



Hong Kong Johnson Holdings Co., Ltd.

香港莊臣控股有限公司

(A company incorporated in the Cayman Islands with limited liability)

Stock Code : 1955

2022/23

Environmental, Social and
Governance Report



Guard Your Health Go Green with Smart City

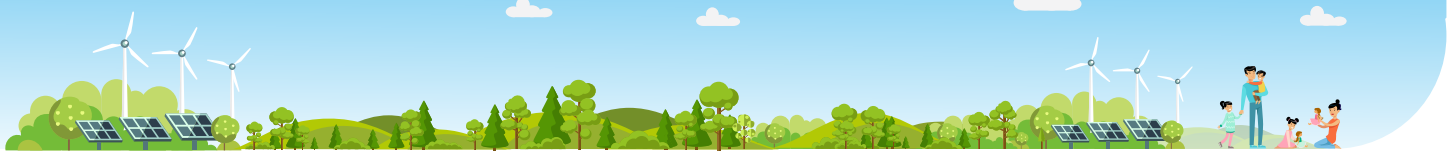
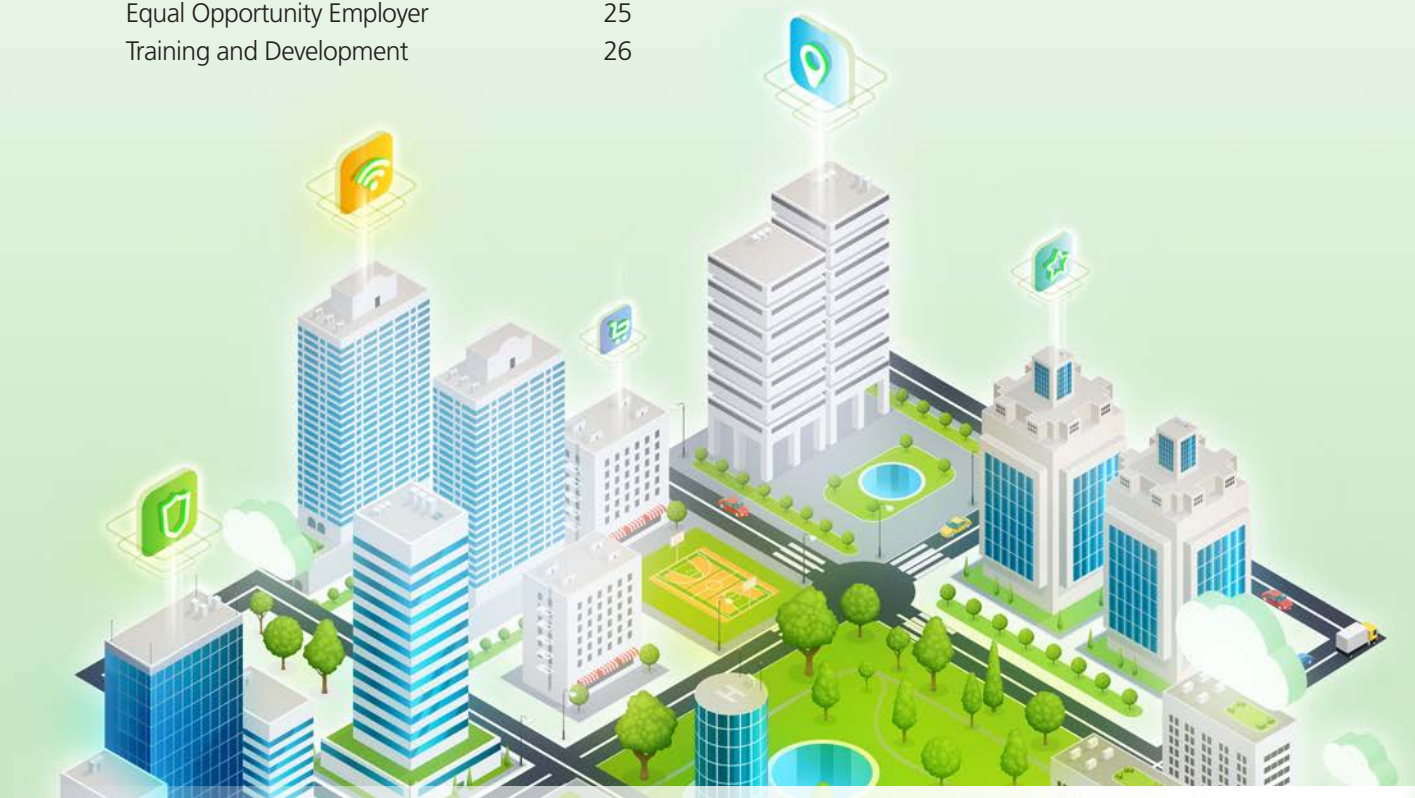
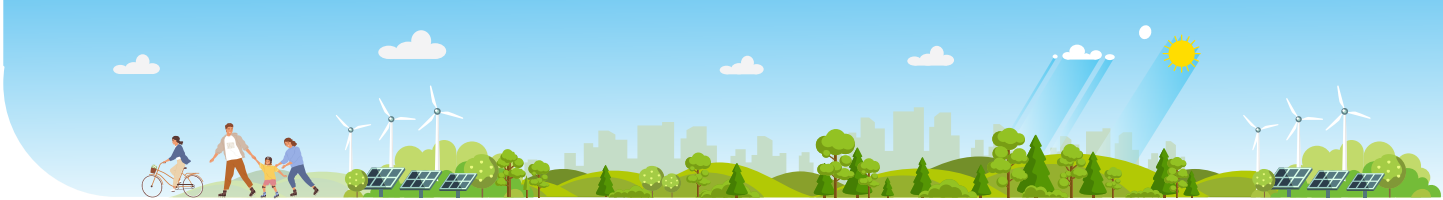


TABLE OF CONTENTS

ABOUT THE REPORT	2	RESPONSIBLE SERVICE PROVISION	28
Scope of the Report	2	Supply Chain Management	28
Reporting Standard	3	Reliable Services	29
Contact and Feedback	3	Ethical Business	31
<hr/>			
BOARD STATEMENT	5	COMMUNITY CONTRIBUTION	33
<hr/>			
CORPORATE VALUES	6	ECO-CONSCIOUS OPERATIONS	34
<hr/>			
SUSTAINABILITY GOVERNANCE	7	Emissions Management	34
ESG Governance Structure	7	Climate Change Preparedness	36
ESG Risk Management Structure	8	Resource Conservation	36
Major ESG Risks and Our Responses	9	Waste Management	39
Sustainable Development Goals	10	Our Environmental Targets	41
<hr/>			
RECOGNITIONS AND AWARDS	11	HKEx ESG REPORTING GUIDE INDEX	42
<hr/>			
STAKEHOLDER ENGAGEMENT	13		
<hr/>			
MATERIALITY ASSESSMENT	14		
<hr/>			
RESPONSIBLE EMPLOYMENT	17		
Safe and Healthy Workplace	18		
Employment Conditions	21		
Equal Opportunity Employer	25		
Training and Development	26		





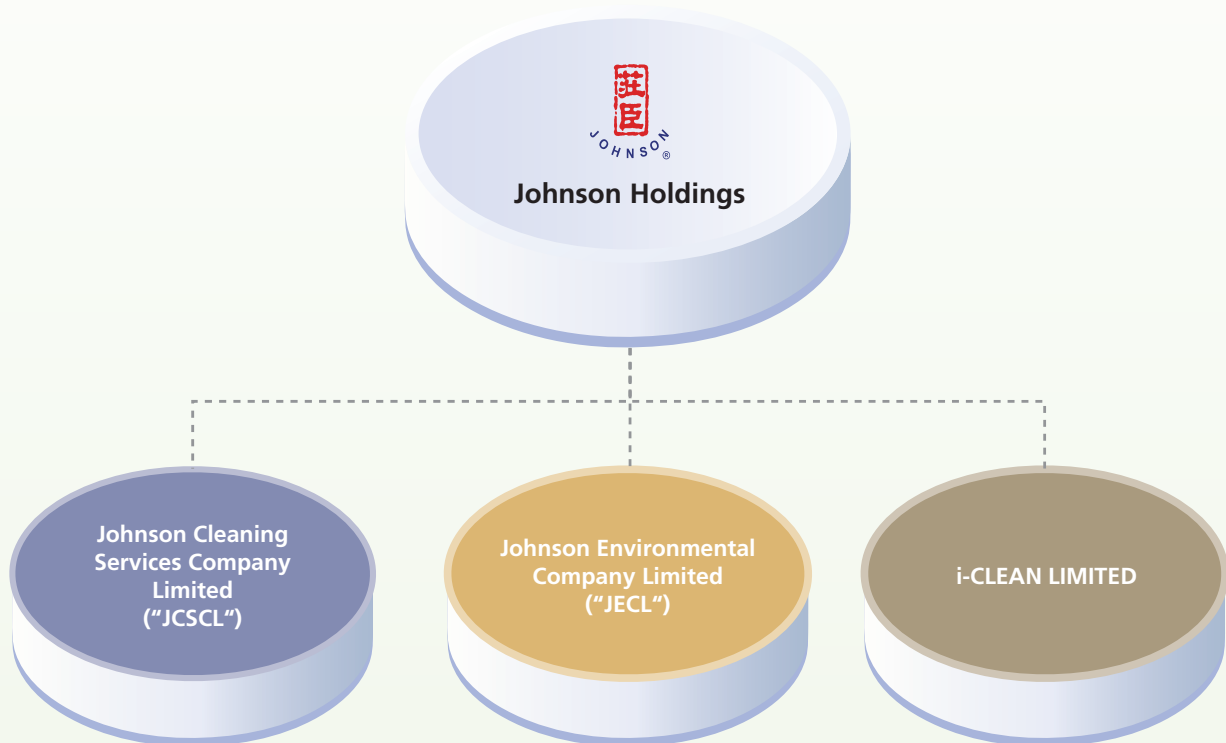
ABOUT THE REPORT

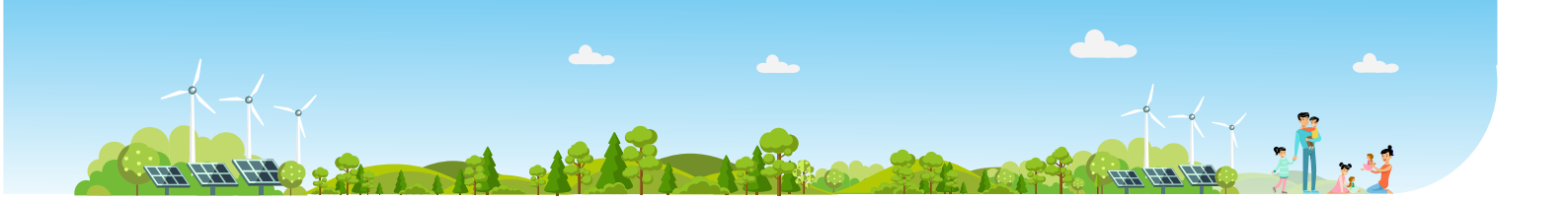
Hong Kong Johnson Holdings Co., Ltd. (hereinafter referred to as the “**Company**” or “**Johnson Holdings**”, and together with its subsidiaries, the “**Group**”, “**our**” or “**we**”), is a leading environmental hygiene service provider which offers cleaning services for buildings, campuses, streets, parks and recreation centres, as well as disinfection coating services, pest management services, garbage logistics services and environmental improvement services. With a wide range of environmental hygiene services we provide, we aim at growing into an integrated environmental hygiene service provider.

Having a deep ambition to construct long-term trusted ties with our stakeholders in the community, the Group is pleased to publish our 2022/23 Environmental, Social and Governance (“**ESG**”) report (the “**Report**”), summarising our ESG performance and initiatives.

SCOPE OF THE REPORT

The Report examines the Group’s ESG management approaches, and corresponding performance within our operational boundaries, which mainly include the provision of environmental hygiene services and agency services of innovative environmental hygiene technology products and equipment and the garbage logistics business in Hong Kong from 1 April 2022 to 31 March 2023 (the “**Reporting Period**”, “**2022/23**”).





ABOUT THE REPORT

REPORTING STANDARD

The Report has been prepared in accordance with the “Comply or Explain” provisions and environmental and social key performance indicators (“KPIs”) of the ESG Reporting Guide (“**ESG Reporting Guide**”) set out in Appendix 27 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**HKEx**”).

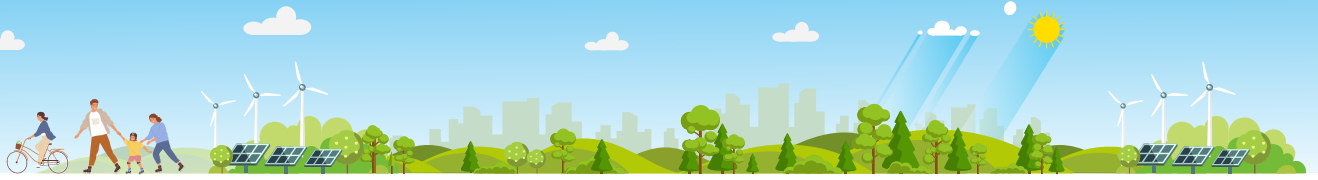
Throughout the Report, we adopt the reporting principles of materiality, quantitative, balance and consistency, as described below:

Reporting Principles	Descriptions
Materiality	We made a consensus on the material topics through internal discussion and participation of key stakeholders. The outcome is summarised in the section – Materiality Assessment of the Report.
Quantitative	To ensure that the effectiveness of our ESG policies and management systems can be evaluated and validated, we presented our ESG performance with the aid of environmental and social KPIs using robust methodologies, with reference to the ESG Reporting Guide.
Balance	All environmental and social KPIs were computed and presented with reference to the ESG Reporting Guide and robust methodologies were adopted as illustrated in the respective sections of the Report. Data comparisons over the years have been provided an unbiased comparison of our ESG performance from time to time.
Consistency	Unless otherwise specified, the Report has been prepared based on the same methodologies, standard and reporting scope compared to the previous year.

