



China e-Wallet Payment Group Limited 中國錢包支付集團有限公司*

(a company incorporated in Bermuda with limited liability)
(Stock Code: 802)

2020

Environmental, Social and Governance Report



* For purpose of identification only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

CONTENTS

	Page
ABOUT THE GROUP	2
ESG GOVERNANCE	2
ABOUT THIS REPORT	3
IDENTIFYING MATERIAL ISSUES	4
ENVIRONMENTAL ASPECTS	4
SOCIAL ASPECTS	6
SUMMARY OF KEY PERFORMANCE INDICATORS	10

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

ABOUT THE GROUP

China e-Wallet Payment Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the business of “Internet and Mobile’s Application and Related Accessories”. Over the years, our solid track record and experienced management team have established an excellent reputation within the industry.

The corporation objectives of the Group are to achieve sustainable growth in its business and financial performance, and actively expand and strengthen its market position.

ESG GOVERNANCE

The Group envisions to be a successful developer and provider in our business segments, as well as a socially and environmentally responsible corporation. We are committed to promoting sustainable development, which is extremely important for creating long-term value for the Group’s shareholders, clients, supporters, employees, other stakeholders, general public as well as the natural environment.

The Group firmly believes that the Environmental, Social and Governance (“ESG”) areas and aspects listed in the ESG Reporting Guide are significant considerations for the long-term operations of its business. We strive to operate our business with the objectives to: lessen the impact on the environment, provide a safe, pleasant and growing working environment to the employees; comply with legal and regulatory requirements, adhere to high ethical standards, and repay the community.

The Group values opinions and views of its stakeholders. The Group has assigned board members and senior management to constantly review and communicate with its stakeholders including but not limited to its employees, investors, suppliers, business partners to gain insights on ESG material aspects for the year ended 31 December 2020 (the “Reporting Period”). During the Reporting Period, the Group identified the following material aspects and have managed them strictly in accordance with the Group’s policies and guidelines and in compliance with the relevant legal and regulatory standards:

- Employment;
- Working Conditions and Environment;
- Employee Development and Growth;
- Quality of Products and Services;
- Privacy Information Protection; and
- Anti-corruption.

The Group is committed to conducting its business in a transparent, equitable, legal and socially responsible manner, and continues to care about the impact of its daily operation on the environment and society, make efforts to meet the interests of all stakeholders, economy, environment, society and corporate governance, and do its best to achieve a fine balance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

ABOUT THIS REPORT

The Group is pleased to present its ESG Report (the “Report”) for the Reporting Period. This Report provides an annual update of the Group’s sustainability performance, achievements and challenges over the year. We apply the concept of materiality in planning and developing the ESG Report. Unless otherwise indicated, the ESG Report covers the Group and its subsidiaries.

Reporting Principles

The ESG Report is prepared in accordance with Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. According to the guideline, the following principles are underpinned:

1. **Materiality:** Environmental, social and governance 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 environmental, social and governance performance of the Group. It should avoid selecting, omitting, or presenting formats that may inappropriately influence a decision or judgment by the reader.
4. **Consistency:** This ESG Report should use consistent and disclose statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the ESG Report.

Confirmation

The information documented in this report is sourced from official documents, statistical data, and management and operation information of and collected by the Group in accordance with relevant internal policies. The Group has established internal controls and a formal review process to ensure that any information presented in this report is as accurate and reliable as possible.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

Feedback

The Group discloses the latest business information regularly to investors and the public. We also welcome investors and shareholders to share their views with the board of directors of the Company by contacting us at the address below:

China e-Wallet Payment Group Limited
Room 626-629 Corporation Park,
11 On Lai Street, Siu Lek Yuen,
Sha Tin, New Territories,
Hong Kong
Email: ir@chinaewallet802.com.

IDENTIFYING MATERIAL ISSUES

The Group has been able to identify all social issues except supply chain management and community investment specified in the ESG Reporting Guide to be material focus.

Stakeholder Engagement

As part of its business strategies, the Group communicates with the stakeholders in an open, honest and proactive way. To achieve this objective and improve transparency, we take active measures to promote investor relations and communication. In addition, we have developed the investor relations policy to ensure that investors have fair and timely access to the information of the Group.

