



VIXTEL TECHNOLOGIES HOLDINGS LIMITED

飛思達科技控股有限公司

Stock code : 1782

2022

Environmental, Social and
Governance Report

CONTENTS

2	ABOUT THIS REPORT
2	Reporting Standard
2	Scope of Report
2	Reporting Principles
2	Contact and Feedback
3	COMPANY OVERVIEW
3	Corporate Vision, Mission and Values
4	OUR ESG POLICY
5	OUR ESG GOVERNANCE STRUCTURE
6	RISK MANAGEMENT
8	STAKEHOLDER ENGAGEMENT
12	MATERIALITY ASSESSMENT
14	SUPPLY CHAIN MANAGEMENT
15	CARE FOR EMPLOYEES
15	Employment Standard
15	Prohibition on Hiring Child and Forced Labour
16	Diversity and Inclusion
17	Healthy and Safe Workplace
17	Our Safety Management
18	Risk Precaution
19	Emergency Preparedness
20	Work-life Balance
20	Staff Training and Development
22	OUR PRODUCT RESPONSIBILITY
22	Ensuring our Quality Products and Services
22	Keeping Quality of Products and Services with R&D
23	Advertisement and Marketing
23	Understanding Our Customers' Needs
24	Protecting Data Privacy and Security
25	Protection of Intellectual Property
26	ANTI-CORRUPTION AND ANTI-BRIBERY
27	COMMUNITY INVESTMENT
28	ENVIRONMENTAL PROTECTION
28	Our Environmental Management
30	Environmental Training
30	Carbon Emission and Climate Resilience
31	Responsible Resources Consumption
34	Our Environmental Performance
36	HKEX "ESG REPORTING GUIDE" INDEX

ABOUT THIS REPORT

Vixtel Technologies Holdings Limited (“**Vixtel**” or the “**Company**”) with its subsidiaries (hereafter “**We**”, “**our**” or the “**Group**”) spares no effort in achieving sustainability in the business operation. Corporate social responsibility (“**CSR**”) continues to be part of our strategic business plan to create values for our stakeholders. We demonstrate our commitment and achievement in this report with qualitative and quantitative analysis of our environmental, social and governance (“**ESG**”) performance.

Reporting Standard

This is our seventh ESG report (“**Report**”), which has been prepared in accordance with the “ESG Reporting Guide” under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEx**”).

Scope of Report

The scope of this ESG Report includes our entire operation in our headquarters in Beijing, our branches in Guangzhou, Shanghai, Hefei, Chongqing, Zhengzhou, and Tianjin of the People’s Republic of China (“**PRC**” or “**China**”). This ESG Report summarises the ESG performance of the Group during the period from 1 January 2022 to 31 December 2022 (the “**Reporting Period**” or “**2022**”). Unless otherwise specified, the scope remains unchanged as that in the previous year.

Reporting Principles

We have followed the following reporting principles when preparing our Report.

- 1 Materiality** The material ESG issues and the Report’s focus were determined through stakeholder engagement and materiality assessment. The later section of this Report identified and covered the pertinent material topics.
- 2 Quantitative** According to the HKEx “ESG Reporting Guide”, all disclosed information, environmental and social key performance indicators (“**KPIs**”), were analysed and calculated. Standardised methodologies are adopted, where the assumption and calculation principles are illustrated in the relevant sections.
- 3 Balance** The board of directors (the “**Board**”) has acknowledged its responsibility to oversee the Company’s sustainable development and review the truthfulness, accuracy and completeness of this Report. This Report has been prepared carefully with a fair view and presented in a transparent manner.
- 4 Consistency** Unless otherwise specified, this Report has been prepared using the same data collection and calculation methodologies when compared with the previous year to allow a fair comparison of our performance over time.

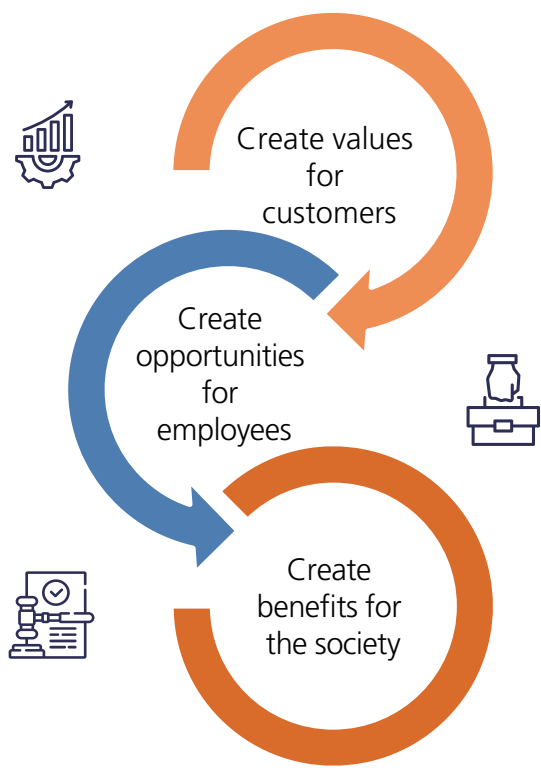
Contact and Feedback

As we look for continuously improvement, your feedback and suggestion are much appreciated. Please feel free to contact us via email at info@vixtel.com.

The Group is a leading company in the application performance management (“APM”) industry of China. We focus on providing APM products and services solutions to telecommunications operators and large corporations. The major businesses that the Group participated in are: (1) integrated APM system solutions; (2) software development services; (3) technical services; and (4) sales of embedded hardware and standard APM software.

Corporate Vision, Mission and Values

We remain committed to our values of giving high-end products, solutions, and services to reach the standards of the customers, fulfilling our corporate vision of becoming the leading APM performance expert of the world. In addition, in order to exert positive influences on our employees, we optimise the working environment and unleash employees’ full potential by offering career development and training opportunities. Therefore, we can grow with the employees and maximise our values for all stakeholders.



OUR ESG POLICY

As part of the effort to be socially accountable to our stakeholders and community, Vixtel has incorporated CSR into its business strategy. A CSR policy has been designed to direct business decisions and create effective plans to manage ESG issues in our daily operations. In response to the expectation of our stakeholders and the major ESG issues that the Group is facing, our CSR policy focuses on five categories: environmental, health and safety management, employee caring, product responsibility, business integrity, and supply chain management.



OUR ESG GOVERNANCE STRUCTURE

Environmental and social issues are constantly ranked highly on our business agenda. A strong ESG governance structure can provide the Group's operations a clear direction. A strong ESG strategic planning, leadership, and decision-making process can enable an efficient communication chain and task distribution. We take ESG values into account in addition to compliance and check-the-box procedures. We manage our ESG challenges in a systemic manner by using the top-down management strategy.

ESG Structure	Staff Involved	Responsibilities
The Board	Board members	<ol style="list-style-type: none"> 1. To supervise works carried out by ESG Committees 2. To approve and confirms the publication of the ESG report 3. To organise discussions on ESG-related topics 4. To provide direction and approve the targets and goals of the Group
ESG Leading Committee	General Manager Department heads	<ol style="list-style-type: none"> 1. To discuss ESG-related topics 2. To identify ESG-related risks (including climate risks) 3. To formulate ESG strategies 4. To review performance of the ESG works 5. To review targets and metrics for keeping track of the Company's performance
ESG Management Sub-committee	Supervisors	<ol style="list-style-type: none"> 1. To propose and determine specific action plans based on overall ESG strategies and directions 2. To arrange manpower for the ESG works implementation 3. To monitor progress and implementation of ESG works and related risks 4. To report the work implementation status to the ESG Leading Committee
ESG Implementation Sub-committee	Functional departments from the Company and dedicated working group in our regional companies and subsidiaries	<ol style="list-style-type: none"> 1. To collect, organise, and submit data and information 2. To implement work plans, ESG initiatives and mitigates ESG-related risks 3. To provide timely feedback on the work situations

RISK MANAGEMENT

Vixtel may be subject to a number of risks because of the scale of its activities and its willingness to pursue new business opportunities. To identify the ESG risks, our ESG Leading Committee takes the initiative (including climate risks). A systematic risk control system is in place to improve our risk prevention capabilities while spotting new business prospects, as per our Risks and Opportunities Management Procedure. Every year, we incorporate data on internal and external risks, including strategic, financial, legal, and operational risks that could have an influence on our business operations. Suitable risk control measures are formulated through mitigation, avoidance, acceptance, and dispersion based on our risk appetite by using our risk evaluation system to evaluate the probability and severity of identified hazards. This could help to maintain the normal operation of the quality, environment, occupational health, and safety management system.

