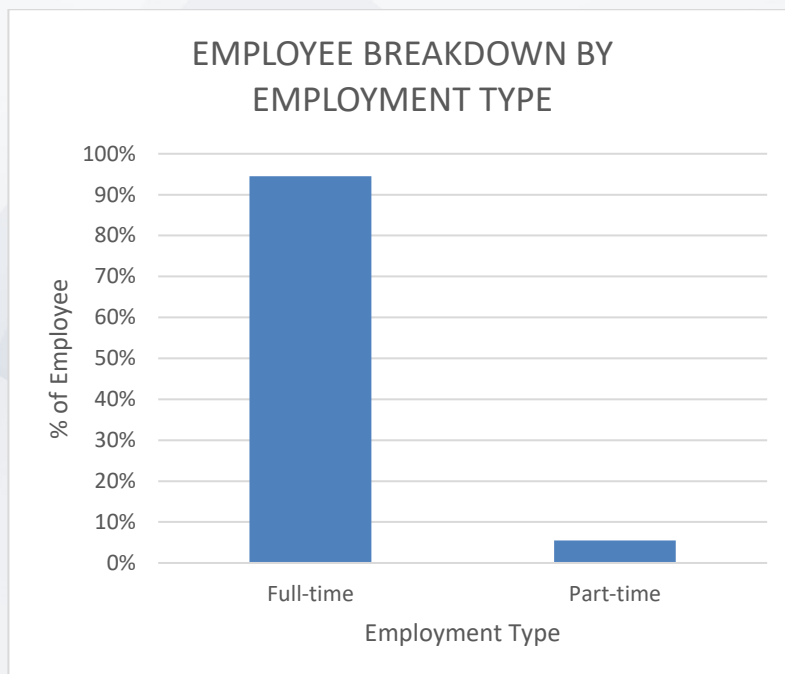
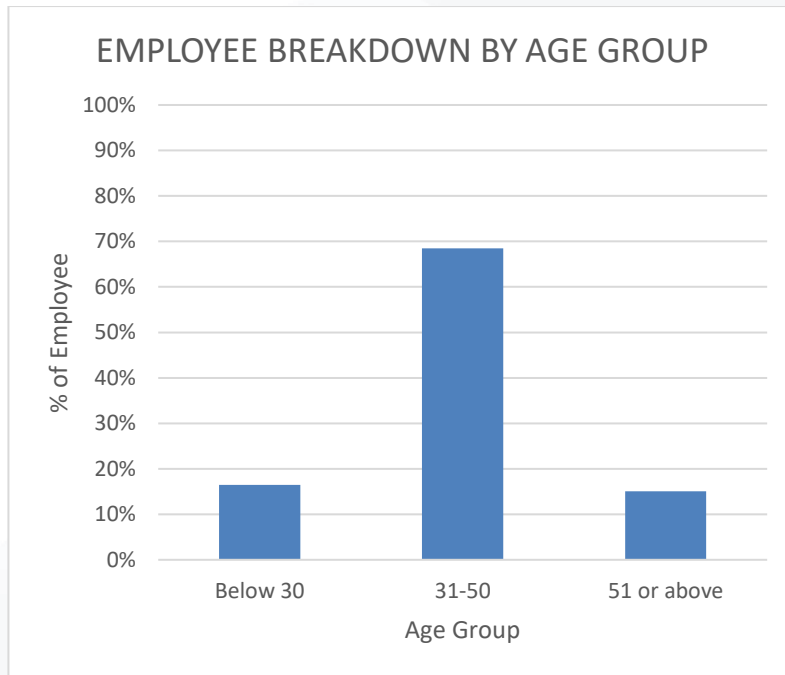
The Group puts significant emphasis on the welfare of employees whom it considers the Group's most valuable assets. Hence, the Group strives to attract and retain talents and reconcile economical imperatives with well-beings, aiming at reinforcing satisfaction, loyalty and commitment of human capital.

The Group has adopted comprehensive human resources manual which includes policies and procedures applicable to staff. These policies and employment procedures are periodically reviewed to ensure continuous improvements in our employment standards. All employees are treated fairly regarding recruitment, training and development, appraisal of work performance, promotions, rest periods, remuneration and benefits. The Group is committed to providing equal opportunity for all employees and applicants without regard to race, color, religion, national origin, sex, age, marital status, sexual orientation, disability, political affiliation, personal appearance, family responsibilities, matriculation or any other characteristic protected under local law.