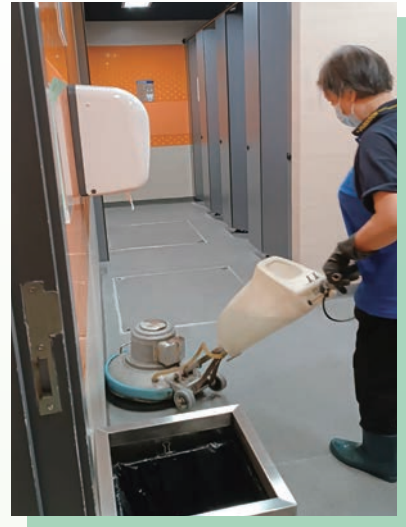
The Report has been reviewed and approved by the board of directors (the “**Board**”) of the Company.

CONTACT AND FEEDBACK

The Group strives to build a trusted relationship with the community. We formulate our business strategies for the best interests of our stakeholders; Therefore, we treasure your feedback on this ESG Report and our sustainability performance. If you have any comments or suggestions, please feel free to send your written enquiries or feedback to the Company. The contact details can be found on the website of the Company (www.johnsonholdings.com).



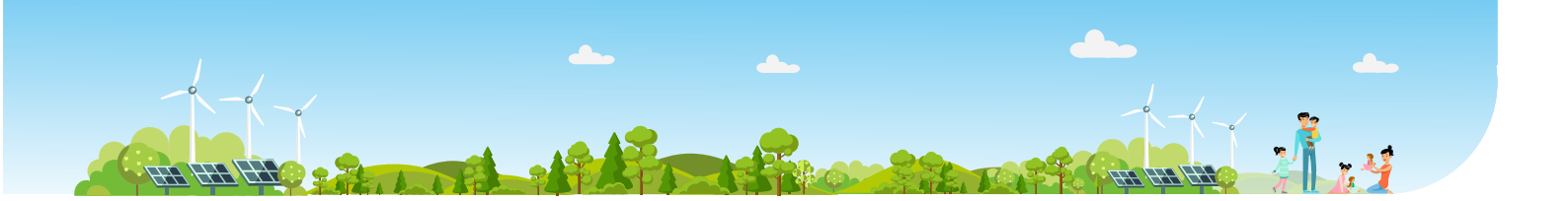
ABOUT THE REPORT



The Group's cleaning services cover across Hong Kong, Kowloon and the New Territories



The Group provides a full range of solid waste management services and integrated solutions to its customers



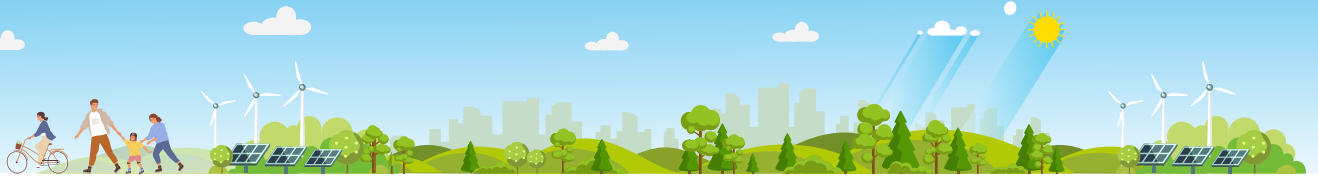
BOARD STATEMENT

The Board is committed to promoting sustainable development. To effectively incorporate ESG policies and strategic objectives into our business operations, we have established an ESG governance framework, mainly composed of the Board, the Sustainable Development Leading Group (the “**Leading Group**”), and the Sustainable Development Working Group (the “**Working Group**”).

The Board is the highest decision-making body responsible for the overall ESG governance. Board members are responsible for reviewing and approving ESG policies, strategies, and priorities, monitoring ESG-related issues that may affect the company's business operations and internal control systems, evaluating the effectiveness of risk management, and regularly discussing the progress of related objectives.

The Leading Group is responsible for formulating ESG directions, policies, and measures, leading and supervising the division of labour of the Working Group. The Working Group is composed of department heads from different departments, including Human Resources, Administration, Information Technology, and Business Operations, who work together to ensure that applicable ESG requirements and policies are followed. The Company also engages consultants to assist in collecting information and data that need to be disclosed, conducting internal and external materiality assessments, and preparing ESG reports.

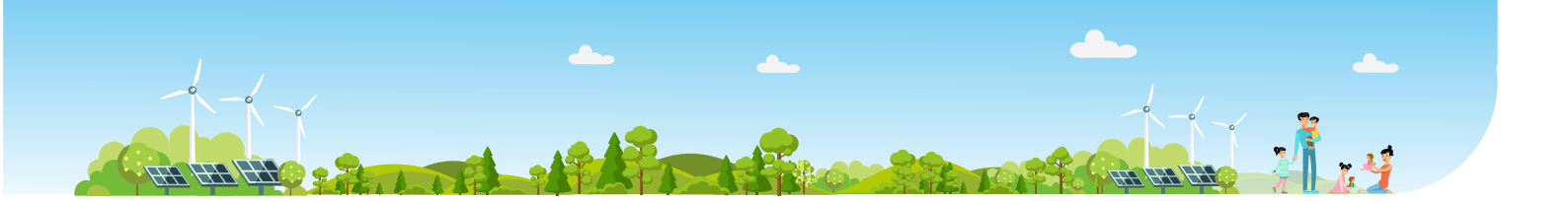
To implement the new development concept, improve environmental and social responsibility, and corporate governance, the Board will continue to improve our ESG performance and actively develop corresponding action plans to advance ESG management.



CORPORATE VALUES

With the motto of “Being Faithful in the Word and Keeping Promise”, the core objective of the Company is to seek more returns for its shareholders and strive to become a “Leading Environmental Hygiene Services Provider with Roots in the Greater Bay Area that Serves the Whole Country”. The Company is committed to its missions of “Guard Your Health, Go Green with Smart City” and to implementing its values of “Good Entrepreneurship, Active and Sustainable Development Operation, and Innovation”. The Company actively assumed its responsibilities to employees, customers, shareholders, the society and the environment. Such objectives and values also determine the Company’s strategy to pursue the goal of becoming the “Leading Environmental Hygiene Services Provider in the PRC”, so as to create value for the shareholders. The objective, value and strategy of the Company are the foundation of the Company’s corporate culture. Centering on upholding high ethical standards and practices, the Company’s corporate culture aims to achieve sustainable development and strives to create greater value for the Group, at the same time seeking more returns for the shareholders.





SUSTAINABILITY GOVERNANCE

Johnson Holdings believes that sustainability is a key driver of long-term success, and we are committed to integrating sustainability considerations into our governance and decision-making processes. The Board is also dedicated to creating long-term sustainable growth for shareholders and delivering long-term values to all stakeholders. We recognise that sustainability challenges are complex, and need to be addressed by a collaborative and holistic approach. During the Reporting Period, the Board consists of 14 members with a gender diversity ratio of approximately 35.71% female and 64.29% male, comprising 5 female members and 9 male members.

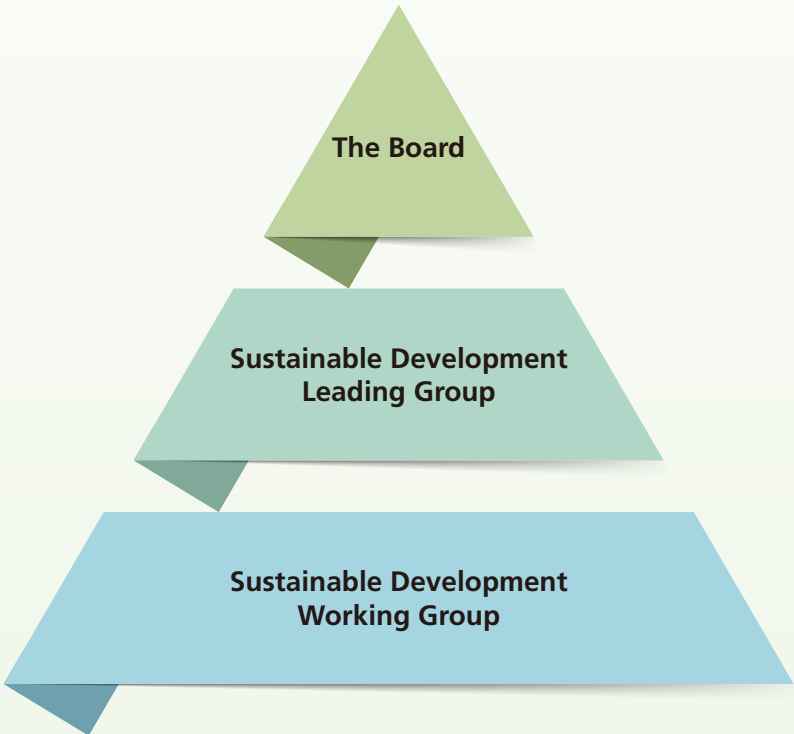
ESG GOVERNANCE STRUCTURE

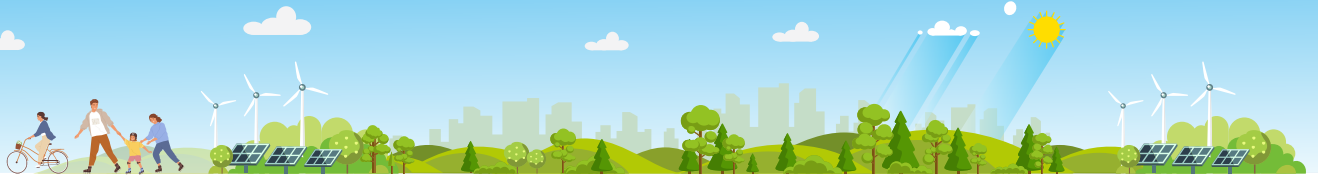
We have established a comprehensive ESG governance structure covering different levels of the Group, including the Board, the Leading Group, and the Working Group.

The Board, as the highest decision-making level, as supported by the audit committee of the Board, has the overall responsibility for the Group’s ESG governance and oversight of ESG issues, as well as regular review of management approach or strategies of material ESG risks. The Board is also responsible for monitoring and ensuring the implementation of an effective ESG risk management and internal control system.

The Leading Group is responsible for formulating ESG direction, targets, policies and measures, monitoring the implementation of ESG matters performed the by the Working Group, as well as reporting ESG matters to the Board.

At the implementation level, the Working Group is composed of various departments/business units, which is responsible for implementation of day-to-day ESG works, promoting the Group’s sustainable development and collecting ESG-related data.





SUSTAINABILITY GOVERNANCE

ESG RISK MANAGEMENT STRUCTURE

The Board	Maintains an effective ESG risk management system
	Monitors the ESG risk management system
	Reviews the completeness of ESG risk management system in strategic and compliance aspects
	Reviews the operation strategy of the Group for assessment of the emergence of new risks
	Discusses the ESG risk management outcomes with management regularly
Assigned Risk Owners	Monitor the risk management process of the assigned risks
	Assess the materiality of the assigned ESG risks and implement relevant measures to control the risks
	Review the existing ESG risk items and risk management measures and update the risk profile where necessary
Management Team	Monitors and reviews the effectiveness of the ESG risk management system
	Ensures the sufficiency of resources and training on ESG risk management
	Conducts research on ESG risk management outcomes
	Coordinates with external auditors on relevant matters, where necessary

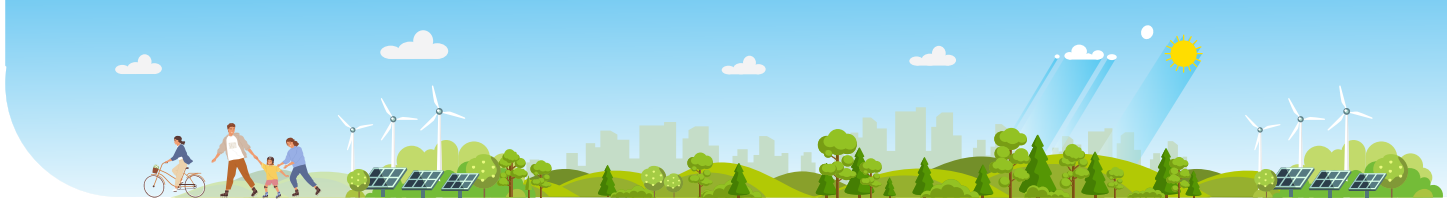
ESG risk management has been an integral part of our wider risk management system as we see the growing importance of ESG and the emergence of the associated risks and opportunities. Investors and other stakeholders have been focusing more on our holistic performance, long-term sustainability and social impact, as well as how we identify and respond to ESG-related risks.

SUSTAINABILITY GOVERNANCE

MAJOR ESG RISKS AND OUR RESPONSES


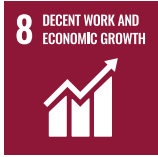







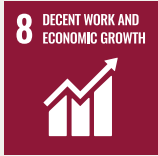

After reviewing our operations in 2022/23, we identified the major ESG risks relevant to us, and accordingly made targeted responses.