The Group sets a priority to risk management and control measures based on the severity, urgency, and impact of the risks. Our Risk Management Task Force regularly updates our risk profile for the top management. With the end goal of reducing our risks, we regularly monitor and assess the performance of our risk management techniques.

The following are some of the major ESG risks that are material for the Group:

Risks and Impacts

Our Response

Climate Physical Risk (Acute and Chronic)

Increasing severity and frequency of extreme weather events including typhoons and floods which may bring significant impact on our properties and assets, leading to operational disruptions and impact to production rates.

Climate change is one of the most complex global issues as it causes frequent changes in weather patterns, which could pose physical impacts to the Group. Based on the local climate and change of climate patterns where the Company and its subsidiary locate, the Group is likely to face impacts from the extreme weather events.

The Group has addressed the special working arrangement to cope with the extreme weather events in the staff manual. We already developed a typhoon contingency guideline in the code of conduct and conduct annual drills to make sure our employees are familiar with the response procedures.

We adhere to our ESG strategy and are committed to reducing our carbon emission and impact on the climate by setting targets and goals.

Widespread Diseases Risk

Under the new guidelines announced by the National Health Commission, the frequency and scope of PCR testing will be reduced, and lockdowns will also be limited. People with non-severe 2019 novel coronavirus (“**COVID-19**”) infections can be isolated at home instead of centralised government facilities. Even though the relevant situation was eased, COVID-19 can still affect the business operation. It is because not all the work can be done remotely and employees cannot work when they are sick.

The Group has set up a work resumption plan swiftly when there was the outbreak of COVID-19 in China to control the transmission of the pandemic. The implementation of precautionary measures and monitoring are led by the specific pandemic control task force which consists of the management team. Comprehensive pandemic prevention measures are established to minimise the spreading of widespread diseases.

Risks and Impacts**Our Response****Competition Risk**

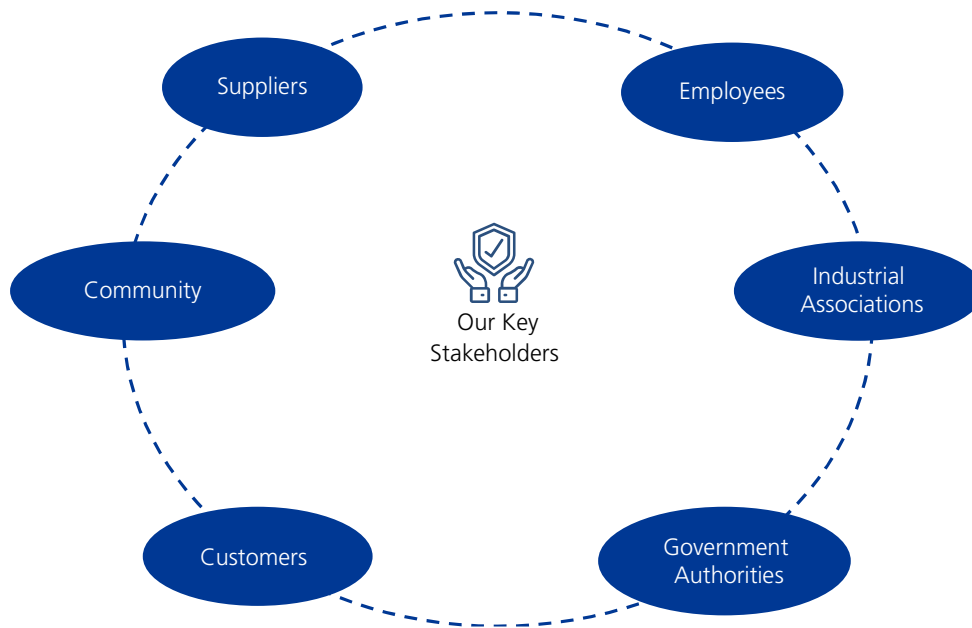
The Group's businesses and products are mainly web-based (i.e. APM), referring to the monitoring and optimisation of key business applications of enterprises, and improving the reliability and quality of applications. Therefore, customer data protection and privacy are the key ESG issues which are related to the Group's businesses. The Group's peers have adopted highly aggressive measures to tackle such risks.

If the Group performs below par in the mentioned area, it may lose the client's trust in its ability to protect their privacy and may become less attractive to its potential clients. The investors may identify it as a failure to keep up-to-date with the market's ESG trends, and even doubt its profit-making ability, which will eventually lower the Group's competitiveness in the market.

Currently, the Group has an Information Security and Information Technology Service Management System certified with ISO/IEC 20000-1:2018 and ISO/IEC 27001:2013 international standard, and sets different policies to protect customer data and confidential information.

STAKEHOLDER ENGAGEMENT

Vixtel recognises the importance of various stakeholders, including investors and shareholders, customers, suppliers, employees, certification authorities, industrial associations, government authorities, and communities. The Company maintains effective communication with these stakeholders to gain a clear understanding of their needs, expectations, and concerns related to its business operations. This process helps Vixtel to develop suitable strategic goals and measures for the implementation of its CSR initiatives. We conducted an analysis of the key stakeholders' concerns and mapped out counteractive measures, which are monitored and evaluated at the end of the year for identification of areas for improvement.



The table demonstrates the key concerns of our stakeholders and how we progress to meet their expectation and improve our sustainability performance.

Customers

Needs and Expectations

- Services and products that reach the agreed requirements
- After-sales services with timely response and highly satisfactory rate
- Affordable products with high quality

Counteractive Measures

1. Ensuring the quality of services and products by implementing and maintaining a quality management system;
2. Keeping track of the customer experience and strengthening after-sale services to resolve customer feedback promptly;
3. Determining the needs of customers or end users comprehensively;
4. Strengthening the capabilities of products and services in preventing potential risks or threats, and enhancing awareness on the quality risks; and
5. Improving work efficient and lowering the cost to provide products that are safe, of high-quality, and cost effective to customers.

Performance Evaluation

The Group:

1. Implemented comprehensive management system;
2. Performed risk awareness training within the Group;
3. Identified customer or end users' needs;
4. Delivered goods in strict accordance with contract orders;
5. Provided prompt after-sales service; and
6. Conducted customer satisfaction surveys.

Suppliers

Needs and Expectations

- A cost reduction for all parties to improve the supply chain's competitiveness
- A stable and ongoing win-win cooperation

Counteractive Measures

1. Encouraging the suppliers to have improvements on their performance and sharing resources with them; and
2. Setting up a long-term, mutually Performance evaluation beneficial and stable relationship with external suppliers.

Performance Evaluation

The Group:

1. Conducted due diligence to check on legal compliance of our suppliers;
2. Established a list of qualified suppliers and built up a long-term, stable, and mutually beneficial relationship with them; and
3. Encouraged our suppliers to strengthen performance through the establishment of management systems.

Employees

Needs and Expectations

- Salary and welfare can grow steadily
- A safe working place
- Improved individual capabilities

Counteractive Measures

1. Enhancing skill-training of the employees, and setting up an excellent incentive and promotion mechanism;
2. Developing a healthy working atmosphere and culture, paying attention to safety management, strengthening the sense of belonging of the employee, and protecting their legitimate rights and interests; and
3. Setting up a learning-friendly culture that promotes knowledge growth of workers and improving the talent development system.