During the Relevant Period, the Group has complied with employment-related laws and regulations in Hong Kong and mainland China, including but not limited to the "Employment Ordinance" of Hong Kong, "Labour Law of the People's Republic of China", "Labour Contract Law of the People's Republic of China", and "Provision on the Prohibition of Using Child Labour" of the People's Republic of China. Throughout the Group's operation, the Group strives to provide an excellent and comfortable working environment. Based on the features of the principal business, the Group sets appropriate working hours and rest breaks for all staff members. The Group also provides paid annual leave, marriage leave, maternity leave, casual leave and compassionate leave in addition to statutory holidays.

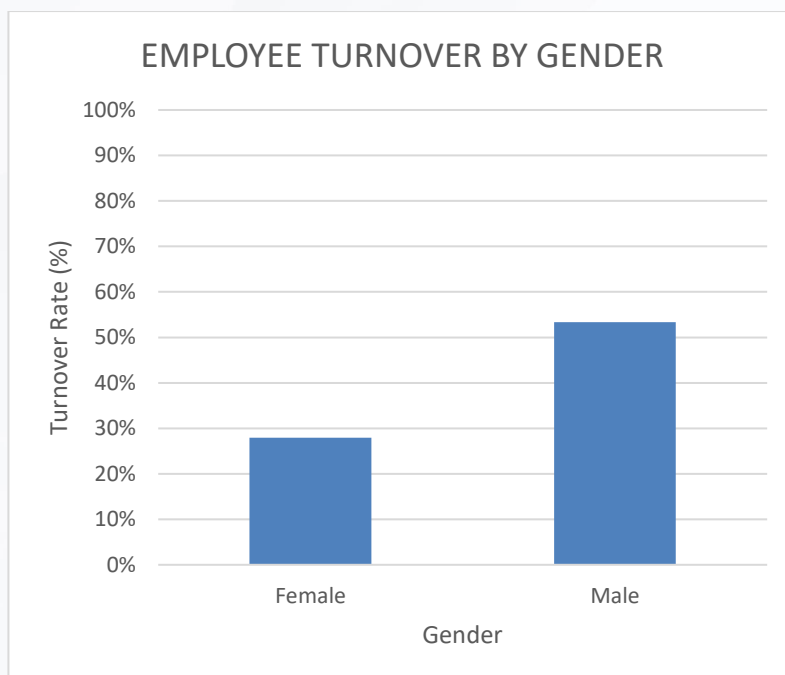
In compliance with the ESG Reporting Guide, the diagrams below illustrate the social performance of the Group during the Relevant Period:



