



**TITAN INVO TECHNOLOGY LIMITED**  
**泰坦智華科技有限公司**

(formerly known as TUS International Limited)  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 872)



Environmental, Social and  
Governance Report **2021**



## CONTENTS

ABOUT THE GROUP	2
ABOUT THIS REPORT	2
Reporting Period	2
Reporting Scope	2
Reporting Framework	2
GOVERNANCE STRUCTURE	3
SUSTAINABILITY GOVERNANCE	4
STAKEHOLDER ENGAGEMENT	5
MATERIALITY ASSESSMENT	7
COMPLIANCE	8
ESG-RELATED CERTIFICATES AND PROFESSIONAL QUALIFICATIONS	8
CONTACT US	8
A. ENVIRONMENTAL	9
A1. Emissions	9
A2. Use of Resources	12
A3. The Environment and Natural Resources	15
A4. Climate Change	16
B. SOCIAL	17
B1. Employment	17
B2. Health and Safety	21
B3. Development and Training	22
B4. Labour Standards	24
B5. Supply Chain Management	25
B6. Product Responsibility	26
B7. Anti-corruption	28
B8. Community Investment	28
THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (I)	29
THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (II)	29



## ABOUT THE GROUP

Titan Invo Technology Limited (the “Company”, together with its subsidiaries, the “Group” or “we”) is principally engaged in the automotive-grade wireless connectivity business, focusing on the research and development and sales of automotive-grade wireless connectivity modules in Europe, the United States (the “US”) and the Asia Pacific region.

## ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “ESG Report”) summarises the practices, plans and performance of the Group in environmental, social and governance (“ESG”) aspects and demonstrates its commitment to sustainable development.

### Reporting Period

This ESG Report will illustrate our ESG management strategy and performance from 1 January 2021 to 31 December 2021 (“FY2021” or the “Reporting Period”), demonstrating our pursuit for and emphasis on sustainable development.

### Reporting Scope

This ESG Report covers the Group’s principal businesses located in China, including Hong Kong, the US, Europe and Asia Pacific. All of the Group’s facilities, operations, and revenue are principally located in and derived from such regions.

Due to the changes in the Group’s operation, the reporting scope of this ESG Report is different from that of 1 January 2020 to 31 December 2020 (“FY2020”). Compared to the reporting scope of the ESG Report of FY2020, the advanced driving assistance system business segment, which was disposed of during the Reporting Period, is no longer within the reporting scope.

### Reporting Framework

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) under Appendix 27 of the Main Board Listing Rules. This ESG Report follows the four reporting principles in the ESG Guide, including “Quantitative”, “Consistency”, “Materiality” and “Balance”.

“Quantitative”: The Group has established internal guidelines and procedures with reference to industry practices, guidelines of exchanges or relevant government departments, as well as laws and regulations, to collect environmental and social performance data from various business departments, and to keep relevant monitoring instruments records or supporting documents. Please refer to the relevant sections in the ESG Report for the standards, methodologies and assumptions (where applicable) for the calculation of performance data.



## ABOUT THIS REPORT (*CONTINUED*)

### Reporting Framework (*Continued*)

“Consistency”: Except for the changes in the scope of this ESG Report due to the changes in operation, the disclosure and statistical methods of this ESG Report are consistent with those of last year, and the same data statistics and conversion methods are used. Relevant historical data have been disclosed in this ESG Report to enable stakeholders to better understand and compare the Group’s sustainability performance.

“Materiality”: In defining the material ESG issues that are relevant to the Group’s business and stakeholders, we maintain communication with internal and external parties to understand their expectations and suggestions. We continue to engage closely with our stakeholders, including employees, investors, customers, suppliers, local government agencies and organizations, regardless of whether they are affected by our operations or have a significant impact on our operations.

“Balance”: This ESG Report provides an unbiased picture of the Group’s ESG performance.

## GOVERNANCE STRUCTURE

While the Group is committed to creating value for its shareholders, it also strives to fulfill its corporate social responsibility. The board of directors of the Company (the “Board”) is ultimately responsible for overseeing the Group’s corporate governance and overall ESG management approach. The Board plays a supervisory role in collecting data, drafting and reviewing the ESG Report. Information on the Group’s governance structure is set out in the section headed “Sustainability Governance”.

In order to prioritize material ESG-related issues, the Board continuously communicates with the Group’s stakeholders with reference to the opinions of different stakeholders, and regularly invites them to participate in the materiality assessment to assess the materiality of various ESG issues and their risks to the Group’s operations. Information on the stakeholder communication channels and the materiality assessment conducted by the Group are set out in the sections headed “Stakeholder Engagement” and “Materiality Assessment” respectively. In order to better understand the stakeholders’ expectations on the Group’s sustainable development, the Group will further strengthen the communication with stakeholders and formulate relevant sustainable development policies and measures with reference to their opinions to improve the Group’s ESG performance.

The Group is committed to minimising its environmental impact to ensure sustainable business growth. As a socially responsible enterprise, the Group has been taking measures in different areas to reduce its environmental impact and regularly reviewing the effectiveness of such measures. In addition, the Group recognises the importance of setting targets for its ESG performance. Therefore, the Group has set targets for ESG issues that are material to the Group. The Board and personnel responsible for ESG issues use the data collected to compare the Group’s performance in different years to track the progress of ESG targets. To achieve the goal, the Group implements different environmental protection measures and raises employees’ awareness of ESG. We believe that these objectives and environmental protection measures can help raise the environmental awareness of our employees and enhance the Group’s ESG performance to meet the expectations of our stakeholders.



## SUSTAINABILITY GOVERNANCE

The Group has established a corporate social responsibility governance structure, which is divided into three main components, including decision-making level, organization level and execution level, to meet the expectations of shareholders and stakeholders on ESG practices. Please refer to the following table for details of the structure:

Decision-making level	The Board participates in the resolution and decision-making of major ESG issues, including relevant strategies and preliminary planning, and makes special supplements to the annual ESG report.
Organization level	The Group has set up a special working group comprising personnel from the finance and administration departments to coordinate daily ESG management, including implementing the strategies and policies of the Board, preparing ESG reports, collecting and monitoring daily information on corporate social responsibility, etc.
Execution level	The finance, human resources and administration departments and subsidiaries of the Group are responsible for the initial coordination and management of this ESG, regular reporting of relevant information and data, and implementation of various ESG-related activities.