Major ESG Risks	Our Responses
Customer Satisfaction	
<p>As a leading cleaning service provider, the quality of our work is under the scrutiny by the public. Failing to deliver quality service consistently and respond to customers’ feedback/complaints would hinder our ability to make improvement as a business.</p>	<p>Regular inspections and employee training are the keys to maintain our service quality. Besides, we maintain close communication with our clients to understand their thoughts and opinions, thereby improving our services as well as corporate image as a responsible service provider.</p>
Supply Chain Management	
<p>Our operations rely on the support of a vast network of local suppliers and service providers. Negligence in supply chain management would result in a variety of problems such as logistical error, poor product quality and subpar services.</p>	<p>We strictly follow our supplier management and assessment policies and standards to ensure we work only with the best and most qualified partners. Please refer to the Supply Chain Management section of this Report for further details.</p>
Occupational Safety and Health (“OSH”)	
<p>Our frontline employees deliver a wide range of works in many different locations. They are sometimes exposed to dangerous working environment and are prone to accidents and injuries.</p>	<p>The Group has conducted frequent and OSH training, regular workplace inspections. Emergency response plan has also been prepared and communicated to the employees. More details of our OSH management can be found in the Safe and Healthy Workplace section in this Report.</p>
Negative Environmental Impact	
<p>Wastewater, chemical detergents, as well discharge of exhaust gases produced by our large fleet of service vehicles are unavoidable by-products of our services. Without proper management and control, it would negatively impact the environment.</p>	<p>The Group is deeply aware of the environmental impact of our operations. Hence, we have implemented various measures to manage and improve our environmental performance, including waste management, replacement of efficient vehicles, enhancing route-planning, and more. The chapter on Eco-conscious Operations of this Report details our approach in environmental management and effort in mitigating our environmental impact.</p>



SUSTAINABILITY GOVERNANCE

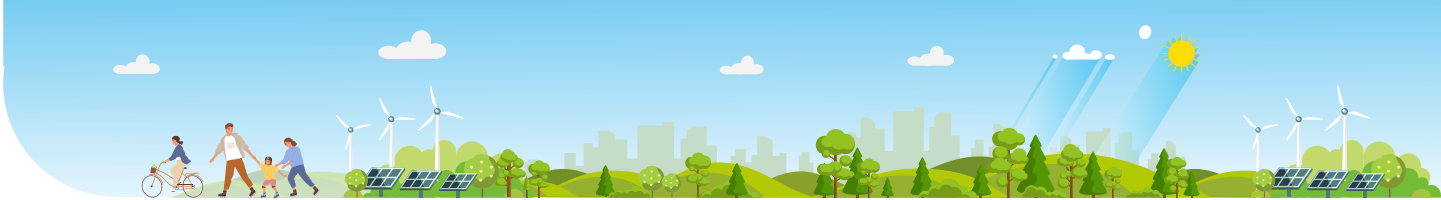
SUSTAINABLE DEVELOPMENT GOALS

Strategies	Commitment	Sustainable Development Goals
Safe and Healthy Workplace 	<ul style="list-style-type: none"> – Providing safety equipment to ensure that our employees can work in a safe and healthy environment 	
Intelligent Technology and Pioneering Service(s) 	<ul style="list-style-type: none"> – Keeping abreast of the latest innovative technologies to enhance our competitiveness and support our industry operations – Putting customers first and fully catering to their needs – Developing new service solutions – Continuously optimizing our internal systems to improve service quality – Providing access to the latest information and technological systems to enhance work efficiency 	
Preserving the Planet 	<ul style="list-style-type: none"> – Committed to reducing our impact on the environment and developing long-term environmental goals – Actively controlling vehicle fuel consumption to reduce carbon emissions – Promoting green procurement policies by using non-toxic and environmentally friendly cleaning products in our working procedures. – Committed to developing climate change policy, assessing and disclosing the impact of climate risks 	 
Caring 	<ul style="list-style-type: none"> – Promoting diversity and inclusivity, providing training and development opportunities, and enhancing team-building spirit with the goal of promoting employee growth – Encouraging all employees to exercise regularly – Creating an ideal working environment for our employees – Strengthening safety training for employees to prevent work-related accidents and promote their physical and mental health – Complying with relevant laws and regulations regarding gender equality – Providing a non-discriminatory, equal opportunity, and safe working environment to ensure that our employees are not discriminated against or exploited in any job opportunities based on factors such as age, gender, disability, race, ethnicity, background, religious beliefs, or economic status – Committed to safeguarding the labour rights of our employees, ensuring that there is no child labour or forced labour in our workplace 	   

RECOGNITIONS AND AWARDS

We are honoured to receive the “10 Years Plus Caring Company” logo granted by the Hong Kong Council of Social Service. We are delighted that the Group’s efforts are recognised over the past decade in inspiring corporate social responsibility through caring for the environment, community and employees, as well as promoting strategic partnerships among business and social service partners, so as to play our part in building a cohesive society. Furthermore, we were awarded the “Best Infrastructure and Public Utilities Company” at the 6th Golden Hong Kong Stocks Annual Awards Ceremony organised by China’s leading financial companies, which is an affirmation of our brand from all walks of life. The Group was also awarded the “Supreme Brand of Green & Smart Environmental Hygiene Service Provider Award” by Capital Magazine and the “2022 Advanced Unit” by Huafa Group.





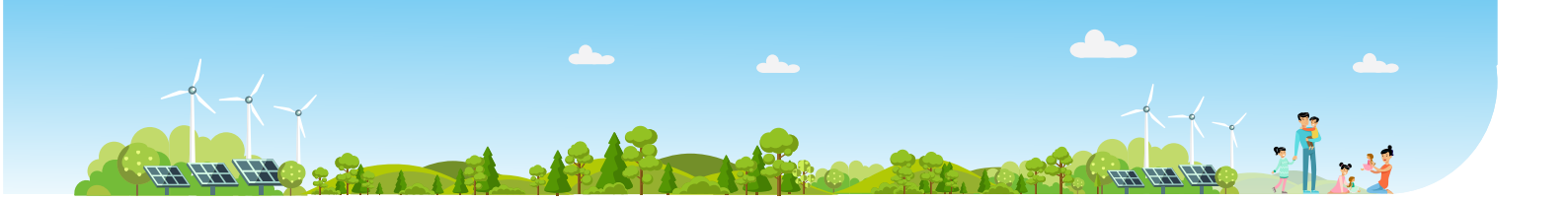
RECOGNITIONS AND AWARDS

JCSCL is accredited by BSI Pacific Limited with ISO 9001, ISO 14001 and ISO45001. Meanwhile, as an industry leader in providing environmental hygiene services, JCSCL is the member of International Sanitary Supply Chain Association, Environmental Contractors Management Association, Hong Kong Pest Management Association, Environmental Services Contractors Alliance, and The Federation of Environmental and Hygienic Services.



JECL is also accredited by Bureau Veritas with ISO 9001, ISO 14001 and ISO 45001, which is a recognition of our excellent integrated management system in quality management, environmental management and occupational health and safety management respectively. JECL actively participates in various associations to keep abreast of the latest information in the industry. It is the member of Hong Kong Waste Disposal Industry Association.



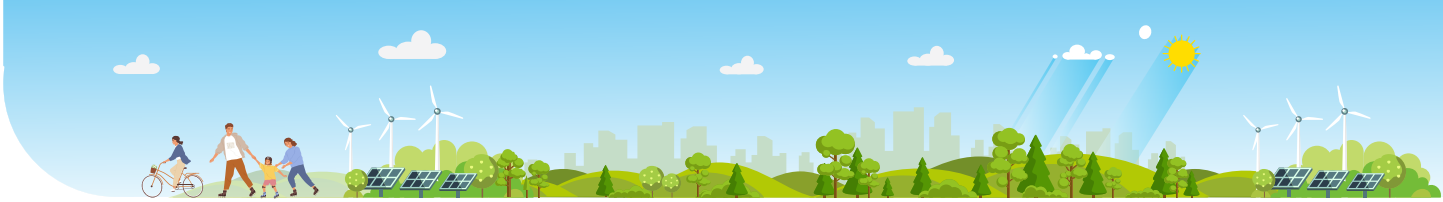


STAKEHOLDER ENGAGEMENT

Johnson Holdings understands the importance of maintaining a close relationship with key stakeholders, and it is crucial to understand our stakeholders’ perspective and expectations to assess our ESG performance. This helps us to identify our strengths and weaknesses, and to refine our management policies and approaches on ESG management. By gathering their opinions and understanding their concerns, we can determine more suitable ways to address ESG issues and continuously improve our ESG performance.

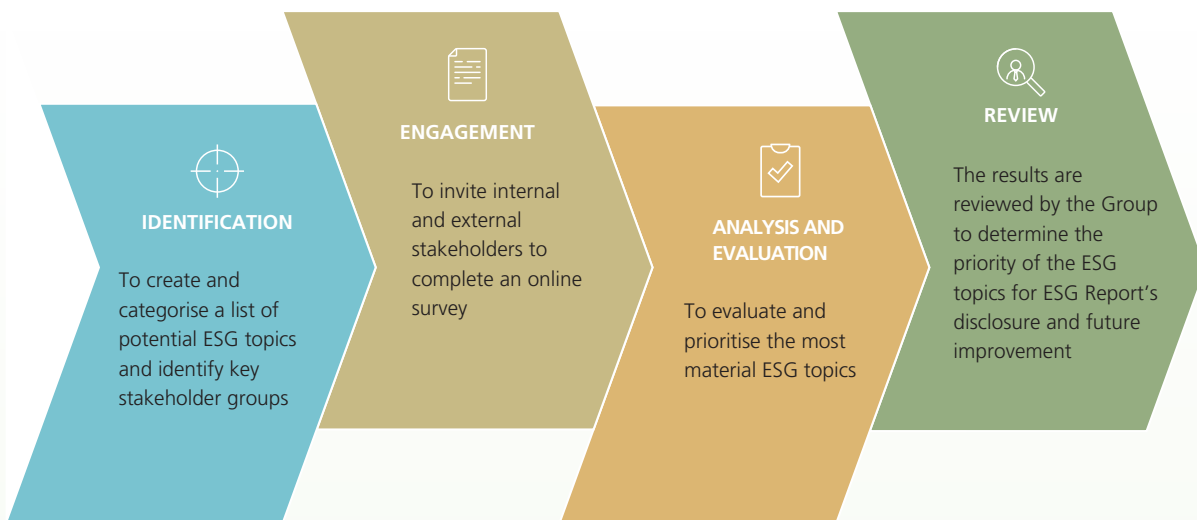
To ensure effective communication with key stakeholder groups as well as those who may be significantly affected on our operations, we utilise various communication channels which are outlined in the table below. We aim to capture a diverse range of stakeholder opinions and feedback, which are vital for us to make informed decisions and continuously improve our ESG performance.

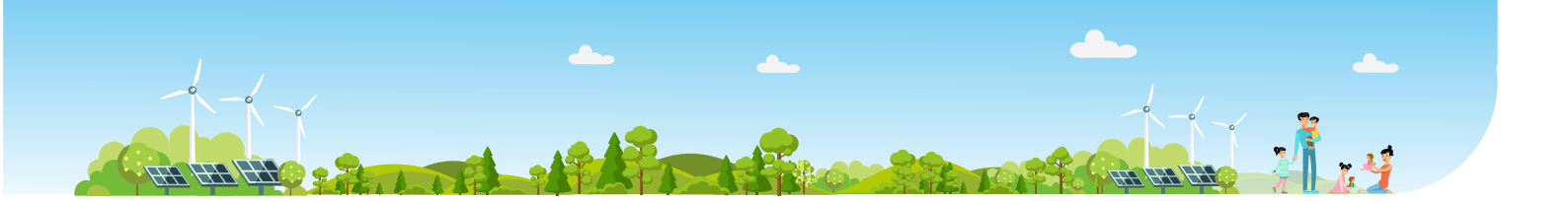
Stakeholder Groups	Concerned Issues	Communication Channels
Investors and shareholders	<ul style="list-style-type: none"> • Business performance • Business integrity • Compliance status • ESG management 	<ul style="list-style-type: none"> • Company’s website • Group publications including financial statements • Annual general meeting
Customers	<ul style="list-style-type: none"> • Health and safety • Quality of services and products 	<ul style="list-style-type: none"> • Direct customer engagements • Company’s website • Group publications including financial statements • Complaint channels
Suppliers	<ul style="list-style-type: none"> • Supply chain management • Procurement standard • Business integrity 	<ul style="list-style-type: none"> • Supplier preliminary assessment • Annual supplier assessment
Employees	<ul style="list-style-type: none"> • Health and Safety • Training and development • Career advancement • Labour rights 	<ul style="list-style-type: none"> • Orientation • Training sessions • Regular meetings • Performance appraisals • Staff events
Community and the general public	<ul style="list-style-type: none"> • Community investment • Support local economic development • Information transparency and disclosure 	<ul style="list-style-type: none"> • Company’s website • Group publications • Community activities • Day-to-day contacts with the general public during the provision of services



MATERIALITY ASSESSMENT

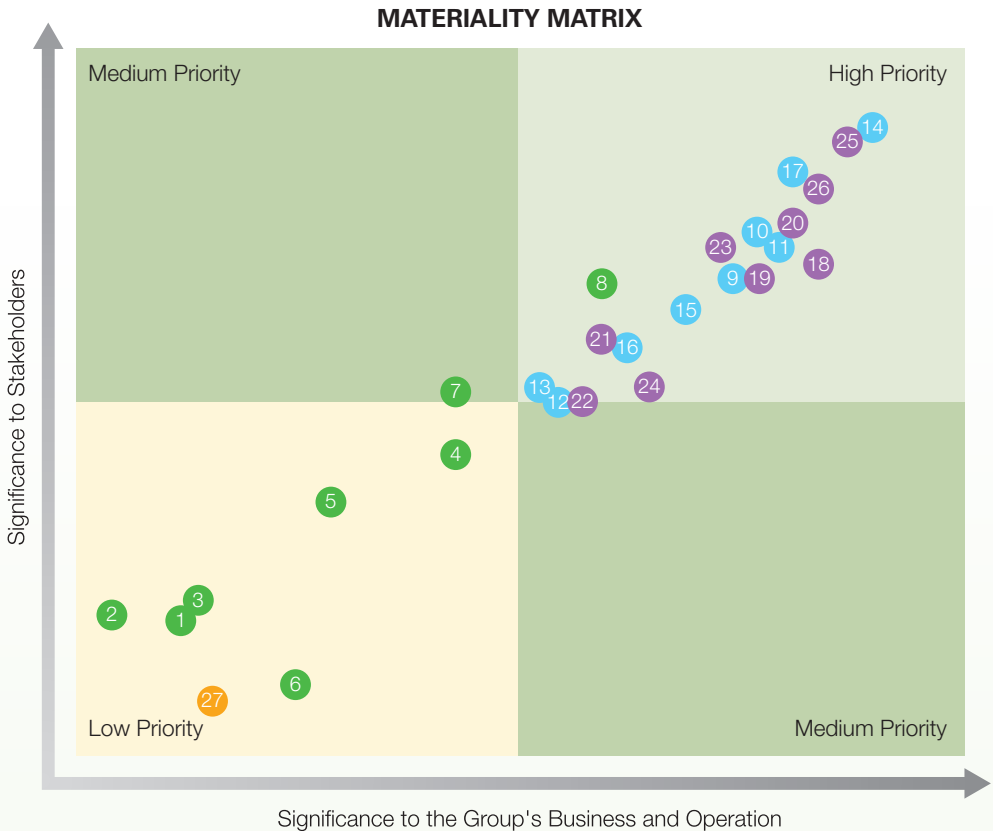
By identifying the material ESG issues that matter the most to the Group, we can set the framework for the Report and develop our ESG management strategies in a more effective way. For this purpose, an independent consultant has been appointed to conduct a materiality assessment by online survey in order to formulate strategies for managing the material ESG issues that matter the most to the Group. Our key stakeholder groups, such as customers, suppliers, employees and senior management responded to our questionnaire in order to determine the relevance and importance of the identified 27 ESG topics to the Group's business operations and the stakeholders themselves respectively.



