

REF Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1631

2021

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

Environmental, Social and Governance Report 2021

INTRODUCTION AND APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE AND REPORTING

REF Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is an investment holding company and the Group is an one-stop financial printing service provider, which offers a wide range of convenient and quality financial printing services including typesetting, proofreading, translation, design, printing, web submitting, media placement and distribution in Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”). The Group does not satisfy just meeting customers’ expectations, but strives to provide customers unique and perfect experiences. The services of the Group can be categorised into printing, translation and media placement. The core financial printing services of the Group include printing of listing documents, financial reports, compliance and other documents.

This environmental, social and governance report (the “**ESG Report**”) summarises the environmental, social and governance (“**ESG**”) initiatives, plans, and performances of the Group and demonstrates its on-going commitment towards sustainable development.

REPORTING PERIOD

The ESG Report describes the ESG activities, challenges, and measures taken by the Group for the year from 1 January 2021 to 31 December 2021 (the “**Year**” or “**2021**”).

SCOPE OF REPORTING

The ESG Report covers the Group’s business activities in Hong Kong offices, which represent the Group’s major sources of revenue. Given that the Group operated in one operating segment which was the provision of financial printing services during the years ended 31 December 2021 and 2020, the scope of report of the ESG report remains the same as the year ended 31 December 2020 (the “**Prior Year**” or “**2020**”) and is aligned with the segmentation of business of the Group in its 2021 Annual Report. During the Year, the Group has relocated its office.

The Group will continue to assess the major ESG aspects of different businesses and extend the scope of disclosures when and where applicable.

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 Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on pages 17 to 31 of the Group’s 2021 Annual Report.

During the preparation of this ESG Report, the Group has applied the following reporting principles:

Materiality: Materiality assessment was conducted to identify material issues for the Year, and thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the board of directors (the “**Board**”) and senior management. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

Quantitative: The standards, methodologies and applicable assumptions used in the calculation of key performance indicators (“**KPIs**”) data were supplemented by explanatory notes.

Consistency: Unless otherwise stated, the preparation approach of this ESG Report is consistent with the previous year for comparison. If there are any changes in the scope of disclosure and calculation methodologies that may affect comparison with previous reports, explanations will be provided to the corresponding data.

Environmental, Social and Governance Report 2021

BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE

The Group conducts a top-down management approach concerning its ESG issues. The Board holds the overall responsibility for the Group's ESG issues and sets out ESG management approach, strategy, priorities and objectives. In order to better manage the Group's ESG performance, related issues and potential risks, the Board regularly evaluates and determines ESG-related risks and opportunities of the Group, as well as reviews its performance against ESG-related targets with the assistance of the ESG Taskforce (the "**Taskforce**"). The Board is also responsible for ensuring the effectiveness of the Group's risk management and internal control systems and approving disclosures in ESG reports.

To develop systematic management of ESG issues under the Board's delegations, the Group has established the Taskforce. The Taskforce is composed of core members from various departments, which facilitates the Board's oversight of ESG matters. The Taskforce has the responsibility for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, keeping track of and reviewing the progress made against the Group's ESG-related targets, ensuring compliance with ESG-related laws and regulations, assisting in conducting materiality assessment and preparing ESG reports. The Taskforce arranges meetings regularly to evaluate the effectiveness of current policies and procedures, and formulates appropriate solutions to improve the overall performance of ESG-related policies. The Taskforce reports to the Board periodically, assists in assessing and identifying the Group's ESG risks and opportunities, ensuring the implementation and effectiveness of the risk management and internal control systems.

Environmental, Social and Governance Report 2021

STAKEHOLDER ENGAGEMENT

The Group recognises its responsibility and accountability towards its stakeholders, and thus attaches great importance to their feedback regarding the Group's businesses and ESG aspects. In order to understand and address the key concerns of different stakeholders, close communication is maintained with key stakeholders, including but not limited to the Board and senior management, investors and shareholders, customers, suppliers and subcontractors, the Group's employees, as well as the community, non-governmental organisations ("NGOs") and media.

When formulating operational strategies and ESG measures, the Group takes account of the stakeholders' expectations and endeavours to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community by utilising diversified key communication channels. The Group's key communication channels with its stakeholders and their respective expectations and concerns are as follows:

Stakeholders	Key Communication Channels	Expectations and Concerns
The Board and senior management	<ul style="list-style-type: none">• Regular meetings• Trainings, seminars and briefing sessions	<ul style="list-style-type: none">• Complying with relevant laws and regulations• Protection of the Group's rights and interests• Economic performance• Corporate sustainability
Investors and shareholders	<ul style="list-style-type: none">• Annual general meeting and other shareholder meetings• Financial reports• Announcements and circulars	<ul style="list-style-type: none">• Complying with relevant laws and regulations• Disclosing latest information of the corporate in due course• Economic performance• Risk management
Customers	<ul style="list-style-type: none">• Company website• Project briefing• Customer service hotline	<ul style="list-style-type: none">• Product and service quality• Complaint handling mechanism• Timely response• Protection of Intellectual Property ("IP") rights
Suppliers and subcontractors	<ul style="list-style-type: none">• Supplier and subcontractor management meetings• On-site review• Teleconference	<ul style="list-style-type: none">• Fair and open procurement• Supply chain management