ENVIRONMENTAL ASPECTS

As the Group's business activities mainly include research, design and integration of hardware and software under a green office environment, the Group does not have any manufacturing plants which could result in polluted air emissions or hazardous wastes/discharges. However, as a responsible corporation, the Group abides by the local environmental laws and regulations and is committed to environmental protection. The Group has implemented policies and taken measures to ensure our operation to be energy, water and resources efficient, and to minimize adverse impact on the environment.

EMISSIONS

Greenhouse Gas Emissions

Given the nature of our business operation, the Group only generates indirect greenhouse gas emissions of carbon-dioxide equivalents (CO₂-e) through daily electricity power consumption from office activities. Due to the pandemic, travel restrictions were implemented. Therefore, there was no business travel during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

Waste Management

As a responsible corporation, we integrate eco-friendly measures to reduce the environmental impact of our daily operations. We encourage the economic and efficient use of resources, while enhancing our recycling efforts to prevent the waste of resources. We have taken the following measures to reduce the generation of hazardous and non-hazardous waste:

- Encourage the establishment of a waste-classification system and the practice of recycling used papers and double-sided printing in the workplace.

USE OF RESOURCES

Energy Consumption

The Group has continued to implement its energy saving measures with its success in the past.

Water Consumption

Water is supplied from the city central water system and the Group has no water supply problem. The use of fresh water in the offices is for staff general purposes. The consumption record was not available as it was managed by the central management office of the buildings of our virtual office. Our staff, however, has been constantly reminded to save water consumption.

Use of Paper and Packaging Materials

Given the business nature, the Group does not use much paper and packaging materials. Paper is used only for printing and writing purposes only and the usage amount is quite small. However, the Group still promotes and implements measures to reduce paper usage including using papers from sustainable sources, encouraging the recycling of paper, replacing paper records by electronic records, and reducing the use of paper by writing on whiteboards during presentations and meetings.

THE ENVIRONMENT AND NATURAL RESOURCES

As discussed above and in our last ESG report, the Group's activities and operation do not cause any environmental hazards nor use significant amounts of natural resources, but as a responsible corporation, we have introduced and implemented eco-friendly practices to reduce and conserve energy, fresh water and other natural resources, and to minimize the impact on the environment directly or indirectly. We have not polluted any air, water and land, and have complied with all the environmental laws and regulations of the regions which we have operations in. We cooperate with the local government agencies and support environmental organizations' activities to build "green" society.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

SOCIAL ASPECTS

Employment and Labour Practices

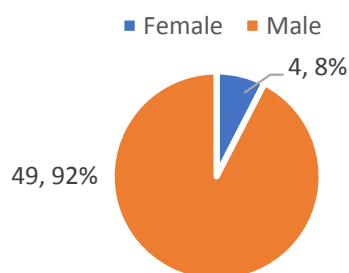
Employment

The Group recognizes its success depends highly on the skills, passion and commitment of its employees. We ensure employment and labour practices are implemented according to labour laws and the employment ordinance. We provide equal employment opportunities for all without discrimination in hiring, promotion, dismissal, remuneration, benefits, training and development.

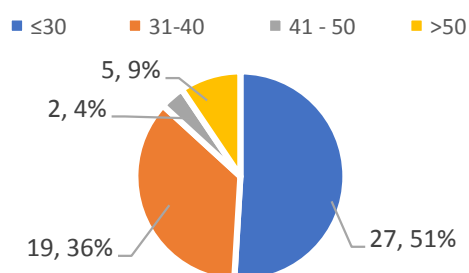
Our recruitment process is standard as per normal practices in our industry. We specify the requirements of the vacancies and advertise as well as head-hunt through employment agencies. The selection process is standard and positions will be decided after background checks, tests and interviews by our human resources manager as well as the related departmental head. Senior managers hiring are decided by the CEO.