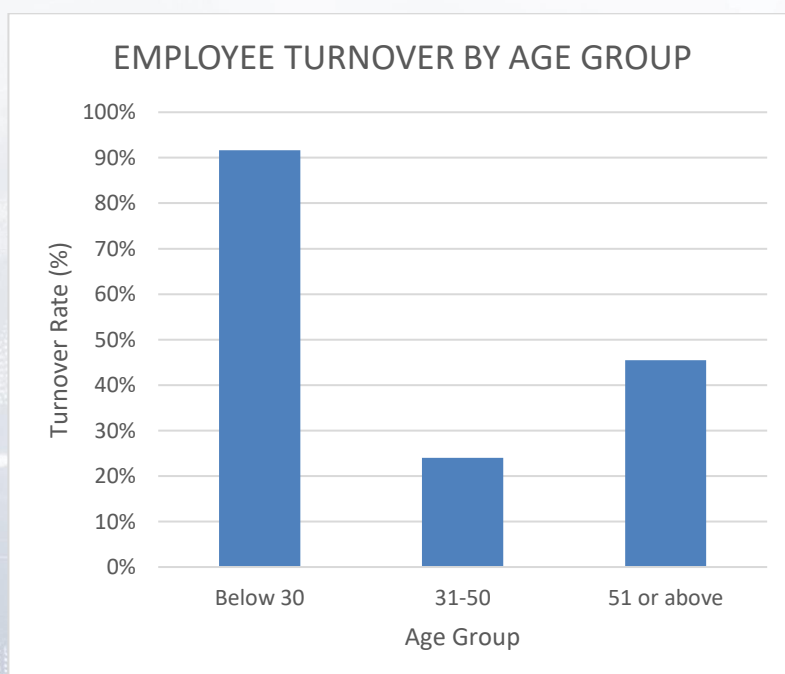


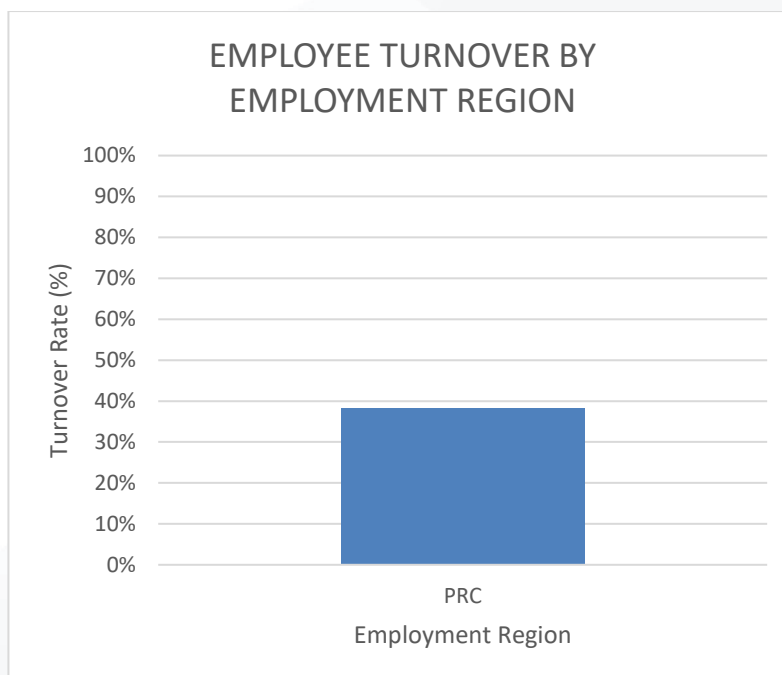
During the Relevant Period, over 94% of the Group's staff was full-time staff and over 65% of them aged between 31 to 50.





During the Relevant Period, all of the Group's staff was employed in the People's Republic of China and the turnover rates of female and male staff are approximately 27% and 52% respectively.





Among the 3 employee age groups, the below 30 age group had the highest employee turnover rate, with around 91% turnover rate in the Relevant Period. Among two geographical regions, there is no employee turnover rate in Hong Kong and the employee turnover rate in the People’s Republic of China is 39%.

As at 31 March 2024, the Group had 72 employees in total. In terms of gender, there were 38 females and 34 males in the Group, reflecting the gender equality principle adhered by the Group. Over half of the employees are between 31 to 50 years old. Most of the employees are full time staffs.

### **Recruitment, Remuneration, Promotion and Dismissal**

In its recruitment process, the Group adheres to the principle of “open, fair and just”, by considering candidates’ skills, capability and related experience, and avoiding discrimination on either nationality, gender, age, religion, or culture. For each recruitment, the human resources department of the Group will post job advertisements publicly and internally by accepting internal employees’ referrals and internal transfer applications. Application from the candidates that fulfil the job requirements will be examined and interviews with relevant staff at the human resources department as well as with department heads will be conducted to ensure the suitability of candidates and uphold the compliance with merit-based admission principle. The work experiences, education background, certificates and professional qualification of candidates are verified before employment opportunity is offered. Based on the aforementioned procedures, the open, transparent and fair principle of employment is ensured.

The Group has also established clear human resources policies stipulating the processes of termination, payroll management and employee insurance, etc. Furthermore, extra commercial medical insurance is provided to its employees. The Group is strictly in compliance with the various relevant national personnel laws and regulations and provides all employees with comprehensive benefits. The Group has developed a set of comprehensive employment rules and regulations and made clear provisions of the rights and obligations imposed on the employees in the employee handbook. The employee handbook

stipulates the daily working hour of the employees. The office hour is from 9:00am to 5:30pm, including one and a half hour lunch break. Employees work for seven hours per day, with an average of around 40 hours per week. In principle, overtime is not encouraged. Employees are also entitled to statutory holidays and annual leave benefits in accordance with law.