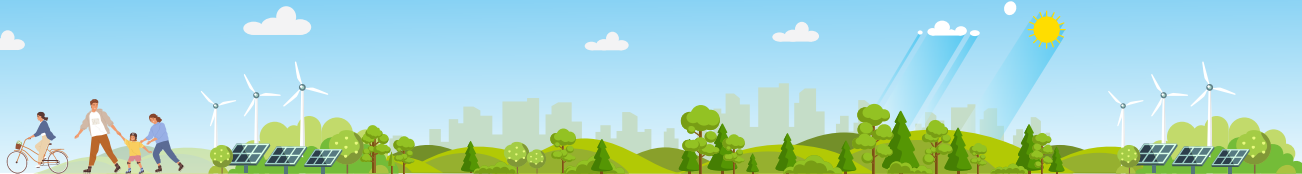


MATERIALITY ASSESSMENT

Based on the materiality of each of the ESG topics as perceived by the stakeholders, the ESG topics are prioritised and shown in the materiality matrix below. The topics which fell in the upper right corner of the matrix were defined as the topics that matter the most to the Group’s business operations and our stakeholders as far as they are concerned.



Environment	Employment	Operation
<ul style="list-style-type: none"> 1. Air emission 2. Greenhouse gas emission 3. Climate change 4. Energy efficiency 5. Water and effluents 6. Use of materials 7. Waste management 8. Environmental compliance 	<ul style="list-style-type: none"> 9. Labour rights 10. Labour-management relations 11. Employee retention 12. Diversity and equal opportunity 13. Non-discrimination 14. Occupational Safety and Health 15. Employee training 16. Employee development 17. Prevention of child labour and forced labour 	<ul style="list-style-type: none"> 18. Customer satisfaction 19. Product and service quality and complaints handling 20. Customer health and safety 21. Marketing and product and service labelling compliance 22. Intellectual property 23. Customer privacy and data protection 24. Responsible supply chain management 25. Business ethics 26. Socio-economic compliance
		<ul style="list-style-type: none"> Community 27. Community investment



MATERIALITY ASSESSMENT

Materiality assessment enables us to understand the potential ESG risks and opportunities in our business operations so that we can refine our business strategies to focus on the most important ESG issues. More importantly, it shows us the stakeholders' expectations and concerns that require our responses. The 5 most important ESG issues to our stakeholders are OSH, business ethics, socio-economic compliance, prevention of child labour and forced labour, and customer health and safety and our responses are summarised below:

Key Issues	Our Responses	Sections
OSH	Staying safe and healthy at work is at the top of our agenda. We have all pledged to keep Johnson Holdings a safe and healthy workplace when we perform our duties. Our ISO 45001:2018 accredited occupational safety and health management system demonstrates our ability in managing the safety and health hazards and risks at workplace.	RESPONSIBLE EMPLOYMENT – Safe and Healthy Workplace
Business ethics	We are committed to upholding ethical standards at all times. We comply with all the relevant laws and regulations and have stringent Code of Conduct in place to govern the business conduct of our employees. Effective whistleblowing channels are in place to ensure that we are well informed of any business misconducts.	RESPONSIBLE SERVICE PROVISION – Ethical Business
Socio-economic compliance	As a major government cleaning service contractor, full compliance with all relevant laws and regulations is a must. During the Reporting Period, the Group was not aware of any material breach of relevant laws and regulations as illustrated in the respective sections of the Report.	RESPONSIBLE EMPLOYMENT, and RESPONSIBLE SERVICE PROVISION
Prevention of child labour and forced labour	Johnson Holdings is against all forms of exploitation of children and labour and we uphold the labour rights. We have been closely monitoring our recruitment process and operations, to ensure that our workplace is free from child and forced labour.	RESPONSIBLE EMPLOYMENT – Employment Conditions
Customer health and safety	As a leading hygiene service provider, we are dedicated to maintaining high standards of hygiene and cleanliness in public spaces. Our ISO 9001:2015 accredited quality management system demonstrates our capability in providing services and protect the health and safety of our customer.	RESPONSIBLE SERVICE PROVISION – Reliable Services

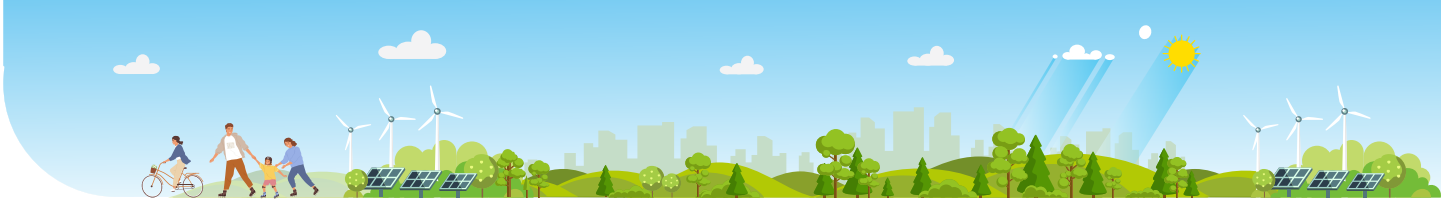
RESPONSIBLE EMPLOYMENT

At Johnson Holdings, we take pride in our diverse workforce, which includes elderly workers who bring valuable skills and experience to our team. We are committed to creating a workplace culture that is inclusive, respectful, and supportive for all employees, regardless of their age, background, or experience. By promoting diversity and inclusion, we can foster a more engaged and productive workforce that is better equipped to meet the needs of our customers and contribute to our success. In addition to promoting a positive workplace culture, we also prioritise the safety and well-being of our employees by investing in resources to enhance workplace safety and employment standards. Our goal is to provide our employees with a safe and healthy work environment where they can work with dignity and continue to flourish in their careers.

As of 31 March 2023, there are a total of 7,491 employees with approximately 37.20% male and 62.80% female. The employment figures as of the end of the Reporting Period are summarised below:

Employment Figures		2022/23
Total number of employees		7,491
By gender	Male	2,787
	Female	4,704
By age group	Below 30	68
	30 to 50	811
	Over 50	6,612
By position	Senior Management	14
	Management/Supervisor	19
	General Staff	7,458
By employment type	Full-time	7,393
	Part-time	98
By geographical region	Hong Kong	7,491
Employee Turnover		2022/23
Average turnover rate¹		9%
By gender (%)	Male	10%
	Female	9%
By age group (%)	Below 30	20%
	30 to 50	12%
	Over 50	9%
By geographical region (%)	Hong Kong	9%

¹ The average turnover rate is calculated by averaging the monthly turnover rates. Monthly turnover rate is calculated by dividing the number of employees who left the Group in a specific month by the total number of employees at the end of the same month.



RESPONSIBLE EMPLOYMENT

SAFE AND HEALTHY WORKPLACE

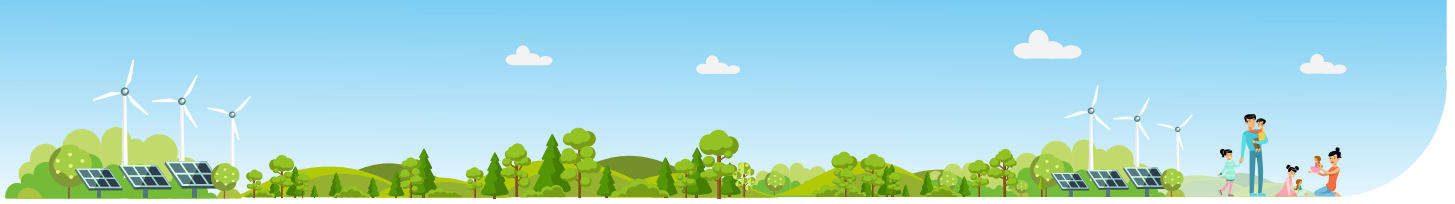
Johnson Holdings is committed to providing a safe and healthy workplace for all our employees. We believe that every employee has the right to work in an environment that is free from hazards and risks to their health and safety. As a labour-intensive business with a workforce primarily composed of elderly employees, the Group recognises the heightened importance of managing OSH matters at every stage of our operations. To this end, we established a set of OSH policies and guidelines as below.

Our OSH Policy

1. Communicate to all employees the importance of full compliance with all OSH regulations and requirements and their rights and responsibilities
2. Conduct various risk assessments on employee's work nature
3. Provide employees with superb OSH working instructions, environment, equipment and working arrangements
4. Eliminate OSH hazards whenever possible, and minimise the harm by inevitable hazardous factors
5. Provide necessary and appropriate training programmes and instructions
6. Promote OSH awareness among employees
7. Evaluate our OSH management performance regularly

Safety Management

To demonstrate our commitment in OSH issues, we have implemented an OSH Management System that is accredited by ISO 45001:2018. This system helps us to identify, assess, and control workplace hazards and risks, and to continuously improve our health and safety performance. The administrative supervisor closely monitors the updates in certification requirements, reviews and updates the relevant safety management manuals and guidelines regularly so as to ensure our safety practices are in line with international standard. To ensure the effectiveness of our OSH policies and their compliance with the latest regulatory requirements, our management team, together with the quality control and OSH department, are responsible for reviewing and revising the OSH policies regularly.



RESPONSIBLE EMPLOYMENT

Safety Operations

Johnson Holdings will determine those operations and activities that are associated with the identified hazards where the implementation of controls is necessary to manage the OSH risks. We ensure that all operations and activities, carried out by our employees, that are associated with the identified OSH hazards are properly controlled, and that appropriate operational control procedures, in terms of safety procedures and safety instructions, are communicated to personnel whose tasks may result in OSH risks. Continual improvement will be achieved by identifying nonconformities, correcting nonconformities, and preventing nonconformities from occurring again. Inspections are carried out on a regular basis and the findings are well recorded for review by the quality control and OSH department and the administrative supervisor. Suggestions for improvement will be made based on the inspection records.

On-boarding and Ongoing Safety Training

Johnson Holdings prioritises OSH issues by formulating an annual safety training plan based on the recommendations from our risk assessment report. We believe that proper training and education are key to ensuring a safe and compliant workplace. All new hires receive thorough briefings on our OSH policies and working guidelines to familiarise themselves with safety procedures, chemical safety, and the proper use of safety gear, machinery, and tools. Our existing employees are required to attend OSH training sessions as well, in order to refresh and update their knowledge on safety protocols. Additionally, we take proactive measures to educate our employees about OSH issues by providing video clips and briefings before each project begins. We also share information on major accidents that occur in our industry and discuss appropriate handling methods to prevent similar incidents from happening. Our goal is to maintain a culture of safety, accountability and to remind employees of safe practices they have learned, so that every employee feels empowered to prioritise their own well-being and the safety of their colleagues.

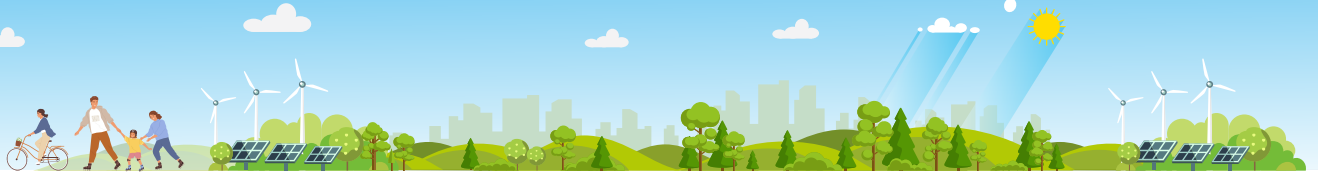
Chemical Safety

As part of our operations, we use chemicals such as detergents, which can pose potential health and safety hazards if not handled properly. To minimise these risks, we have implemented strict guidelines for the storage, usage, and handling of chemicals used in our operations, as well as those carrying out pest control work. A label will be affixed in a conspicuous place on the chemical containers and store in the appropriate place. Excessive storage of chemicals are prohibited and chemical waste will be disposed of separately.

To ensure the safe handling of chemicals and pesticides, we only allow well-trained employees to handle these substances. Employees must equip themselves with all necessary protective gear before handling any chemicals, and we conduct regular inspections of the equipment to ensure that it remains in good condition and that employees can perform their work safely. We also prioritise the proper use and storage of chemicals by prohibiting the unauthorised mixing of chemicals and ensuring that all chemicals used in a well-ventilated space to minimise the risk of exposure. We comply with all relevant laws and regulations on chemicals and pesticides, such as Pesticide Ordinance (Cap. 133) of Hong Kong.

Emergency Preparedness

Our management representative and safety officer will take appropriate action to prevent emergency situations by referring to relevant instructions, and ensuring appropriate and adequate emergency facilities are located and in place in the office and operational sites respectively.



RESPONSIBLE EMPLOYMENT

In the event of injury at work, the injured is required to suspend all works, report to the supervisor, and seek medical advice promptly. We will also report accidents to the Labour Department and arrange medical professionals of rehabilitation company to follow the injury of staff and provide free extra relevant medical treatment(s) for the injured. We conduct safety meetings to discuss work injury incidents and the progress of relevant follow-up arrangements to ensure that effective remedial measures have been taken. For other emergencies, we have established reporting and responding mechanism and guideline for JCSC.

During the Reporting Period, the Group was not aware of any material breach of relevant laws and regulations in Hong Kong pertaining to provision of a safe working environment and protection of employees from occupational hazards, such as Occupational Safety and Health Ordinance (Cap. 509) and Employees' Compensation Ordinance (Cap. 282) of Hong Kong.

Group Employees Health and Safety Data	2022/23	2021/22 ²	2020/21
Number of work-related accidents	316	433	406
Number of work-related fatalities	1	0	0
Number of lost days due to work injury	28,031	35,703	27,123
Number of work-related accidents per HK\$ million revenue	0.14	0.14	0.15

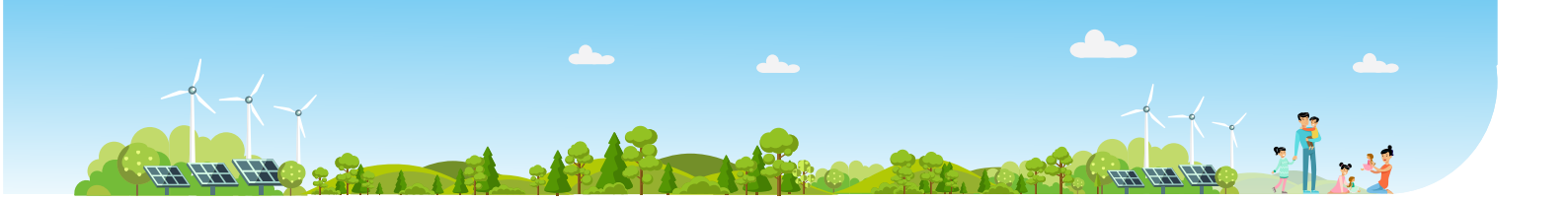
OSH has always been the top priority to the Group. OSH objective was set to reduce the number of work-related accidents per million HK\$ revenue by 5% annually.