As at 31 December 2020, the Group employed a total of 53 employees (2019: 56) working on contractual bases in our Malaysia, Hong Kong and China offices, and the employment characteristics are summarized below:

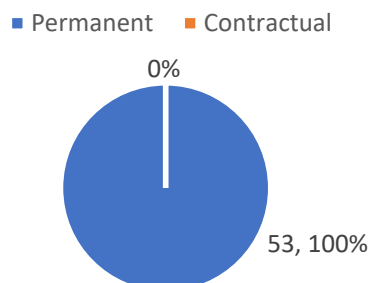
Number of employees by Gender



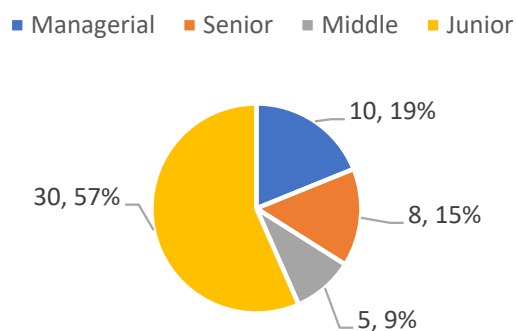
Number of employees by Age



Number of employees by type of employment



Number of employees by job function



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

Health and Safety

The Group is committed to provide a safe, healthy and pleasant working environment to the employees. We have equipped the offices with adequate equipment and facilities to ensure safety and convenience to employees. All permanent staff have been covered with social, medical and accidental insurance as required by laws. All employees are also requested to strictly observe the health and safety policies, follow safety rules at work and place safety as their priority during work at all times.

There were no fatalities, work injury, occupational health and safety hazard cases recorded for 2020.

Development and Training

The Group does not have published policies regarding development and training. However, the Group is aware of the value and contribution of its employees, and is willing to invest and offer training and development courses for them to enhance their capabilities. Training needs are identified through regular appraisal conversations to ensure training and guidance provided are catered to employees' needs. The Group frequently arranges senior staff to provide directional advice and guidance, short-term training to junior staff and sponsors employees to attend external training programs relevant to their work to improve their skills and knowledge which will be beneficial to their career development.

Records on the training and development programs organized and sponsored have been maintained to monitor that the training offered and sponsored have been productive and objectives have been achieved.

To maintain the competitiveness of the Group and our employees, training courses are also organised by our human resource team, aiming at employees' individual growth and sustainable development. All directors, company secretaries and senior management attend training courses and receive up-to-date information of corporate governance and listing regulations.

During the Reporting Period, apart from on-the-job training, the Group sponsored and organized a total of 518 hours of training for 51 staff (10 being managerial grade, 8 being senior grade, 5 being middle grade and 28 being junior grade).

Labour Standards

The Group has applied and not violated any provisions of the local labour laws and employment ordinances in our operations in Hong Kong, China and Malaysia. The Group has honoured all of its obligations towards its employees and has built a safe, healthy and pleasant working environment for the employees. No child or forced labour have been employed by the Group. Equal opportunities have been given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. The employees have not been discriminated against or deprived of opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws. No labour dispute was recorded for 2020.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

Operating Practices

Supply Chain Management

Supply chain management in the ESG Guide mainly refers to management of sourcing and procurement. The Group procures the computer-related and mobile-related electronic products and accessories from the suppliers and integrates with our technologies and sells the integrated products to the clients.

The Group attaches importance to developing and maintaining long-term relationships with our suppliers, looking forward to forming long-term partnerships with them. We take a fair and open principle on procurement of materials and services. We co-operate only with the suppliers that share common moral values and standards with us. The Group supports and encourages the suppliers to promote efficient use of resources, environmental protection and fulfil corporate social responsibility. We maintain a list of suppliers who have track records in dealing with us or in the market. Regular assessments on the suppliers including requests to provide basic certifications, licenses and product catalogues will be conducted to ensure that the suppliers are not only committed to the cost and quality of the products supplied, but also have not violated any laws and practices.

During the Reporting Period, our operation bases being mainly in China procured all hardware, accessories and services from 12 Hong Kong suppliers, 3 Malaysia suppliers and 23 China suppliers, who ensured us efficient and timely supplies at competitive prices.

Product Responsibility

The sales of the Group's products depend on their sophistication, safety, reliability and quality. The Group has to invest substantially on new technology research, development and innovation to continuously improve and enhance our products and services to meet the needs and satisfaction of our customers. The Group has strict product tests prior to any sales. The Group guarantees the quality, safety and reliability of delivered products and services under contracts. The Group also makes sure that the products and services comply with related laws, guidelines and standards. The sales department will provide after-sale services to ensure product performance and quality.