Employees' benefits of various branches of the Group are as follows:

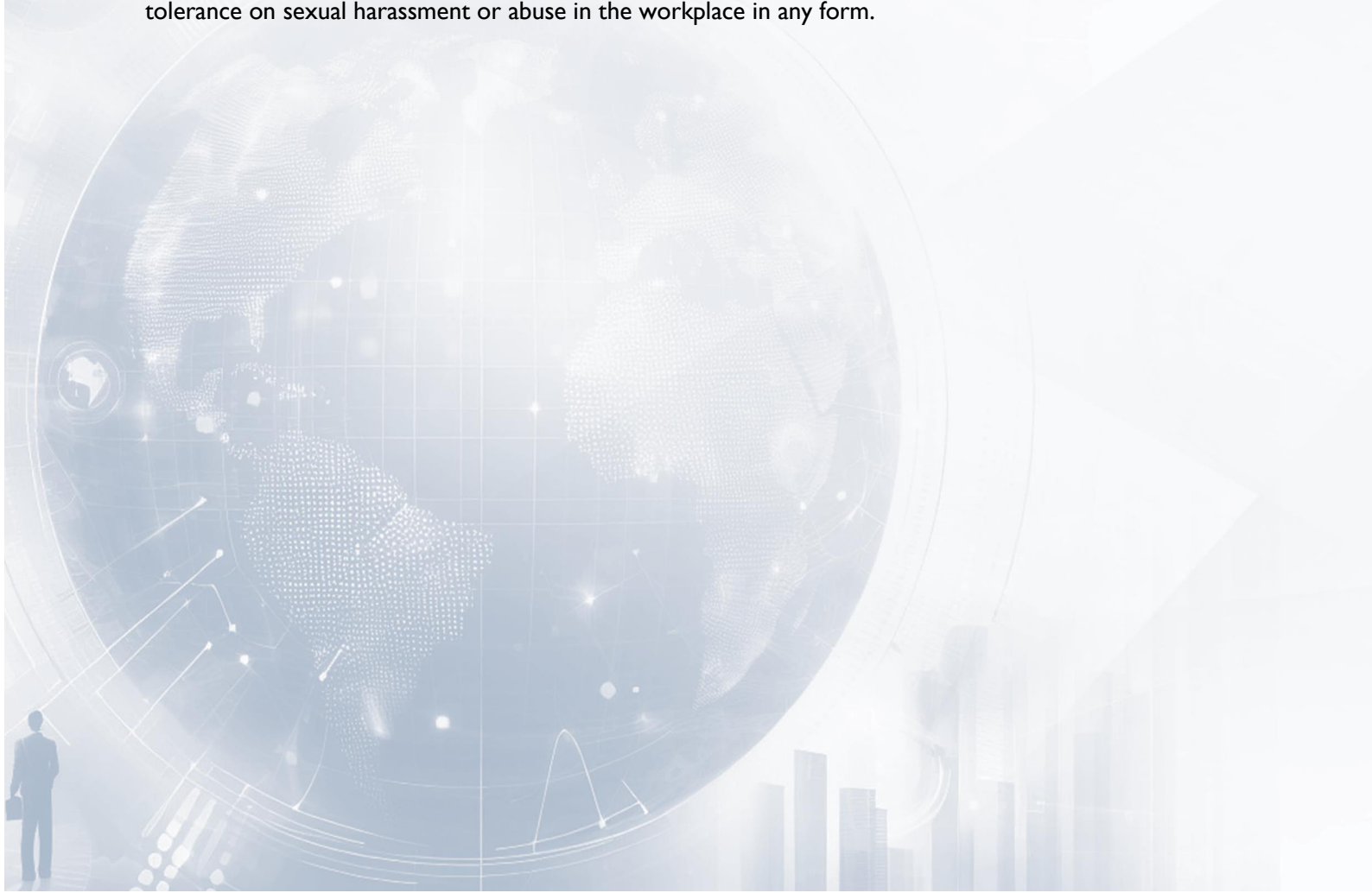
- The People's Republic of China Office: The Group provides a defined contribution to the endowment insurance, medical insurance, unemployment insurance, employment injury insurance, and maternity insurance according to the related regulations. Employees who have served for over one year are entitled supplemental medical insurance, paid sick leave, etc.