Performance Evaluation

The Group:

1. Established positive corporate culture, given of proper skills training to the employees; and
2. Improved promotion systems, and ensured employees' legal rights and interests were protected.

Industrial and certification authorities

Needs and Expectations

- Take part in the industrial associations' activities and provide suggestions to them
- Be the industry leader of technology and management
- Operations are effective, comprehensive, and compliant

Counteractive Measures

1. Keeping the leading edge in technology;
2. Working with the association to develop industry standards, hold discussions and exchanges regularly; and
3. Performing internal and external audit, and management evaluation.

Performance Evaluation

The Group:

1. Boosted the investment in technological research and development;
2. Kept abreast with leading technologies in the industry;
3. Organised regular industry discussions and exchange meetings; and
4. Conducted internal and external audit for various certifications at planned time.

Government Authority

Needs and Expectations

- Fulfil social responsibilities and comply laws and regulations
- Increase job opportunities and contribution to the economy

Counteractive Measures

1. Identifying and stringently complying with the appropriate laws and regulations, as well as industry norms, standards, and other requirements; and
2. Accelerating the exploration of new market in the local community, and also increasing sales and taxation.

Performance Evaluation

The Group:

1. Identified relevant laws including the product quality law, law of metrology, and contract law; and
2. Identified industry standards of the products and strictly followed the standards throughout the Group.

Community

Needs and Expectations

- Invest in public welfare, community construction, environmental protection, and social welfare actively

Counteractive Measures

- Fulfilling social responsibilities and obligations actively.

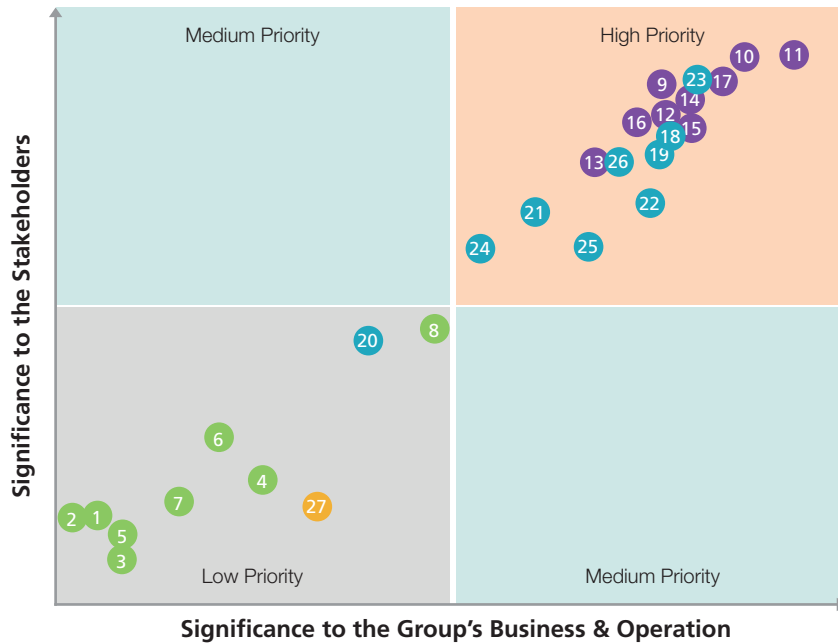
Performance Evaluation

- The Group participated in social welfare activities and protects the environment actively.

MATERIALITY ASSESSMENT

We engaged an independent consultant to conduct a materiality assessment exercise through an online questionnaire in 2022 to identify the Group’s material ESG issues. The process enables us to formulate suitable ESG management strategies and guide the direction of reporting disclosure. Our internal and external stakeholders, which included the Board, employees, customers, suppliers, investors and shareholders, were invited to rate the twenty-seven ESG topics based on the respective importance to the Group’s business operation and to the stakeholders.

We prioritised the ESG topics shown in the materiality matrix below according to the results regarding the materiality of each of the ESG issues raised by the stakeholders. The ESG issues in the upper right corner are the ones that matter the most to the Group and should be focused on.



Social		
Environment	Employment	Operation
1. Air emission	9. Labour rights	18. Customer satisfaction
2. Greenhouse gas emission	10. Labour-management relations	19. Product and service quality and complaints handling
3. Climate change	11. Employee retention	20. Customer health and safety
4. Energy efficiency	12. Diversity and equal opportunity	21. Marketing and product and service labelling compliance
5. Water and effluents	13. Non-discrimination	22. Intellectual property
6. Use of materials	14. Occupational health and safety	23. Customer privacy and data protection
7. Waste management	15. Employee training	24. Responsible supply chain management
8. Environmental compliance	16. Employee development	25. Business ethics
	17. Prevention of child labour and forced labour	26. Socio-economic compliance
		Community
		27. Community investment




The most significant ESG topics were further refined through materiality assessment, which enabled us to address their concerns in our business decision. The table below outlines some of the key concerns and approaches we take to manage the issue:

Key Concerns from Stakeholders	Our Responses	Section
Employee retention	Employee retention is directly related to employment standards, diversity and inclusion, health and safe workplace, emergency preparedness, work-life balance, staff training, and development. These factors contribute to the overall job satisfaction and well-being of employees, which can impact their decision to stay with Vixtel in long-term. Addressing these areas can help create a positive and supportive work environment that fosters employee retention.	Care for the Employee
Labour/management relations	Our clear and accessible complaint mechanism that addresses employee grievances and provides a framework for corrective action, can help build trust and foster positive relations between labour and management. Additionally, the clear communication of policies and procedures, along with education and training for compliance, can help prevent misunderstandings and minimise conflicts in the workplace.	Care for the Employee – Employment Standard
Prevention of child labour & forced labour	We comply with relevant laws and regulations that prohibit child and forced labour, such as the Labour Law, Labour Contract Law, Protection of Minors Law, and Regulations on Prohibiting Use of Child Labour (State Council Order No. 364) in China. We strictly prohibit any employment with the child labour and forced labour.	Care for the Employee – Employment Standard
Occupational health and safety	We have an Occupational Health Safety (“OHS”) management system in place that is accredited to the ISO 45001:2018 standard. We also established OHS policies specifying the preventive and control actions that must be taken by all employees, especially when the work activities are linked to high-risk variables such handling poisonous and hazardous materials.	Care for the Employee – Healthy and Safe Workplace
Customer privacy and data protection	We have implemented an Information Security and Information Technology Service Management System that is certified with the ISO/IEC 27001:2013 international standard. This allows us to standardise our data privacy procedures such as data encryption, access permissions, and password settings.	Our Product Responsibility – Protecting Data Privacy and Security

SUPPLY CHAIN MANAGEMENT

The quality of products and services is highly dependent on our suppliers and we spare all our effort to ensure that they fulfil our corporate requirements. To evaluate the business competency of new and existing suppliers, the Group has developed a standardised supplier management system.

During the Reporting Period, we reached the goals of more than 90% on the procurement on-time completion rate, 100% product delivery acceptance rate and completed all supplier evaluation reviews. We have 4 suppliers located in China in the Reporting Period.