During the research and development of our own software programs and products, the Group insists on respecting and constantly reminds our software engineers not to infringe on intellectual property rights of other parties. There was no product returned or intellectual property right infringement filed against us during 2020.

From co-operation with its business partners, the Group's business operation has generated large volumes of private, confidential and sensitive information of its suppliers and customers, including the operation status, financial positions, commercial terms of contracts, etc. These types of information are extremely sensitive and important, and can only be used for our own business purposes and not for other unrelated purposes. By law, we have to cautiously safeguard and protect such information. The Group fully understands its obligation, and has taken measures to ensure strictest protection of the information. Our employees' employment contracts specifically contain confidential provisions and employees are prohibited from accessing information without approval and/or leaking private and confidential information. All employees are trained to handle and use customer information with extreme caution, protect customer information, and comply with statutory requirements in privacy law. Legal action will be taken against any violation. No complaints from regulatory bodies were received regarding customer privacy was recorded in 2020.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

Anti-corruption

As mentioned earlier, the prevention of bribery, extortion, fraud, and money laundering under this anti-corruption section is a material aspect to all the stakeholders. The Group adopts a ZERO tolerance approach to bribery, extortion, fraud and money laundering. The directors, management and staff must comply with related national and local government laws and regulations on prevention of bribery, extortion, fraud and money laundering.

All employees not only have the responsibility to understand and comply with the above regulations, but also have the obligation to report violations. Any person who contravenes the regulations will be subject to disciplinary sanction. With the implementation of clear policies and well-structured processes on purchases, sales, operation and finance, and the adoption of a high code of conduct especially in our senior management, the Group reported no bribery nor corruption cases in 2020.

Community

Community Investment

The Group understands that community participation is important for its long-term development. The Group organizes, facilitates and supports its staff to take part in volunteer services such as regularly visiting the poor who need help and arranging outdoor activities for disadvantaged groups. Internally, the Group focuses on providing job opportunities to new employees, improving the working environment and skills of employees by investing in facilities and training. The Group also endeavours to provide employment opportunities for the disadvantaged, to hire the disabled who have completed retraining courses, and give priority to purchasing from the suppliers who hire disabled persons.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

SUMMARY OF KEY PERFORMANCE INDICATORS (KPIs)

SOCIAL ASPECTS

Employment and Labour Practices

Aspect B1: Employment

B1.1	Total workforce by gender, employment type and age group		
	Total No. of Workers	53	employees
	By Gender		
	– female	7.5	%
	– male	92.5	%
	By Employment Type		
	– permanent	100	%
	By Age Group		
	– <30	50.9	%
	– 31-40	35.9	%
	– 41-50	3.8	%
	– >50	9.4	%
B1.2	Employee turnover rate by gender and age group		
	Total turnover rate of employees	5.7	%
	By Gender		
	– female	50	%
	– male	2.0	%
	By Employment Type		
	– permanent	5.7	%
	By Age Group		
	– <30	11	%
	– 31-40	0	%
	– 41-50	0	%
	– >50	0	%
Aspect B2: Health and Safety			
B2.1	Number and rate of work-related fatalities		
	No. (rate) of work-related fatalities in 2020	0 (0)	– (%)
B2.2	Lost days due to work injury		
	The no. of lost-days as a result of work injuries	0	day

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year Ended 31 December 2020

SOCIAL ASPECTS

Employment and Labour Practices

Aspect B3: Development and Training

B3.1 The percentage of employees trained by gender and level

Percentage of employees trained	96.2	%
By Gender		
– male	7.8	%
– female	92.2	%
By Employee Category		
– Managerial	19.6	%
– Senior	15.7	%
– Middle	9.8	%
– Junior	54.9	%

B3.2 The average training hours completed per employee by gender

By Gender		
– male	9.9	hours/employee
– female	8	hours/employee
By Employee Category		
– Managerial	16	hours/employee
– Senior	9	hours/employee
– Middle	8	hours/employee
– Junior	8.2	hours/employee

Operating Practices

Aspect B5: Supply Chain Management

B5.1 Number of Suppliers where the practices are being implemented

No. of Suppliers where the practices are being implemented	38	–
– Malaysia	3	–
– Hong Kong	12	–
– China	23	–



China e-Wallet Payment Group Limited

中國錢包支付集團有限公司*

** For purpose of identification only*