### **Communication Channels**

The Group recognizes the importance of maintaining close and open communication with its employees. Employees are encouraged to exchange information, ideas and views about matters of mutual interest and concerns through both formal and informal channels. Management reviews the result of the survey and implements corresponding improvement actions.

### **Diversity, Equal Opportunities and Anti-discrimination**

A diverse and skilled workforce is crucial for our business. The Group is committed to creating and maintaining an inclusive and collaborative workplace culture. We are dedicated to providing equal opportunities in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, color, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. Employees are welcome to report any suspected cases to protect the rights and interests of each employee. We have zero tolerance on sexual harassment or abuse in the workplace in any form.





## **B2. Health and Safety**

### **General Disclosure**

The Group did not pose a significant threat to the health and safety of employees during the publication, purchase and distribution of books, as well as the provision of advertising and media related services. Yet, the Group undertakes to safeguard the health and safety of its employees and expects all employees to strictly observe our health and safety policies. We will continue to invest sufficient resources and devote efforts to maintain and enhance safety management so as to reduce the risks involved in health and safety.

During the Relevant Period, the Group has ensured full compliance with relevant occupational health and safety-related laws and regulations in Hong Kong and China, including but not limited to “Occupational Safety and Health Ordinance” in Hong Kong, as well as “Occupational Disease Prevention Law” and “Safe Production Law” in mainland China.

### **Workplace Health and Safety**

The Group considers health and safety of its employees as one of its primary responsibilities. As such, the Group is committed to provide a workplace free from injury and illness through effective procedures and practice on occupational health and safety.

Regarding workplace health and safety, first aid boxes are available at readily accessible locations in the Group’s offices. Treatment for minor injuries can be obtained on request to the supervisor in charge at the site of the first aid box nearest to the scene of the accident. The Group conducted health check from time to time to ensure the health of employees. Employees who suffer from injury arising out of and in the course of employment are entitled to compensation in accordance with the related regulations. During the Relevant Period, there were no fatal cases reported, in which we successfully achieved a 0% rate of fatality.

The measures for emergency situations in respect of fire occurring in certain buildings or installations are also regulated in terms of guidelines assisting employees to take sensible immediate action when discovering a fire. The Group provides fire drill for the employees to ensure they can evacuate quickly and safely from the premises and assembled in the designated area away from the building in the event of a fire. No severe injury or fatality was reported during the Relevant Period.

Employees are free to provide feedbacks on improving the workplace safety and report any potential hazards that may lead to injury or danger. Besides, additional occupation safety guidelines including proper working postures and posters of proper lifting method were accessible on the intranet and were put up at appropriate locations in offices respectively to raise the safety awareness among employees. The Group has also developed health and safety policies including prohibition of abuse of alcohol and drugs, identification and prevention of risks and hazards in the working area. We require our employees to strictly adhere to and comply with the policies mentioned in above.

### B3. Development and Training

#### General Disclosure

##### *Training and Development Management*

The Group recognizes the valuable contribution of our talents for the continuous success of the Group. Nurturing talents and polishing the skills of our human capital is crucial in leading us to excellence. This is achieved through development of training strategy that focuses on creating values and serving the needs of our customers, talents and society. Therefore, we encourage our employees to attend trainings and obtain professional qualifications.

Employee Training	Hours
<b>Average hours of training per employee by gender</b>	
Male	15
Female	15
<b>Average hours of training per employee by employment category</b>	
Management	15
General	15

We notice the importance of training and development for our staff to keep abreast of the latest trend in the industry and the dynamic pace in current market. The Group provided onboard training, company policy training, and business operation training based on each employee's position. We stipulate the training policies that each employee shall develop their own training objectives where sales staffs are expected to stay up to date with latest book market and advertising market trends by conducting research regularly. The Group provides suitable training and development opportunities to assist employees to meet their training objectives as well as achieving business goals, specifically for sales team, customer service and administration team, finance team, and IT team in order to maintain excellent service for our customers.