OSH Targets — Cleaning Business

JCSCL has set the following targets to promote the employees' awareness on OSH issues in the following year.

OSH Targets	Measures
Provide OSH training for all new employees	✓ On-site Officer(s) or Safety officer(s) to deliver OSH topic(s) in orientation training for all employees
Provide monthly OSH training	✓ Arrange different OSH training topics, including working safety, fire safety and chemical(s) handling
Distribute quarterly OSH newsletter	✓ Distribute through electronic communication means or physical copies

² 2 more cases of work-related accidents were reported to us after the publication of 2021/22 ESG report. The figure of work-related accidents and lost days due to work injury is updated accordingly.



RESPONSIBLE EMPLOYMENT

OSH Targets — Garbage Logistics Business

At the end of each financial year, JECL, a subsidiary engaged in the garbage logistics business, will set and review OSH targets for the coming year to ensure the safety and wellbeing of its employees. In 2022/23, it has decided to continue its commitment to OSH excellence by maintaining the same targets set for the previous year.

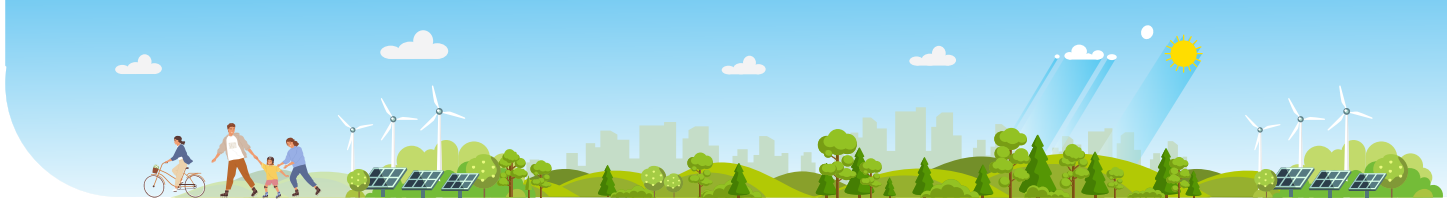
OSH Targets	Measures
Reduce the occurrence of work-related accidents to no more than 3 cases	<ul style="list-style-type: none"> ✓ Strictly adhere to ISO:45001 management system ✓ Monitor and analysis accident statistics to identify common causes of accident ✓ Report and discuss all work-related accidents ✓ Analyse the accident rate to gain insights
No OSH-related charges brought by the Labour Department	<ul style="list-style-type: none"> ✓ Increase the frequency and depth of safety inspection ✓ Review the compliance status of labour legislations and regulations
Provide at least 2 sessions of OSH training to all employees	<ul style="list-style-type: none"> ✓ Arrange different OSH training topics, including ergonomics, fire safety and chemicals handling

We are delighted to report that the garbage logistics business of the Group has successfully achieved all its OSH targets for the Reporting Period. We regret to report that one work-related accident was reported. Nonetheless, we are glad to report that this is within the set target of no more than three cases. We understand the importance of creating a safe and healthy work environment for our employees and are committed to improving our OSH performance in the future. Additionally, all employees of JECL received at least two sessions of OSH training, demonstrating our commitment to creating a safe and healthy work environment for our employees.

As we move forward, JCSC and JECL will continue to review and adjust the annual OSH targets to ensure that we maintain the highest standards of safety and comply with relevant regulations and standards. Furthermore, we plan to extend these targets to cover other operations of the Group, demonstrating our commitment to responsible and sustainable business practices across all our activities.

EMPLOYMENT CONDITIONS

Johnson Holdings recognises that employees are the cornerstone to our success. We strive to creating a positive and inclusive workplace culture that values diversity, fosters growth and development, and provides fair and equitable employment conditions for all. We believe that by prioritising our employee’s well-being and professional development, we could create a more engaged, productive, and satisfied workplace that is better equipped to meet the demands of our business and contribute to our long-term success.



RESPONSIBLE EMPLOYMENT

Recruitment and Dismissal

As part of the recruitment process, we conduct background checks on the identity, education level, experience, skills and other qualifications for all new applicants, as well as the right to work for foreign nationals. Applicants are required to provide their HKID or working visa for verification to ensure that they are eligible to meet the legal requirements of Hong Kong for employment. We also check if the applicants hold valid licenses for driving or operating machineries for specific positions. Based on work allocation, employees are required to sign general labour contracts or government service contracts.

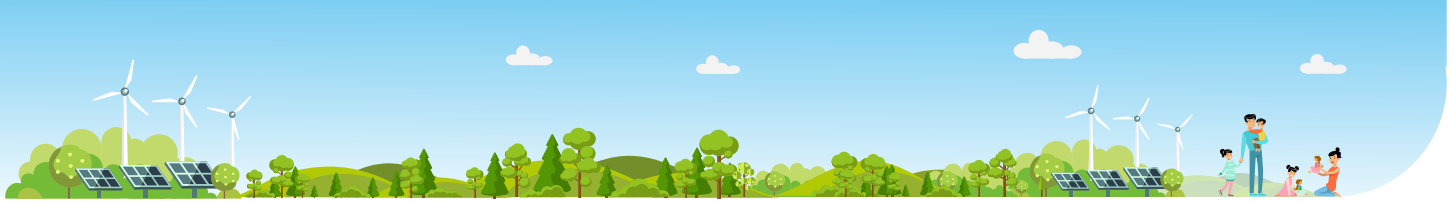
On the commencement date of reporting duty, employees will receive a staff handbook which sets out "Employee Rights and Responsibilities", "Work Injury Instruction", "Code of Conducts" including anti-corruption guidelines for employees. Employees should get familiar with and comply with the rules listed in staff handbook. Employee who fails to observe the rules will be given a verbal/written warning. Termination of employment will be considered after repeated failure to follow the Code of Conducts, or in any case of serious misconduct. All termination will be conducted in compliance with the Employment Ordinance (Cap. 57) of Hong Kong and the terms and conditions as set out in the employment contract.

Work Hours and Rest Periods

Employee under a continuous contract can take 1 rest day for every 7 days of work and rest day cannot be accumulated. Overtime work on rest days must be taken on a voluntary basis and is subject to approval. All staff who works overtime on rest days will be fully compensated accordingly. Apart from the rest days, employees are entitled to leaves such as paid annual leave and statutory holidays. A daily maximum work hour is also set for frontline employees under government service contract. Johnson Holdings' frontline employees work with a 6-day work week and office staff work with a 5-day work week.

Performance Review

To ensure that our employees have a clear understanding of their job expectations and performance standards, we conduct an annual performance evaluation at the end of each year. During this process, department heads will review the performance of their staff and provide feedback on their strengths and areas of improvement. The results of these evaluations are then communicated to the senior management for consideration in decisions related to promotions and salary adjustments. We believe that an objective and transparent evaluation process not only helps to ensure that our employees are recognised and rewarded for their contributions, but also provides them with valuable feedback and opportunities for growth and development.



RESPONSIBLE EMPLOYMENT

Welfare and Benefits

We believe in providing our employees with fair and equitable compensation, benefits, and welfare provisions. All of our employees are eligible for employees' compensation insurance under the Employees' Compensation Ordinance, which helps to ensure that they are protected against work-related injuries or illnesses. Furthermore, after completing six months of employment, our office staff are entitled to medical insurance coverage, which helps to cover the costs of medical treatment. In addition to these benefits, the Group will provide life insurance coverage for our office staff in coming year to help protecting their families in the event of an unexpected tragedy. We also uphold and comply with all relevant laws and regulations (as amended from time to time) related to employee welfare and benefits, ensuring that our employees receive all the benefits to which they are entitled.

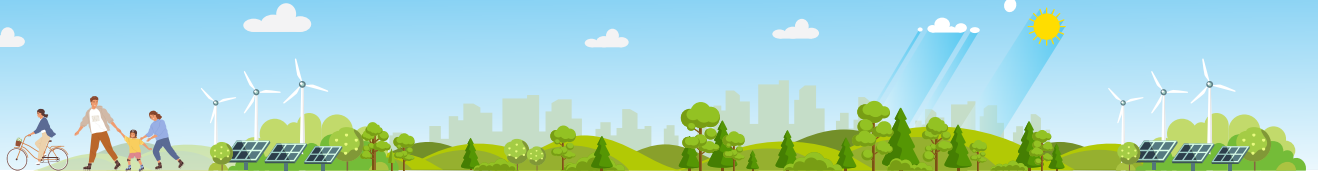
In addition to these standard benefits, we also recognise and reward our employees' hard work and dedication through our annual discretionary bonus programme. Every year, we pay out bonuses to our employees before Lunar New Year, with the bonus amount calculated based on their performance review results. This helps to incentivise high performance and foster a culture of excellence across the Group.

We also believe in supporting our employees during significant life events. For example, our female employees are entitled to a 14-week statutory maternity leave, which helps to ensure that they have adequate time to recover and bond with their new child. Likewise, our male employees are entitled to a 5-day statutory paternity leave, which allows them to take time off to support their partners and new-borns. By prioritising employee welfare and benefits, we aim to create a workplace culture that values and supports our employees' overall well-being and quality of life.

Labour Rights

The Group respects children and labour rights and has taken steps to ensure that our workplace is free from child and forced labour. All job applicants must reach the legal working age. We conduct a comprehensive background check and require all local and foreign job applicants to show their valid identification documents at the recruitment stage to verify their age and their legal eligibility to work in Hong Kong. Employment of young persons must fulfil the statutory requirements of the Employment of Children Regulations and Employment of Young Persons (Industry) Regulations under the Employment Ordinance (Cap. 57) of Hong Kong.

Furthermore, the Group does not allow any coercion nor threat made to the employees. Necessary overtime work will only be carried out upon the consent of the employees and approval of supervisors. Upon discovery of underage or forced labour in our workplaces, we will terminate such employment and take necessary actions promptly. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in Hong Kong relating to child and forced labour.



RESPONSIBLE EMPLOYMENT

Caring for Our Employees

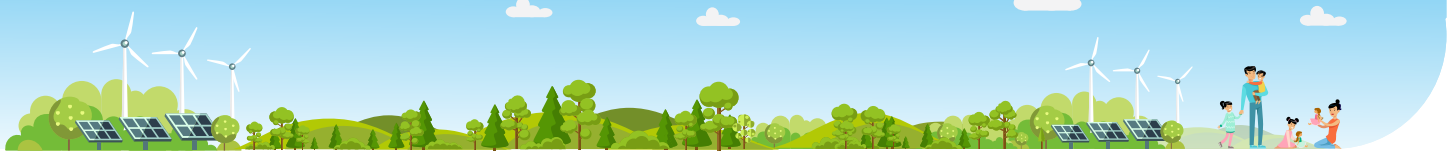
The sense of belonging among colleagues and cooperation among teams that support each other's growth are important aspects of our corporate culture. We strive to foster a close relationship among the Group and promote a work-life balance lifestyle to our employees. In 2022/23, we organized several gatherings for the celebration of Chinese New Year and Christmas. Corporate newsletters were also sent to our employees in a regular basis as an internal communication channel.



Christmas Party



Chinese New Year Gathering



RESPONSIBLE EMPLOYMENT

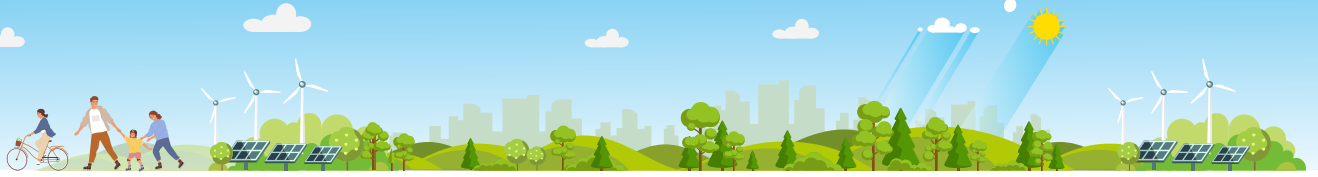
During the Reporting Period, we have provided additional care for our staff in view of the pandemic. We encourage employees to take necessary measures to protect themselves and those around them. A special paid leave was introduced during the Reporting Period to facilitate colleagues in receiving vaccinations. At the same time, we continue to provide COVID-19 rapid antigen test kits to employees when necessary, and to arrange office disinfection work weekly.



EQUAL OPPORTUNITY EMPLOYER

To ensure that we are living up to these values, we have implemented policies and practices that promote diversity and inclusivity across our organisation. This includes actively seeking out and employing suitable applicants from minority and disadvantaged communities, including rehabilitated and ex-mentally ill patients. By creating a workplace culture that values and respects diversity, we believe that we can foster a more engaged, productive, and innovative workforce that is better equipped to meet the needs of our customers and contribute to our overall success.

We are committed to maintaining a diverse, equal, fair and open workplace that welcomes applicants from all backgrounds. As an equal opportunity employer, we strictly comply with all relevant laws and regulations related to equal employment opportunity, including the Anti-discrimination Ordinance formulated by the Equal Opportunities Commission. We believe in treating all employees and job applicants fairly and equally, without any forms of discrimination, harassment, or unequal treatment based on age, ethnicity, disability, gender, marital status, pregnancy, religious background, and/or sexual orientation. To ensure that we are living up to these values, we have implemented policies and practices that promote diversity and inclusivity across the Group. This includes actively seeking out and employing suitable applicants from minority and disadvantaged communities, including rehabilitated and ex-mentally ill patients.



RESPONSIBLE EMPLOYMENT

During the Reporting Period, the Group was not aware of any material breach of relevant laws and regulations in Hong Kong, including among others the Employment Ordinance (Cap. 57) and Minimum Wage Ordinance (Cap. 608) of Hong Kong, that has a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.