Environmental, Social and Governance Report 2021

Stakeholders	Key Communication Channels	Expectations and Concerns
The Group's employees	<ul style="list-style-type: none"> • Channels for employees to express their opinions (e.g. suggestion box) • Regular management communications • Regular performance review or appraisal • Company's publication (e.g. newsletter) • Notification from Human Resources Department • Intranet 	<ul style="list-style-type: none"> • Occupational health and safety • Equal opportunities • Remuneration and benefits • Career development
The community, NGOs and media	<ul style="list-style-type: none"> • Community investment • Charity events • ESG reports 	<ul style="list-style-type: none"> • Giving back to society • Involvement in the community environment • Environmental protection • Complying with relevant laws and regulations

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community continuously.

Environmental, Social and Governance Report 2021

MATERIALITY ASSESSMENT

The Group's management and employees from respective major operations have participated in the preparation of the ESG Report to assist the Group in reviewing its operations, identifying relevant ESG issues, and assessing the importance of related matters to its businesses and stakeholders.

With the assistance of the Taskforce, the Group identified a list of material ESG issues for the Group, based on its business, the ESG Reporting Guide, and the analysis of industry peers. To prioritise the identified material ESG issues, the Group conducted a materiality assessment survey regularly. Management and employees were invited to evaluate the significance of the identified ESG issues to the Group's stakeholders and its business. The results of the materiality assessment were reviewed and confirmed by the Taskforce, and then approved by the Board.

The summary of the Group's material ESG issues as set out in the ESG Report is shown as below:

The ESG Reporting Guide	Material ESG aspects of the Group	Materiality to the Group
A. Environmental		
A1. Emissions	Greenhouse Gas ("GHG") Emissions	Medium
	Waste Management	Medium
A2. Use of Resources	Energy Consumption	Low
A3. The Environment and Natural Resources	Indoor Air Quality	Medium
A4. Climate Change	Climate change	Low
B. Social		
B1. Employment	Employment and Labour Practices	Medium
	Diversity and Equal Opportunities	Low
B2. Health and Safety	Workplace Health and Safety	Medium
B3. Development and Training	Employee Development and Training	Medium
B4. Labour Standards	Prevention of Child Labour and Forced Labour	Low
B5. Supply Chain Management	Supply Chain Management	Medium
B6. Product Responsibility	Quality Management	High
	Privacy Protection	High
B7. Anti-corruption	Whistle-blowing Mechanism	Medium
B8. Community Investment	Corporate Social Responsibility	Medium

During the Year, 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

Comments and suggestions are welcome from all stakeholders. You may provide comments on the ESG Report or towards the Group's performance in respect of sustainable development via the methods below:

Address: Units 5906–5912, 59/F., The Center, 99 Queen's Road Central, Hong Kong
Email: investor@ref.com.hk
Hotline: (852) 3757 8877

Environmental, Social and Governance Report 2021

A. ENVIRONMENTAL

The Group is committed to ensuring and protecting the long-term sustainability of the environment and community where the Group operates in. Therefore, the Group has integrated environmental consideration into its decision-making process and embraced the responsibilities to create an environmentally sustainable business. Due to its business nature, the Group's day-to-day operations can impact both, directly and indirectly, to the environment.

The Group recognises the importance of continuous improvement on the ESG performance and its responsibilities towards the potential direct and indirect negative environmental impacts associated with its business operations, and thus focuses on nurturing and strengthening its employees' awareness of environmental protection in their daily work processes. During the Year, the Groups has set environmental targets and implemented various environmental protection measures in order to achieve its goal of effectively enhancing employees' environmental awareness and the Group's ESG performance.

A1. EMISSIONS

To enhance its environmental governance practice and mitigate the environmental impacts derived from its operations, it has implemented relevant environmental protection policies and strived to maintain a green environment. The Group has established relevant environmental protection policies with the aim to measure and report its efforts in reducing carbon footprints, promote waste reduction at source, enhance its waste disposal management and set targets on environmental performance. With aims to minimise the environmental impacts concerning its activities, products and services, the Group is committed to:

- Complying with applicable legal and other requirements which relate to the Group's environmental aspects, and to which the Group subscribes;
- Identifying environmental impacts associated with the operations and setting the targets to reduce stress on the environment in consideration of social expectations;
- Preventing pollution, reducing waste and minimising the consumption of resources from all daily operations and actively promoting recycling, reuse and replacement; and
- Educating, training and motivating employees to develop a social viewpoint that enables them to conduct business activities in an environmentally responsible manner.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Air Pollution Control Ordinance and the Waste Disposal Ordinance that would have a significant impact on the Group.