New employees are required to participated into the onboard training program within the first week of employment. The program will provide information on the Group's structure, mission and business model, the employee's role in contributing to business success and objective, as well as office procedures. There was no training time for male and female staff in the Relevant Period.

## **B4. Labour Standards**

### **General Disclosure**

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

The Group strictly comply with the “Minors Protection Law” in the People’s Republic of China in order to prohibit the use of child labour and forced or compulsory labour at all its units and suppliers. Furthermore, the Group has instituted a comprehensive screening and recruiting process to prohibit the use of child labour. We only employ employees aged over 18 years and never force employees to work overtime. No employee is made to work against his/her will or work as forced labour, or subject to corporal punishment or coercion of any type related to work.

Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates’ personal data to ensure no child labour will be recruited. The human resources department also ensures identity documents are carefully checked. Also, compensation is provided for overtime working with prior approval obtained from respective supervisor. If violation is involved, it will be dealt with in the light of the circumstances.

Also, the Group has zero-tolerance to employment of child labour and forced labour and the Group is not aware of any non-compliance with relevant rules and regulations on preventing child or forced labour.

## **B5. Supply Chain Management**

### **General Disclosure**

#### *Supply Chain Management Structure*

The Group highly values our relationship with suppliers and regards them as important business partners. All suppliers are evaluated carefully and subjected to regular monitoring and assessment. The Group has formulated related procurement policies and procedures to manage its suppliers and the policies and procedures are reviewed annually.

During the Relevant Period, the Group had six major suppliers in the People’s Republic of China region, namely Shanghai Weaver Network Co., Ltd, Fuji Xerox of Shanghai Limited, Shanghai Telecom Co., Ltd., S.F. Holding Co., Ltd, Huawei Technologies Co., Ltd. and Tencent Holdings Ltd. During the Relevant Period, Shanghai Weaver Network Co., Ltd provided the Office Automation system to the Group for its office operation. Fuji Xerox of Shanghai Limited supplied printers for the Group’s operation. Shanghai Telecom Co., Ltd. provided the telecommunication services. S.F. Holding Co., Ltd. provided the delivery services to the Group. Huawei Technologies Co., Ltd provided Office Automation system and web server to the Group and Tencent Holdings Ltd provided Weixin and Email box services to the Group.

The Group has established clear requirements on selection and management of suppliers to ensure standardized management and proper selection of suppliers and effective control over operational risks resulting from improper selection, unreasonable method or fraudulent practice of suppliers. The Group’s policies regarding the purchase from suppliers focused on service and product quality, price level, technical ability, after sales service, and current cooperation situation etc. Furthermore, areas such as the environmental and labor employment policy of suppliers on the use of recycle or natural materials and forbidding child and forced labour are considered by the Group in selecting its suppliers.



In order to manage the progress and quality of work conducted by its suppliers, the Group has set up standards for the tender and purchase from suppliers. It has also established a database of suppliers, which includes the basic information of suppliers, such as the name of suppliers, the types of products, the provision of services, the types of suppliers, contact details (including name, job title, mail address and telephone) of suppliers, date of purchase and the supply prices for the Group's long-term follow up assessment of suppliers. Its managers and project coordinators also conduct regular review with the appointed suppliers.

The Group implemented the aforementioned practices to all of the above six suppliers during the Relevant Period.

#### *Fair and Open Procurement*

Procurement and bidding policies are formulated and strictly implemented by the Group to ensure that the suppliers could participate in competitions in an open and fair way. The Group should not have differentiated or discriminated treatment on certain suppliers; it would strictly monitor and prevent all kinds of business bribery; and employees or personnel having any interest relationship with the supplier should not be involved in the related business activity.

#### *Environmental and Social Risks of Supply Chain*

Beside the policies and strategies mentioned in above, the Group also focused on the environmental and social risks of our suppliers. The Group focused on purchasing from the suppliers who also cares about the environment and the society and denied the suppliers who would cause pollution to the environment. To achieve the above, we make a serious assessment of suppliers' compliance with all applicable laws and regulations; actions in safeguarding workers' health and safety; and actions in mitigating environmental impacts. During the Relevant Period, the Group did not notice that its main suppliers had had any environment and social risks.