<p>Selection of Suppliers</p> 	<p>The selection of new suppliers is supported by a thorough evaluation process. In order to comprehend the suppliers' business capacities in terms of their quality management, technological standards, and supply capacity, our teams undertake on-site inspections, small-batch trials, single or multiple service quality evaluations, and products sample examinations as needed.</p>
<p>Performance Evaluation of Existing Suppliers</p> 	<p>We track and evaluate our current suppliers' performance at least once a year. During the procurement bidding process to make sure the goods and services fit our needs. A quality standard review is also conducted to choose high-quality goods or services. Our project department is responsible to evaluate if appropriate control measures are implemented for controlling the quality effectively. Credibility, costs, delivery times, and post-purchase services are among the additional factors evaluated. We only choose the providers who can pass the evaluation process, and the evaluation results are documented. Suppliers who fail to reach our standards may lead to the discontinuance of our business partnership. A minimum of three quotes from the vendors are required for comparison to allow fair competition.</p>
<p>Ethical Standards for Our Suppliers</p> 	<p>Our Supplier's Code of Conduct offers guidelines and regulations for labour practices, human rights, environmental, health, and safety management, and legal compliance for suppliers to oversee their operations. We target to increase our suppliers' awareness of the importance of sustainable development and improve the overall ESG performance of our supply chain by using the Supplier's Code of Conduct. Our suppliers must also sign a written commitment on the anti-bribery and anti-corruption business practices.</p>
<p>Identification on ESG Risks</p> 	<p>By routinely monitoring the implementation of the environment, occupational health, and safety process, we have environmental and safety controls on our suppliers. We review the subcontractor's environmental factors, risk identification process, and control measures. We identify and communicate with the contractors about environmental factors and risks arising from different situations, then evaluate and control the corresponding environmental and occupational health and safety risks.</p>

We recognise that our employees are the key to our success, and as such, we are committed to following management principles that prioritise their well-being. The Group is dedicated to helping our employees advance in their careers, enhancing their work environment, and safeguarding their rights. Our aim is to create a workplace that is nurturing, fulfilling, and supportive, enabling our employees to develop alongside the Group's growth.

Employment Standard

We provide our full-time employees with a comprehensive benefits package that includes a competitive salary, statutory holidays, annual leave, sick leave, maternity leave, paternity leave, marriage leave, compassionate leave, lactation leave, overtime compensation, and social insurance coverage (including pension, medical, unemployment, maternity, work-related injury, and housing funds). These policies are clearly outlined in the employee handbook and are explained to new staff during induction training. Our employment practices are fully compliant with the PRC's Labour Law and Labour Contract Law.

To protect our employees' rights, we have established a complaint mechanism. Any instances of unfair treatment, such as unjustified rejection of leave applications, can be reported to the Human Resource or Administrative Departments. Our policies are clearly stipulated in the Human Resource Management Procedure, and employees are educated and trained to ensure compliance. As outlined in the employee handbook, employees who frequently violate company rules and regulations may face disciplinary action, including termination.

We have also implemented a performance appraisal system to measure employee performance and reward them fairly. Employees who excel are recognised for their contributions through wage adjustments, discretionary bonuses, and promotions.

Prohibition on Hiring Child and Forced Labour

The Group upholds human rights and ensures that the rights of others are not violated. We comply with relevant laws and regulations that prohibit child and forced labour, such as the Labour Law, Labour Contract Law, Protection of Minors Law, and Regulations on Prohibiting Use of Child Labour (State Council Order No. 364) in China. Our CSR policy includes various measures to safeguard human rights, such as prohibiting the employment of children, forced and bonded labour within our organisation. We do not coerce our employees into signing labour contracts before starting work, and they have the right to resign from their position with written notice within the prescribed notice period.

We ensure that our recruitment process is aligned with the Company's overall strategy by formulating job requirements, conducting background investigations, and regularly assessing the abilities of our personnel.

Diversity and Inclusion

Our employees must be treated with equality and fairness, and protected from any forms of discriminatory treatment. We eliminate discrimination and passive confrontation through employee training, creating a harmonious, stable, non-discriminatory, and non-confrontational working environment. Our recruitment processes involve a comprehensive interview screening and background check, which are approved by the Human Resources Department, departmental interview panels, and the director. Only job-related factors, such as individual work performance, experience, and qualifications, are considered in employment affairs, such as recruitment, transfer, promotion, and dismissal. Irrelevant factors, such as gender, age, race, disability, pregnancy, sexual orientation, or any other factors unrelated to job tasks, are not assessed. We believe that our employees can only achieve their full potential in a non-discriminatory environment. This not only increases employee morale but also diversifies our employee base by bringing in talents with different skill sets, experience, knowledge, and perspectives. The distribution of our full-time employees in China at the end of the reporting period is shown in the following table.

2022

Total number of employees		299
By gender	Male	238 (79.60%)
	Female	61 (20.40%)
By age group	Below 30	124 (41.47%)
	30 to 50	169 (56.52%)
	Over 50	3 (1.02%)
By geographical region	China	294 (98.33%)
	Hong Kong	5 (1.67%)
By employment type	Senior Management	5 (1.67%)
	Middle Management	20 (6.69%)
	General Staff	274 (91.64%)

There were 80 employees who left our Group voluntarily during the Reporting Period and the overall turnover rate is 27.30%.

2022		Percentage
Turnover rate ¹		26.76%
By gender	Male	27.31%
	Female	24.59%
By age group	Below 30	36.29%
	30-50	20.71%
	Over 50	0.00%
By geographical region	China	27.21%
	Hong Kong	0.00%

Healthy and Safe Workplace

Providing a safe workplace for our employees is of utmost importance to us, and we strive to ensure that all necessary measures are taken to prevent accidents and minimise risks. Our OHS strategy is designed around four pillars that serve as the foundation for our approach.

Our Safety Management

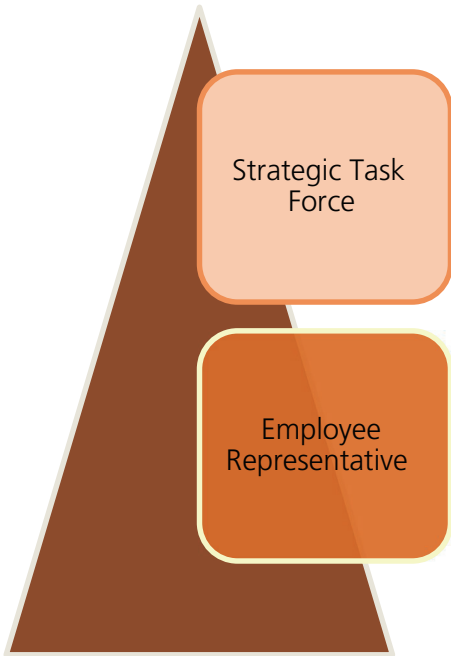
First and foremost, our OHS strategy is people-oriented, meaning that we prioritise the health and safety of our employees above all else. We recognise that our employees are our most valuable asset, and their well-being is integral to the success of our organisation.

Secondly, our OHS strategy is based on comprehensive management, which involves taking a proactive approach to identifying and addressing potential hazards in the workplace. We believe that by being diligent in our management practices, we can reduce the likelihood of accidents and injuries.

Thirdly, compliance with laws and regulations is a key aspect of our OHS strategy. We adhere to all applicable laws and regulations governing workplace safety, and we go above and beyond these requirements whenever possible.

Finally, our OHS strategy focuses on safeguarding the health and safety of our employees. We take a holistic approach to health and safety, addressing not only physical hazards but also mental health and well-being. We believe that by prioritising the health and safety of our employees, we can create a workplace that is not only safe but also conducive to productivity and success.

¹ The turnover rate is calculated based on the number of employees who left during the Reporting Period and the number of employees as of 31 December 2022.



Our Chief Executive Officer leads a strategic task force, supported by a system coordinator and responsible persons from various departments, which oversees the overall implementation of our OHS management. This task force evaluates and updates key safety management procedures and guidelines regularly to ensure compliance with government laws and international standards.

To facilitate the effective implementation of our OHS system, we have appointed a representative from our employees to provide their opinions on possible safety risks, safety incidents, management goals, risk mitigation measures, and the progress of various occupational health and safety issues. This representative plays an important role in ensuring that our OHS system remains robust and responsive to the needs of our employees.

Risk Precaution

We have an OHS management system in place that is accredited to the ISO 45001:2018 standard. We also established OHS policies that specify the preventive and control actions that must be taken by all employees, especially when the work activities are linked to high-risk variables such as handling poisonous and hazardous materials.

Our General Management Department conducts periodic OHS risk assessments to identify potential hazards and recommend appropriate safety control and mitigation measures. For instance, we provide protective gear and first-aid kits to our employees. We also carry out regular maintenance of fire safety and electrical equipment, ensure suitable housekeeping, maintain workplace security, provide safety training, offer health education, and protect female employees.