Table 1 Corporate social responsibility governance structure of the Group

In order to strengthen and fully implement sustainable development measures more effectively, the management assumes the highest regulatory responsibility for ESG work, and is responsible for monitoring and executing risk assessment from the top level, as well as designing, implementing and maintaining the internal control systems. Through regular communication with the senior management of different departments, the management fully understands and identifies the potential risks faced by the Group in ESG, and formulates relevant improvement measures in a timely manner to cope with the ever-changing market environment. The Group has engaged independent consultants to regularly evaluate risk management and internal control systems. The risk management report, internal audit report and ESG report have been submitted to the audit committee and the Board for approval. For details, please refer to the "Risk Management and Internal Control" section of the Group's Corporate Governance Report.





## STAKEHOLDER ENGAGEMENT

With the ongoing communication and engagement with its stakeholders, the Group can better understand the perspectives and expectations of its stakeholders on the Group's ESG issues with the greatest concerns, as well as the environmental and social impacts associated with the business. By gathering their opinions and understanding their concerns, the Group can refine its policies and approaches on ESG management, determine a more suitable way to address the ESG issues, and make continuous improvement in our ESG performance.

The Group not only has identified key stakeholders who have a significant impact on its business or those who can be significantly affected by its business, but also has been maintaining regular communication with them through various channels, which are illustrated in the table below.

Stakeholders	Engagement methods	Issues of concern
Investors and shareholders	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Regular corporate publications, including annual and interim reports</li> <li>• Shareholder circulars (as necessary)</li> <li>• Company website</li> <li>• Sending enquiries and suggestions to the Company's principal place of business</li> <li>• Enquiries via telephone and in writing (as necessary)</li> <li>• Company announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance operation</li> <li>• Financial performance</li> <li>• Risk management</li> <li>• Stable operation</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Internal emails and publications</li> <li>• Meetings and briefings</li> <li>• Employee training</li> <li>• Employee performance appraisal</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Employee development and training</li> <li>• Employees' rights</li> <li>• Equal opportunities</li> <li>• Remuneration and benefits</li> <li>• Long-term strategies</li> </ul>



## STAKEHOLDER ENGAGEMENT *(CONTINUED)*

Stakeholders	Engagement methods	Issues of concern
Customers	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Customer service hotline</li> <li>• Customer interviews and meetings</li> <li>• Emails</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance operation</li> <li>• Financial performance</li> <li>• Risk management</li> <li>• Anti-corruption</li> <li>• Technological innovation</li> <li>• Value chain development</li> <li>• Investor communication and rights</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>• Business meetings</li> <li>• Supplier meetings</li> <li>• Procurement procedures</li> <li>• Email/telephone</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and open procurement</li> <li>• Stable business relationship</li> <li>• Timely and sufficient information sharing</li> </ul>
Government and regulatory authorities	<ul style="list-style-type: none"> <li>• Verbal and written communication (as necessary)</li> <li>• Emails</li> <li>• Regulatory document information</li> <li>• Financial statements</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance operation</li> <li>• Climate-related risk response actions</li> <li>• Technological innovation</li> </ul>
Society and public (including media)	<ul style="list-style-type: none"> <li>• Emails/telephone</li> <li>• Company announcements</li> <li>• ESG reports</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Community service</li> <li>• Environmental protection</li> <li>• Timely and sufficient information sharing</li> </ul>

Table 2 Stakeholders, engagement methods and issues of concern

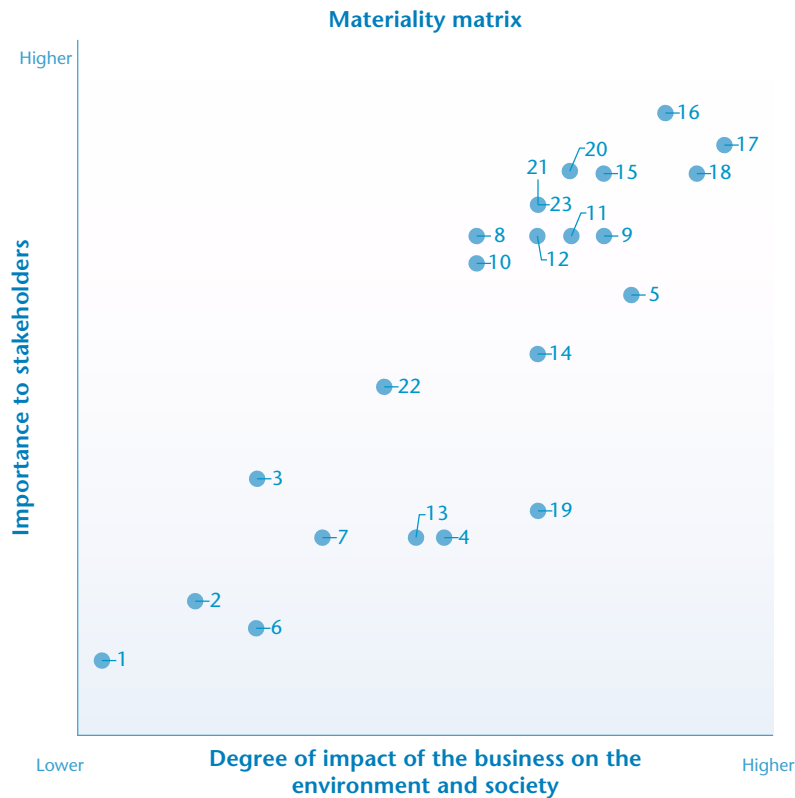


## MATERIALITY ASSESSMENT

We have conducted a materiality assessment to identify material ESG issues and assess their materiality to our business and stakeholders to ensure that this ESG Report is appropriately disclosed to the extent that stakeholders are concerned with each issue. The materiality assessment process is set out as follows:

- Identification of potential issues: Initial identification of relevant issues with reference to the ESG Guide and applicable material ESG issues of peers;
- Stakeholder engagement: Establish stakeholder engagement channels, invite internal and external stakeholders to fill in questionnaires based on factors such as influence, necessity and willingness to participate, and rate and give opinions on each ESG issue;
- Prioritisation: Consolidate the results from stakeholder engagement, identify issues, and rank the materiality of issues according to the principles of relevance and influence;
- Validation: The management has verified and confirmed the material ESG issues and their relevance to the key performance indicators of the ESG Guide in the corresponding aspects.

