

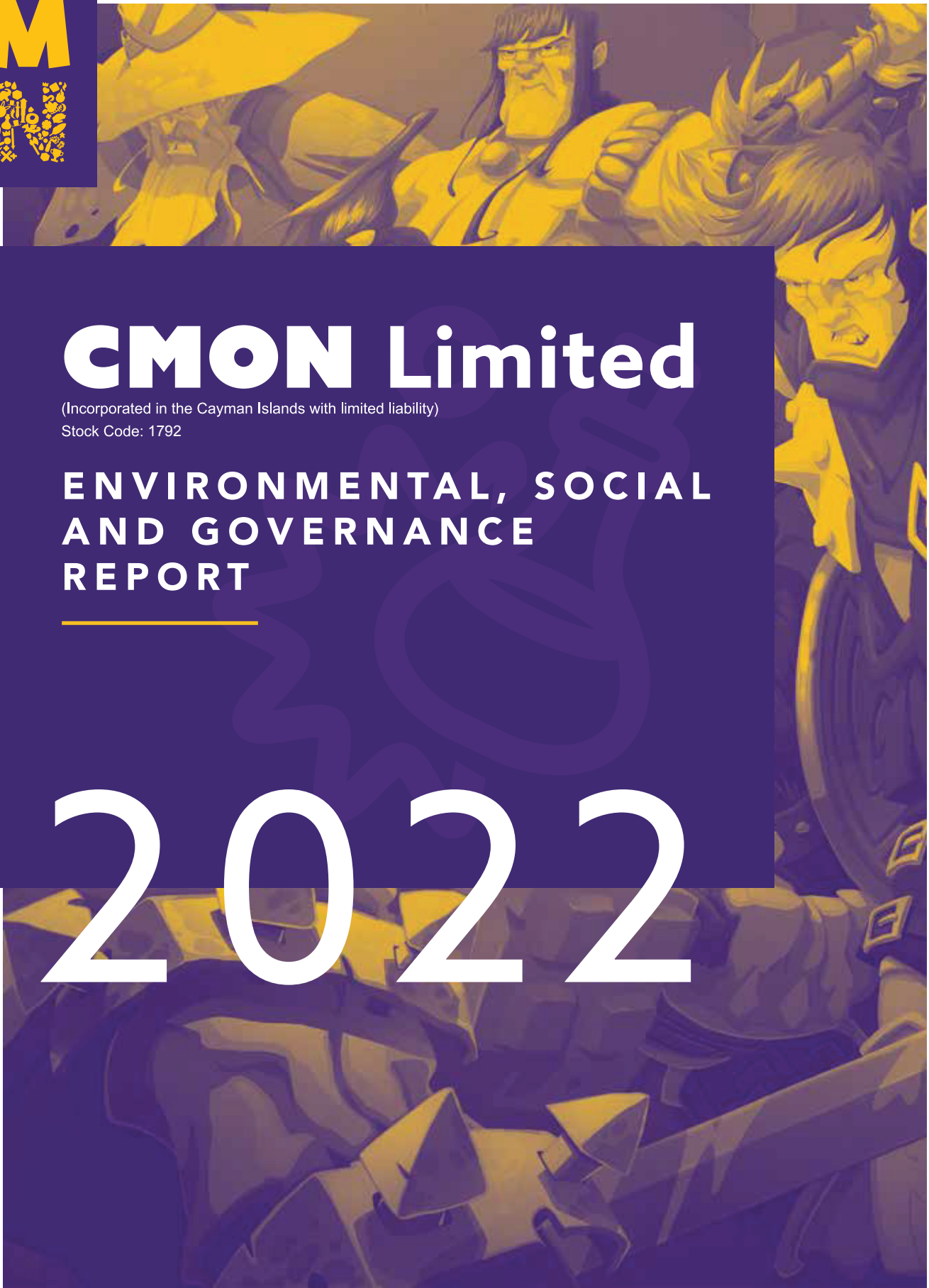


CMON Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1792

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2022





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THE GROUP

CMON Limited (“**CMON**” or the “**Company**”, together with its subsidiaries, the “**Group**”, “**our**” or “**we**”) has entered the board and tabletop game market since 2011 and has published various critically acclaimed games, including *Zombicide*, *Arcadia Quest*, *Blood Rage*, *Rising Sun* and *Cthulhu: Death May Die*. The Group is well known for high-quality games featuring amazing miniatures and fun, engaging gameplay.