The Group designs a new supplier selection index system based on the traditional supplier selection index system and new indicators that can contribute to low-carbon construction.

The indicator system is the basis and standard for the Group's comprehensive evaluation of suppliers. It is an index reflecting different attributes such as enterprise itself and the environment.

Based on system comprehensiveness, scientific, stability and flexibility, the Group establishes a comprehensive evaluation system in an integrated supply chain management environment, and establish an evaluation and supervision team to conduct the whole process of supplier selection, tracking and monitoring.

## **B6. Product Responsibility**

### **General Disclosure**

The Group highly values customers' satisfaction in pursuit of quality excellence. In such case, the Group strictly complies with the "Product Quality Law" of the People's Republic of China. The quality management system of the Group is applicable to all operation related departments. Regular internal

audit on the effectiveness and level of compliance of quality management system are carried out on an annual basis. Moreover, management review meeting is conducted at least once a year to ensure the stability adequacy and effectiveness of the quality management system. The Group recognises the importance of advertising, labelling and privacy matters related to products and services provided by the Group.

The Group also adopts the following quality control policies on the products:

- A series of inspections upon the receipt of the products regarding, among others, their appearance, packaging, specification and brand logo on a sampling basis; and
- The relevant product will be returned to the supplier for replacement if any defects are identified.

The Group has established relevant policies to ensure compliance with applicable laws and regulations and to fulfil its corporate responsibility towards the customers. During the Relevant Period, there was no case of non-compliance with laws and regulations in relation to product responsibility within the headquarters and offices of the Group.

During the Relevant Period, there was no case of products sold subject to recalls for safety and health reasons.

### **Customer Privacy Protection**

The Group takes serious protection of its members' confidential information. The Group seeks to protect its members' information and accounts by employing data security measures such as encryption, passwords and firewalls, etc. The Group has used technologies WeCom to encrypt and store important data of customers and enterprises. Different access authority in respect of information viewing is set to ensure information security from the source. WeCom provides device terminal type identification, login protection, malicious device identification, etc., which to a large extent eliminates the leakage of corporate information caused by equipment problems. In order to prevent employees from leaking WeCom-protected information due to the loss of mobile phones and other terminal devices, mobile SMS verification is required when using uncommon devices to log in to WeCom system. To ensure customer privacy protection, employees need to apply for approval if they are required to access the information of its customers. The Group does not sell, rent or otherwise share the personal information of clients with any third parties without their prior consent. Stipulated in its privacy policy, the Group makes sure that the processing of personal data for marketing purposes, fulfill the requirements of applicable law. Furthermore, each of its external websites includes an online privacy statement and procedures for fulfilling the requirements of applicable laws and regulations.

### **Customer Services and Complaint Mechanism**

To provide a pleasant user experience for our customers, the Group has long established a set of procedures to handle customers' feedbacks or complaints in a professional manner. Customers' information will be recorded, and enquiries or complaints cases received will be transferred to the related departments or further handling. Reviews on feedback or complaints is conducted, and action plans are in place promptly to address the identified issues. The Group will collect the information on the complaint cases, such as the occasion, reason, and the contact of the client, etc. Customers' satisfaction is evaluated after the cases are settled, and feedbacks or complaints may be circulated to management if necessary. During the Relevant Period, the Group did not receive any products and services related complaints.

## **Protection of Intellectual Property Rights**

The Group so far has not encountered any intellectual property infringement. For any infringement of our intellectual property, we will urge infringers to cease such action, and set up a specific working group to handle such infringement.

## **Advertising Guidelines**

The Group has formulated clear guidelines on advertising for our employees to follow in order to standardize our sales procedures. Sales procedures ranging from briefing, service recommendation, quotation and information check, confirmation, campaign set up and testing, campaign launch, etc. are clearly listed in the related policy. This ensures proper authorization and recognition on sales.

## **B7. Anti-corruption**

### **General Disclosure**

The Group commits to maintaining a high standard of integrity when doing business as we strongly believe that it is essential to meeting the expectations of our stakeholders.