Staff Complaint Mechanism

We uphold our commitment to ethical business practices and are dedicated to maintaining the highest standards of integrity and compliance. To this end, we have implemented clear policies and procedures related to our Employee Code of Conducts, Anti-corruption policy. We also encourage our employees to report any nonconformity or violation of these policies.

All reports will be thoroughly investigated by our management team in a timely and confidential manner, and appropriate actions will be taken to address any issues that are identified. We believe that fostering a culture of transparency and accountability is essential to maintaining the trust and confidence of our customers, employees, and other stakeholders.

In addition to our reporting policies, we also provide our employees with an avenue for making complaints or raising concerns directly to senior management. If an employee has a problem or issue that they would like to report, they can do so in writing, and senior management will immediately conduct investigation, take appropriate actions or discuss the concerns with the employee.

TRAINING AND DEVELOPMENT

Johnson Holdings recognises that having a well-rounded training and development plan is integral to the success and long-term growth of our business. We believe in investing resources to fulfil the development needs of our employees and the business needs of the Group. Our commitment to training and development is an essential part of our employment culture, and we strive to offer our employees the support and resources they need to advance in their careers.

Training Programmes

Each year, Johnson Holdings creates an annual training plan to ensure that our employees receive the necessary training and development opportunities to succeed in their roles. Our training programmes for frontline workers and supervisors cover a variety of topics, including OSH, the use of personal protective equipment, safety guidelines for working at height or operating electrical equipment, chemical safety, emergency response, and anti-corruption.

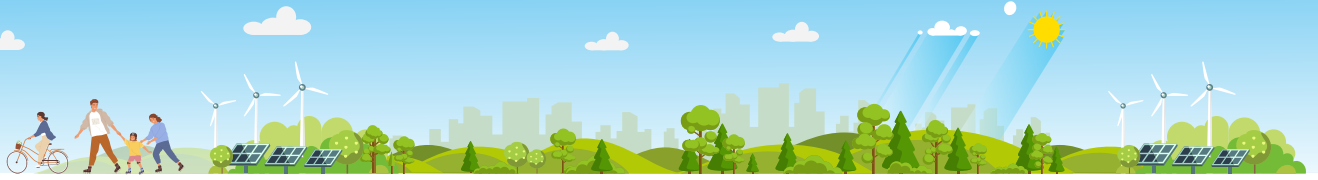
Orientation training for new employees will also be provided within a week from the start of the employment to introduce new joiners to the Group's history, vision, organisation structure, business operations, and OSH.

RESPONSIBLE EMPLOYMENT

During the Reporting Period, we offered a total of 10,875 hours of training with employee training rate reaching 100%. The Group is dedicated to investing more resources to nurture our employees. To this end, we have set the target to increase the average training hours for each employee to 3 hours for the coming year. The data on our training hours are summarised below:

		Employees Trained (%)	Average Training Hours
Total		7,491 (100%)	1.45
By gender	Male	2,787 (37.20%)	1.46
	Female	4,704 (62.80%)	1.45
By employment category	Senior Management	14 (0.19%)	3.21
	Management/Supervisor	19 (0.25%)	2.79
	General Staff	7,458 (99.56%)	1.45





RESPONSIBLE SERVICE PROVISION

Johnson Holdings attaches great importance on responsible operational management throughout our supply chain to ensure that our services are of the highest quality, ethical, and environmental conscious. We understand that this requires a collaborative effort with our suppliers and employees, and we work closely with them to achieve our shared goals. Our commitment to service delivery and service quality responsibility is reflected in our careful selection of suppliers who share our values and standards, as well as our ongoing efforts to ensure that our supply chain is responsible and sustainable. In 2022/23, we have continued to prioritise responsible operational management, and we are committed to maintaining our focus on these values and standards in the future.

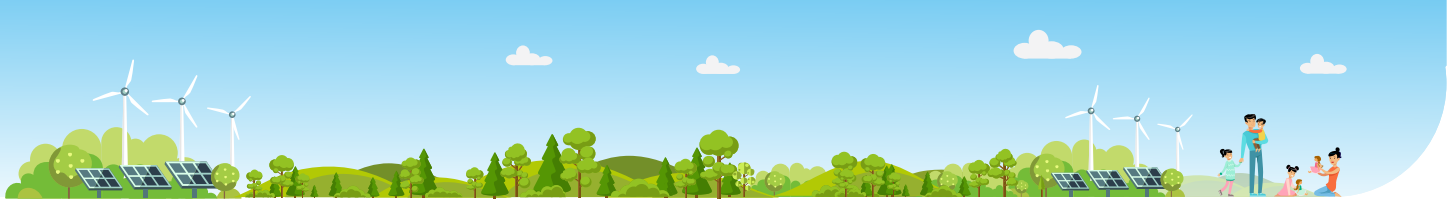
SUPPLY CHAIN MANAGEMENT

As a leading hygiene service provider in Hong Kong, we understand that a well-managed supply chain is crucial to supporting our ability to provide high-quality hygiene services. To this end, we have implemented a procurement management procedure that emphasises the importance of not only supplier reliability and products quality but also taking consideration of environmental and social criteria during the supplier selection process. We believe that engaging with suppliers who share our values and mission to address environmental and social concerns is essential to ensure that our supply chain is responsible and sustainable. By prioritising responsible supply chain management, we aim to not only provide high-quality services to our customers but also contribute to a more sustainable and ethical future for our industry. During the Reporting Period, we collaborated with 74 suppliers which are all from Hong Kong.

Supplier Selection and Evaluation

We have established a Qualified Suppliers List to ensure that we only collaborate with suppliers who meet our high standards of quality, reliability, and sustainability. Potential suppliers will be assessed based on their operational conditions, product qualities, licenses, and prices. For service providers, we also conduct background checks on their past performance in other projects. This preliminary information is then reviewed and approved by our procurement manager or human resources manager before the supplier is added to the Qualified Suppliers List.

To maintain the quality of our supply chain and ensure that our suppliers consistently meet our requirements, we conduct annual evaluations of the suppliers on our Qualified Suppliers List. During the evaluation, we assess whether the products are environmentally friendly and safe to use, as well as considering the quality, after-sales service, punctuality, and price. Suppliers who fail to meet these requirements will be removed from our Qualified Suppliers List. By having a robust supplier selection and evaluation process, we aim to ensure that our supply chain is responsible, sustainable, and able to consistently meet the needs of our customers.



RESPONSIBLE SERVICE PROVISION

Green Procurement

The Group understands the importance of minimising its environmental impact, and we have integrated environmental considerations into our procurement process. To reduce our carbon footprint, we strive to source all of our procurement needs locally. During the Reporting Period, we procured a range of green products for the provision of our services, including biodegradable tissue paper and garbage bags. To ensure that these products are of high quality, safe to use, and environmentally friendly, we select them based on test reports produced by independent and certified laboratories. We also consider the environmental impact of each product, including factors such as biodegradability, recyclability, and energy efficiency. Moving forward, we will continue to seek out opportunities to reduce our environmental impact and promote sustainability in all aspects of our business.

RELIABLE SERVICES

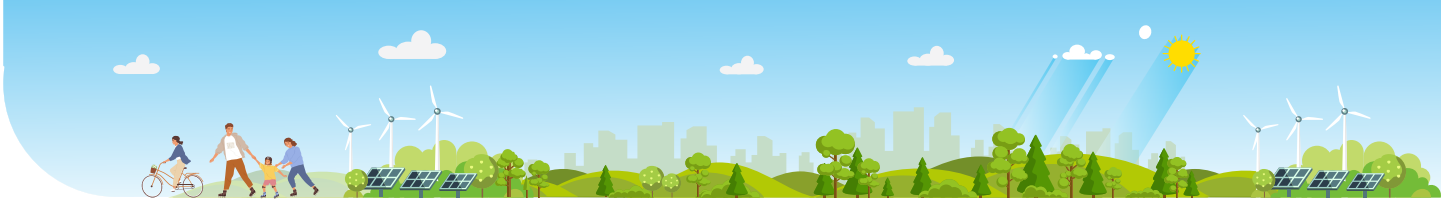
We have been serving the people and organisations of Hong Kong for over four decades, and we understand the importance of building and maintaining customer confidence. We are committed to delivering the highest quality services that meet our customer's expectations throughout the project cycle. We believe that achieving this requires a collaborative effort with our customers, and we work closely with them to ensure that we understand their needs and expectations. During the Reporting Period, we were not aware of any material breach of relevant laws and regulations relating to health and product safety, advertising and labelling in connection to the products and services provided by the Group and method of redress, including among others the Consumer Goods Safety Ordinance (Cap. 456) of Hong Kong.

Quality Services

The Group is committed to providing high-quality services that meet and exceed our customers' expectations. To this end, we have implemented an effective service delivery management system that ensures our services are of the finest quality. We begin by performing a comprehensive analysis upon receiving a tender invitation to assess whether it is within the scope of our capabilities and estimate the resources required. Throughout the project cycle, our project manager takes responsibility for ensuring the quality of our services and the attendance of our personnel on site. We provide the most appropriate cleaning solution based on the customer's needs and the conditions of the site, and we strive to ensure our services are delivered in a timely and efficient manner.

Our commitment to quality is reflected in our ISO 9001:2015 accreditation, which demonstrates our capability in providing services that meet customer expectations, our resilience in offering quality services amid challenges, and our strength in corporate governance. Upon completion of a project, our project manager communicates with the client to ensure the quality of our services is in line with their expectations before the project is signed off.

We issue a Job Completion Note to clients for project sign off, and we encourage clients to provide feedback and suggestions. We take such feedback seriously and use it to continually evaluate and improve our services. By maintaining a strong focus on quality throughout the project cycle, we aim to build long-term relationships with our customers based on trust, reliability, and exceptional service delivery.



RESPONSIBLE SERVICE PROVISION

Complaint-handling

As we provide services to both the private and public sectors, it is important for us to continuously identify further room for improvement in our service provision. Our tender and contract management department is responsible for receiving customers complaints. Written complaints will be logged in a complaint registry and forwarded to operations department for further handling and provide feedback to the clients.

Our tender and contract management department also consolidates and analyses complaints by service types, customer groups, and the nature of the complaints. The analysis findings are reviewed by management, and we use them to implement specific improvement strategies and plans. By taking a proactive approach to identifying and addressing customer concerns, we aim to continuously improve our service provision and exceed our customers' expectations. We believe that this approach is essential to maintaining our position as a leading hygiene service provider in Hong Kong and contributing to a more sustainable and responsible future for our industry.

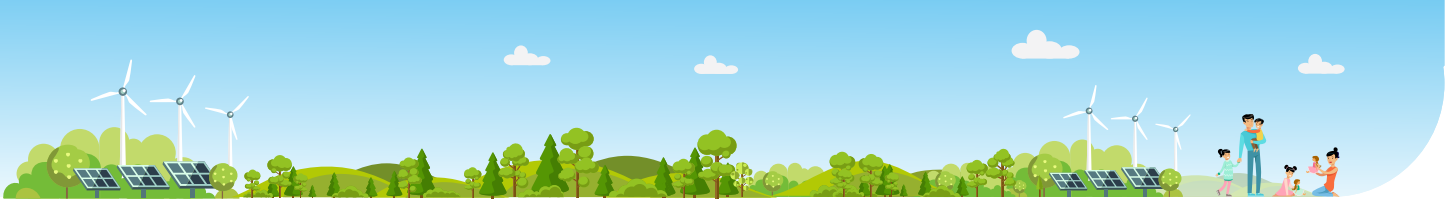
During the Reporting Period, 970 product-and service-related complaints were received.

Data Privacy

We understand the importance of protecting the confidentiality and security of our customers' information. To this end, we comply with personal data privacy principles and relevant laws and regulations throughout the process of collecting, using, and storing customer data. We have developed a thorough Information Technology ("IT") system management policy that covers IT system authorisation, data accessibility, system maintenance, and guidelines for security practices.

All customer data are securely stored in our system and server and can only be retrieved by authorised personnel. We have implemented strict controls to prevent the transfer or disclosure of personal data to third parties. Our IT systems are regularly updated and checked, and the results are recorded in designated paperwork for filing. To ensure the confidentiality of the data we possess, all of our office employees and leaving personnel must sign a non-disclosure agreement with the company. This agreement ensures that the data we possess will not be divulged or disclosed to external parties. We believe that protecting customer information is essential to maintaining our customers' trust and confidence in our services. By implementing these stringent security measures and regularly reviewing our policies and procedures, we aim to provide our customers with the peace of mind that comes with the knowledge that their information is safe and secure in our hands.

Our IT service providers are required to sign a confidentiality agreement to ensure they will not disclose our confidential information. To minimise the risk of data leakage, IT service providers are required to delete all data and information about Johnson Holdings after the service contract ended. Remote access is allowed under the permission of related department head. Once the remote access is completed, IT personnel will change the account and password to prevent unauthorised access.



RESPONSIBLE SERVICE PROVISION

Intellectual Property

Intellectual property (“IP”) is a vital asset that represents the hard work and dedication of our people. As such, we are committed to protecting the IP rights of the Group, including trademarks and patents. We have put in place robust measures to monitor and safeguard our IP against any unauthorised use, and we are prepared to take legal action if necessary to protect our rights. To promote awareness and enhance the knowledge and skills of our employees in protecting IP rights, we conduct training session(s) on IP rights management. We believe that educating our employees on the importance of IP rights is essential to maintaining the integrity of our IP and safeguarding our competitive advantage. By ensuring that our employees understand the value of our IP and are equipped with the necessary knowledge and skills to protect it, we can minimise the risk of IP infringement and maintain our position as a leading hygiene service provider in Hong Kong. We will continue to spare no effort in protecting the IP rights of the Group and upholding our commitment to excellence in all aspects of our business.