We specialize in the development and publishing of tabletop games, including board games and miniature war games, the development and launching of mobile games, and the distribution of third-party tabletop games. The Group has been listed on the Main Board of The Hong Kong Exchanges and Clearing Limited (“**HKEX**”) since 2019 (stock code: 1792) to cater to its development needs.

ABOUT THE REPORT

The Group is pleased to present its sixth Environmental, Social and Governance (“**ESG**”) report (the “**Report**”). The Report presents the ESG strategies and performances of the Group, including the related governance structure and policies. The Group is aware of the importance of communicating with stakeholders in relation to our approaches to embrace corporate social responsibilities. Our ESG initiatives include environmental protection, employee care, resource management, and product quality assurance.

The preparation of the Report was made in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on HKEX. The Report has been prepared in full compliance with the mandatory disclosure requirements and “comply or explain” provisions stipulated in the Guide.

The Report is available in both English and Chinese versions and is uploaded to the website of HKEX and our Company’s website (<https://cmon.com>). In case of any discrepancies between the two versions, the English version shall prevail.

Scope and Reporting Period

The Report presents our ESG performances of all offices, facilities, and properties owned by and under our direct operation, which include the business activities and operations in Singapore, the United States (the “**US**”) and Foshan, China during the financial year ended 31 December 2022 (the “**Reporting Period**”). Due to changes in the operation mode and management considerations, the US office is excluded from the environmental data to better reflect the actual operational situation of the Group.

Reporting Principles

The preparation of the Report follows the reporting principles listed in the Guide:

Materiality	Quantitative	Consistency
<p>The Group has conducted stakeholder engagement through different channels and the discussion of the board of directors of the Company (the “Board”) in consideration of the Group’s business nature and development to identify the material ESG issues.</p>	<p>The Group has disclosed key performance indicators (“KPIs”) and comparative figures where appropriate. The KPIs are calculated with reference to “Appendix 2: Reporting Guidance on Environmental KPIs” and “Appendix 3: Reporting Guidance on Social KPIs” of “How to Prepare an ESG Report” published by HKEX.</p>	<p>The Group has adopted a consistent approach in data collection and calculation for meaningful comparisons of ESG data over time. In case of any adjustments in the reporting scope or preparation of data, they shall be explained for stakeholders’ reference.</p>






SUSTAINABILITY GOVERNANCE

The Board is responsible for ESG risks assessment and management, ESG reporting, setting and review of goals, and the execution of ESG-related policies and measures. The Board identifies, analyses, evaluates, and prioritizes key risks and opportunities concerning the Group’s operation and ESG issues, and reviews progress against the Group’s ESG targets through regular meetings and communication with management. The Group has engaged an independent consultant, Riskory Consultancy Limited, to assist in report preparation and provide ESG-related consultancy services.

For the Group’s other corporate governance details, please refer to the “Corporate Governance Report” section in the Annual Report 2022.

STAKEHOLDER ENGAGEMENT

Stakeholders' feedback is critical to the Group's operation and management. We engage our stakeholders through various communication channels to acknowledge their expectations. We strive to incorporate stakeholders' concerns into our operation to enhance our performance and secure their interests. We also aim to collaborate with them to create greater value for the community on a sustainable basis.

<p>Customers</p> 	<p>Employees</p> 
<ul style="list-style-type: none"> • Hobby site and online forums (http://www.coolminiornot.com/) • Customer service officer • Company's website 	<ul style="list-style-type: none"> • Training and workshops • Performance evaluations of employees by managers
<p>Investors and shareholders</p> 	<p>Suppliers</p> 
<ul style="list-style-type: none"> • Annual general meeting and other shareholder meetings • Financial reports • Announcements and circulars 	<ul style="list-style-type: none"> • Periodic site visits • Production workshop inspections • Periodic evaluations
<p>The community, NGOs, and media</p> 	
<ul style="list-style-type: none"> • Press releases and conferences • ESG reports 	

MATERIALITY ASSESSMENT

The Group has identified 23 sustainability issues material to our operation. Through consistent communication with stakeholders and discussions in Board meetings, we have reviewed, evaluated, and prioritized the material issues.