We also emphasise the ability and knowledge of our employees in executing the requirements of our management systems. Through appropriate selection criteria during the recruitment process including their educational background, skills and work experience, we can ensure all employees are capable of implementing the safety management process. Additional training will be provided to our employees if deemed essential during the performance assessment process.

By taking a comprehensive approach to OHS management, we strive to create a safe and healthy workplace for all our employees. We are committed to maintaining the highest standards of safety and continuously improving our OHS practices.

Emergency Preparedness

Our management has made a commitment to creating a number of management policies that will lessen the effect on employees' health and prevent workplace accidents. To increase employee awareness of safety, the OHS Operation Control Procedures and associated safety management standards are properly followed. Other steps are also taken to lessen or eliminate the OHS risks, including routine inspections and the use of safer supplies or tools.

We make every effort to eliminate potential safety hazards in our workplace, but we recognise that accidents can still happen. To prepare for various emergency scenarios, we have developed emergency protocols, such as the occupational injury response plan and the fire response plan. These protocols ensure better planning and help us to respond quickly and effectively in case of emergencies.

In addition, we provide OHS training to specific groups of staff, such as International Organisation for Standardisation standard training for top management, occupational safety training for employees responsible for OHS tasks, and emergency response training for all staff. These training sessions help to increase their awareness of OHS and refresh their knowledge when facing an emergency evacuation situation. We believe that by providing regular training, we can enhance our employees' ability to respond to potential safety hazards and minimise the risk of accidents.

During the Reporting Period, the Group followed the laws and regulations governing workplace health and safety which included the "Work Safety Law of the PRC", the "Law of the PRC on the Prevention and Control of Occupational Diseases", the "Special Equipment Safety Law of the PRC", and the "Emergency Response Law of the PRC". The Group did not identify any cases of non-compliance with regard to OHS, work-related fatalities or lost days due to work injury from 2019 to 2022. We also achieved our target of a 100% OHS training rate for critical positions and zero major safety accidents.

Fighting COVID-19

During the challenges brought about by the COVID-19 pandemic, we have been able to maintain smooth business operations while prioritising the health of our employees. Our safety-first approach involves paying close attention to details and taking comprehensive measures to control the transmission of the pandemic. The Group swiftly established a work resumption plan that outlines various COVID-19 prevention measures.

To facilitate the formulation, communication, education, and documentation of pandemic control measures, we have formed a specific pandemic control task force headed by top management. This task force oversees the implementation of preventive measures, including frequent cleaning of workplace facilities, body temperature measurement, social distancing, and posting reminders of preventive measure instructions. These measures are based on the idea of pre-emptive detection, reporting, isolation, and curing.

In addition, we have provided our employees with adequate preventative kits, including face masks and hand sanitisers. We believe that these measures will help to protect the health of our employees and prevent the spread of COVID-19.

Work-life Balance

As we treasure our employees, maintaining their work-life balance is essential for the long-term success of us, and for them to feel respected and valued. When employees have a healthy work-life balance, they are less likely to suffer from burnout, fatigue, and stress. This helps to reduce employee turnover, enhance job satisfaction and create a more positive workplace culture.

During the Reporting Period, we designed a series of activities to achieve the above-mentioned goals. Although we had to reduce the frequency of employee activities due to the pandemic, we managed to provide periodic group events for our staff under safe conditions. We held team birthday celebrations and afternoon tea gatherings regularly. Besides, we organised basketball and Frisbee games for team building.



Staff Training and Development

Building values for our employees is one of our corporate goals. Vixtel invests a sizable amount of resources in staff training and development in order to maintain the Group's long-term growth and competitive advantage in the market and to keep its personnel up-to-date in a business environment that is always changing.

In order to provide training programmes for our employees that meet their needs, we have established a training management system. To measure the effectiveness of the training, a training plan is formulated, and an evaluation form is filled out. We offer a wide range of on-the-job training for employees at different career levels, including product/service and business knowledge, project management skills, latest regulatory and compliance requirements, and quality, safety, environmental, and information security management, in order to improve their knowledge, managerial competence, and interpersonal skills. Only qualified and experienced staff will deliver the training in order to guarantee its high quality. Employees who have access to outside external training programmes are also eligible for subsidies to support and facilitate their professional growth. Artificial intelligence, 5G, Loglyst, and other topics were covered in our training sessions, which kept employees informed of current industry trends.

During the Reporting Period, most of the training was carried out online.



2022		Percentage of Employees Trained ²	Average Training Hours
Training		94.20%	9.96
By gender	Male	95.28%	9.05
	Female	90.00%	13.50
By employee category	Senior Management	66.67%	8.00
	Middle Management	88.89%	17.94
	General Staff	94.85%	9.45

² Percentage of employees who received training is calculated by dividing the number of trained employees of each category by total employees of that category.

OUR PRODUCT RESPONSIBILITY

Our continued dedication to offering top-notch goods, dependable services, and cutting-edge technical solutions is evidence of the Group’s business vision, which is to generate values for our customers. To guarantee that our customers may use our services safely and effectively, we place a high priority on protecting intellectual property rights and data privacy.

Ensuring our Quality Products and Services

As a leading player in the APM market, we offer comprehensive information technologies and solutions to our customers, including APM Vista SaaS Platform and Net Vista Platform. These platforms are custom-built to meet our customers’ demands and provide high-quality application performance analysis. Our continual investments in research and development (“R&D”) keep us ahead of forthcoming industry developments, and we are actively working on products and services to cater for the new era of 5G network development.

We maintain the quality of our products through the product quality management team. Our quality management system is certified with the ISO 9001:2015 and ISO/IEC 20000-1:2011 international certifications to ensure that we maintain a high standard of product and service quality. The strategic task force plays a critical role in maximising the quality of our products and services. They oversee the quality management system, which includes establishing suitable leadership, quality management goals, identifying potential risks, prescribing preventive and protective measures, and monitoring the quality management process. Additionally, we have established policies to deal with sub-standard products and services to maintain product quality. We have been awarded the China Compulsory Certification for our products, demonstrating our commitment to maintaining high-quality standards. To monitor our quality goals, we have set quality targets, which we achieved in the Reporting Period.



<5%

100%

System failure rate

Testing coverage rate for testing cases
Pass rate of the project in one test

There were no products sold or shipped subject to recalls for safety and health reasons. The Group complied with the relevant laws and regulations relating to the products of the Group, including the Product Quality Law of the PRC.

Keeping Quality of Products and Services with R&D

Our Technology Department and R&D Department work closely together to implement and improve quality assurance processes for our products. This involves identifying potential risks and vulnerabilities in our products, testing for any issues or bugs, and ensuring that our products meet or exceed industry standards for quality and reliability.

The Technology Department is responsible for software development, including the design, coding, and testing of new software products. They also manage the maintenance of our IT infrastructure and ensure that our software systems are running smoothly and efficiently. This includes monitoring system performance, addressing any issues that arise, and implementing upgrades and improvements to our technology systems as needed.

Meanwhile, the R&D Department is responsible for conducting research and development activities related to our products. This includes identifying new trends and technologies in the industry, developing new product features and capabilities, and testing and evaluating new product prototypes. They work closely with the Technology Department to ensure that our products meet the needs and expectations of our customers, and that they are developed with quality and reliability in mind.

Together, our Technology Department and R&D Department are committed to delivering high-quality products that meet the needs and expectations of our customers. We continuously invest in research and development activities to improve our products and stay ahead of the curve in our industry, and we are dedicated to maintaining the highest standards of quality and reliability in everything we do.

Advertisement and Marketing

In order to oversee the Group's advertising and promotion, we created External Promotion Management Procedures. By coordinating the system and upholding high openness in the sharing of Group information, the General Management Department looks after the Group's reputation and brand image. The marketing division makes sure the product matches the description that is advertised. Unverified news, erroneous images, and videos are never used while interacting with our customers.