The following table sets forth the ESG issues that were material to the Group during the Reporting Period:



No.	ESG issues	No.	ESG issues	No.	ESG issues
1	Emissions	9	Inclusive working environment and equal opportunities	17	Customer privacy and information security
2	Waste management	10	Employee satisfaction	18	Intellectual property protection
3	Use of resources and energy efficiency	11	Occupational health and safety	19	Advertising and labelling
4	Promoting environmental technology	12	Employee development and training	20	Anti-corruption
5	Investment in research and development	13	Avoiding child and forced labour	21	Prevention of unfair competition
6	Environment and natural resources	14	Supply chain management	22	Community investment
7	Climate change mitigation and adaptation	15	Business ethics	23	Compliance management
8	Risk prevention and control	16	Product quality and customer service		

Table 3 Materiality analysis





## COMPLIANCE

In order to ensure the compliance of the Group's operations, we maintain close attention to major laws and regulations related to the daily operations and business of the Group, regularly track and understand the updates of regulations, seek assistance from professional legal counsels when necessary, and notify relevant departments in time to comply with the latest laws and regulations and fully implement the compliance principle.

## ESG-RELATED CERTIFICATES AND PROFESSIONAL QUALIFICATIONS

By adopting different international environmental and social management standards and systems in operation and business, the Group hopes to effectively manage the environmental and social performance of the Group both inside and outside the Group. The Group's operations in Belgium and France have obtained ISO 9001 certifications.

## CONTACT US

The Group welcomes stakeholders' opinions and suggestions. You can provide valuable advice in respect of this ESG Report or the Group's performance in sustainable development through the following means:

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Telephone : + 852 3175 7707  
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Email : [info@titaninvo-global.com](mailto:info@titaninvo-global.com)



## A. ENVIRONMENTAL

### A1. Emissions

To demonstrate the Group's commitment to sustainable development, we are committed to reducing the impact of our business activities on the environment, adhering to green operations and green office to reduce pollutants, greenhouse gas emissions and their intensity. The Group adopts the Environmental, Social and Governance Policy to regulate the emissions of greenhouse gases and air pollutants generated from its operations, and implements various emission reduction measures to ensure that the emissions meet the national emission standards and fulfil its continuous commitment to environmental protection.

The Group's operation process does not involve significant emissions of exhaust gas, sewage and hazardous waste, and only a small amount of wastewater and garbage is generated from the Group's office operation. The scope and nature of the Group's business are high-tech applications and services. Therefore, no direct emissions are caused due to the establishment of large production facilities. For third-party manufacturers, the Group informs the other party of the environmental policy, requires them to cooperate in environmental management business, and where feasible, conducts on-site inspection of environmental-related matters with relevant parties. The Group also requires third-party manufacturers to strictly comply with environmental laws and regulations related to exhaust gas, sewage and waste.

In FY2021, the Group was not aware of any material non-compliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The relevant laws and regulations include, but are not limited to, the Environmental Protection Law of the People's Republic of China, the Law on the Prevention and Control of Water Pollution of the People's Republic of China, the Integrated Emission Standard of Air Pollutants, the Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China, the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Environmental Code of France, the Decree on Environmental Protection dated 12 January 1993 of Belgium, the Clean Air Protection Act of Korea and the Waste Control Act of Korea.

In FY2021, the Group's nitrogen oxides (NO<sub>x</sub>) emissions, sulphur oxides (SO<sub>x</sub>) emissions and particulate matter (PM) emissions were approximately 7.24kg, approximately 0.12kg and approximately 0.53kg respectively (FY2020: approximately 20.47kg, approximately 0.25kg and approximately 1.51kg respectively). In FY2021, the Group's total greenhouse gas emissions intensity was approximately 0.31tCO<sub>2</sub>e per employee (FY2020: approximately 2.32tCO<sub>2</sub>e per employee). During the Reporting Period, the reporting scope was narrowed down as a result of changes in the Group's operation.



## A. ENVIRONMENTAL (CONTINUED)

### A1. Emissions (Continued)

The table below sets out the air pollutant emissions and greenhouse gas emissions generated by the Group's vehicles:

Emissions	Unit	FY2021
<b>Air pollutant emissions<sup>1</sup></b>		
Nitrogen oxides (NO <sub>x</sub> ) emissions	kg	7.24
Sulphur oxides (SO <sub>x</sub> ) emissions	kg	0.12
Particulate matter (PM) emissions	kg	0.53
<b>Greenhouse gas emissions (Scope 1 and Scope 2)<sup>2</sup></b>		
Direct emissions (Scope 1) <sup>3</sup>	tCO <sub>2</sub> e	22.26
Energy indirect emissions (Scope 2) <sup>4, 5</sup>	tCO <sub>2</sub> e	1.76
Total emissions of greenhouse gas (Scope 1 and Scope 2)	tCO <sub>2</sub> e	24.02
Intensity of greenhouse gas emissions (Scope 1 and Scope 2) <sup>6</sup>	tCO <sub>2</sub> e/employee	0.31

Table 4 Emission data in FY2021

#### Notes:

- <sup>1</sup> The calculation of air pollutants is based on the emission factors in How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by The Stock Exchange of Hong Kong Limited.
- <sup>2</sup> Greenhouse gas emissions data is presented in terms of carbon dioxide equivalent and is based on, including but not limited to, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard issued by the World Resources Institute and the World Business Council for Sustainable Development, the national emission factor for mainland China in How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by The Stock Exchange of Hong Kong Limited and Global Warming Potential from the IPCC Fifth Assessment Report, 2014 (AR5) issued by the Intergovernmental Panel on Climate Change.
- <sup>3</sup> Scope 1 includes direct combustion emissions from vehicle fuels.
- <sup>4</sup> Scope 2 includes energy indirect emissions from purchased electricity in mainland China.
- <sup>5</sup> The expenses related to electricity consumption have been included in the rental expenses in the Group's offices located in regions other than mainland China. Therefore, the Group was unable to obtain complete electricity consumption data during the Reporting Period.
- <sup>6</sup> As at 31 December 2021, the Group had a total of 78 employees in the operations within the reporting scope. This figure also applies to other intensity calculations.



## A. ENVIRONMENTAL (*CONTINUED*)

### A1. Emissions (*Continued*)

#### *Greenhouse Gas Management*

Our greenhouse gas emissions mainly come from the use of vehicles and electricity consumption in offices. The Group has set the emission target to maintain the total greenhouse gas emission intensity in FY2022 not more than that in FY2021. In order to achieve this emission target, the Group has implemented a number of energy-saving measures. For measures on energy conservation and emission reduction, please refer to the section headed "Use of Resources".

#### *Hazardous Waste Management*

In FY2021, as the Group was principally engaged in the automotive-grade wireless connectivity business, it did not use and generate any hazardous waste.

#### *Non-hazardous Waste Management*

During the Reporting Period, the non-hazardous waste generated by the Group was mainly office paper, with a total of approximately 0.31 tonnes, and the total paper disposal intensity was approximately 3.97kg per employee. The Group recycles waste paper whenever possible. During the Reporting Period, the Group recycled approximately 0.10 tonnes of paper.