Exhaust Gas Emissions

Since the Group's major business is providing financial printing services, the Group does not generate significant amount of exhaust gas emissions. Thus, this aspect is considered as immaterial to the Group.

Environmental, Social and Governance Report 2021

GHG Emissions

The Group did not generate significant amount of direct GHG emissions (Scope 1) since the Group's operation does not involve any combustion of fuels. The major sources of GHG emissions were generated from purchased electricity (Scope 2) and wastepaper disposal (Scope 3). Regarding this, the Group has formulated relevant policies and internal control system to reduce electricity consumption and wastepaper disposal. The Group has implemented electricity conservation measures which are described in the section headed "Energy Consumption" under Aspect A2 and office paper reduction measures which are described in the section headed "Waste Management" under this aspect.

With the aim to respond to the growing awareness of climate change, the Group targets to reduce its GHG emissions intensity (tCO₂e/square feet) by 5% by the year ending 31 December 2025 ("2025"), using 2021 as the baseline year. In order to achieve this target, the Group decides to replace all lightings in the offices with light-emitting diode lamps in phase.

Due to the above measures and target, employees' awareness on GHG emissions reduction have been enhanced. As a result, the Group's GHG emissions intensity (tCO₂e/square feet) during the Year has remained the same at approximately 0.01 when compared with 2020.

During the Year, the Group's GHG emissions performance is as follows:

Indicator¹	Unit	2021	2020
Direct GHG emissions (Scope 1)	tCO ₂ e	–	–
Indirect GHG emissions (Scope 2)			
• Electricity consumption	tCO ₂ e	183.07	169.07
Other indirect GHG emissions (Scope 3)			
• Wastepaper disposal	tCO ₂ e	59.92	128.49
Total GHG emissions	tCO ₂ e	242.99	297.56
Intensity ²	tCO ₂ e/square feet	0.01	0.01

Notes:

1. GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the Intergovernmental Panel on Climate Change Fifth Assessment Report in 2014 and the "2021 Sustainability Report" published by the HK Electric Investments.
2. The total floor area of the Group as at 31 December 2021 and 31 December 2020 were approximately 21,329 and 20,000 square feet, respectively. This number would also be used for calculating other intensity data in this ESG Report.

Sewage Discharge

The Group does not consume a significant volume of water through its business activities, and therefore its business activities did not generate a material portion of discharge into water. As the sewage discharged by the Group is treated by the Drainage Services Department, the amount of sewage discharge is considered the same as the amount of water consumed. The amount of water consumed and corresponding water-saving initiatives are described in the section headed "Water Consumption" under Aspect A2.

Environmental, Social and Governance Report 2021

Waste Management

The Group abides by the waste management principle and strives to properly handle and dispose wastes produced by its business activities. The Group maintains high standard in waste reduction, educates its employees the significance of sustainable development and provides relevant support in order to enhance their skills and knowledge in sustainable development.

Hazardous Wastes

Given its business nature, the Group did not generate significant amount of hazardous wastes during the Year. Nevertheless, the Group strictly complies with the relevant environmental laws and regulations. In case there are any hazardous wastes produced, the Group will engage a qualified chemical waste collector to handle such wastes.

Non-hazardous Wastes

The non-hazardous wastes generated by the Group's operations mainly consist of paper. As a responsible corporation, the Group values paper saving and regularly monitors the effectiveness of policies implemented in relation to office paper. Paperless office is promoted to employees, customers and other stakeholders by encouraging the application of e-files and e-documents via on-screen reviewing and checking. For unavoidable paper printing, the Group encourages employees to use double-sided printing instead of single-sided printing and collect all printed single-sided paper next to printers for reuse. Reminders about paper reusing are posted around the office. The Group has also been encouraging customers to use Forest Stewardship Council recycled papers to print their financial reports and other documents, extending green practices to its value chain.

Besides, the Group has hired qualified recyclers to collect and recycle non-confidential wastepaper to avoid wastepaper being sent to landfill. The Group has been participating in a "zero landfill" program organised by its suppliers, which includes returning multi-function devices and consumables such as used toner cartridges to the suppliers for proper recycling.

With the aim to respond to the growing awareness of climate change, the Group targets to reduce its non-hazardous waste intensity (tonnes/square feet) by 5% by 2025, using 2021 as the baseline year.

From these efforts, employees' awareness of reducing wastes, in particular office paper, has been increased. This is shown by a decrease of approximately 40.0% of the office paper usage intensity (tonnes/square feet) from approximately 0.001 in 2020 to approximately 0.0006 in 2021.

During the Year, the Group's non-hazardous waste disposal performance is as follows:

Types of non-hazardous waste	Unit	2021	2020
Office Paper ³	tonnes	12.48	26.76
Intensity	tonnes/square feet	0.0006	0.001

Note:

3. Actual paper consumption was approximately 2,493,000 sheets in 2021 and approximately 5,357,500 sheets in 2020.

Environmental, Social and Governance Report 2021

A2. USE OF RESOURCES

The Group is committed to becoming a resource-saving and environmentally friendly enterprise to promote environmental protection. The Group has established relevant policies and procedures governing the use of energy and water to achieve higher efficiency and reduce unnecessary use of resources.