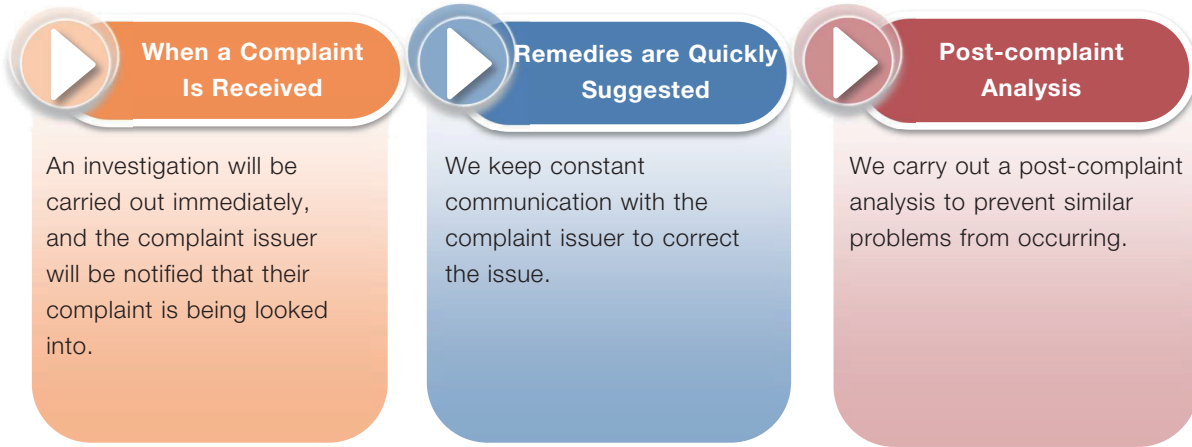
During the Reporting Period, we strictly followed the relevant rules and regulations about advertisement and labelling of the products and services offered, including the "Advertising Law of the PRC" and the "Trademark Law of the PRC".

Understanding Our Customers' Needs

Our primary objective in conducting our business is to continuously enhance our service quality and elevate customer satisfaction. To achieve this goal, we undertake frequent promotional activities, face-to-face meetings, and electronic communication with our clients. Throughout the pre-sale, contract-signing, and after-sales phases of our products or services, we maintain a friendly and supportive attitude towards our customers.

We meticulously record all queries and complaints raised by our clients, and we set a definite timeline for resolving them. In addition, we stay in regular communication with our customers to ensure that their concerns are handled efficiently. We have established a variety of communication channels to facilitate a better understanding of our customers' feedback and requirements, including telephone surveys, customer discussions, market share analysis, customer feedback, warranty claims, and dealer reports. During the Reporting Period, we did not receive any complaints regarding our products and service.

Our Customer Complaint Handling Procedure outlines the following steps for addressing customer grievances.



To monitor and respond to our customers’ needs, we have implemented the Products and Services Demand Control Procedure, which establishes standardised methods for identifying, analysing, and meeting customer demands. Our Marketing and Sales Department is responsible for executing these procedures and handling any specific needs of our clients, such as user training, on-site installation, bug fixing, legal compliance, and industry standards.

We regularly conduct customer satisfaction surveys to gauge our product performance, customer service, pricing, and delivery schedule. Based on the feedback received, we prepare a comprehensive customer satisfaction analysis report to identify the strengths and areas of improvement for our products and services. This report with customer feedback guides our efforts to continuously improve our services, enhance customer satisfaction, and meet their evolving needs.

The Group has achieved our goals:

>95%

100%

Customer satisfaction rate

Rate of problems that are solved on time met

Protecting Data Privacy and Security

Ensuring high stability of our software and applications is a key factor in maintaining our competitive edge. We recognise the importance of maintaining system integrity and preventing any data and information security problems that could potentially put our business at risk. To achieve this, we have implemented an Information Security and Information Technology Service Management System that is certified with the ISO/IEC 27001:2013 international standard. This allows us to standardise our data privacy procedures such as data encryption, access permissions, and password settings.

Through the system, we effectively manage our data assets, personnel security, and potential information security issues. Additionally, we have established an information security management team to further support these efforts. This team is responsible for setting annual management goals, assessing possible information security risks, responding to unexpected network security incidents, and providing information security training to enhance employee understanding of data privacy and security.

In order to protect our clients' data and confidential information from loss, misuse, and unintended disclosure, we have implemented various policies. We strictly adhere to a Customer Privacy Policy which outlines our commitment to data privacy protection. This policy clearly explains the purpose of collecting, using, disclosing, and/or transferring customer data and is designed to safeguard data privacy. Our employees are required to follow these policies to maintain the confidentiality of our clients' information, and we will not disclose such information without their explicit permission.

During the Reporting Period, the Group also followed the Cybersecurity Law of China's regulations on network operation security and network information security.

Protection of Intellectual Property

Protecting intellectual property is a top priority for us, and we adhere to all relevant laws and regulations regarding intellectual property rights, such as the "Implementing Rules of the Trademark Law of the PRC" and the "Patent Law of the PRC" and the "Implementation Rules of Patent Law of the PRC". We recognise that safeguarding intellectual property encourages innovation and creativity, which are valuable assets for our organization. To ensure this, we have established an Intellectual Property Management Guideline that outlines our policies for copyrights, patents, technical and trade information that should not be disclosed, and trademarks. Our Administration Department is responsible for implementing and overseeing these policies, assigning duties and responsibilities for intellectual property management, and monitoring related activities.

To further ensure the protection of intellectual property, all of our employees, customers, and suppliers are required to sign an Intellectual Property and Confidentiality Agreement. This agreement outlines the terms and conditions of intellectual property ownership and protection. We ensure that everyone respects and preserves IP rights in the Group. We also incentivise employees who make significant contributions to the protection of intellectual property rights through salary adjustments, discretionary bonus awards, and even promotions.

We take any violations of intellectual property rights seriously, and employees and suppliers who violate relevant laws and regulations may face disciplinary actions, up to and including the termination of their business partnerships with us.

During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to privacy and intellectual property of our products and services.

ANTI-CORRUPTION AND ANTI-BRIBERY

The Group adheres to a principle of law compliance and integrity throughout its operations. We strictly abide by various anti-corruption laws and regulations, such as the “Anti-unfair Competition Law of the PRC”, the “Anti-money Laundering Law of the PRC”, the “Anti-corruption and Anti-bribery Management System”, and our CSR policies. These regulations set clear standards of conduct and behaviour for all our staff when conducting business activities. Any forms of corruption, extortion, bribery, fraud, and money laundering are strictly prohibited in our business operations. To minimise the risk of corruption and bribery in the workplace, we have implemented various measures, which are detailed below.

We organised training on anti-corruption to our directors during the Reporting Period. The training lasted for 5 hours to keep them informed of the latest regulations and introduced ways to prevent corruption practices. Our general staff also received 5 hours of training on anti-corruption. During the Reporting Period, the Group was not aware of any legal case in relation to corrupt practices brought against any of its group companies and its employees.

All Staff

They cannot accept and give advantages to our customers or business partners.

Top Management and Key Staff

They must sign an integrity declaration to declare they will not involve in corrupted actions.

Our Service PROVIDERS, Contractors, and Suppliers

To ensure they can meet our ethical standards, they have to sign the Anti-corruption and Anti-bribery Agreement.

The Group has implemented a whistle-blowing system to encourage employees and business partners to report any suspected cases of misconduct involving conflict of interest or other unethical practices. The designated team will conduct a thorough internal investigation upon receipt of the report, and take appropriate remedial actions based on the findings. The confidentiality of the whistle-blower’s identity and the reported information will be strictly maintained to ensure they are protected from unfair treatment. Any employees who breach the CSR policy or their integrity declarations will face disciplinary actions, while suppliers who violate our probity agreements may face the termination of their business relationship. In serious cases, we will report to the relevant law enforcement departments for further handling.

During the Reporting Period, the Group was unaware of any material non-compliance with applicable laws and regulations relating to bribery, fraud, extortion, and money laundering.