The Group has set a target for waste generation to maintain the total paper disposal intensity in FY2022 not more than that in FY2021. In order to achieve this waste generation target, the Group has adopted green office practices to reduce paper consumption. The Group has implemented an electronic office system to encourage the use of electronic forms for internal communication, such as business trip application and expense reimbursement application. In addition, the Group has set duplex printing as the default mode for printers.

In addition to office paper, the non-hazardous waste consumed by the Group is only daily office waste such as plastic bottles, paper cups and plastic bags. As these non-hazardous wastes are centrally handled by the property management company of the office, and the consumption is not significant compared to the total consumption, there is no specific record. Tea cups, reusable tableware and containers are provided in our pantry to replace disposable items. In addition, we collect waste separately for recycling.



## A. ENVIRONMENTAL (*CONTINUED*)

### A2. Use of Resources

We have formulated the Environmental, Social and Governance Policy, which stipulates that we will continue to uphold the principle of minimizing waste as much as possible, strive to implement resource-saving measures, and encourage employees to use resources effectively. We hope to reduce our carbon footprint while enhancing operational efficiency.

The resources consumed by the Group mainly include electricity and water used at its offices and fuel used by automobiles in daily operations. In order to better manage the use of resources, we regularly evaluate the use of resources and incorporate environmental protection and resource utilization efficiency into business considerations.

The Group has set an energy use efficiency target to maintain the total energy consumption intensity in FY2022 not more than that in FY2021. In order to achieve this energy use efficiency target, the Group actively promotes green office, encourages employees to save water and electricity, advocates office waste recycling, and places recycling bins in various offices as much as possible to reduce natural resource consumption and impact on the environment. Relevant departments regularly complete data collection and analysis, and rectify the problems. The Group adopts measures to save paper, such as adopting double-sided printing, re-using envelopes, circulating electronic format rather than hard copies of daily press, etc. We encourage our employees to adopt a paperless approval mode without signing and reply slips, and gradually digitalize business processes to reduce paper consumption. Employees also actively recycle waste paper for reuse. In addition, the French office has installed a lighting system with automatic switching-off and recycled packaging materials received from suppliers or customers. For the consumption of resources due to the use of vehicles, the Group encourages the use of telephone and video conferences instead of business trips. When vehicles are needed, routes are planned in advance to optimise fuel consumption. We also conduct regular maintenance on our vehicles to ensure optimal engine performance, thereby reducing exhaust emissions and fuel use.

The Group recognises the importance of green shopping for the protection of natural resources. Therefore, we also purchase energy-saving equipment. Office equipment must be inspected by our administrative department and determined to be non-repairable before being disposed of, in order to reduce consumables. Through the implementation of these measures, the Group hopes to reduce waste generated from office operations and promote a green living culture through proper resource management, which can reduce the total resource consumption and intensity in the short term, and increase employees' environmental awareness.

In FY2021, the Group's total energy consumption intensity was approximately 1.13MWh per employee. During the Reporting Period, the reporting scope was narrowed down as a result of changes in the Group's operation.



## A. ENVIRONMENTAL (CONTINUED)

### A2. Use of Resources (Continued)

The following table shows the energy consumption of the Group's principal activities:

Energy consumption	Unit	FY2021
<b>Direct energy consumption<sup>7, 8</sup></b>	MWh	<b>85.51</b>
Direct energy consumption intensity <sup>7, 8</sup>	MWh/employee	1.10
<b>Indirect energy consumption<sup>9, 10</sup></b>	MWh	<b>2.88</b>
Indirect energy consumption intensity	MWh/employee	0.04
<b>Total energy consumption</b>	MWh	<b>88.39</b>
Total energy consumption intensity	MWh/employee	1.13

Table 5 Energy consumption data in FY2021

#### Notes:

- <sup>7.</sup> Direct energy consumption represents gasoline, diesel and petroleum gas consumed by the Group for the use of vehicles.
- <sup>8.</sup> The unit conversion calculation is based on the conversion factors in How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by The Stock Exchange of Hong Kong Limited.
- <sup>9.</sup> Indirect energy consumption represents electricity purchased from external sources and consumed by the Group.
- <sup>10.</sup> In the Group's offices located in regions other than mainland China, the expenses related to electricity consumption have been included in the rental expenses. Therefore, the Group was unable to obtain complete electricity consumption data during the Reporting Period.





## A. ENVIRONMENTAL (*CONTINUED*)

### A2. Use of Resources (*Continued*)

#### *Electricity Consumption Efficiency*

We have formulated energy-saving measures to reduce electricity consumption and greenhouse gas emissions. The Group requires employees to comply with the energy saving policy and turn off lights, air conditioners, computers and other electronic devices after work. We also adopt other measures to achieve best environmental practice standards, including:

- Installing high-performance lamps and electrical equipment to reduce electricity consumption;
- Giving priority to personal office equipment with energy labels;
- Switching computers to sleep or hibernation mode when idle;
- Maintaining the air-conditioning temperature in the office at 24-26°C;
- Regularly maintaining and inspecting daily electrical equipment to ensure that there is no abnormal power consumption;
- Affixing "Saving Energy" stickers near the main switches as a reminder to our employees; and
- Advocating electricity conservation awareness by means of regularly sending emails to groups and providing trainings, and educating employees to reduce wastage in small details of daily lives.

#### *Water Consumption Efficiency*

Paying attention to water consumption and aiming at using water in the most efficient way, the Group has implemented water conservation programs in the office, including enhancing the daily maintenance of water supply equipment to avoid leakage due to damage, adopting electric filter taps, posting slogans to remind employees to save water, and adjusting water valves to the position with minimum water consumption.

The water used in the Group's operations comes from the government's water supply system, and the water supply is managed by the office's property management company. Wastewater generated from all offices is discharged into the municipal sewage pipe network for unified treatment in strict accordance with the Wastewater Quality Standards for Discharge to Municipal Sewers.

In FY2021, as the Group was principally engaged in the automotive-grade wireless connectivity business, it did not consume significant amount of water. In addition, since the Group's expenses related to water consumption have been included in the rental expenses, it is unable to obtain water consumption data.



## A. ENVIRONMENTAL (*CONTINUED*)

### A2. Use of Resources (*Continued*)

#### *Water Consumption Efficiency (Continued)*

As the water consumption of the Group's business is insignificant, the Group did not set water efficiency targets in FY2021. The Group has actively reminded its employees to save water and turn on water taps only when using water. In addition, we monitor the monthly water consumption. If the water consumption exceeds a reasonable level, we will investigate and solve the problem.

In FY2021, the Group did not have any issue in sourcing water that is fit for purpose as the Group's operation sites have stable water supply systems.