ESG Issues	Materiality
Environmental Aspect	
Efficient use of resources	Important
Climate change-related risks (e.g. typhoons, flooding)	
Waste management	
Impact of business activities on the environment	Relevant
Emission of pollutants and greenhouse gases	
Social Aspect	
Protection of intellectual property (“IP”) rights	Most Important
Users’ privacy and data protection	
Game research and development (“R&D”)	
Game advertising and labeling	
Product and service quality and safety (including game content health)	
Customer service (including complaints handling)	Important
Corporate governance	
Anti-corruption system and whistle-blowing mechanism	
Risk or emergency management	
Employment relationship, policies and employee welfare	
Diversity and equal opportunities, and anti-discrimination	
Prevention of child labour and forced labour	
Occupational health and safety	
Supply chain management (including suppliers’ management of environmental and social risks)	
Green procurement	
Training and development	Relevant
Participation in or organising of volunteer activities	
Charity donation	

OPERATING PRACTICES

Providing high-quality and safe products and meeting customers' expectations are keys to the Group's success. We have established various policies and procedures across different business activities, operations, and manufacture of products to ensure product quality and support sustainable business development.

Product Responsibility

We strictly abide by all applicable laws and regulations in our operational areas relating to products and services. During the Reporting Period, we were not aware of any material non-compliance with laws and regulations related to product health and safety, advertising, labeling, privacy matters, and methods of redress, including but not limited to the Copyright Act 2021, Trade Marks Act 1998 and Personal Data Protection Act 2012 of Singapore, as well as Leahy-Smith America Invents Act and Copyright Law of the US.

Product Quality and Safety

To ensure product safety and reduce the adverse impact on the environment, we conduct safety tests on our products before sale. Safety labels have been added to all packaging materials. During the Reporting Period, all products were compliant with relevant safety standards. Due to our business nature, we were not involved in product recall for safety and health reasons.

Intellectual Property

As a hobby game developer, the Group respects the effort of our designers and strives to protect intellectual property rights during the design development, production, dissemination, and publication processes. We strictly comply with all the applicable laws and regulations related to IP rights for all of our products.

The Group publishes both "self-owned" games and licensed games. The former's IP rights are either in-house developed, transferred by the Controlling Shareholders, or acquired from third parties, while the latter's IP rights are licensed from third-party game developers. To regulate the acquisition of IP rights and prevent any infringement, we have developed the Trademark Registration Policy. In addition, the Licensing Procedure Document of the Group is circulated to employees to follow when dealing with graphic assets and texts which require approval from licensors.

During the Reporting Period, we were not aware of any material non-compliance with laws and regulations in relation to IP rights, including but not limited to the Singapore Copyright Act 2021 and Trade Marks Act 1998 for the operations in Singapore, and the Copyright Law of the US.

Game Research and Development

Research and Development is critical to maintaining a high standard of product quality and keeping up with market trends. We have invested a great amount of effort and resources in R&D. We constantly seek to develop new products and upgrade our existing products with special features through our R&D processes. We encourage creativity in our production guide to developing innovative and attractive components. The R&D team is provided with resources and training to equip them with professional knowledge and to expand our R&D capabilities.

Customer Service

The Group greatly values opinions from customers and stakeholders to enhance our sustainable development. We have established a comprehensive procedure to handle complaints from customers:

1. Receiving customer complaints

- Assign a designated Customer Service Officer to handle customers' complaints;
- File a complaint including the name of the customer, product name(s) and batch number(s), the reason for the complaint, proposed follow-up actions, and any further information;
- Notify one of the joint Chief Executive Officers (each an "**Officer**") immediately if 25 or more complaints are received on the same issue, as this is considered excessive and unacceptable; and
- Investigate with at least 3 samples or boxes of the concerned board game as quality inspection.

2. Recording inspection results

- Review the documented inspection results by the production manager or the Officer; and
- Record the details of sample check results, including:
 - (i) Product name(s) and batch number(s)
 - (ii) Batch size(s) and presentation(s)
 - (iii) Date of review
 - (iv) Identification of issues
 - (v) Summary of findings, conclusions, and recommendations
 - (vi) Proposed actions
 - (vii) Names of the persons responsible for preparing, reviewing, and approving the sample check results.