During daily operation, electricity, water and paper are the major resources consumed. The Group has established relevant policies and procedures in governing the efficient use of these resources, with reference to the objective of achieving higher energy efficiency and reducing the use of unnecessary materials.

Energy Consumption

The Group aims to minimise the environmental impacts that resulted from its operations by identifying and adopting appropriate measures. Energy-related policies, measures, and practices have been developed to show its commitment to energy efficiency. The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Switching off lights and electronic appliances before leaving the office;
- Maintaining indoor temperature at 25.5°C during working hours; and
- Leasing energy-efficient high-speed printers for daily operation.

Moreover, the Group has adopted the energy saving measures recommended by the Hong Kong Electric Company Limited, including:

- Using a variety of energy-saving lamps and equipment;
- Expediting the replacement and repair processes to avoid possible unnecessary use of energy;
- Labelling all multiple switches to facilitate the energy-saving operation;
- Turning off the unnecessary or unattended lights in office areas when the users are out of office during lunch hours; and
- Posting "Lighting Zoning Plans" with the switches labelled correspondingly for identification.

With the aim to respond to the growing awareness of climate change, the Group targets to reduce its energy consumption intensity (kWh/square feet) by 5% by 2025, using 2021 as the baseline year.

During the Year, the Group's energy consumption intensity (kWh/square feet) increased by approximately 1.5%, from approximately 10.44 in 2020 to approximately 10.60 in 2021, due to additional electricity consumption for the newly installed cooling system.

Environmental, Social and Governance Report 2021

During the Year, the Group's energy consumption performance is as follows:

Indicator	Unit	2021	2020
Direct energy consumption	kWh	–	–
Indirect energy consumption			
— Electricity	kWh	226,008.00	208,724.00
Total energy consumption	kWh	226,008.00	208,724.00
Energy consumption intensity	kWh/square feet	10.60	10.44

Water Consumption

As the Group's principal businesses are providing financial printing services, it does not consume a significant amount of water during operation. The Group's water consumption was mainly attributable to water consumed in office. Despite water consumption is considered insignificant due to business nature, the Group is dedicated to promoting behavioural changes in water usage at offices and encouraging water conservation. Environmental signages on water-saving messages are posted in prominent places to remind employees to conserve water. Due to operating locations, the Group did not encounter any significant issue in sourcing water that is fit for purpose. With the above measures implemented, employees' awareness on water conservation has been enhanced.

With the aim to respond to the growing awareness of climate change, the Group targets to reduce its water consumption intensity (m³/square feet) by 3% by 2025, using 2021 as the baseline year.

The Group's water consumption intensity (m³/square feet) has a decrease of approximately 50.0% from approximately 0.01 in 2020 to approximately 0.005 in 2021 due to the increased employees' awareness on water conservation. In addition, the reallocated office's water usage is included in the tenancy fee, and therefore water consumption data of the reallocated office was not available.

During the Year, the Group's water consumption performance is as follows:

Indicator	Unit	2021	2020
Water consumption	m ³	109.00	265.47
Intensity	m ³ /square feet	0.005	0.01

Use of Packaging Materials

As the Group does not involve in any production processes, packaging materials are not consumed, hence this topic is considered as irrelevant.

A3. ENVIRONMENT AND NATURAL RESOURCES

The Group focuses on its business impact on the environment and natural resources and pursues the best practice with the environmental protection. Aside from abiding by the relevant environmental laws and regulations and international standards to properly protect the natural environment, the Group endeavours to identify ways to integrate environmental considerations into its business decisions and services it provides, so as to achieve environmental sustainability.

Environmental, Social and Governance Report 2021

Indoor Air Quality

The Group is committed to providing employees with a pleasing working environment to enhance work efficiency. Due to the nature of the Group's business, its employees spend most of their working time in the office, implying that indoor air quality in the workplace is of paramount importance. Therefore, indoor air quality is constantly monitored and improved by the utilisation of several measures. Such measures include installing air purifiers, cleaning air-conditioning systems regularly, choosing products with low or zero volatile organic compounds where applicable. By adopting these measures, indoor air quality of office was maintained.

A4. CLIMATE CHANGE

The Group recognises climate change as one of the greatest issues confronting humanity today. It is vital for the Group to understand its corporate role in addressing climate change threats, which could impact us both in terms of its business profitability and its long-term resilience. As such, the Group has established relevant policies to identify, monitor and manage climate-related issues, and integrate such considerations into its strategic business planning.

To cope with the intensified threat of climate change, the Group has assessed the potential risks that may arise from its business operations. These risks mainly stem from the following dimensions:

Physical Risks

For physical risks, extreme weather events, such as stronger typhoons and floods, may interrupt the water and electricity supplies, damage the Group's properties, as well as threaten the safety of its employees. This may cause interruption to the normal business operations and thus have an adverse effect on the Group's financial performance.