#### *Packaging Materials*

In FY2021, as the Group was principally engaged in the automotive-grade wireless connectivity business, it did not use and generate any packaging materials.

### A3. The Environment and Natural Resources

#### *Environmental Management System*

The nature of the Group's business does not involve highly pollutant production and operation procedures, so we will not create a significant impact on the environment and natural resources. However, we remain committed to taking measures to reduce the impact of our operations on the environment. We have established the Environmental, Social and Governance Policy to control the potential impact of our business activities on the environment. When making strategic expansion and investment plans in the future, we will also consider incorporating the impact of business activities on the environment and natural resources into decision-making factors, properly assess environmental risks and take appropriate countermeasures to reduce the impact. We guide each subsidiary to conduct risk identification and impact assessment of environmental factors every year, consider expectations of stakeholders and compliance requirements, and plan risk response measures to avoid and reduce adverse effects on business and the environment.

When developing new products, we will consider how to incorporate sustainable elements in the development and production process, so that products and operation models can save resources in the long run. We will take the following actions to promote environmental protection:

- Promote paperless internal human resources processing, such as leave application, investigation, evaluation and internal application form;
- Promote electronic communication and remind employees to avoid unnecessary printing and save energy;
- Encourage employees to use environmentally friendly office supplies, such as replacing new ballpoint pens with refills; and
- Promote recycling initiatives to collect waste separately in the office such as rechargeable batteries, recycled paper, metal, glass and plastic.



## A. ENVIRONMENTAL (*CONTINUED*)

### A4. Climate Change

#### *Identification and Mitigation*

The Group recognises that climate change has been affecting our stakeholders, business operations and communities in different aspects. The Group has formulated the Climate Change Policy to enhance its ability to respond to climate impacts and mitigate the risks and impacts of climate change on the Group, thereby helping the Group to adapt to and resist climate change. During the Reporting Period, the Group has been paying close attention to the impact of climate change as described below.

#### *Physical Risks*

Extreme weather caused by climate change such as typhoons and rainstorms may disrupt business operations in the short term. In order to minimise disruptions to our business operations, the Group has put in place a set of contingency measures for adverse weather conditions as well as appropriate back-up of important information to minimise the negative impact on our business.

In addition to the above, the Group is also fully aware that extreme weather conditions may endanger the health and safety of employees. Therefore, we have formulated comprehensive arrangements in relation to typhoon and rainstorm to protect the health and safety of employees in extreme weather conditions. The Group also takes into account the different situations faced by individual employees under extreme weather conditions as far as possible, such as residence, nearby roads and traffic conditions, and adopts flexible treatment methods depending on the actual difficulties and needs of employees. For example, the Group implements a flexible off-duty day schedule for employees. At the same time, under extreme weather conditions, the human resources department will remind and notify employees of the latest weather conditions through communication software or emails.

#### *Transition Risks*

In terms of legal risks, the Group expects that the laws and regulations related to climate change will become more stringent, such as the possibility that local governments may adopt more aggressive policies and measures to limit greenhouse gas emissions. As a result, the Group may be exposed to legal risks and may have to incur higher operating costs to comply with regulatory changes. The Group has adopted a series of measures against possible legal risks. Firstly, the Group continuously monitors any changes in laws or regulations. Secondly, the Group has sought compliance advisory services to reduce legal risks. Thirdly, the Group has been taking comprehensive measures to protect the environment, including measures aimed at reducing greenhouse gas emissions. As we do more than meet the compliance requirements, we can quickly adapt to the more stringent regulations that may arise.



## B. SOCIAL

### B1. Employment

The Group is committed to recruiting and retaining innovative and responsible talents. The Group has formulated the Employee Handbook, which specifies matters related to human resources, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

#### *Equal Opportunities*

The Group is committed to providing equal opportunities for both job applicants and employees. We respect multiculturalism and take justice and fairness as the principles of human resource management. The Group provides employees or job applicants with fair employment and development opportunities regardless of age, gender, region, custom, social class, religion, physical disability, political affiliation, etc., and will never discriminate against them.

#### *Recruitment and Dismissal*

The Group adopts the recruitment principles of integrity and ability, merit-based recruitment and fair competition. We have established recruitment and selection procedures, and explained the main steps of the recruitment process, such as selecting talents through various channels, conducting interviews and background checks to evaluate their capabilities, experience, and work attitude to screen suitable talents. With regard to demission, we have formulated employee demission management arrangements, including the process of review and approval of demission, hand-over for demission, etc., to ensure that the demission is carried out in an orderly manner and in compliance with legal requirements. We will not unreasonably dismiss employees unless they are involved in violations of national laws and regulations and serious disciplinary violations.



## B. SOCIAL (*CONTINUED*)

### B1. Employment (*Continued*)

#### *Compensation, Benefits and Promotion*

In order to attract and retain talents, we regularly refer to the benchmark salary and welfare packages of our peers, and the social security systems and related regulations of different countries and regions to ensure that we can maintain our competitive advantages. Benefits for full-time employees include medical insurance, retirement benefits and employee discounts. The Group has also formulated leave management regulations. All employees are entitled to national statutory holidays and paid leave such as company holidays, annual leave, sick leave, maternity leave/paternity leave, marriage leave, bereavement leave, etc.

In recognition of employees' contributions, we continue to improve and implement performance management appraisal mechanisms, regularly conduct objective, fair and transparent assessments, and require managers at all levels to pay attention to employees' growth and development, improve the effectiveness of performance management, and achieve mutual development between employees and the Company. Employee promotion or salary increment will be negotiated annually based on factors such as business performance, market conditions, employee performance and inflation, with an aim to provide attractive salary to retain talents and recognise their contributions.

#### *Labour Rights*

The Group fully respects human rights and labour rights, and seeks every opportunity to protect these rights. The Group regularly reviews its current management policies on employment, working conditions, benefits, and understands the concerns, needs and expectations of employees in these areas. In addition, the Group is committed to maintaining a stable, motivated and mutually supportive workforce in order to establish a corporate culture of diversification, fairness and mutual respect. Every employee and job seeker has equal opportunities in recruitment, transfer, promotion, annual performance evaluation, training, benefits and salary. The Group prohibits any discrimination based on gender, sexual orientation, age, colour, nationality, disability, religion, pregnancy, political orientation, union membership or socioeconomic status, and protects the relevant rights of employees, including organising anti-discrimination training.

The Group strictly follows the BSCI Code of Conduct of the European Foreign Trade Association, which covers the freedom of collective bargaining with the Group, fair rewards and compensation, anti-discrimination, workplace safety and ethical behaviour. The management in France will hold annual and monthly meetings with local employee representatives so that employees can express their demands and opinions.