3. Follow-up actions

- Obtain the assessment and approval by the production manager or the Officer before escalating to the relevant supplier;
- Request a response from the relevant supplier within 30 days or less; and
- Evaluate whether further actions are required by the production manager or the Officer, including corrective or future preventive actions, and/or validation or re-validation.

During the Reporting Period, no material products and service-related complaints were received.

Customer Privacy Protection

The Group is committed to protecting customers' privacy. Confidential information includes, but is not limited to personal information, customers' data, contracts, and the Group's business strategies. We handle personal data with the highest degree of confidentiality and caution. Employees shall pay extra attention when handling customers' data and follow their respective Non-disclosure Agreements. The Employee Handbook clearly states the relevant guidance that employees are required to use confidential information only for the Group's business and disclose the information only with authorization.

Game Advertising and Labelling

We strive to strengthen our customers' confidence through proper and honest advertising and labeling. The Group is committed to advertising without any misleading, inaccurate, fraudulent, or illegal elements, and to comply, in the Group's sole discretion, with our standards of decency, taste, or dignity.

To ensure the regulatory requirements of product safety in all the countries and regions where the products are sold are satisfied, we have formulated relevant policies to regulate the advertising and labeling of our products, and strictly inspect and review labeling on our products' packages.

Supply Chain Management

We have an extensive and global supply chain network. Our suppliers are experts from diversified fields, including miniatures producers, game designers and creators as well as outsourced manufacturers and game manufacturers. During the Reporting Period, the Group had a total of 125 suppliers and their distribution is as follows:

Region	Number of suppliers
Hong Kong	6
Mainland China	29
Other Asian countries	9
North and South America	37
Europe	43
Australia and New Zealand	1

We have established stringent internal procedures in the procurement and payable processes to ensure only quality products and services are received. We have formulated a comprehensive supplier selection process, including on-site review, inspection of production workshops, and periodic evaluations to engage the best-suited suppliers. We adhere to all applicable laws and regulations regarding product safety and performance in suppliers' product manufacturing.

To minimize the environmental impact and manage the social risks of production, we evaluate and choose respected outsourced manufacturers. Only suppliers who can fulfill our internal standards, are legally compliant, socially responsible, and financially sustainable are engaged. The assessment criteria include but are not limited to product quality, price, delivery time, product safety certification, environmental-related certification, and compliance, as well as compliance with social and employee-related regulations. Suppliers which use environmentally friendly products are preferred in the selection process. In addition, relevant policies have been established to consider and manage the environmental and social risks in the supply chain.

Our management also conducts periodic site visits to evaluate suppliers' business backgrounds, production facilities, and internal control processes for the effective assessment of supplier performance. In the Reporting Period, all major suppliers have been assessed using the above procedures.

Anti-corruption

Honesty, integrity, and fairness have always been our Group's core values. We have established various policies to prevent unlawful business operations, including but not limited to:

- ***Whistleblowing Policy***

To enhance our corporate governance, and to encourage employees and other stakeholders to report unethical behaviours, malpractice, wrongful conduct, fraud, etc.

- ***Inside Information Policy***

To summarize inside information and lay out when and how inside information related to the Group should be treated and disclosed, for the promotion of an effective compliance scheme for the Group and its subsidiaries.

- ***Anti-Corruption Policy***

To prevent unlawful business operations including bribery, fraud, extortion and other forms of corrupt practices by setting out a system of rules, practices and processes.

In addition, the Board and senior management are provided with online training materials to raise their awareness of anti-corruption. In the future, we will consider extending the training to all employees in order to ensure all of them understand the Group's emphasis on honesty in the operation.

During the Reporting Period, we were not aware of any material non-compliance with laws and regulations related to bribery, extortion, fraud, and money laundering, including but not limited to the Prevention of Corruption Act 1960 in Singapore, as well as the Foreign Corrupt Practices Act in the US. There was no concluded legal case regarding bribery, extortion, fraud, and money laundering filed against the Group or our employees.

ENVIRONMENTAL PROTECTION

The Group strives to achieve better environmental and sustainability performance. Considering our business nature, we do not have a significant adverse influence on the environment. We recognize and fulfill our corporate responsibility to minimize our potential environmental impact through resource management and waste treatment.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Environmental Protection and Management Act 1999 and Environmental Public Health Act 1987 in Singapore, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Environmental Protection Law of the People's Republic of China in Mainland China, as well as Clean Air Act, Clean Water Act, and Toxic Substances Control Act in the US.