The Group has taken different actions to manage the abovementioned acute physical risks. For example, the Group maintains comprehensive insurance coverage on assets that are prone to damage by extreme weather conditions. In addition, the Group has developed the practice of communicating the arrangements under bad weather conditions to employees in advance. The potential financial impacts can be minimised with adequate preparations for extreme weather events.

Transition Risks

For transition risks, the Group expects policies and regulations related to climate change are becoming stricter. If the Group's existing compliance procedures and business operations could not fully comply with the new legal and regulatory requirements, it might incur additional compliance costs and the reputation of the Group may be adversely affected. In addition, the high-carbon emitting industry will suffer from higher cost, lower returns or asset devaluation. Related climate change risk might also impose an impact to the Group's investment and financing activities regarding related industries.

To manage the above transition risks, the Group has taken an array of actions. First, the Group's management regularly monitors existing and emerging climate-related trends, policies and regulations and seek compliance consulting services to reduce legal risks. Second, the Group has gradually incorporated sustainability into its investment strategies and business operation. Various measures have been taken to protect the environment, including measures aimed at reducing GHG emissions as well as resources conservation. By going beyond current compliance requirements, the Group has a better chance to adapt swiftly to regulatory changes.

Environmental, Social and Governance Report 2021

B. SOCIAL

B1. EMPLOYMENT

Human resources are the foundation for supporting the development of the Group, and therefore it has adopted a people-oriented management approach through implementing relevant employment policies with a view to realising the full potential of employees. These employment policies are formally documented, incorporating recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunities, etc. These employment policies and practices are reviewed regularly to ensure continuous improvements in its employment standards.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to employment, including but not limited to the Employment Ordinance, Minimum Wage Ordinance and Mandatory Provident Fund Schemes Ordinance that would have a significant impact on the Group.

Recruitment, Promotion and Dismissal

As a company providing financial printing services, the Group believes that hiring and retaining qualified employees is the key to its success. Staff Manual is formulated to regulate and standardise employment-related procedures for the Human Resources Department. In line with the need of business development and the principles of fairness and justice, the Group selects the best and suitable qualified candidates through open recruitment or internal promotion process. The Group applies robust and transparent recruitment processes based on merit selection against the job criteria, and recruits individuals based on their suitability for the position and potential to fulfil the Group's current and future needs.

The Group carries out staff evaluations to assess performance of all employees on an annual basis. The Group gives priority to internal promotion and encourages employees to compete for internal job vacancies. With effective two-way communication channel, the Group will discuss with employees on their performances to better understand the employees' expectations.

The termination of employment contract is governed by internal policies including the Staff Manual and is based on reasonable and lawful grounds. The Group strictly prohibits any kind of unfair or illegitimate dismissals. For those who have unsatisfactory working performance or repeatedly make mistakes, the Group will give verbal warning before issuing a warning letter. For those who show no improvement, the Group will consider dismissing the employees according to relevant laws and regulations in Hong Kong.

As at 31 December 2021, the Group had 122 employees (31 December 2020: 129), of which all employees are full-time employees and are situated in Hong Kong. The breakdown of employee distribution by gender and age group was summarised as follows:

Environmental, Social and Governance Report 2021

	2021		2020	
	Number	Percentage	Number	Percentage
Age group distribution				
16–18	–	–	–	–
19–30	22	18%	34	26%
31–45	69	56%	64	49%
46–60	29	24%	29	23%
>60	2	2%	2	2%
Gender distribution				
Male	55	45%	53	41%
Female	67	55%	76	59%

During the Year, there were 25 employees (31 December 2020: 26) who had left the Group and the overall turnover rate⁴ was approximately 17% (31 December 2020: 17%) . The breakdown of turnover rate distribution by age group, gender and geographical region was summarised as follows:

	2021	2020
Gender distribution⁵		
Male	32%	27%
Female	68%	73%
Age group distribution⁶		
16–18	–	1%
19–30	6%	5%
31–45	8%	6%
46–60	3%	4%
>60	–	1%
Geographical region distribution⁶		
Hong Kong	17%	17%

Notes:

4. Overall turnover rate is calculated by applying the following formula:

$$\frac{\text{total no. of employee left during the year}}{\text{total no. of employee at the end of the year} + \text{total no. of employee left during the year}}$$

5. Turnover rate by gender distribution is calculated by applying the following formula:

$$\frac{\text{no. of employee left (in the specific category) during the year}}{\text{total no. of employee left during the year}}$$

6. Turnover rate for each specific category is calculated by applying the following formula:

$$\frac{\text{no. of employee left (in the specific category) during the year}}{\text{total no. of employee at the end of the year} + \text{total no. of employee left during the year}}$$

Environmental, Social and Governance Report 2021

The Group will continue to provide a well-structured and caring environment to its employees so as to raise their sense of belonging and work efficiency in the Group.