In FY2021, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The relevant laws and regulations include, but are not limited to, the Labour Law of the People's Republic of China, the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Article 87-90bis of Belgium, the Labour Code of France and the Labor Standards Act of Korea.



## B. SOCIAL (CONTINUED)

### B1. Employment (Continued)

#### Labour Rights (Continued)

In FY2021, the Group's discontinued operations included 1) research and development, production and sales of ADAS products and software algorithm products business; 2) car-carried purifiers business; 3) car trading and finance lease of motor vehicles and equipment business, the employees of these discontinued operations were not included in the number of employees in FY2021. As at 31 December 2021, the Group had a total of 78 employees in the operations within the reporting scope (31 December 2020: 88 employees (excluding employees of discontinued operations)). The following is the basic information of the Group's employees by gender, employment type, age group and geographical region:

Indicators	FY2021
Number of employees	78
<b>By gender</b>	
Female	20
Male	58
<b>By employment type</b>	
Full-time	76
Part-time	2
<b>By age group</b>	
18-25	1
26-35	26
36-45	22
46-55	27
>55	2
<b>By geographical region</b>	
Mainland China	16
Hong Kong, China	12
Belgium	7
Korea	5
France	38

Table 6 Number of employees by gender, employment type, age group and geographical region in FY2021





## B. SOCIAL (CONTINUED)

### B1. Employment (Continued)

#### Labour Rights (Continued)

In FY2021, the Group's employee turnover rate was approximately 46% (FY2020: approximately 31%). The following is the basic information of the Group's employees by gender, age group and geographical region:

Indicators <sup>11, 12, 13</sup>	FY2021
Number and rate of employee turnover (%)	36 (46%)
<b>By gender</b>	
Female	7 (35%)
Male	29 (50%)
<b>By age group</b>	
18-25	1 (100%)
26-35	15 (58%)
36-45	13 (59%)
46-55	6 (22%)
>55	1 (50%)
<b>By geographical region</b>	
Mainland China	11 (69%)
Hong Kong, China	3 (25%)
Belgium	8 (114%)
Korea	3 (60%)
France	11 (29%)

Table 7 Employee turnover rate by gender, age group and geographical region in FY2021

#### Notes:

- <sup>11.</sup> Calculation method of turnover rate:  $(\text{Total number of employees left in the year} \div \text{Total number of employees in service at the end of the year}) \times 100\%$
- <sup>12.</sup> Turnover rate includes only voluntary turnover (i.e. including resignation and excluding termination, retirement, etc.)
- <sup>13.</sup> Turnover rate excludes part-time employees and temporary employees who leave and employees who leave during the probation period



## B. SOCIAL (CONTINUED)

### B2. Health and Safety

#### *Safety Risk Management and Training*

Safe work and employee health are the foundation and guarantee of sustainable development for an enterprise. We have developed a comprehensive occupational health and safety management system detailing the responsibilities of the Group and its employees in maintaining the safe working environment. We have established clear guidelines to specify the handling arrangements for employees in case of emergency, such as work-related injuries and fire, in order to control the situation as soon as possible and conduct post-event reviews. The Group has set up an employee health and safety supervision department, which is responsible for receiving and issuing the latest regulations to ensure that all departments strictly abide by the laws and regulations. The Group also designates personnel to regularly follow and understand the updates of regulations, notify the affected departments in real time to comply with the latest laws and regulations, and implement the compliance principle consistently.

In order to raise awareness of occupational health and safety, we regularly organize occupational health and safety training for employees, as well as health and safety training related to specific work procedures, including fire drills and first aid courses. The Group provides comprehensive health protection for each employee, including non-medical insurance and child protection benefits. The Group also encourages its employees to actively participate in fitness and strengthen their physique. The Group regularly cleans office areas and employs professionals to conduct safety inspections. In addition, it adopts appropriate precautionary and protective measures to strive to maintain a hygienic, clean and safe working environment. The Group also cares about the health of employees during pregnancy and makes special arrangements for work assignments, such as not having to engage in labour-intensive and high-risk activities.

During the Reporting Period, the Group recorded zero lost days due to work injury. In the past three years including the Reporting Period, the Group has achieved zero work-related fatalities. The Group will continue to strive to minimize the potential occurrence of work-related injuries to ensure the safety of employees.

In FY2021, due to the ongoing COVID-19 (the “Pandemic”), the Group has implemented flexible work arrangements as requested by the government. Office staff can choose to work from home to protect their health. In addition to daily temperature measurement for employees, the Group also provides employees with alcohol-based hand sanitizers, disinfectant sprays, disinfectant wet wipes and masks to reduce the risk of virus transmission. In addition, the Group posts notices in the workplace to remind employees to wear masks and wash their hands frequently. The Group’s management will continue to rigorously monitor the development of the Pandemic, ensure that response measures are formulated in accordance with developments in a timely manner, and minimise the negative impact on the Group.

In FY2021, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. The relevant laws and regulations include, but are not limited to, the Production Safety Law of the People’s Republic of China, the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Worker’s Work Welfare Act of 4 August 1996 of Belgium, the Labour Code of France and the Occupational Safety and Health Act of Korea.



## B. SOCIAL (CONTINUED)

### B3. Development and Training

#### *Employee Training Management*

The Group is committed to promoting employees' development and enhancing employees' abilities, knowledge and work efficiency by providing extensive technical and professional training. The Group believes that when employees grow and achieve personal and professional achievements, the Group will achieve mutual progress in general. In order to give full play to the potential of employees, the Group not only pays close attention to the needs of employees, but also pays attention to the latest trends in the market. The Group's human resources system ensures that all new employees are required to attend induction training, which briefly introduces the corporate background and culture, employee remuneration and benefits, code of conduct, safe production and environmental management training and operating practices, with an aim to help new employees adapt to the Group's working environment and enhance their awareness of safety hazards and environmental protection.

The Group provides employees with various on-the-job trainings based on their job responsibilities, covering operating strategies and procedures, basic knowledge of corporate management systems, team building, communication and leadership skills, etc. At the same time, the Group will also select outstanding employees for professional training in order to cultivate outstanding management talents. The Group also invites professionals in the industry to hold seminars for employees to keep them informed of the latest market trends and related skills.

In FY2021, the Group's major training programs included induction training for new employees, on-the-job training, skills training, environmental, safety and hygiene knowledge training, etc. The total number of employees trained was 32, accounting for approximately 41% of the total number of employees of the Group. The total training hours were approximately 227 hours, and the average training hours per employee were approximately 2.9 hours. Among them, the targets of induction training are new employees of the Company, and the on-the-job training and skills training are for employees in corresponding positions, and the environmental, safety and hygiene training is for all employees. In addition, the Group arranges continuous professional training for all Directors in accordance with the Hong Kong Listing Rules on an annual basis. All Directors have access to the latest information on the Listing Rules and laws from time to time through attending training sessions. The Group Secretary also takes no less than 15 hours of relevant professional training annually.