Emissions

Exhaust Gas Emissions

Vehicles are the primary sources of our exhaust gas emissions. To alleviate our exhaust gas emissions, we are committed to enhancing reasonable vehicle utilization in our daily operations, including but not limited to:

- Encourage our employees to switch off engines whenever the vehicles are idling and plan routes ahead of time to reduce route repetition.
- Conduct regular maintenance of our vehicles to ensure optimal engine performance and fuel use.

The emission data for the Reporting Period is as follows:

	Unit	2022	2021
Nitrogen oxides (NO _x)	kg	2.93	4.95
Sulphur oxides (SO _x)	kg	0.05	0.09
Particulate matter (PM)	kg	0.22	0.36

Greenhouse Gas Emission

Petrol consumption of vehicles (Scope 1) and electricity consumption (Scope 2) are the major sources of our greenhouse gas ("GHG") emissions. To reduce our GHG emissions, we continue to adopt different measures to increase energy efficiency. For energy efficiency measures, please refer to the section headed "Energy Consumption". The emission data for the Reporting Period is as follows:

	Unit	2022	2021
Direct GHG emissions (Scope 1) ¹	tonnes CO ₂ e	8.60	14.55
Energy indirect GHG emissions (Scope 2) ¹	tonnes CO ₂ e	33.53	44.14
Total GHG emissions	tonnes CO ₂ e	42.13	58.69
Intensity ²	tonnes CO ₂ e/employee	0.54	0.90

1. GHG emission data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, the latest released emission factors of China's regional power grid basis, the latest released emission factors of Singapore's power grid basis, "How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX, and "Global Warming Potential Values" from the IPCC Sixth Assessment Report, 2021 (AR6).
2. As at 31 December 2022 and 2021, the Group had a total of 78 and 65 employees respectively. The data is also used for calculating other intensity data.

Waste Management

No hazardous waste was generated in our operation. We handle and dispose of all non-hazardous waste following a proper approach. The relevant data of the Reporting Period is as follows:

	Unit	2022	2021
Total non-hazardous waste generated	tonnes	3.49	3.25
Intensity	tonnes/employee	0.04	0.05

We have adopted several measures to reduce waste and increase employees' awareness of waste reduction. To reduce paper use, employees are encouraged to use online messaging services, such as emails and e-filing for both internal and external communications, and use recycled paper and double-sided printing or copying in offices. In addition, we utilize old or obsolete computers as backups for junior or temporary employees. In the future, we will continue to further reduce the waste generated through different potential initiatives.

Use of Resources

To conserve the environment and combat climate change, we recognize the importance of resource use efficiency.

Energy Consumption

Fuel and electricity consumption is the Group's main energy consumption sources. The energy consumption data for the Reporting Period is as follows:

	Unit	2022	2021
Direct energy consumption (Petrol)	MWh	32.62	55.18
Indirect energy consumption (Purchased electricity)	MWh	68.36	88.08
Total energy consumption	MWh	100.98	143.26
Intensity	MWh/employee	1.29	2.20

To minimize the environmental impact, we have installed energy-efficient LED lights and environmentally friendly air conditioning units. Our employees are also reminded to switch off unused lighting, air conditioners, and other electronic appliances in offices to reduce energy consumption. In the future, the Group will continue to adopt any other potential energy conservation initiatives to increase resource use efficiency.

Water Consumption

We do not consume a significant volume of water as our business is not water intensive. Due to the Group's operating locations and business nature, we did not encounter any significant issues in sourcing water that is fit for purpose. The amount of water consumption represents the volume of wastewater discharge since our wastewater is mainly generated from offices.

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The water consumption data for the Reporting Period is as follows:

	Unit	2022	2021
Total water consumption	m ³	493.80	500.00
Intensity	m ³ /employee	6.33	7.69

We have reminded our employees to conserve water by posting environmental signages with water-saving messages in prominent places. We will continue to investigate other potential initiatives in order to further increase water usage efficiency in the future.