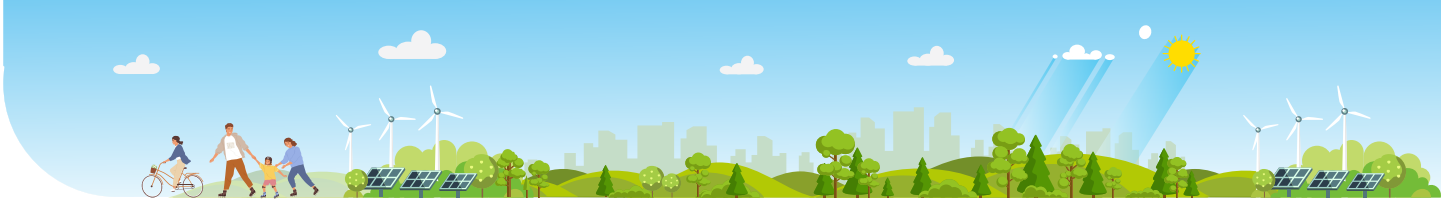
During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to IP regarding our products and services, including the Patent Ordinance (Cap. 514) of Hong Kong.

ETHICAL BUSINESS

We believe that integrity is fundamental to maintaining our long-standing relationships with our customers and business partners. Any form of business misconduct can have a detrimental impact on our reputation, and we are committed to upholding ethical standards at all times throughout the entire operation of the Group. We believe that by maintaining a culture of integrity, we can build and maintain trust with our stakeholders and contribute to a more responsible and sustainable future for our industry. During the Reporting Period, the Group was not aware of any material breach of laws and regulations in Hong Kong, including among others the Prevention of Bribery Ordinance (Cap.201) of Hong Kong, relating to bribery, extortion, fraud and money laundering, nor any concluded legal cases regarding corrupt practices against the Group or its employees.

Anti-corruption

The business conduct and behaviours of our employees are governed by our Company Code of Conduct and the anti-corruption policy. The anti-corruption policy clearly prohibits all forms of bribery and corruption, including among others offering or accepting any financial or other advantages such as entertainment, gifts, job offers and contracts. With reference to the Prevention of Bribery Ordinance (Cap.201) of Hong Kong, a dedicated chapter within the employee handbook has clearly stipulated our rules regarding employees’ conducts, detailing the kinds of actions we deemed unacceptable and should be avoided. Employees at all levels are also required to declare any potential conflict of interests and refrain from exercising the power granted by the Group to make any personal gain. Employees can utilise the staff complaint channel to report any suspected incidents of corruptions, and the relevant departments and management personnel will promptly investigate the matters.



RESPONSIBLE SERVICE PROVISION

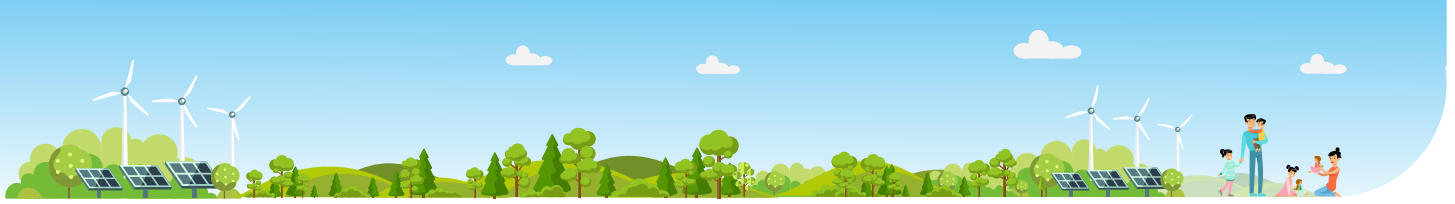
The Group has implemented anti-corruption training initiatives, including online training sessions, sharing real-life corruption cases with employees via internal means, and distributing ICAC leaflets and posters at various premises. These initiatives aim to promote ethical conduct and prevent corrupt behaviour within the Group. During the Reporting Period, the top management received 7 hours of anti-corruption training in total, meanwhile the employees other than top management received 126 hours of training in total.



Whistleblowing Mechanism

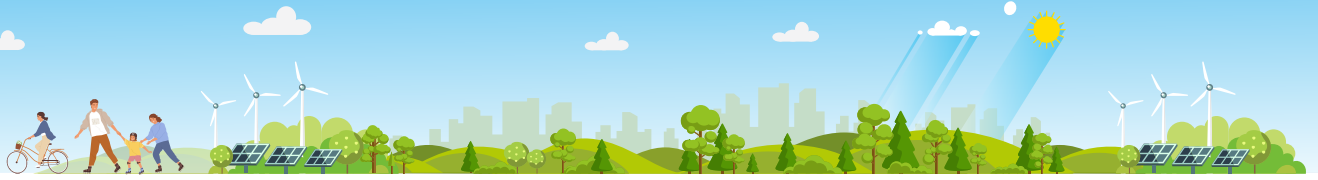
Employees are encouraged to report any misconduct or malpractices in relation to the affairs of the Group. We developed whistleblowing policy to provide the guideline of whistleblowing. We take effort to ensure that the identity of whistle-blower will be treated in confidence. The whistle-blower can, on a confidential basis, send by post the Whistle-blower Report Form to the chairman of the Audit Committee. We ensure that whistle-blower will not suffer from any form of intimidation, reprisal or retaliation as a consequence of reporting a concern our any misconduct.

The Group will report each whistleblowing it receives to the Audit Committee, and decide whether to engage external professionals to investigate and/or refer the whistleblowing to relevant regulatory or law enforcement authorities, depending on seriousness of the case.



COMMUNITY CONTRIBUTION

The Group believes that contributing to the communities where we operate is an important part of our responsibility as a corporate citizen. While we did not participate in any volunteering during the Reporting Period, we still made a total of HK\$15,000 charitable donations towards to The Society of Rehabilitation and Crime Prevention, Hong Kong. As a hygiene service provider, we recognise the importance of maintaining high standards of hygiene and cleanliness in public spaces, and we are proud to play a role in supporting the health and well-being of our communities. We will continue to seek opportunities to contribute to the communities where we operate and make a positive impact in the areas where we can best utilise our expertise.



ECO-CONSCIOUS OPERATIONS

Environmental responsibility is a key value at Johnson Holdings, and we strive to minimise our environmental impact in all aspects of our operations. We are proud to have implemented an environmental management system that is certified to ISO 14001:2015, which provides a framework for identifying and addressing environmental risks and opportunities. It helps us to continually improve our environmental performance, reduce waste, and conserve natural resources. In this section, we will provide an overview of our environmental initiatives and progress, as well as our commitments to sustainable practices for the future.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, generation of waste and use of resources in Hong Kong. The Group was not aware of any issue in sourcing water that is fit for purpose.

We strictly abide by the following laws and regulations:

- Air Pollution Control Ordinance (Cap. 311) of Hong Kong
- Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611) of Hong Kong
- Public Health and Municipal Services Ordinance (Cap. 132) of Hong Kong
- Dangerous Goods Ordinance (Cap. 295) of Hong Kong
- Waste Disposal Ordinance (Cap. 354) of Hong Kong

EMISSIONS MANAGEMENT

As an environmental hygiene service provider, we strive to reducing our environmental impact and minimising our carbon footprint. To achieve this, we have implemented various strategies to reduce our GHG emissions and air emissions. We monitor and report on our GHG emissions annually, and have set ambitious targets to further reduce our emissions across our operations. As our service relies heavily on a large-scale fleet of street cleaning and refuse collection vehicles (“RCVs”), which contribute to a significant portion of mobile fuel combustion and air emissions. The GHG emissions and air emissions arise from mobile fuel combustion contribute to the acceleration of climate change, which poses significant risks to our ecosystem and biodiversity.

In response to this challenge, we have developed a fleet management system that enables centralised management of our extensive fleet. This system tracks the movement of our vehicles, optimises routes, and deploys the vehicles flexibly to minimise mobile fuel combustion and air emissions. By optimising our work schedule and vehicle utilisation, we can minimise the impact of our operations on the environment.

In 2022/23, the Group has optimised the driving route of RCVs. This has resulted in a reduction in mobile fuel consumption, leading to a decrease in air emissions and GHG emissions. By reducing the distance traveled by the vehicles and improving their driving efficiency, we have been able to lower our carbon footprint and contribute to a cleaner environment.

ECO-CONSCIOUS OPERATIONS

In addition to fleet management, we are committed to gradually upgrading our vehicles with higher efficiency and less air polluting Euro VI models. Our drivers are required to operate vehicles responsibly and avoid idling engines as much as possible. We believe that these initiatives will help us reduce the environmental impact of our operations and contribute to a more sustainable future for our communities and the planet.



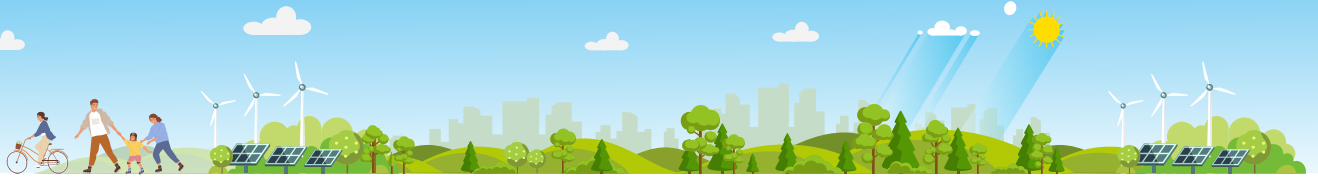
Air Emissions ³	Unit	2022/23	2021/22
Nitrogen oxides (“NO _x ”)	kg	23,742.23	26,382.35
Sulphur oxides (“SO _x ”)	kg	31.98	44.31
Particulate matter (“PM”)	kg	1,872.44	2,172.05
GHG Emissions	Unit	2022/23	2021/22
Scope 1 ⁴	tonnes of carbon dioxide equivalent (“tCO ₂ e”)	5,269.03	7,378.72
Scope 2 ⁵	tCO ₂ e	52.82	67.45
Scope 3 ⁶	tCO ₂ e	0.07	28.98
Total GHG emission	tCO ₂ e	5,321.92	7,475.15
Intensity	tCO ₂ e per HK\$ million revenue	2.33	2.51

³ Air emissions were generated entirely from the consumption of vehicle fuels.

⁴ Scope 1 represents direct GHG emissions generated from the use of unleaded petrol and diesel oil by company vehicles in Hong Kong.

⁵ Scope 2 represents indirect GHG emissions generated from the use of purchased electricity in office in Hong Kong.

⁶ Scope 3 represents other indirect GHG emissions due to electricity used for freshwater processing by the Water Services Department. Methane gas generated in paper disposal is no longer included as most of the paper are recycled during the Reporting Period. The calculation is made reference to GHG Conversion Factors for Company Reporting published by the UK Government and the published emission factors of the “How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs: published by HKEx.



ECO-CONSCIOUS OPERATIONS

CLIMATE CHANGE PREPAREDNESS

Johnson Holdings recognise the importance of taking action to mitigate the impacts of climate change. Climate change poses significant risks to our operations, as well as to the communities and environments in which we operate. As such, we are committed to building resilience and preparedness to climate change impacts into our operations.

During the Reporting Period, the Group generated 5,321.92 tCO₂e, including 5,269.03 tCO₂e of direct emission from mobile fuel consumption, 52.82 tCO₂e of indirect emission from purchased electricity and 0.07 tCO₂e of indirect emission from electricity used for freshwater processing by the Water Services Department. The Group has developed a comprehensive action plan and ambitious GHG reduction targets. We understand that mobile fuel consumption contributes to the majority of our GHG emissions. To this end, we aim to introduce electric vehicles into our service fleet in order to lower our GHG emissions.

Climate-related Risks and Potential Impacts

We understand that climate change has increased the frequency and intensity of extreme weather events. Since the business operations of the Group are primarily conducted outdoor, it is foreseeable that there might be disruptions and delays in the event of extreme weather such as floods, cyclone, and extremely hot weather. Such events may damage our facilities and properties, affect our business operations, as well as endangering the health and safety of our employees.

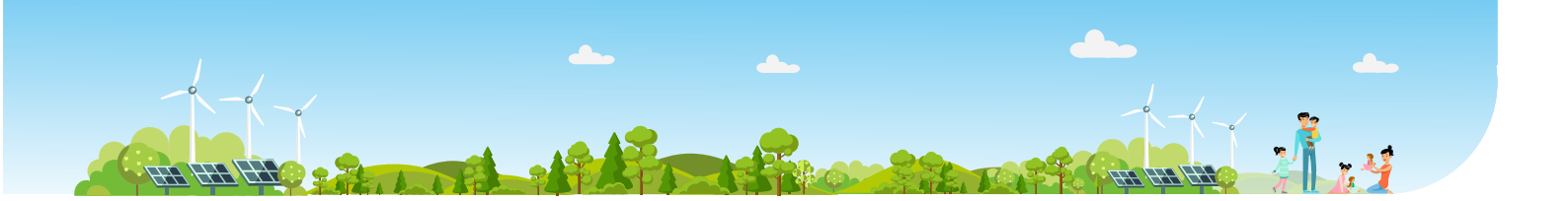
Countermeasures

Therefore, we have coordinated with the essential employees on work arrangement during extreme weather and the safety guidelines on working in the heat. We will closely monitor the regulations and guidelines for extremely hot weather, which keep us abreast of the changing regulatory landscape and take appropriate action(s) or plan(s) to ensure our policies and operations are in compliance with relevant laws and regulations.

RESOURCE CONSERVATION

While vehicle fuel consumption accounts for most of the Group's energy consumption, the Group recognises that there are opportunities to reduce our usage of other resources as well. To this end, we have formulated the Energy and Resource Usage Guidelines that outlines our commitments to sustainable practices, including measures to reduce our consumption of electricity, water, and other materials. We communicate a variety of energy and resource conservation measures to our employees to encourage their participation in our efforts to reduce our environmental impacts. By distributing quarterly newsletter that may include sustainable practices, we aim to raise our employees' awareness on environmental protection and reduce resources consumption.

These measures include turning off lights and equipment when not in use, using energy-efficient lighting and appliances, and optimising our air conditioning system. We also seek to reduce our water consumption by exploring opportunities for water reuse or recycling. In addition, we have implemented measures to reduce our paper usage, such as double-sided printing and using digital documents whenever possible. Through these efforts, we have been able to significantly reduce our energy and resource usage and minimise our environmental impact. We will continue to seek ways to improve our resource conservation efforts and contribute to a more sustainable future.



ECO-CONSCIOUS OPERATIONS

The Group is dedicated to reducing the usage of purchased electricity and aims that the electricity consumption in 2023/24 can be 5% lower than the electricity consumption in 2022/23.