The Group promotes integrity and prevents unethical pursuits. The Group strictly complies with the Anti-Money Laundering Law of the People's Republic of China, the People's Republic of China Anti-unfair Competition Law and the People's Republic of China Criminal Law by implementing an effective whistle-blowing policy for reporting fraud, corruption, bribery, extortion and money laundering. The Group encourages the reporting of suspected business irregularities and provide clear channels such as dedicated report mailbox specifically for this purpose. When suspected wrongdoings are identified, such as breach of duty, abuse of power, receiving bribes, staff should report to the Board for investigation and verification, and report to the regulator and/or to law enforcement authority when necessary. Instructional manuals of the anti-fraud will be provided to corporate directors and each employee with trainings on anti-corruption laws and regulations. Integrity and ethics educations are provided to employees in order to raise anti-corruption awareness and encourage employees to monitor corruption issues. The Group has been dedicated to improving the construction of the compliance system by updating anti-corruption-related knowledge systems periodically.

To the best knowledge of the Board, there were no legal proceedings regarding corruption brought against the Group or its employees during the Relevant Period.

### **Anti-money Laundering**

The Group has related policies to educate employees the importance of anti-money laundering and the serious consequence to the Group once it happens. The Group ensures that all the employees in the Group has the awareness of anti-money laundering. Besides, the Group will investigate any potential money laundering issue to reduce any chance that may ultimately result in a money laundering case. If



any money laundering discovered during the operation of the business, such case and personnel involved will be reported to the Board for further action.

### **Anti-corruption**

Basic standards of expected conducts for all employees are clearly set out in related anti-corruption policy. Any incidents that may have conflict of between their personal interest and the Group's interest in dealing with suppliers, consumers and all other organizations doing or seeking to do business with the Group or its associates should be avoided. In business cooperation with suppliers, the Group uses tripartite price comparison and strictly investigate the quality of suppliers before the final selection of suppliers in order to prevent bribery problems. Employees should not offer, solicit or accept anything of material value to or from their colleagues, customers, suppliers or other business partners of the Group unless consent is given. Gifts or favours of a token nature or generally available to others are however acceptable. Incidents or suspected cases of corruption, theft, fraud and embezzlement must be reported to management through their department managers.

For prevention of corruption problems in promotion issues within the Group, the promotion of employees will be examined based on the results of the all-round performance appraisal. The promotion will be discussed and announced in meetings in order to prevent underhand secret dealings problem and potentially corruption issues.

Employees will be subjected to disciplinary actions if violation of related anti-corruption policy and code of conduct are found after investigation. Disciplinary actions include verbal or written warnings and dismissal. Management will make an investigation and report to the police if appropriate. Employees receive training from time to time to ensure that they comply with the guides and all policies and procedures of the Group during the Relevant Period. An effective whistle blowing policy is (including but not limited to report to department managers, the human resources manager and the senior management) also in place to minimize the risk of fraudulent acts, criminal offences or wrongdoings occurring in the workplace.

## **B8. Community Investment**

### **General Disclosure**

The Group believes that giving back to society through social participation and contribution is a form of showing corporate citizenship. The Group also sees the potential to nurture corporate culture and inspire its employees towards social concerns in the daily work life. The Group would embrace the human capital into the social management strategies to sustain its corporate social responsibility as a part of the strategic development of the Group.

### **Community Participation**

During the Relevant Period, though the Group is not involved in community activities, the Group actively encouraged its employees to participate in community activities such as the Road Intersection One Day Guide Activity, the step donation in emission reduction activities, online tree planting, etc.

In the coming years, the Group will target to make financial and social contributions to the environmental, employee and customer aspects of the wider community. Riding on the success of this year, the Group will intend to invest more resources into volunteering initiatives to contribute to society.



## Index for ESG Reporting Guide

Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
<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.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Exhaust Gas Emissions; GHG Emissions; Waste Management; Sewage Discharge
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).	Emissions – GHG Emissions (Not applicable - Explained)
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management (Not applicable – Explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions – Exhaust Gas Emissions; GHG Emissions and Energy Conservation; Waste Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Consumption

KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Consumption (Applicable – But without sufficient data)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Material (Not applicable – Explained)

Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Paperless Office
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
<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	Employment and Labor Practise

	dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment and Labor Practise
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labor Practise
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards

KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
<b>Subject Areas, Aspect, General Disclosure and KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility



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