Use of Packaging Materials

Designers are strongly encouraged to take into account sustainability concepts and environmental considerations during the product and packaging design phases. In the future, we will proactively consider applying more eco-friendly materials in packaging.

The consumption data for the Reporting Period is as follows:

	Unit	2022
Total packaging materials consumption	tonnes	7.99
Intensity	tonnes/revenue in million USD	0.18

The Environment and Natural Resources

We adhere to the principle of sustainability across the Group's operation. Considering our business nature, we do not have a significant adverse impact on the environment. We have incorporated well-designed environmental practices and green philosophy in formulating company policies and procedures and complied with applicable environmental policies within the communities where we operate.

Moreover, environmental protection messages are constantly delivered to employees through a variety of channels, including but not limited to emails, notices, and workshops.

Climate Change

In recent decades, there is no doubt that climate change is becoming one of the world's most significant and urgent challenges. Extreme weather induced by climate change, such as intensified and more frequent typhoons and heavy rainfall, is identified as the Group's climate risk. Although it may not cause significant impact because of our business nature and operating locations, we have established an emergency plan in relation to work arrangements under extreme weather conditions to ensure employee safety.

EMPLOYMENT AND LABOUR PRACTICES

Our product and service quality is attributed to the qualification, professional skills, and experiences of employees. Being our valuable asset, our employees are provided with a safe and healthy work environment, as well as different opportunities for training and development.

Employment

We strictly adhere to applicable laws and regulations, such as the Employment Act 1968, the Employment of Foreign Manpower Act 1990 and the Central Provident Fund Act 1953 in Singapore, the Labour Law of the People's Republic of China in Mainland China, as well as the Fair Labour Standards Act and Americans with Disabilities Act in the US. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have a significant impact on the Group.

Recruitment and Promotion

We have established standardized procedures in recruitment, promotion, and dismissal based on principles of fairness and justice. In relation to recruitment, being an equal opportunity employer, we endeavor to have a fair, open, objective, and non-discriminatory recruitment process. Employees are selected based on their merits and suitability for the particular position under our robust and transparent recruitment process to fulfill the Group's current and future needs. As at 31 December 2022, the Group had a total of 78 full time employees (2021: 65 employees).

	Unit	2022	2021
By gender			
— Male	person	49	41
— Female	person	29	24
By age group			
— 30 years old or below	person	29	9
— 31–50 years old	person	41	51
— 51 years old or above	person	8	5
By geographical region			
— Mainland China	person	36	27
— the US	person	8	8
— Singapore	person	34	30

In relation to promotion, the Human Resources Department conducts appraisals to evaluate employees' performance periodically. In addition, the Human Resources Policy clearly states that employee promotion is determined by their job-related skills, responsibilities, experience and duties.

Dismissal

Any kind of unfair or illegitimate dismissal is strictly prohibited. Our internal policies govern the termination of employment to ensure all dismissals comply with applicable laws and regulations. Furthermore, management conducts face-to-face interviews with resigned staff to obtain their opinions. During the Reporting Period, the Group’s employee turnover rate is as follows:

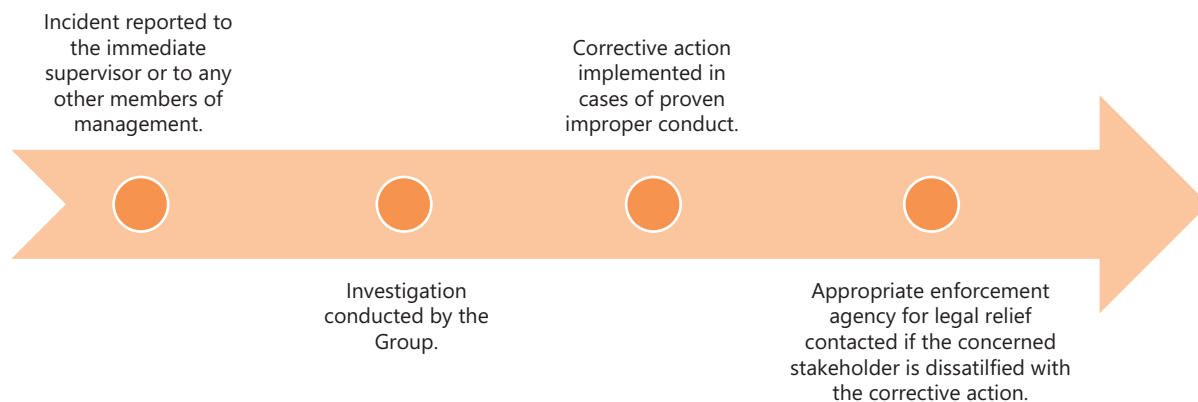
Turnover rate	Unit	2022	2021
By gender			
— Male	percentage	4.1	19.5
— Female	percentage	3.5	4.2
By age group			
— 30 years old or below	percentage	10.3	44.4
— 31–50 years old	percentage	0	9.8
— 51 years old or above	percentage	0	0
By geographical region			
— Singapore	percentage	0	13.3
— the US	percentage	0	25.0
— Mainland China	percentage	8.3	11.1