## B. SOCIAL (CONTINUED)

### B3. Development and Training (Continued)

Employee Training Management (Continued)

Percentage of employees trained <sup>14</sup>	FY2021
<b>By gender</b>	
Female	28%
Male	72%
<b>By employee category</b>	
Senior management	41%
Middle-level staff and management	28%
General staff	31%

Table 8 Percentage of employees trained by gender and employee category in FY2021

Average training hours completed per employee <sup>15</sup>	FY2021
<b>By gender</b>	
Female	8.8
Male	0.9
<b>By employee category</b>	
Senior management	1.1
Middle-level staff and management	5.1
General staff	2.4

Table 9 Average training hours per employee by gender and employee category in FY2021

#### Notes:

- <sup>14.</sup> Calculation method of percentage of employees trained by category: (Number of employees trained in the category ÷ Number of employees trained) × 100%
- <sup>15.</sup> Calculation method of average training hours completed per employee by category: Total training hours of employees in the category ÷ Number of employees in the category



## B. SOCIAL (*CONTINUED*)

### B4. Labour Standards

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

The Group respects human rights and has a zero-tolerance policy towards the employment of child labour and forced labour in the workplace. The Group adopts a rigorous recruitment process to verify the age of applicants to ensure that all employees are at least of legal working age. In addition, the Group has formulated the Employee Handbook, which contains relevant provisions prohibiting forced labour, and requires employees to study the handbook regularly to enhance their awareness.

In order to prevent child labour, the Human Resources Department strictly checks the identity documents, academic qualifications and work documents of all candidates during the recruitment process to ensure that their age and job qualifications meet the legal requirements.

All employees sign labour contracts voluntarily and are free to resign with proper notice. The Group explains the labour contract to each new employee, and the employee signs and agrees to the terms of the labour contract. The Group also cares about the health of employees during pregnancy and makes special arrangements for work assignments, such as not having to engage in labour-intensive and high-risk activities.

If it is found that child labour or forced labour is employed by mistake, the Group will immediately stop the work of such child labour or forced labour and conduct investigation.

Each department of the Group has designated personnel responsible for regularly tracking and understanding the updates of regulations, and will notify the affected departments in real time to comply with the latest laws and regulations, and to fully implement the compliance principle. In FY2021, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to the prevention of child and forced labour. The relevant laws and regulations include, but are not limited to, the Labour Law of the People's Republic of China, the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the international conventions arising from the International Labour Organization (ILO) and the Protection of Worker Participation and Cooperation Act in Korea.



## B. SOCIAL (CONTINUED)

### B5. Supply Chain Management

The Group values partnership with suppliers. Therefore, the Group has formulated the Supplier Code of Conduct, which outlines the sustainability standards and practices that the Group expects its business partners and suppliers to comply with, such as adopting energy-saving measures and ensuring a fair and equitable workplace.

The Group strictly follows the procurement procedures to evaluate the business practices of its suppliers. In the procurement process, suppliers are assessed based on price, reputation, track record, initiative to tackle problems, customer service and product and service quality. During the Reporting Period, the Group assessed 96 major suppliers based on the procurement procedures. If the Group discovers any violation of the code by its business partners or suppliers, the Group will try to communicate with them to rectify the situation.

The following table provides an overview of the Group's major suppliers.

Indicators	FY2021
<b>Number of major suppliers</b>	<b>96</b>
France	62
Hong Kong, China	12
Mainland China	9
Germany	3
Korea	2
US	2
Taiwan, China	2
Spain	1
United Kingdom	1
Italy	1
Ireland	1

Table 10 Overview of major suppliers in FY2021





## B. SOCIAL (CONTINUED)

### B5. Supply Chain Management (Continued)

In the selection of suppliers, we first review potential manufacturers, conduct basic background checks, and only cooperate with qualified asset managers and suppliers without conflict of interest. After passing the product quality, price assessment and on-site inspection, we will include qualified suppliers into our list of approved suppliers. In order to continuously guarantee the quality of products and services supplied, we will evaluate the suppliers on a quarterly basis, and only continue to cooperate with suppliers that meet the requirements.

We expect our suppliers to maintain a high standard of business ethics and conduct, and communicate with them and encourage them to choose more environmentally friendly products and services. In the process of selecting and evaluating suppliers, we have incorporated environmental and social performance as assessment criteria to identify environmental and social risks in the supply chain. For example, we will review the compliance of our supplier candidates with environmental laws and regulations governing minimum wage compensation. If the suppliers fail to properly control their environmental and social risks, they may not be retained in the Group's list of approved suppliers.

The Group continues to pay attention to the policies implemented by the local governments where it operates. If the Group finds information on environmentally friendly products or services published by the official authorities, the Group will seriously consider adopting the recommendations of the official authorities to procure goods and services that have less impact on the environment during the product cycle.

### B6. Product Responsibility

#### *Quality Control*

The Group strictly implements the project quality inspection system and our operations in Belgium and France are ISO 9001 certified. We carefully manage and monitor the quality of our products. All products we sell are properly labelled to help us obtain production data through our tracking system. If there are quality issues with the products sold by the Group, the Group can record through the label tracking system, which enables us to immediately identify the source of defects in the production process, identify the batch of defective products and recall the products as needed to rectify the issues and prevent recurrence in the future.

The Group is committed to ensuring that the project design meets the quality requirements of customers and places emphasis on continuous improvement. We will review and inspect the quality requirements and target conditions at different stages of project design, development and completion. By conducting a series of system tests and procedural tests, actual results are compared with the expected results, so as to identify any abnormalities and areas for improvement and strive for excellence. We ensure that each customer's needs are met and that the standard and outcome of every product is consistent. In FY2021, the Group had no goods or orders subject to recalls for product quality, safety or health reasons.

The Group strictly complies with laws and regulations including the Advertising Law of the People's Republic of China and continues to strengthen fair marketing practices. We have regulated the conduct of marketing personnel in the process of advertising release, marketing and contract signing, strictly prohibiting the dissemination of misleading and ambiguous product information and excessive commitment, and protecting customers' information rights.