Remuneration and Benefits

The Group understands that a competitive remuneration package together with good benefits and welfare encourage retention and foster a sense of belonging. The Group offers a comprehensive remuneration package for all its employees, and employees are remunerated fairly according to their contributions with reference to the market practice. The Group regularly reviews the remuneration policy to ensure its market competitiveness. Employees are recognised and rewarded according to their individual performances, working experience, respective responsibilities, merits, qualifications, competences and time commitments. The remuneration package includes holidays, annual leave, sick leave, marriage leave, maternity leave, paternity leave, compassionate leave, jury leave, medical scheme, group life insurance scheme, mandatory provident fund and discretionary bonus.

Diversity and Equal Opportunities

The Group is committed to fostering a cooperative and collaborative workplace culture since a diversified workforce is critical for its business. The Group is 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, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. Employees are strongly encouraged to report any suspected cases to protect the rights and interests of each employee. Any forms of sexual harassment or abuse in the workplace are in no way tolerated.

B2. HEALTH AND SAFETY

Being a corporation principally engaged in financial printing services, the Group's businesses do not pose a significant threat to the health and safety of employees. Nonetheless, the Group recognises that the operational efficiency of an enterprise is closely related to the maintenance of a healthy and safe working environment for all employees, thus the Group endeavours to safeguard the health and safety of its employees and expect all employees to strictly observe its health and safety policies. The Group will continue to maintain a healthy and safe working environment for its employees.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to health and safety, including but not limited to the Occupational Safety and Health Ordinance and the Employees' Compensation Ordinance that would have a significant impact on the Group. In addition, during the Year, there was no work-related fatalities and lost days due to work injury (2020 and 2019: Nil).

Workplace Health and Safety

Although no high-risk or security-sensitive types of work have been identified in the Group's workplaces, the Group understands that employees need to work at a computer for a long period of time everyday due to its business nature. Hence, the Group provides employees with occupational health education by circulating office safety guidance which covers the safe use of display screen equipment and correct working postures and encourages workplace stretching exercises to minimise the risk of work-related injuries and strains. Moreover, the Group has posted reminders for its employees to develop healthy working habits in office such as appropriate body working postures, regular exercises in office and appropriate setting of computer monitors.

Environmental, Social and Governance Report 2021

In response to the outbreak of the COVID-19 pandemic, the Group has implemented infectious disease measures which allow employees to take isolation leave when they are subject to compulsory quarantine. Apart from the isolation leave, the Group also fully subsidises employees to take the COVID-19 test with a view to reducing the transmission of the virus in the community and in the workplace. In addition, the Group provides vaccination leaves as an incentive for employees to take COVID-19 vaccination. The Group strictly enforces social distancing to prevent congregating in the operations during breaks or lunch times. The Group reminds its employees of the importance of staying home when feeling sick, frequently washing hands with soap and avoiding exposure to public places.

B3. DEVELOPMENT AND TRAINING

Employee Development and Training

The Group endeavours to assist its employees in fulfilling their full potential, as the Group believes that talents are the key to the future of the Group. The Group is committed to nurturing its talents by providing diversified learning channels. Guidelines on education and training management are clearly provided for the sake of fully empowering its employees with the knowledge and skills required to excel in their professional fields as well as motivating employees to further self-learning, and thereby creating a talent pool which can contribute to the continuous success of the Group.

Aiming to assist employees in continuously developing their capacity through further education, the Group has formulated relevant policies to regulate employee training management. Employees are provided with on- job training relevant to their current roles. The Group is committed to increasing job morale as well as job satisfaction among its employees.

During the Year, approximately 2%⁷ of the Group's employees have participated in approximately 0.19 hours⁸ of training through attending both internal and external training courses. The training data of employees by gender and employee category was summarised as follows:

	2021 ⁹	
	Percentage of trained Employees ¹⁰	Average training hours ¹¹
By gender		
Male	–	–
Female	100%	0.34
By employee category		
Management	100%	7.67
General staff	–	–

Notes:

7. Overall percentage of employees trained was calculated by applying the following formula:

$$\frac{\text{total no. of employees who took part in training during the year}}{\text{total no. of employees at the end of the year}}$$

8. Average training hours per employee was calculated by applying the following formula:

$$\frac{\text{total no. of training hours during the year}}{\text{total no. of employees at the end of the year}}$$

Environmental, Social and Governance Report 2021

9. Relevant figures have been disclosed from 2021 onwards.
10. The percentage of trained employees by category was calculated by applying the following formula:

$$\frac{\text{total no. of employees in the specified category who took part in training during the year}}{\text{total no. of employees who took part in training during the year}}$$

11. The average training hours by category was calculated by applying the following formula:

$$\frac{\text{total no. of training hours for employees in the specified category during the year}}{\text{no. of employees in the specified category at the end of the year}}$$

B4. LABOUR STANDARDS

Prevention of Child Labour and Forced Labour

The Group is fully aware that child labour and forced labour violates fundamental human rights and the International Labour Conventions and Recommendations, and pose a threat to sustainable social and economic development. Therefore, the Group strictly complies with all relevant laws and regulations in where it operates.

The Group strictly prohibits the use of child labour by stringently reviewing the actual age of the interviewee during the recruitment process, including the examination of identity documents and detailed records. The Group only carries out the requirements of standard labour contract and does not utilise any other means to unfairly restrict the employment relationship between employee and the Group.

The Group will conduct investigations, punishment or dismissal of relevant employees immediately when any non-compliance is being discovered. If necessary, the Group will further improve the labour mechanism against illegal behaviours.

Furthermore, employees of the Group work overtime on a voluntary basis to prevent any breaches of labour standards. Any punishments, management methods and behaviours involving verbal abuse, physical punishment, physical abuse, oppression, sexual harassment against its employees are prohibited for any reason.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to child and forced labour, including but not limited to the Employment of Children Regulations and the Employment Ordinance that would have a significant impact on the Group.

B5. SUPPLY CHAIN MANAGEMENT

The Group highly values its relationship with suppliers as they are the key to sustainable development of the Group. To ensure suppliers' fulfilment of the Group's standards and requirements regarding quality, environment and safety, the Group has established a stringent and standardised procurement system that all suppliers are evaluated carefully and subject to regular monitoring and assessments.

The Group's major suppliers are its subcontractors which mainly comprise printing factories and translation companies. In order to reduce social and environmental risks along the supply chain, to maintain high quality of the Group's services and to ensure suppliers are continuously meeting the Group's requirements and expectations, the Group selects and maintains a list of approved subcontractors, which is evaluated and updated on a continuous basis. Besides, site visits are arranged by the Group where necessary to ensure the manpower and facilities of the suppliers are capable of fulfilling the Group's requirement, and thus ensuring the overall quality of the printed documents are up to standard. In addition, the Group requires its major suppliers to strictly comply with all local laws and regulations in different aspects so as to further eliminate the environmental and social risks of the Group's supply chain. During the Year, the Group has approximately 36 suppliers, of which all are based in Hong Kong, and all major suppliers are subject to the supplier's evaluation and monitoring regularly.

Environmental, Social and Governance Report 2021

In addition to factors such as technical capabilities, delivery times and price competitiveness of subcontractors, the Group also considers extending environmental and safety requirements and focuses along the supply chain, and requires its subcontractors to focus on their sustainability performance. As a provider of financial printing services, the Group is aware that in its supply chain, high-speed printers emit high concentrations of suspended particulates into the air. The Group will continually review the environmental impact along its supply chain and explore environmental-friendly options in its operations. With an objective to minimise the carbon emission and to support local economy and community, the Group mainly sourced its services locally in Hong Kong. The Group aims to increase the proportion of cooperation with companies which share the common sustainability goals together.

B6. PRODUCT RESPONSIBILITY

Under the competitive environment within the financial printing services industry, expectation on the quality of products and services continues to raise. The Group understands that it can only gain, maintain and enhance its customers' trust and loyalty by creating the most value to its customers in a responsible manner.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, including but not limited to the Trade Descriptions Ordinance and Personal Data (Privacy) Ordinance that would have a significant impact on the Group. Given the Group's business nature, the Group was not involved in the sale of products, therefore disclosure on product recall procedures and number of products recalled are not applicable. Meanwhile, the Group did not receive any material written complaint from its customers in relation to the quality of its service during the Year.

Quality Management

In the financial printing service sector, responding time and quality of services are critical. The Group is committed to fulfilling its customers' satisfaction by the provision of timely response and high-quality service. The Group has implemented a quality control system through its thorough proofreading service to ensure the accuracy of the typesetting of documents. Production process is continuously reviewed to enhance the quality of its financial printing services. To further enhance its competitive edge, the Group actively acquires new facilities and equipment to react to the changing needs of its customers.

Privacy Protection

The Group has routinely handled important, confidential and price-sensitive information related to its customers. Securing customers' information is the most essential element for maintaining good corporate governance and building long-term trust with its customers. As a responsible service provider, the Group adheres to the Personal Data (Privacy) Ordinance in Hong Kong and expressly reiterates confidentiality obligations in its Staff Manual. Employees are required to sign a confidentiality agreement and are trained to maintain the confidentiality of customers' information. The Group has engaged a confidential material destruction service provider to collect and handle used papers that could possibly contain customers' confidential information.

IP Rights

Despite IP rights are not considered a material ESG aspect to the Group due to the Group's business nature, the IT Department is in charge of securing proper licenses for software, hardware and information the Group uses in its business operation. Duplication or downloading of information, software, and images from the internet must be approved by relevant department. Furthermore, the Group closely monitors and prevents any infringement behaviour such as counterfeit trademarks in the market. The Group will continue to monitor to ensure that its intellectual property rights are not being infringed upon.