Anti-discrimination

The Group has zero tolerance for any form of discrimination, abuse or misconduct in the workplace. We strive to provide a workplace that is free of harassment and discrimination.

We are committed to eradicating physical and verbal harassment and discrimination against any individual based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation at the workplace.

Intimidation, humiliation, bullying, or harassment of any employee is unacceptable. Such misconduct shall be reported to the management representatives or managers, and serious and standardized procedures are taken to investigate and resolve these issues. The Employee Handbook specifically states the escalation process for reporting discriminatory acts:



Benefit and Remuneration

To ensure employees receive their statutory benefits, the Group complies with local laws and regulations including but not limited to the Employment Act 1968 in Singapore, labour laws in the US and the Labour Law of the People's Republic of China in Mainland China. These benefits include, but are not limited to Mandatory Provident Fund, basic medical insurance, and work injury insurance, public holidays, marriage, compassionate and maternity leaves, as well as additional compensation such as discretionary bonuses and share options for eligible staff.

Employees' Health and Safety

Employee health and safety are crucial to our sustainable development and growth. We have adopted different measures to raise employees' awareness of health and safety at work. For instance, employees are provided with regular training and communication materials such as the Employee Handbook.

There were no work-related injuries or fatalities for the past three years including the Reporting Period. During the Reporting Period, no lost days due to work-related injuries were reported. A set of standard handling procedures have been established in case of any work-related injuries.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to health and safety, including but not limited to the Workplace Safety and Health Act 2006, Work Injury Compensation Act 2019 and Radiation Protection Act 2007 in Singapore, Occupational Safety and Health Act of 1970 in the US and Law of the People's Republic of China on the Prevention and Control of Occupational Diseases in Mainland China.

Anti-pandemic Measures

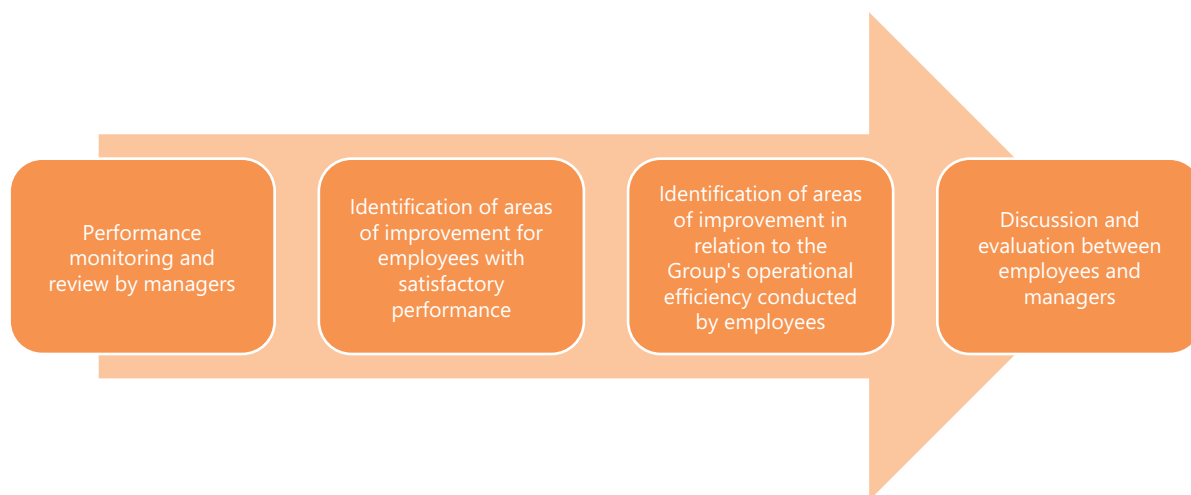
To safeguard the health and safety of our employees and business partners, as well as comply with public health requirements of local regulatory authorities regarding Coronavirus Disease 2019 ("**COVID-19**"), we continue to adopt various measures to reduce the risk of infection. For instance, regular sanitation is conducted to ensure hygiene at the workplace. All of our employees and guests are required to conduct stringent temperature checks before entering the offices or warehouses. Adequate protective gear such as surgical masks and hand sanitizers are provided and distributed. In addition, we have issued a detailed guideline to our staff to advise responsive actions to COVID-19 outbreaks among our staff and relevant family members.