## B. SOCIAL (CONTINUED)

### B6. Product Responsibility (Continued)

#### *Customer Service*

The Group arranges personnel-in-charge to communicate with customers in the pre-project, in-project and post-project phases of products and services, in order to understand customers' needs, safeguard customers' rights and continuously improve the quality of our services. We will understand the expectations of our customers in detail through communications before a project starts, and determine the project work plan based on the interests of customers. During the execution process of the project, we will closely communicate with customers on the project progress, the gap between the actual progress and the plan, and their opinions on quality and service.

After the completion of the project, we will also provide customers with timely maintenance services and technical consultation, and will collect their feedback on the quality of our products and services and report to relevant departments. As such, we continuously improve the quality of our products and services. If a complaint should arise, the Group will immediately assess the complaint and conduct an internal investigation into the matter to identify the source of the issue. If customers are not satisfied with the quality of products and services or have safety concerns about products and services, the Group will arrange sufficient channels and personnel to communicate with customers in a timely manner and solve the problems as soon as possible. In FY2021, the Group did not receive any complaints from customers due to product quality or customer service quality.

#### *Intellectual Property*

The Group regularly assesses whether the products and/or services of all its suppliers and partners infringe the intellectual property rights of any third parties. If any party is found to have infringed the intellectual property rights, the Group will terminate the cooperation with such organisation. During the Reporting Period, the Group was not aware of any infringement of intellectual property rights.

#### *Customer Data and Privacy*

The Group also attaches great importance to data protection and privacy. All employees are required to abide by the ethics code in the employee handbook and to keep customer, product and company information strictly confidential. Our contracts with suppliers also specify the confidentiality obligations of both parties and prohibit any unauthorized use of data. The Group's legal department also reviews operational contracts with significance changes to ensure that the contracts safeguard the rights of both parties. This includes that the confidential data of all customers can only be accessed by the employees responsible for the relevant customers.

In FY2021, the Group was not aware of any material non-compliance with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of rectification. The relevant laws and regulations include, but are not limited to, the Law on the Protection of Consumer Rights and Interests of the People's Republic of China, the Advertising Law of the People's Republic of China, the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong), the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the General Product Safety Directive of the European Union, the Product Responsibility Law of Korea, the Fair Labelling and Advertising Law of Korea and the Personal Data Protection Law of Korea.



## B. SOCIAL (CONTINUED)

### B7. Anti-corruption

#### *Prevention of Bribery, Extortion, Fraud and Money Laundering*

The Group is committed to operating its business with high standards of ethics, integrity and honesty and eliminating any form of corruption and bribery.

To this end, the Group has formulated the Employee Code of Conduct, which applies to all employees of the Group, including directors, senior management and employees at all levels, to ensure that the concept of business integrity is implemented consistently. The Group also implements an interest declaration mechanism, which clearly states that employees shall not provide or accept benefits to influence business decisions. In the event of a potential conflict of interest, it is necessary to notify the management immediately. The Group provides anti-corruption training on a regular basis, the content of which covers legal knowledge on anti-corruption and necessary skills to deal with ethical difficulties in the workplace. Anti-corruption training helps to encourage a clean and honest working style, so that employees can be self-disciplined and dedicated. During the Reporting Period, the Directors and employees of the Group received a total of 37 hours of anti-corruption training.

During the Reporting Period, the Group was not aware of any concluded legal cases regarding corrupt practices brought against the Group's issuers or its employees.

#### *Whistle-blowing Mechanism*

The Group never tolerates acts of corruption. The Group has set up an internal control system to clarify the procedures for reporting, handling, investigating, testifying, closing cases and punishing, and check the effectiveness of the system every year to prevent non-compliance. The Group encourages its employees, business partners and external third parties to promptly report actual or suspected misconduct such as dereliction of duty, abuse of power, bribery, etc. for investigation and verification, and report to regulatory and law enforcement agencies when necessary. Meanwhile, the identity of the whistle-blower and the matters reported are kept extremely confidential, and the access to the information on the investigation is strictly limited.

In FY2021, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), the Additional Protocol to the Criminal Law Convention on Corruption (ETS 191) of the European Union, the Convention on the Fight Against Corruption Involving Officials of the European Communities or Officials of Member States of the European Union of the European Union and the Criminal Code of Korea.

### B8. Community Investment

#### *Social Participation*

Therefore, the Group has implemented the Environmental, Social and Governance Policy to carry out charitable work and community initiatives whenever possible to meet the needs and interests of the communities in which it operates. Relying on our global presence and strong scientific research resources, we strive to plan and implement community investment projects, especially education investments, around the world, and are actively committed to bringing positive impact to the community and fulfilling corporate social responsibility.

During the Reporting Period, the Group did not contribute resources to make community investment due to the social distancing measures amid the Pandemic. However, the Group has actively considered spending money or time to benefit the community in the future.



## THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (I)

Mandatory Disclosure Requirements	Section/Statement
Governance Structure	Governance Structure Sustainability Governance Stakeholder Engagement Materiality Assessment
Reporting Principles	Reporting Framework
Reporting Scope	Reporting Scope

## THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (II)

Aspects, General Disclosures and KPIs	Description	Section/Statement
<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
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
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity. Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	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 – Non-hazardous Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions – Greenhouse Gas 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 – Non-hazardous Waste Management



## THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (II) (CONTINUED)

### Aspects, General

Disclosures and KPIs	Description	Section/Statement
<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
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Not applicable (explained)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Electricity Consumption Efficiency
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 Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable (explained)



## THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (II) (CONTINUED)

### Aspects, General

Disclosures and KPIs	Description	Section/Statement
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	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 – Environmental Management System
KPI A3.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	The Environment and Natural Resources – Environmental Management System
<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 – Identification and Mitigation
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 – Identification and Mitigation
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment





## THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (II) (CONTINUED)

### Aspects, General

Disclosures and KPIs	Description	Section/Statement
<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 – Safety Risk Management and Training
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 – Safety Risk Management and Training
KPI B2.2	Lost days due to work injury.	Health and Safety – Safety Risk Management and Training
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Safety Risk Management and Training
<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 – Employee Training Management
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training – Employee Training Management
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training – Employee Training Management
<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 –Prevention of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards –Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards –Prevention of Child and Forced Labour



## THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (II) (CONTINUED)

### Aspects, General

Disclosures and KPIs	Description	Section/Statement
<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>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 – Quality Control
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Control
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Customer Data and Privacy



## THE STOCK EXCHANGE OF HONG KONG LIMITED ESG GUIDE CONTENT INDEX TABLE (II) (CONTINUED)

### Aspects, General

Disclosures and KPIs	Description	Section/Statement
<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 – Prevention of Bribery, Extortion, Fraud and Money Laundering
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 – Prevention of Bribery, Extortion, Fraud and Money Laundering
<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 – Social Participation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment – Social Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment – Social Participation