Environmental, Social and Governance Report 2021

Advertising and Labelling

As a company providing financial printing services, the Group has limited issue on advertising and labelling. In the Group's dealings with its clients, information provided should be complete, true, accurate, clear, and comply with all relevant laws and regulations regarding the proper advertising, including but not limited to the Trade Descriptions Ordinance.

B7. ANTI-CORRUPTION

The Group believes that the integrity of business is the foundation of corporate social responsibility, as well as a fundamental element for a business competitive advantage and sustainability. The Group is committed to adhering to the highest possible standards of openness, probity and accountability. Hence, the Group has formulated relevant policy to requiring all the employees to discharge their duties with loyalty and integrity, and shall not abuse their positions to seek any improper interests.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance that would have a significant impact on the Group. In addition, during the Year, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Recognising that anti-corruption training is essential for creating a healthy corporate culture, the Group has provided relevant training to directors and employees. During the Year, the Group has disseminated the Hong Kong Companies Registry's guidelines on anti-money laundering and counter-terrorist financing to directors via email. Such material familiarises them with their corresponding roles and responsibilities in anti-corruption and business ethics. During the Year, 2 employees have each participated in 1 hour of anti-corruption training on anti-money laundering to develop their anti-corruption awareness and good professional conduct and to comply with the regulations in Hong Kong.

Whistle-blowing Mechanism

A Whistle-blowing Policy was put into effect for all levels and operations in the Group to show zero tolerance towards corruption and assist individual employees to disclose malpractice or impropriety within the Group. All employees must fully comply with relevant local laws and regulations as well as the Group's own policies on the prevention of corruption. All employees have a responsibility to raise concerns, confidence, about possible improprieties such as misconduct and malpractice in any matter related to the Group and report any suspected violations to a supervisor or senior management. Such policy also aims at protecting whistle-blowers from unfair dismissal, victimisation, and unwarranted disciplinary actions.

B8. COMMUNITY INVESTMENT

Corporate Social Responsibility

As part of strategic development, the Group aims to promote the stability of society and inspire its employees towards social welfare awareness. The Group has established relevant policy with the aim to further promote the concept of social responsibility among its employees and the policy has stated focuses of the Group's community investment are on social welfare and environmental protection. The Group encourages its employees to participate in volunteer services and fund-raising activities to contribute to community. The Group believes that positive respond to charitable programs and volunteering services can alleviate social problems as well as encourage its employees to participate in charitable events.

During the Year, in light of the COVID-19 pandemic, the Group did not arrange or participate in charitable events so as to protect the health and safety of its employees.

Environmental, Social and Governance Report 2021

INDEX TABLE OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	Board Statement and ESG Governance Structure
Reporting Principles	Reporting Framework
Reporting Boundary	Scope of Reporting

Subject Areas, Aspects, General Disclosures and KPIs		Description	Section/Statement
A. Environmental			
Aspect A1: Emissions	General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Emissions
KPI A1.1	The types of emissions and respective emissions data.		Emissions — Exhaust Gas Emissions
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

Environmental, Social and Governance Report 2021

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Statement
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
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 — GHG Emissions
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
Aspect A2: Use of Resources	<p data-bbox="507 983 699 1004">General Disclosure</p> <p data-bbox="507 1052 1018 1144">Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p data-bbox="507 1192 1018 1237">Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	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
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 Materials

Environmental, Social and Governance Report 2021

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Statement
Aspect A3: The Environmental and Natural Resources	General Disclosure Policies on minimising the issuer’s significant impacts on the environment and natural resources.	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.	Environment and Natural Resources — Indoor Air Quality
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	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. Social		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment —Recruitment, Promotion and Dismissal
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment —Recruitment, Promotion and Dismissal

Environmental, Social and Governance Report 2021

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Statement
Aspect B2: Health and Safety	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Health and Safety
KPI B2.1	<p>Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p>	Health and Safety
KPI B2.2	<p>Lost days due to work injury.</p>	Health and Safety
KPI B2.3	<p>Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p>	Health and Safety — Workplace Health and Safety
Aspect B3: Development and Training	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	Development and Training — Employee Development and Training
KPI B3.1	<p>The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p>	Development and Training — Employee Development and Training
KPI B3.2	<p>The average training hours completed per employee by gender and employee category.</p>	Development and Training — Employee Development and Training

Environmental, Social and Governance Report 2021

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Statement
Aspect B4: Labour Standards	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>	Labour Standards — Prevention of Child Labour and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards — Prevention of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards — Prevention of Child Labour and Forced Labour
Aspect B5: Supply Chain management	<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>	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

Environmental, Social and Governance Report 2021

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Statement
Aspect B6: Product Responsibility	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.</p>	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 — IP Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility — Privacy Protection
Aspect B7: Anti-corruption	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	Anti-corruption

Environmental, Social and Governance Report 2021

Subject Areas, Aspects,	Description	Section/Statement
General Disclosures and KPIs		
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 —Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment	<p>General Disclosure</p> <p>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.</p>	Community Investment — Corporate Social Responsibility
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment — Corporate Social Responsibility
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment — Corporate Social Responsibility