Employee Development and Training

The Group emphasizes employee training and development to maintain quality goods and services. Clear career paths and diverse development opportunities including on-the-job training and workshops are provided to employees to further strengthen their abilities and professional skills. Production guides and producers training programs are provided to employees to enhance their management skills of different stages in the production chain, such as the miniatures manufacturing process and communication with artists and graphic designers.

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In addition, new staff can better understand their roles and responsibilities, and establish connections with co-workers in an introductory period. To assist our new joiners in setting and managing their expectations, we have taken the following steps in the introductory period:



Besides, to better understand the Group's operations, newly hired designers are provided with chances to communicate with local suppliers through full team training in Brazil. However, this initiative could not be implemented during the Reporting Period due to travel restrictions resulting from the COVID-19 pandemic.

The training and development data in the Reporting Period is as follows:

	2022	2021
Percentage of employees trained by gender		
— Male	44.9%	61.0%
— Female	34.5%	41.7%
Percentage of employees trained by employee category		
— Senior management	83.3%	50.0%
— Middle management	69.2%	71.4%
— Frontline employees	30.5%	51.9%
Average training hours completed per employee by gender		
— Male	9	12
— Female	7	5
Average training hours completed per employee by employee category		
— Senior management	5	20
— Middle management	7	23
— Frontline employees	9	7

Labour Standards

Child labour and forced labour are strictly prohibited in our operation. We comply with all relevant laws and regulations, including but not limited to Employment Act 1968 in Singapore, the Labour Law of the People's Republic of China in Mainland China, as well as Fair Labour Standards Act in the US.

We have adopted initiatives to ensure no child and forced labour is employed in the Group and our suppliers. During the selection of suitable candidates, we collect their personal data to verify their age. The Human Resources Department ensures all identity documents are carefully checked in the recruitment process. At the same time, we conduct at least one unscheduled walkthrough and audit of outsourced manufacturers each year.

The Group will terminate an employment immediately if any violation of labour standards is found. A revision to the employment procedure will be made in order to prevent similar incidents from occurring in the future.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to the prevention of child and forced labour.

COMMUNITY INVESTMENT

The Group is concerned about the sustainability of the communities we operate in and strives to initiate a positive impact on the local communities. We have embedded the guiding principles of bearing social responsibilities and serving the community in our business strategy. The Group encourages participation in activities that focus on caring for the people and the community.

During the Reporting Period, we donated USD 20,000 to Médecins Sans Frontières Hong Kong and SGD 10,000 to Lutheran Community Care Services Singapore for medical assistance and community support.

Going forward, we are committed to contributing to the communities and working hand in hand with them to achieve sustainability through active involvement in various community investment initiatives.

THE ESG REPORTING GUIDE CONTENT INDEX OF HKEX

Content		Relevant Section	Page No.
Mandatory Disclosure Requirements			
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	Sustainability Governance	3
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles (Materiality, Quantitative and Consistency) in the preparation of the ESG Report.	About the Report — Reporting Principles	3
Reporting Boundary	A narrative explaining the Reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report.	About the Report — Scope and Reporting Period	2

Content	Relevant Section	Page No.
“Comply or Explain” Provisions		
A. Environmental		
Aspect A1: Emissions		
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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection 9
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Exhaust Gas Emissions 10
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity.	Emissions — Greenhouse Gas Emission 10
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste Management 11
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste Management 11
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions — Exhaust Gas Emissions 10
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste Management 11
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