We are committed to stimulating infrastructure development and social growth in the community, as well as consistently improving the local social conditions and welfare of the poor through community activities and donations, as guided by our “Corporate Community Involvement Policy”.

During the Reporting Period, we jointly sponsored with China Mobile Communications Group by donating RMB15,000 to support a village in Heilongjiang, and Akto County. The sponsorship mainly supported the construction of public lighting system, and poverty alleviation.

ENVIRONMENTAL PROTECTION

Vixtel is committed to minimising its impact on the environment in response to the rise in environmental issues, such as climate change and pollution. Despite operating mainly in an office environment, the Group has implemented green office initiatives in its daily operations to reduce emissions and promote sustainable resource utilization.

Since 2015, Vixtel has established an ISO 14001 accredited environmental management system (“**EMS**”) at its Beijing headquarters to manage identified significant environmental aspects and risks through appropriate controls and mitigation measures. The Group has also formulated various policies and procedures to identify and manage environmental risks, mitigate significant environmental impacts, and respond to catastrophic events. In 2021, Vixtel created the “Quality Environment Occupational Health and Safety Management Manual,” which outlines measures for environmental protection, energy conservation, and consumption reduction while ensuring compliance with laws and regulations.

Annually, the General Management Department identifies environmental factors within the offices and project sites, establishes controls on key environmental factors, and evaluates the sufficiency of these controls. The Environmental Factors Identification and Evaluation Form prepared by the department assigns scores to different environmental risks based on affected area, frequency of occurrence, recovery time, predictability, and social awareness.

During the Reporting Period, the Group was not aware of any breaches of relevant laws and regulations relating to gas emission and the generation of hazardous waste and non-hazardous waste discharged into water and land. Vixtel complies with the applicable national environmental laws and regulations such as the “Environmental Protection Law of the PRC”.

Our Environmental Management

Owing to the nature of our business, our daily activities are primarily confined to office environments, resulting in relatively limited emissions and waste generated through our operations. All wastewater discharge is managed by the building management company. The air emission of the Group’s vehicle is limited; thus, it is non-material to our operation. In order to ensure optimal environmental sustainability, we have diligently adopted the following guidelines and policies.

Policy and Procedure	Purpose(s)
Accredited EMS	<ul style="list-style-type: none">It standardises the procedures of identifying key environmental risks and measures to control emission and consumption of the Group.
Annual Environmental Objectives and Management Summary	<ul style="list-style-type: none">The General Management Department sets up environmental objectives each year and evaluate each department’s performance on attaining the objectives.

Policy and Procedure	Purpose(s)
Company Vehicle Management Policy	<ul style="list-style-type: none"> It provides guidance to employees on using company vehicles in environmentally responsible manner. For example, employees are required to switch off idling engines when the vehicles are stationary and conduct daily vehicle maintenance before use to ensure that the vehicle is running in good condition to avoid excessive gas emission. Superior vehicle fuels with low sulphur content are also selected for all vehicles to lower air pollutant emission.
Energy Use Policy	<ul style="list-style-type: none"> This cultivates the employee habits on energy saving and guides the measures in energy reduction practices.
Green Office Management Procedures	<ul style="list-style-type: none"> These minimise the generation of office waste by establishing detailed guidelines and actions to reduce any unnecessary consumption.

To manage our emission, we have established the following targets, and will keep monitoring our progress and implement appropriate measures to achieve our targets.

Aspect	Target
Environmental Management	<ol style="list-style-type: none"> Every year, we ensure zero environmental-related pollution, complaint, or prosecution.
Greenhouse Gas (“GHG”) Emissions	<ol style="list-style-type: none"> By 2025, reduce GHG emission intensity by 20% as compared with the baseline in 2019. Achieve net zero GHG emission by 2050.
Energy	<ol style="list-style-type: none"> By 2025, reduce the energy consumption intensity by 10% as compared with the baseline in 2019.
Waste	<ol style="list-style-type: none"> Every year, we ensure all hazardous waste are disposed of according to the laws and regulations. Build up recycling system in the office of all branches by 2024 and encourage recycling of all computers, monitors, hard disks and other accessories, and printer toner cartridges.
Water	<ol style="list-style-type: none"> By 2025, reduce water consumption intensity by 10% as compared with the baseline in 2019.

Environmental Training

Providing environmental trainings to employees can benefit both the Company and the environment. By organising them, we found it easier to comply with regulations, reduce our environmental impact, and increase our efficiency. During the Reporting Period, we offered trainings which covered the topics of:


- Identification of environmental factors and evaluation of hazards; and
- Knowledge of environmental and occupational health and safety laws and regulations.

Carbon Emission and Climate Resilience

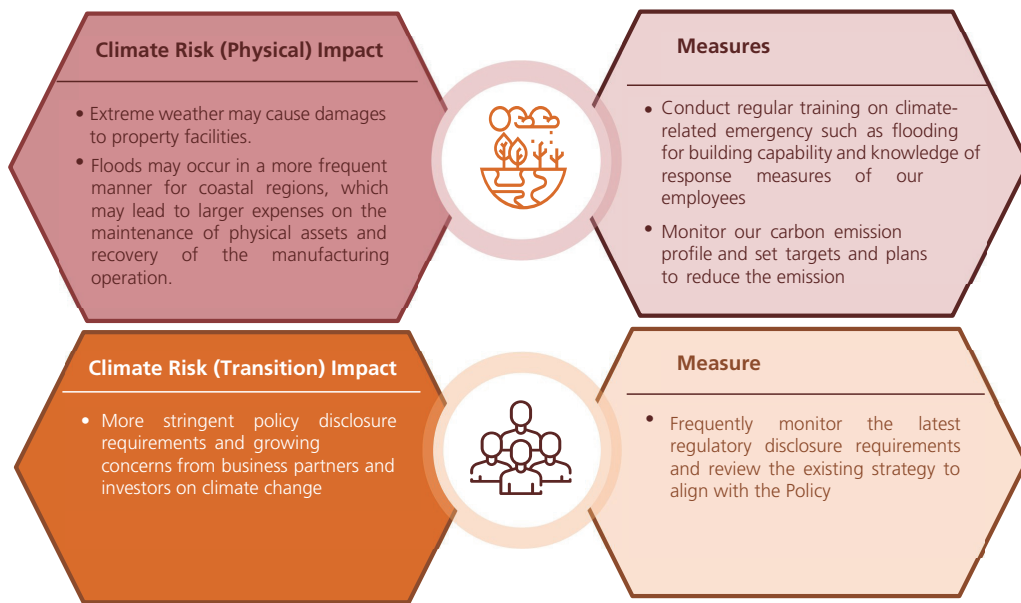
Based on the environmental factors identification and evaluation, it has been determined that the majority of GHG emissions result from vehicle fuel combustion and office electricity consumption. Although the emissions are relatively low, the Group is committed to reducing them through effective vehicle management and resource conservation.

To establish targets and plans for reducing carbon emissions, we regularly track our carbon footprint. However, during the Reporting Period, our electricity consumption increased due to longer hardware operation and air conditioning for testing purposes.

We regularly track the progress of our target set. Below is our progress of achievement in 2022, along with details.

GHG Emissions Reduction Target	Intensity		Change	Progress as of 2022
	2019	2022		
 Reduce GHG emission intensity by 20% as compared with the baseline in 2019	0.88	0.55	-37.5%	100%

As a responsible member of the society, we recognise China’s commitment to reduce carbon footprint, and therefore, we aim to adopt more eco-friendly business practices to contribute towards a sustainable environment. The Group is dedicated to reducing carbon emissions in order to mitigate its impact on the climate. In order to have a better understanding of potential climate risks, we have conducted assessments and evaluations of both physical and transition risks.




Responsible Resources Consumption

Vixtel implements a green office system to minimise waste production during office operations. These guidelines aim to increase employee awareness and encourage resource preservation within the Group. We conduct regular reviews and sample testing to ensure all departments fulfil their roles in waste sorting and recycling of hazardous and non-hazardous materials. Additionally, we provide multiple disposal bins to facilitate convenient waste sorting by employees.