- Adjust the temperature of air conditioners to 25.5°C
- Clean exhaust pipe and dust filter of air conditioners
- Turn off idle lights and electrical appliances
- Select energy efficient light bulbs as far as practicable

- Reuse water for mopping the floor
- Turn off the tap firmly after use to avoid dripping
- Check and fix leaking pipes and tabs regularly

- Save documents in electronic form as far as practicable
- Print on both sides of the paper
- Reuse waste paper for other purposes, such as note taking

- Consume plastic bags and other supplies based on the actual needs
- Reuse and recycle as far as feasible
- Use the tools and appliances properly to prolong their lifespan

ECO-CONSCIOUS OPERATIONS

This year, we are proud to have participated in Earth Hour organised by WWF, a global initiative to raise awareness about climate change and the importance of protecting the planet. During Earth Hour, we turned off all non-essential lights and equipment in our office and encouraged our employees and business partners to do the same. We received a certificate of appreciation from WWF for our commitment to the cause. This recognition reinforces our commitment to sustainability and encourages us to continue to seek opportunities to participate in similar initiatives.



The resource consumption data in 2022/23 are summarised in the table below:

Energy Consumption	Unit	2022/23	2021/22
Direct energy consumption			
Diesel	kWh	19,530,821.15	24,098,113.89
	litres	1,946,593.47	2,401,803.45
Petrol	kWh	396,950.59	573,170.51
	litres	43,591.67	62,943.45
Total direct energy consumption	kWh	19,927,771.74	24,671,284.40
Intensity	kWh per HK\$ million revenue	8,739.48	8,281.65
Indirect energy consumption			
Purchased electricity ⁷	kWh	135,446.00	134,893.18
Total indirect energy consumption	kWh	135,446.00	134,893.18
Intensity	kWh per HK\$ million revenue	59.40	45.28
Total energy consumption	kWh	20,063,217.74	24,806,177.58
Intensity	kWh per HK\$ million revenue	8,798.88	8,326.93
Resource Consumption			
Freshwater ⁸	m ³	167.00	159.00
Intensity	m ³ per office employee	1.69	1.75
Paper	tonne	5.46	6.04
Intensity	tonne per office employee	0.06	0.07

⁷ Only electricity consumed within the office is included, and the figure is obtained by estimation based on the actual usage in relevant months within the Reporting Period and the previous consumption pattern.

⁸ Only water consumed within the office is included.

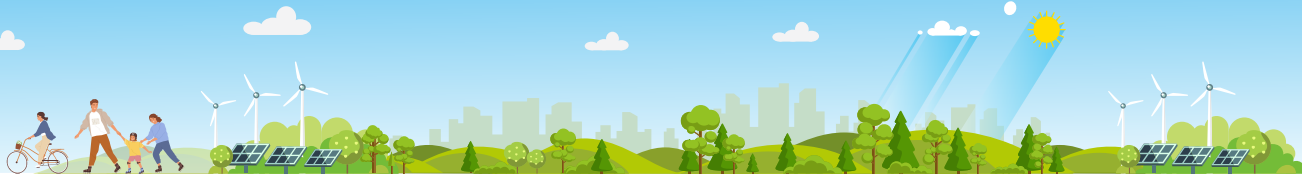
ECO-CONSCIOUS OPERATIONS

WASTE MANAGEMENT

The Group handles a considerable amount of waste every day. To manage the waste effectively, we have established collection points where non-hazardous waste is separated into non-recyclable and recyclable categories and placed in labelled garbage bins. We also take special care to segregate and transfer hazardous waste such as chemical or gas containers to specialised collectors for proper treatment. During the Reporting Period, our waste primarily consists of disposable supplies used in our service locations, including tissue papers and plastic bags provided to both public facilities and private locations. As outlined in our green procurement section, we will select supplier(s) who can provide independent lab testing reporting/certification on their environmentally-friendly products. By using environmentally-friendly products and ensuring proper waste management, we strive to undertaking the environmental and social responsibility and contribute to the communities where we operate.

In 2022/23, we took a significant step forward by setting up a recycling corner at our office, which allows employees to recycle daily office waste, as well as cardboard and aluminium cans. The recyclable non-hazardous waste will then be sent to either a recyclable collection point of Green Community or a recycler/collector.





ECO-CONSCIOUS OPERATIONS

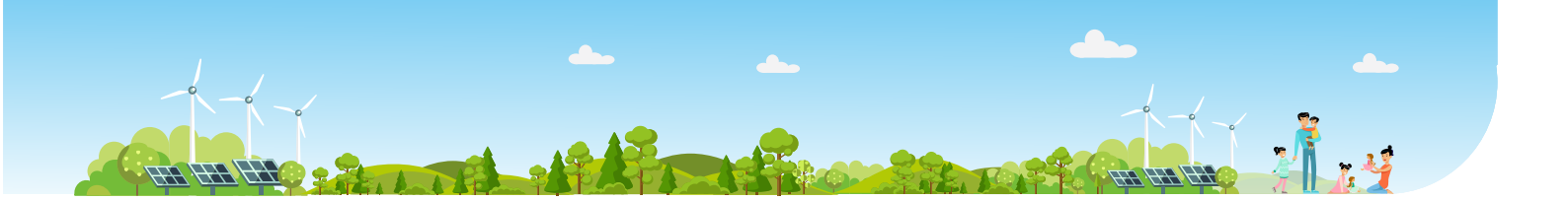
Through this initiative, we have been able to significantly decrease the amount of waste we sent to landfills, and we are continuously looking for ways to improve our recycling efforts. The Group is also exploring opportunities to reduce our waste generation through source reduction and other means, and we will continue to seek ways to minimise our environmental impact in this area.

Non-hazardous waste	Unit	2022/23	2021/22
Tissue paper	tonne	428.40	478.80
Plastic bag	tonne	27.50	28.90
Plastic gloves	tonne	20.40	23.60
Facemask	tonne	9.50	6.90
Wastepaper ⁹	tonne	946.10	–
Waste metal ¹⁰	tonne	10.20	–
Total	tonne	1,442.10 ¹¹	538.19
Intensity	tonne per HK\$ million revenue	0.63	0.18

⁹ Wastepaper is mainly composed by the cardboard and office papers recycled from the recycling corner.

¹⁰ Waste metal is mainly composed by the aluminium cans recycled from the recycling corner.

¹¹ The significant increase of non-hazardous waste was primarily due to the implementation of a new recycling program. The Group set up a recycling corner to encourage employees to recycle more materials, including cardboards and office papers that had been stored for several years. As a result, a large volume of non-hazardous waste was sent to recycling. Such significant increase is a one-off event, the Group will continue to monitor waste generation and disposal to ensure sustainable waste management practices are in place.



ECO-CONSCIOUS OPERATIONS

OUR ENVIRONMENTAL TARGETS

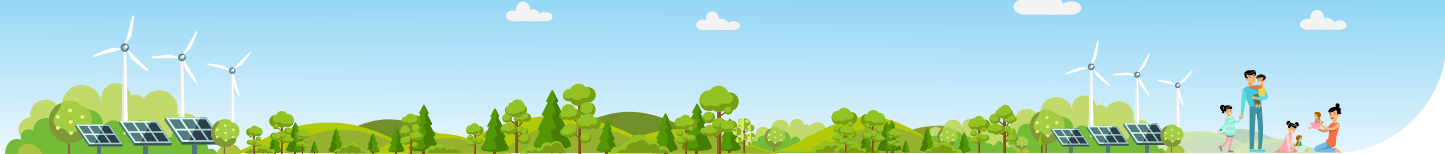
Aspects	Targets ¹²
GHG Emissions	By 31 December 2030 <ul style="list-style-type: none"> Reduce GHG emission intensity by 15%
	By 31 December 2035 <ul style="list-style-type: none"> Reduce GHG emission intensity by 25%
	By 31 December 2050 <ul style="list-style-type: none"> Reduce GHG emission intensity by 50%
Air Emissions	By 31 December 2025 <ul style="list-style-type: none"> Begin introducing electric vehicles into service fleet Conduct feasibility study on establishing an electric refuse RCV fleet
	By 31 December 2030 <ul style="list-style-type: none"> Begin introducing electric RCV into service fleet
	By 31 December 2035 <ul style="list-style-type: none"> Proportion of electric vehicles reaching 25% of the fleet size
Energy Consumption	By 31 December 2050 <ul style="list-style-type: none"> Proportion of electric vehicles reaching 50% of the fleet size
	By 31 December 2025 <ul style="list-style-type: none"> Use 30% of energy-efficient equipment in Johnson office
	By 31 December 2035 <ul style="list-style-type: none"> Proportion of fossil fuel-based vehicles not more than 75% of the fleet size
Waste	By 31 December 2050 <ul style="list-style-type: none"> Proportion of fossil fuel-based vehicles not more than 50% of the fleet size
	By 31 December 2030 <ul style="list-style-type: none"> Recycle 60% of non-hazardous office waste

¹² All reduction targets are set against the 2021/22 base year.



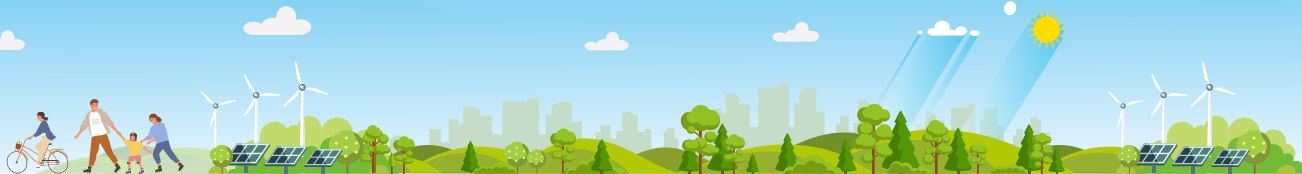
HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
Aspect A: Environment		
A1 Emissions	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Eco-Conscious Operations
KPI A1.1	The types of emissions and respective emissions data.	Eco-Conscious Operations — Emissions Management
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).	Eco-Conscious Operations — Emissions Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No hazardous waste produced in the Reporting Period.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Eco-Conscious Operations — Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Eco-Conscious Operations — Our Environmental Targets and Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Eco-Conscious Operations — Waste Management



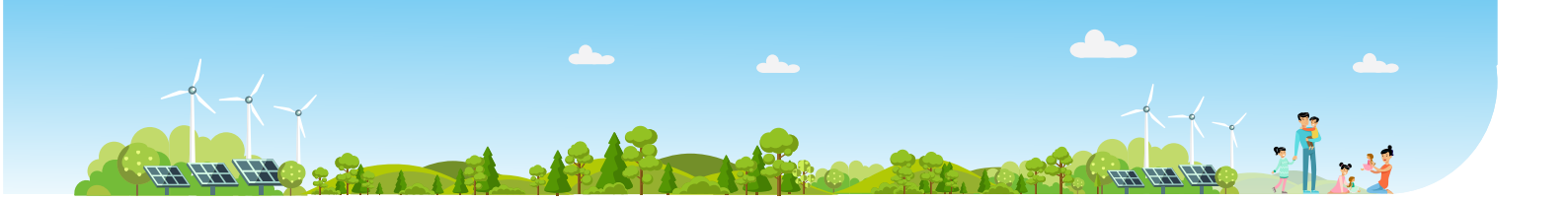
HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
A2 Use of Resources	<p>Policies on efficient use of resources including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Eco-Conscious Operations — Resource Conservation
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).	Eco-Conscious Operations — Resource Conservation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Eco-Conscious Operations — Resource Conservation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Eco-Conscious Operations — Our Environmental Targets
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.	Eco-Conscious Operations — Resource Conservation No target is set as water consumption is immaterial to the Group's operation.
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Not applicable to the Group's business operations.
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Eco-Conscious Operations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Eco-Conscious Operations
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Eco-Conscious Operations — Climate Change Preparedness
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.	Eco-Conscious Operations — Climate Change Preparedness



HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
Aspect B: Social		
B1 Employment	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Responsible Employment — Employment Conditions
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Responsible Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Responsible Employment
B2 Health and Safety	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Responsible Employment — Safe and Healthy Workplace
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Responsible Employment — Safe and Healthy Workplace
KPI B2.2	Lost days due to work injury.	Responsible Employment — Safe and Healthy Workplace
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Responsible Employment — Safe and Healthy Workplace



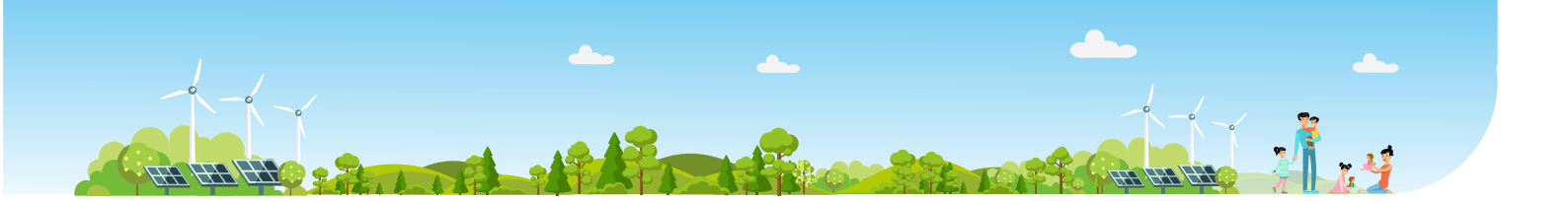
HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B3 Development and Training	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	Responsible Employment — Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Responsible Employment — Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Responsible Employment — Training and Development
B4 Labour Standards	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to preventing child and forced labour.</p>	Responsible Employment — Employment Conditions
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Responsible Employment — Employment Conditions
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Responsible Employment — Employment Conditions



HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	Responsible Service Provision — Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Responsible Service Provision — Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Service Provision — 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.	Responsible Service Provision — 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.	Responsible Service Provision — Supply Chain Management
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Service Provision — Reliable Services
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable to the Group's operations.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Responsible Service Provision — Reliable Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Service Provision — Reliable Services
KPI B6.4	Description of quality assurance process and recall procedures.	Responsible Service Provision — Reliable Services
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Responsible Service Provision — Reliable Services



HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B7 Anti-corruption	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to bribery, extortion, fraud and money laundering.</p>	Responsible Service Provision — Ethical Business
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.	Responsible Service Provision — Ethical Business
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Responsible Service Provision — Ethical Business
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Service Provision — Ethical Business
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 Contribution
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Contribution



Hong Kong Johnson Holdings Co., Ltd.
香港莊臣控股有限公司