To reduce consumption of resources from our business operations, Vixtel has developed an Energy Use Policy outlining measures to guide and educate employees on efficient and sustainable resource usage. The Group primarily consumes vehicle fuel (gasoline), electricity, water, and paper in daily office operations, and we highlight key measures to control energy use in these areas below.

Energy

- Adopt electronic appliances with higher energy efficiency and energy efficiency certified equipment
- Control and maintain the room temperature of our offices at an energy-efficient level (24-26 degrees Celsius)
- Adopt natural lighting and natural ventilation whenever possible
- Attach signage to remind employees of switching off idle lights and office equipment
- Replace the old equipment with new high energy efficient models to reduce the electricity consumption
- Encourage our employees to use public transportation instead of the use of private



We regularly track the progress of our target. The following is our progress of achievement in 2022, along with details.


Energy Consumption Reduction Target	Intensity		Change	Progress as of 2022
	2019	2022		
 Reduce the energy consumption intensity by 10% as compared with the baseline in 2019	3.48	2.84	-18%	100%

For water and other resources, we have the green office system in place to encourage the employee in resource conservation. The water consumption has been decreased gradually over the year. During the Reporting Period, the water consumption was 302.46 m³ of an intensity of 1.03 m³ per full-time employees.

The green office system establishes the following guidelines for our employees to follow, including some key measures disclosed below:


Water

- Opt for water saving devices and faucets in our workplace
- Conduct regular water pipe maintenance to prevent water leakage
- Encourage the usage of phosphorus-free detergents and degradable cleaning products
- Attach signage to remind our employees to switch off the faucet tightly after finished washing and avoid rinsing the containers under the running water to reduce the water wastage




Other Materials

- Adopt the electronic application for internal communication and documents circulation to promote paperless office
- Adopt double-sided printing and re-use the single-sided printed paper
- Utilise the reusable products (e.g. rechargeable batteries, refillable stationeries) instead of single use products



We regularly track the progress of our target. Below is our progress of achievement in 2022, along with details.

Water Consumption Reduction Target	Intensity		Change	Progress as of 2022
	2019	2022		
 Reduce the water consumption intensity by 10% as compared with the baseline in 2019	2.16	1.03	-52%	100%

Our Environmental Performance

The environmental KPIs data during the Reporting Period are shown in the table below.

	Unit ³	2022	2021
Direct Energy ⁴			
– Gasoline	Litres (“L”)	100.00⁵	335.00
	Gigajoules (“GJ”)	3.28	10.98
Intensity	GJ per full-time employee	0.01	0.08
Indirect Energy			
– Electricity	GJ	828.33	724.55
Intensity	GJ per full-time employee	2.83	5.25
Water	m ³	302.46	266.22
Intensity	m ³ per full-time employee	1.03	1.93
Paper	Tonnes	0.04	0.22
Packaging Materials ⁶			
– Carton box	Tonnes	–	0.23
Non-hazardous Waste ⁷	Tonnes	0.41	0.8
Intensity	Tonnes per full-time employee	0.001	0.01
Hazardous waste			
– Waste batteries, electronic parts and accessories	Pieces (“pc”)	31	35
– Waste cartridges	pc	28	40
Intensity	pc per full-time employee	0.20	0.54
GHG Emissions			
Total Emission ⁹	Tonnes of carbon dioxide equivalent (“tCO ₂ e”)	161.81	223.67
Direct Emission (Scope 1) ¹⁰	tCO ₂ e	0.24	0.8
Indirect Emission (Scope 2) ¹¹	tCO ₂ e	140.38	184.94
Other Indirect Emission (Scope 3) ¹²	tCO ₂ e	21.01	37.93
Intensity	tCO ₂ e per full-time employee	0.55	1.62

- ³ The intensity unit is based on the full-time employees of the Group within the reporting scope.
- ⁴ The conversion factors from volumetric units of gasoline consumption to energy units are in reference to CDP Technical note: Conversion of fuel data to MWh.
- ⁵ The reduction of gasoline consumption is due to the continuous decrease in business visits and use of mobile vehicles since 2021.
- ⁶ The quantity of packaging materials consumption in our business operations are estimated with reference to our procurement record. The Group does not have any procurement record of packaging materials in 2022 as we continued using the packaging materials procured in the past years.
- ⁷ Non-hazardous waste is consigned to the building management company for handling.
- ⁸ The intensity unit is based on the full-time employees of the Group within the reporting scope.
- ⁹ The calculation has made reference to GHG Protocol – Emission Factors from Cross-Sector Tools and the published emission factors of the “How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs” published by HKEx. Our operation mainly takes place in our offices, and our carbon emission is the majority type of emission generated.
- ¹⁰ The direct emission (Scope 1) covers the emission from the mobile sources combustion.
- ¹¹ The indirect emission (Scope 2) covers the emission from the purchased electricity.
- ¹² The other indirect emission (Scope 3) covers the emission from the business travel of employees only.

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
Aspect A: Environment		
A1 Emission	<p>Information on:</p> <ul style="list-style-type: none"> – the policies; and – compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.</p>	Environmental Protection/ Our Environmental Management
KPI A1.1	The types of emissions and respective emissions data.	<p>Environmental Protection/Our Environmental Performance</p> <p>The Group’s operation does not have significant air emission due to its business nature.</p>
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).	Carbon Emission and Climate Resilience/Our Environmental Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<p>Our Environmental Performance</p> <p>The Group’s operation does not involve significant amount of hazardous waste due to its business nature.</p>
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environmental Performance
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Protection/ Carbon Emission and Climate Resilience
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Responsible Resources Consumption

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
A2 Use of Resource	Policies on efficient use of resources including energy, water and other raw materials.	Responsible Resources Consumption, Our Environmental Performance
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).	Our Environmental Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environmental Performance
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection, Our Environmental Performance
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.	Environmental Protection
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our Environmental Performance
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Responsible Resources Consumption, Our Environmental Performance
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Responsible Resources Consumption
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Carbon Emission and Climate Resilience, Our Environmental Management
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.	Carbon Emission and Climate Resilience

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
Aspect B Social		
B1 Employment	<p>Information on:</p> <ul style="list-style-type: none"> – the policies; and – compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Care for the Employee, Employment Standard, Diversity and Inclusion, Staff Training and Development
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Care for the Employee, Diversity and Inclusion
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Care for the Employee, Diversity and Inclusion
B2 Health and Safety	<p>Information on:</p> <ul style="list-style-type: none"> – the policies; and – compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Healthy and Safe Workplace
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Healthy and Safe Workplace, Diversity and Inclusion
KPI B2.2	Lost days due to work injury.	Healthy and Safe Workplace, Diversity and Inclusion
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Healthy and Safe Workplace

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B3 Development and Training	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Staff Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Staff Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category	Staff Training and Development
B4 Labour Standard	Information on: <ul style="list-style-type: none"> – the policies; and – compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to preventing child and forced labour.</p>	Employment Standard
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment Standard
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Standard
B5 Supply Chain Management	Policies on managing environmental and social risks of supply chain.	Ensuring our Quality Products and Services
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, 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

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B6 Product Responsibility	<p>Information on:</p> <ul style="list-style-type: none"> – the policies; and – compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Our Product Responsibility, Ensuring our Quality, Products and Services, Advertisement & Marketing, Protecting Data Privacy and Security
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Ensuring our Quality Products and Services
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Understanding Our Customers’ Needs
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Ensuring our Quality Products and Services/Keeping Quality of Products and Services with R&D
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Protecting Data Privacy and Security

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B7 Anti-corruption	Information on: <ul style="list-style-type: none"> – the policies; and – compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to bribery, extortion, fraud and money laundering.</p>	Anti-corruption and Anti-bribery
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 and Anti-bribery
KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Anti-corruption and Anti-bribery
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption and Anti-bribery
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment