



**CHERISH SUNSHINE INTERNATIONAL LIMITED**  
**承輝國際有限公司**

*(formerly known as China Public Procurement Limited 中國公共採購有限公司)*

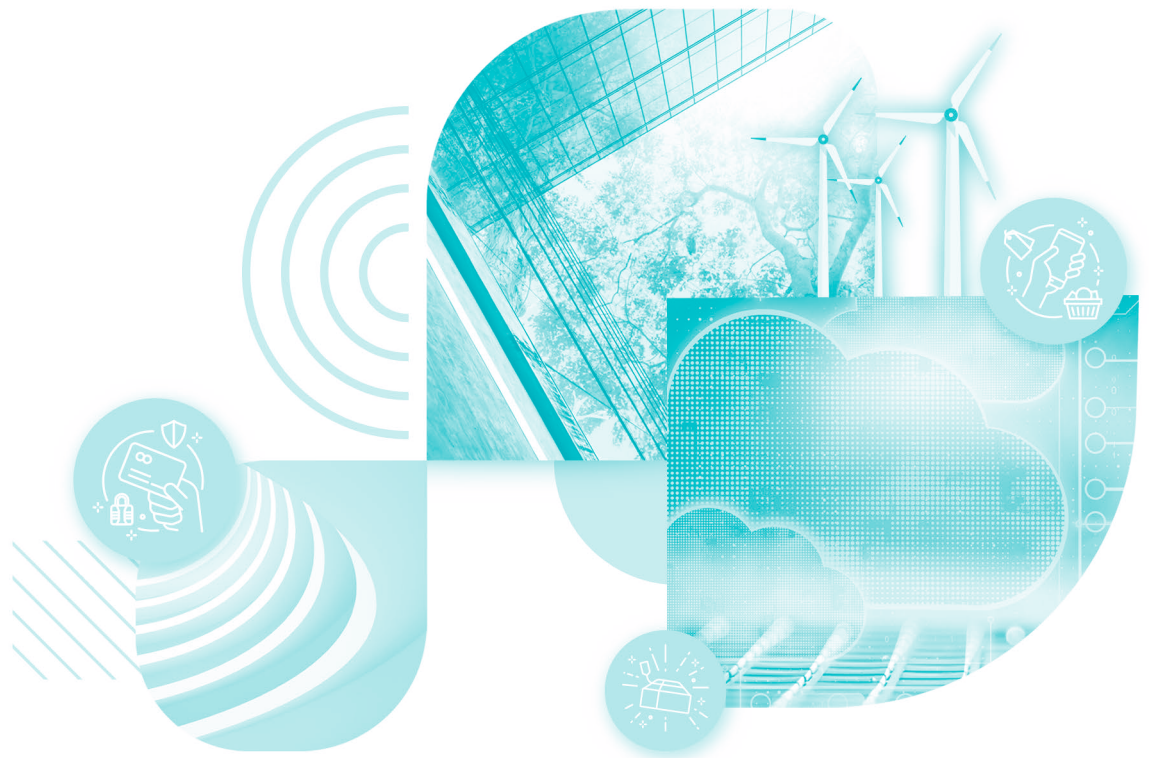
*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1094)**



ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT

**2022/2023**



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# Environmental, Social and Governance Report

## ABOUT CHERISH SUNSHINE

Cherish Sunshine International Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**” or “**we**”) is a leading provider of one-stop integrated procurement service solutions in the People’s Republic of China (the “**PRC**”), providing procurement services, trading, corporate IT solution services, properties leasing and energy management contracting services.

The Group and the products and software we developed have obtained several certifications, including but not limited to:

• Software Certificate (Electronic Procurement Platform in Colleges and Universities V3.0)	• Software Enterprise Certificate
• Software Certificate (Government Procurement Transaction Platform V3.0)	• ISO 9001:2015 Certificate of Quality Management System
• Software Certificate (State-owned Enterprises Purchasing Electronic Platform V3.0)	• GB/T 22080-2016/ISO/IEC 27001:2013 Certificate of Information Security Management System
• Electronic Tendering System Certificate — 3 Star Rating (電子招標投標系統三星認證證書) (National Electronic Procurement Trading System V3.0)	• ISO/IEC 20000-1:2018 Certificate of Information Technology Service Management System
• CMMI DEV V2.0 Maturity Level 3	

To meet the development needs, the Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 2002.

## ABOUT SUSTAINABILITY GOVERNANCE

The Group is committed to incorporating sustainable development concepts into management visions and continuously improving our environmental, social, and governance (“**ESG**”) performance. Over the years, the Group has been constantly promoting the electronic procurement businesses, reducing carbon emissions in the process, and fostering the low-carbon transition of the procurement business. Taking a further step to the visions of “green, low-carbon, energy saving and environmental protection”, the Company has resumed the business of energy management contracting service in 2021 and is actively expanding to new energy business. We fully support green and sustainable development, and plan to actively participate in different green and energy-saving projects in the coming year.

The Group’s sustainability development directions, strategies formulation and reporting are governed by the Board of directors of the Company (the “**Board**”). The Board is responsible for the supervision of the senior management on the collection of relevant information and data for the report preparation. The Board also discusses with the senior management in meetings from time to time to assess and determine ESG-related risks and material issues in light of the Company’s development and operations, and to formulate policies in response to relevant ESG risks. In the meantime, the Board is also responsible for overseeing the management and target setting in relation to sustainability governance of the Group, evaluating the effectiveness of different measures and the progression of achieving relevant targets. The Group has engaged Riskory Consultancy Limited as an independent ESG consultant to assist in the report preparation and provide ESG-related advisory services.



For other information relating to the Group’s corporate governance, please refer to the “Corporate Governance Report” section of the annual report of the Company for the financial year ended 31 March 2023.

### ABOUT THIS REPORT

We are pleased to present this Environmental, Social and Governance Report (the “**Report**”), with the aim to illustrate and present the Group’s sustainability performance, including but not limited to related policies, management strategy and our corporate social responsibility.

#### Reporting Standard

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules of the Main Board of the Stock Exchange, and in full compliance with the mandatory disclosure requirements and the “comply or explain” provisions.

#### Reporting Principle

The Report is prepared according to the following reporting principles:

##### Materiality

- The Group has identified and prioritized material ESG issues through Board discussions and communication with stakeholders, and disclosed the issues in the Report.

##### Quantitative

- The key performance indicators (“**KPIs**”) are calculated in accordance with “Appendix 2: Reporting Guidance on Environmental KPIs” and “Appendix 3: Reporting Guidance on Social KPIs” of “How to Prepare an ESG Report” published by the Stock Exchange and disclosed quantitatively in the Report, where applicable. These KPIs will form the basis of the Group’s future target setting.

##### Consistency

- A consistent statistical approach is adopted in the Report for meaningful comparison of the KPIs over time. In case of any changes in the reporting scope or statistical method, they shall be explained for stakeholders’ reference.



## Reporting Scope and Period

The Report presents the ESG performance of the Group for the period from 1 April 2022 to 31 March 2023 (the “**Reporting Period**”).

The Report covers the Group’s key business segments in the PRC, including information technology, system integration services, development, and operations of internet-based electronic platforms for the procurement of goods and services (“**e-procurement**”), trading and properties leasing, and energy management contracting business services, and the operation of offices in the following regions:

• Hong Kong Special Administration Region (“ <b>Hong Kong</b> ”)	• Beijing
• Shanghai	• Hangzhou City of Zhejiang Province
• Wuhan City of Hubei Province	• Hohhot City of Inner Mongolia Autonomous Region
• Weihai City of Shandong Province	• Xining City of Qinghai Province
• Zhangjiagang City of Jiangsu Province	

### Notes:

1. The office in Shenzhen City of Guangdong Province has been removed from the reporting scope, and three new offices in Zhejiang Province, Inner Mongolia Autonomous Region, and Jiangsu Province are added to the reporting scope.
2. The environmental KPIs disclosed in the Report only include the aforementioned offices in the nine regions.





## Access to the Report

The Report is available in both English and Chinese and has been uploaded to the website of the Stock Exchange and the Company ([www.sunshine1094.com](http://www.sunshine1094.com)). In case of any discrepancies between the two versions, the Chinese version shall prevail.




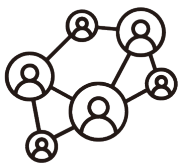
## STAKEHOLDER ENGAGEMENT

Stakeholders are an essential reference for the formulation of ESG development strategies. Accordingly, maintaining communication with them is crucial to the development of the Group. We have established various effective channels for stakeholders to express their suggestions and concerns. Through understanding their opinions and expectations, we can identify risks and opportunities regarding sustainable development.

Key stakeholders	Expectations and concerns	Communication channels
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Service quality</li> <li>• Corporate reputation</li> <li>• Data privacy</li> <li>• Business integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Daily operations</li> <li>• Business visits and meetings</li> <li>• Email and calls</li> </ul>
 <p><b>Suppliers and business partners</b></p>	<ul style="list-style-type: none"> <li>• Corporate reputation</li> <li>• Fairness and ethics</li> <li>• Long-term relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement and tendering process</li> <li>• Business visits and meetings</li> <li>• Email and calls</li> <li>• Exhibitions or conferences</li> </ul>
 <p><b>Shareholders and investors</b></p>	<ul style="list-style-type: none"> <li>• Financial performance and position</li> <li>• Corporate governance</li> <li>• Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Annual and interim reports</li> <li>• Announcements and circulars</li> <li>• General meetings</li> <li>• Company website and emails</li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Remuneration and welfare</li> <li>• Training and development</li> <li>• Equal opportunities and diversity</li> <li>• Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>• Training and seminars</li> <li>• Regular performance reviews</li> <li>• Company notices</li> <li>• Enquiry and complaint mechanism</li> </ul>



## Environmental, Social and Governance Report

Key stakeholders	Expectations and concerns	Communication channels
 <p><b>Regulatory bodies</b></p>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance reporting</li> <li>• Consultation</li> <li>• Meetings</li> </ul>
 <p><b>Community</b></p>	<ul style="list-style-type: none"> <li>• Environmental responsibilities</li> <li>• Community participation</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in charitable activities</li> <li>• Community investment</li> <li>• Company website</li> </ul>

### Stakeholders' Feedback

The Group welcomes stakeholders to provide comments and feedback regarding our ESG issues. Stakeholders can contact us by the Company's email (CSHK@sunshine1094.com).



## MATERIALITY ASSESSMENT

We have identified the following 23 material issues through discussions between the Board and management, as well as taking our peer groups’ materiality assessment and the industry nature into consideration. They will be disclosed in the Report in a focused manner:

Materiality issues	Importance
Occupational health and safety	Most important
Protection of intellectual property rights	
Product quality	
Customer satisfaction	
Supply chain management (including fair and open tendering process)	
Technology development and innovation	
Compliant operation	
Diversity, equal opportunities and anti-discrimination	Important
Training and development	
Prevention of child and forced labour	
Recruitment, promotion and employee welfare	
Anti-corruption system	
Protection of customer’s privacy	
Service responsibility	
Green procurement	
Community investments (including participation in charitable activities, and charity donations)	
Energy efficiency	
Water use management	Relevant
Impact of business activities on the environment	
Mitigation of climate change-related risks	
Waste management	
Exhaust gas and greenhouse gas emissions management	
Use of other resources (including paper)	



## ENVIRONMENT

The Group is fully aware of its responsibility for its impact on the environment arising from the business operations. Although we primarily perform business in office, our operation does not have a significant impact on the environment. Nonetheless, the Group is committed to implementing various emission and waste reduction policies and measures.

We strictly comply with all environment-related laws and regulations in Hong Kong and the PRC, including but not limited to the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, and Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong).

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste that would have a significant impact on the operation of the Group.

### Emissions

#### Air and Greenhouse Gas Emissions

As the Group actively encouraged employees to use public transport when they travel to conferences or perform other duties, so as to reduce exhaust gas and greenhouse gas emissions, we did not utilize company vehicles during the Reporting Period. Therefore, the Group did not generate any exhaust gas or direct emission of greenhouse gas ("GHG"). The indirect GHG emissions are primarily from the electricity consumption in offices. The relevant emission data is as follows:

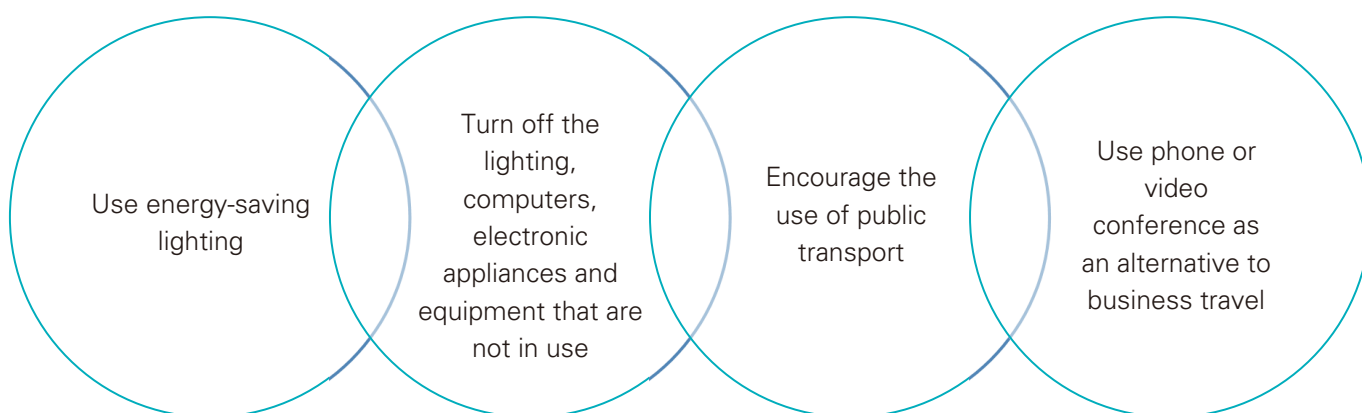
Emission	Unit	2022	2021 <sup>1</sup>
<b>Exhaust gas</b>			
Sulphur oxides (SO <sub>x</sub> )	Kg	0	0.05
Nitrogen oxides (NO <sub>x</sub> )	Kg	0	4.83
Particulate matter (PM)	Kg	0	0.36
<b>Greenhouse gas</b>			
Scope 1 Direct emission (vehicle fuel)	Tonnes CO <sub>2</sub> e	0	9.31
Scope 2 Energy indirect emission (purchased electricity)	Tonnes CO <sub>2</sub> e	70.42	95.82
Total GHG emission	Tonnes CO <sub>2</sub> e	70.42	105.13
Intensity <sup>2</sup>	Tonnes CO <sub>2</sub> e/number of employees	0.36	0.78



**Notes:**

1. Due to the change of financial year, the Reporting Period for 2021 is from 1 January 2021 to 31 March 2022.
2. The intensity unit for the year 2021 has been adjusted to enhance the reference and comparability.

The Group aims to continuously reduce GHG emissions and has implemented various measures to enhance efficient use of energy and manage all levels of business operations in an environmentally friendly manner. In addition, the Group has adopted energy conservation policy to encourage employees in each business unit to conserve electricity, and adopted the following initiatives to enhance employees' environmental protection awareness and reduce GHG emissions:



## Waste

Due to the business nature of the Group, we did not generate significant hazardous waste. During the Reporting Period, waste from office operation is the major non-hazardous waste generated by the Group. The relevant data is as follows:

Waste	Unit	2022	2021 <sup>1</sup>
Total non-hazardous waste	Tonnes	<b>0.69</b>	0.51
Intensity	Kg/number of employees	<b>3.52</b>	3.78

**Note:**

1. Due to the change of financial year, the Reporting Period for the year 2021 is from 1 January 2021 to 31 March 2022.

The Group targets to continuously reduce waste and has implemented different measures to effectively handle and reduce waste. For example, employees are encouraged to put recyclable waste in the office (e.g. waste paper, plastic bottles and aluminium cans, etc.) into recycling bins.



## Environmental, Social and Governance Report

### Use of Resources

Resources consumed by the Group during the Reporting Period were mainly electricity, office paper and water. Considering the Group is not involved in production, we did not consume any packaging material. We are committed to maintaining sustainable operational practices and pay close attention to ensuring that all resources are efficiently utilized.

For energy, our electricity consumption primarily comes from lighting, air conditioning, electronic appliances, and other office equipment.

The Group's energy consumption data during the Reporting Period is as follows:

Energy consumption	Unit	2022	2021 <sup>1</sup>
Direct energy (petrol)	MWh	0	31.87
Indirect energy (purchased electricity)	MWh	121.30	153.79
Total energy consumption	MWh	121.30	185.66
Intensity <sup>2</sup>	MWh/number of employees	0.62	1.38

Notes:

1. Due to the change of financial year, the Reporting Period for the year 2021 is from 1 January 2021 to 31 March 2022.
2. The intensity unit for the year 2021 has been adjusted to enhance the reference and comparability.

To ensure the appropriate use of resources, the Group implemented a series of measures to enhance energy efficiency and reduce waste. We actively encourage employees to take public transportation. In terms of electricity consumption reduction, in addition to actively using energy-saving lighting, the Group also promotes turning off idle air conditioning, lighting and equipment. Moreover, employees are encouraged to reduce paper use by sorting and recycling wastepaper, using double printing, and actively replacing paper by digital technology.

The Group expects to consistently improve the efficiency of resource use and reduce resource consumption in the future.



In terms of water consumption, considering the business nature and geographical locations, our water consumption during the Reporting Period is mainly from the daily water usage of employees in offices. Accordingly, we did not encounter any material issues in sourcing water that is fit for purpose. The water use in some of the Group's offices is managed by the property management companies, and they are unable to provide relevant water consumption data. We will continue to optimize our data collection procedures and disclose relevant data in the future where appropriate. We will monitor our amount of water consumption on a regular basis to improve water efficiency, and encourage employees to conserve water at home and during office hours for the purpose of continuously reducing unnecessary water use.

The Group's water consumption data during the Reporting Period is as follows:

Water Use <sup>1</sup>	Unit	2022	2021 <sup>2</sup>
Water consumption	m <sup>3</sup>	<b>1,476</b>	1,366
Intensity	m <sup>3</sup> /number of employees	<b>7.53</b>	10.12

Notes:

1. The water consumption data for the year 2022 only includes offices in Wuhan City of Hubei Province, Hohhot City of Inner Mongolia Autonomous Region, Xining City of Qinghai Province, and Zhangjiagang City of Jiangsu Province.
2. Due to the change of financial year, the Reporting Period for the year 2021 is from 1 January 2021 to 31 March 2022.

### The Environment and Natural Resources

The Group's main business is the provision of procurement services, trading of general goods, development of software and provision of maintenance services, leasing of the Group's investment properties and provision of energy management contracting services in the PRC, and does not involve the production segment. Although we do not contribute significant pollution or other negative effects on the environment, we still actively fulfill our corporate responsibility and operate with the vision of sustainable development, striving to protect the environment and natural resources.

We have implemented effective measures to minimize the impact of exhaust gas and greenhouse gas emissions, resources consumption and waste management on the environment.

In addition, the Group strongly supports the green and sustainable development of its business and plans to actively participate in different green and energy-saving projects in coming years to contribute to environmental protection. In addition to increasing our input into the engineering, procurement and construction business of new solar and wind power generation, we also prepare to further provide services to new energy projects of large-scale power generation companies, demonstrating our strengths and at the same time contributing to environmental protection.



## Environmental, Social and Governance Report

### Climate Change

The world is facing the challenge of climate change, the impact it brings is urgent and pressing. As a result, the Group has been closely monitoring and actively addressing the potential risks and opportunities that it may bring to us.

Due to the business nature of the Group, the physical and transition risks induced from climate change do not significantly affect the operation of the Group. However, we recognize that extreme weather events caused by climate change, such as typhoons and heavy rainfalls, may affect or disrupt the office operation of the Group. Accordingly, we have established work arrangements under extreme weathers, such as employees are arranged to work from home, in order to reduce the impact on our business.

In addition, the Group has actively implemented various policies and measures, to reduce our GHG emissions and to achieve the goal of energy conservation and emission reduction, as well as to support the national “dual carbon” goal, spare no effort to achieve carbon peak by 2030 and carbon neutrality by 2060, and contribute to mitigating global warming and climate change.

On the other hand, the promotion and development of renewable and green energy have attracted much attention in recent years. Besides, the 20th National Congress of the Communist Party of China (CPC) was held in October 2022. The report of the 20th CPC Congress proposed to actively and steadily promote carbon peak and carbon neutrality with China’s energy and resources endowment and implement the carbon peak action in a planned and controlled manner. Against these supportive measures from the central government, the new energy market such as the wind and solar power generation business will be bound to boom for the foreseeable future. Therefore, the Group will continue to explore both online and off-line procurement services opportunities arising from those renewable energy EPC (Engineering, Procurement, Construction) project businesses in coming years strategically, and provide services to large-scale new energy projects, supporting energy transition, reducing a large amount of greenhouse gas emission, and helping to realize the goals of “carbon peaking” and “carbon neutrality”.

The Company would like to grasp this opportunity in the new energy market and devote more resources to this new business line and actively participate in sustainability-related business, such as carbon credit asset trading, development, and management, to support the Company’s business growth objectives.

## SOCIAL

### Employment

Employees are critical to the development and operations of the Group and they are the cornerstone for us to provide high-quality services. Accordingly, the Group highly values each employee’s development and opinion. We have established policies to ensure equal opportunities for recruitment, training, development, and promotion of employees, and is committed to providing a healthy, joyful, and harmonious working environment, as well as safeguarding the rights and welfare of employees.



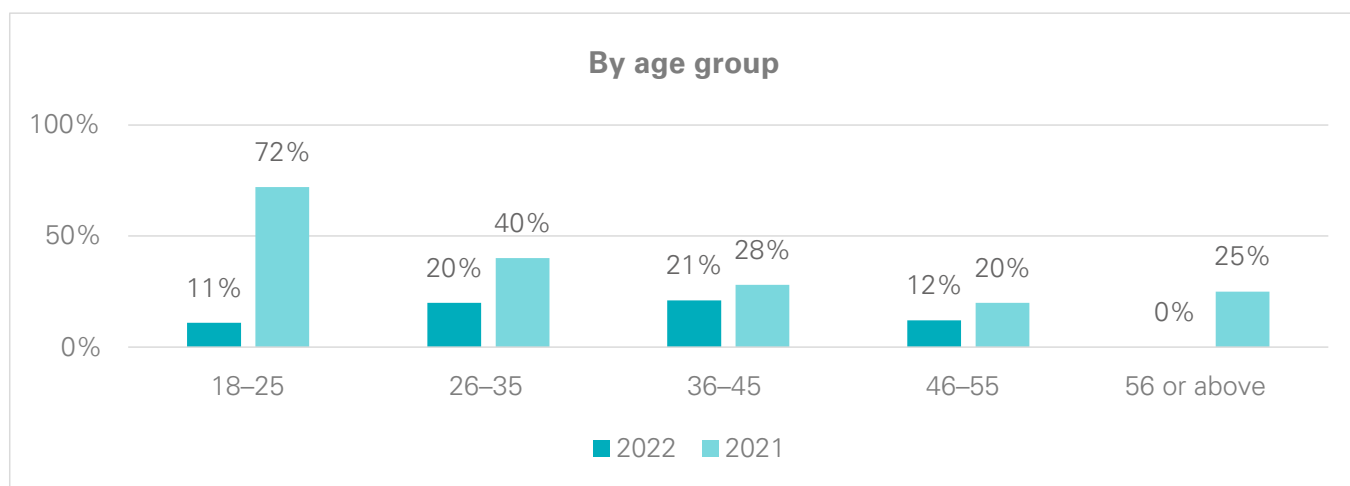
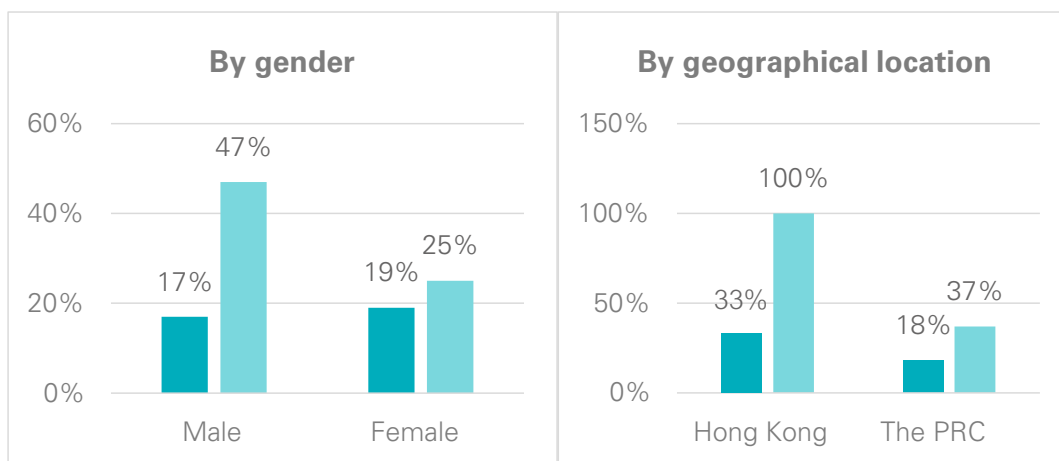
The Human Resources Department strictly adheres to the Group's guidelines on the recruitment process and recruits candidates according to the position requirements and the expectations from candidates. The Group complies with all applicable laws and regulations in Hong Kong and the PRC relating to employment, including but not limited to Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, Employment Promotion Law of the People's Republic of China, Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong) and Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong). Employees' salaries are adjusted according to their work performance, experience and qualifications through the annual performance appraisal policy to recognize and reward their contribution. In addition, the Group also implements employee incentive programs to retain talents and at the same time, encourage employees to enhance their work ability.

As at 31 March 2023, the Group had a total of 196 employees (2022: 135), and the distribution was as follows:

Employee group	Unit	2022	2021
<b>By gender</b>			
Male	Person	133	83
Female	Person	63	52
<b>By geographical location</b>			
Hong Kong	Person	3	3
The PRC	Person	193	132
<b>By age group</b>			
18–25	Person	19	18
26–35	Person	96	62
36–45	Person	58	36
46–55	Person	17	15
56 or above	Person	6	4
<b>By employment type</b>			
Full-time	Person	176	123
Part-time/contract	Person	20	12



During the Reporting Period, the Group's employee turnover data<sup>1</sup> was as follows:



Note:

1. The turnover rate is calculated as (number of employees who left employment during the Reporting Period/total number of employees as at 31 March 2023 x 100%). The percentage may exceed 100%.



### **Employee Welfare**

The Group understands that employee benefits are crucial to talent retention. To maintain the stability of the Group's human resources, we provide competitive remuneration and welfare packages, as well as a variety of additional benefits such as medical insurance, internal and external professional skills or management enhancement training, education subsidy, meal allowance, performance bonus, stock incentive, etc..

The Group adheres to the concept of "people-oriented" in the operation and actively protects the rights and interests of female employees, cares for their physical and mental health, and continuously enhances their sense of happiness, security, and accomplishment. We regularly organize seminars about knowledge of psychological health, and offer gynecological examinations, to provide protection to female employees.

To enhance team cohesion and employees' sense of belonging to the Company, we highly value regular communication with employees. During the Reporting Period, we organized different team-building activities, such as employee development activities and holiday celebrations, such as Mid-Autumn Festival, Lantern Festival, and Women's Day, to facilitate interaction among employees.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that would have a significant impact on the Group.

### **Occupational Health and Safety**

The health and safety of employees are of paramount importance to the operation of the Group. As a result, the Group strictly complies with all laws and regulations in Hong Kong and the PRC relating to occupational health and safety, including but not limited to the Fire Protection Law of the People's Republic of China, Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), and Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong).

In the past three years (including the Reporting Period), the Group did not have any work-related fatalities or work injuries. There were no lost days due to work injury during the Reporting Period.

We actively implemented the following measures to maintain the safety of the working environment, and safeguard employees' health and safety:

- Establish instructions and guidelines on health and safety preventive measures with reference to the occupational health and safety-related regulations in the PRC and Hong Kong region, and deliver to employees; and
- Arrange training on occupational health and safety knowledge, invite firemen to conduct fire safety seminars in relation the use of fire equipment, evacuation skills etc.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety related laws and regulations that would have a significant impact on the Group.





## Employee Development and Training

Employee development and training facilitates the continuous improvement of the Group’s soft power, and employees are able to unlock their potential and have better career prospects. The Group encourages employees to pursue lifelong learning and excellence in their work, as well as provides internal and external training and continuing education subsidies.

Diversified training activities are provided to employees during the Reporting Period, including:



During the Reporting Period, directors participated in continuous professional development by reading the study materials of the Listing Rules, attending training sessions provided by the Company and the external compliance professionals relating to (i) the Model Code under the Listing Rules; and, (ii) transactions related to the Code on Takeovers and Mergers. Furthermore, Directors also attended briefings and trainings offered to general employees on topics such as ESG polices and government polices about carbon neutrality and peak and so on.



During the Reporting Period, the employee training data of the Group is as follows:

Employee group	Unit	2022	2021
<b>Percentage of employees trained<sup>1</sup></b>			
<b>By Gender</b>			
Male	Percentage	<b>82%</b>	51%
Female	Percentage	<b>59%</b>	52%
<b>By employee category</b>			
General staff	Percentage	<b>73%</b>	53%
Management	Percentage	<b>85%</b>	37%
<b>Average training hours per employee</b>			
<b>By Gender</b>			
Male	Hour	<b>10</b>	12
Female	Hour	<b>5</b>	16
<b>By employee category</b>			
General staff	Hour	<b>8</b>	15
Management	Hour	<b>7</b>	7

Note:

1. The percentage of employees trained is calculated as (number of employees in relevant category who have received training during the Reporting Period/total number of employees in relevant category as at 31 March 2023 x 100%).

### Labour Standards

The Group adheres to the relevant laws and regulations in Hong Kong and the PRC, including but not limited to the Labour Law of the People’s Republic of China and the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and strictly prohibits the child labours and forced labours. The Human Resources Department and Administrative Department are appointed to monitor the employee process to ensure that there is no forced labour or child labour. The Human Resources Department will examine candidates’ identification documents during recruitment to confirm that the personal data is authentic. If any child labour or forced labour is found, we will handle the case in accordance with laws and review the loopholes in the recruitment process for further improvement.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to preventing child and forced labour that would have a significant impact on the Group.



### Supply Chain Management

Suppliers are indispensable in business operations. The suppliers of the Group can be divided into five main categories, referring to suppliers of the provision of procurement services, provision of corporate IT solution, trading business, rental business, and energy management contracting business.

For procurement platforms operation, choosing suitable suppliers is the core of the business. To select the right supplier, we focus on the proper management of supply chain and have established the following strategies to facilitate improvements in business procedures and service quality:

- Ensure the product and service procurement is conducted in an honest, competitive and transparent manner;
- Emphasize the selection of product and service suppliers; and
- Establish robust cooperative relationships with suppliers.

During the Reporting Period, we had a total of 97 suppliers, and their geographical distribution was as follows:

Geographical region	Number of suppliers
Hong Kong	20
The PRC	77

All major suppliers have been assessed during the Reporting Period. We evaluate and select suitable suppliers according to the needs of our customers and the terms of trade. During supplier selection, different factors are considered, including product quality, price stability, delivery arrangement, customer service quality, payment terms, and whether they have environmental certification etc. The suppliers' social and environmental performance are assessed and the supplier list is updated regularly. All suppliers have to pass our quality assurance and testing procedures before engagement.

We also actively identify different environmental and social risks in the supply chain, such as whether they have any records of non-compliance or fine, whether they have compliant operational licenses, and whether they have the risk of employing child and forced labours. Suppliers are also encouraged to use more environmentally friendly materials to reduce the adverse impact on the environment.



### **Product Responsibility**

#### ***Quality Assurance***

The Group is committed to upholding a high standard of service quality and providing responsible and decent services to customers. The Group strictly complies with all applicable laws and regulations relating to product responsibility, including but not limited to Anti-Unfair Competition Law of the People's Republic of China, The Bidding Law of the People's Republic of China, Cybersecurity Law of the People's Republic of China, and Government Procurement Law of the People's Republic of China.

We have obtained GB/T 19001-2016/ISO 9001:2015 Certificate of Quality Management System and ISO/IEC 20000-1:2018 Certificate of Information Technology Service Management System to demonstrate our high standards of quality management. We have established and implemented relevant procedures to ensure product and service quality.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to health and safety, advertising and labelling relating to products and services provided and methods of redress that would have a significant impact on the Group.

#### ***Customer Opinion***

The customer service hotline is in place to collect valuable opinions and feedback from customers. If any complaints relating to quality of service are received, we will review and improve the relevant service procedures promptly. During the Reporting Period, we did not receive any complaints about the quality of our services.

#### ***Customer Data Protection and Privacy***

We strictly comply with laws and regulations related to information collection, disclosure, use, retention, and storage, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), to ensure the integrity and confidentiality of the information. The Group's Code of Conduct sets out the requirements for data and privacy protection to ensure that all personal information, trade secrets and patent information of customers, suppliers and business partners accessed or collected by employees are protected. We have also obtained GB/T 22080-2016/ISO/IEC 27001:2013 Certificate of Information Security Management System.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to data and privacy protection that would have a significant impact on the Group.

#### ***Protection of Intellectual Property Rights***

The corporate logo and domain name are important to brand and corporate image. The Group takes zero tolerance towards any actions that infringe the Group's assets and intellectual property. We strictly comply with intellectual property rights related laws and regulations and have registered corporate logos and domain names, as well as taken all reasonable measures to prevent any infringement of our own and third parties' intellectual property rights.

During the Reporting Period, the Group was not aware of any infringement of intellectual property rights that would have a significant impact on the Group.



### Anti-corruption

The Group strongly emphasizes the importance of business ethics and integrity. We strictly comply with all the applicable laws and regulations relating to bribery, extortion, fraud, and money laundering, including but not limited to Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), Criminal Law of the People's Republic of China, and the Anti-Unfair Competition Law of the People's Republic of China. The Code of Conduct of the Group stipulates that all employees (including the Board) must comply with applicable laws, and clearly states that directors and employees shall not provide, solicit, or accept any gifts of material value to/from colleagues, customers, suppliers, or competitors of the Group to ensure that the business is conducted honestly and fairly. To ensure employees understand their obligation to comply with the Group's standards of conduct, each employee is distributed a copy of the Group's Code of Conduct.

The Group has established a whistleblowing mechanism to encourage employees to report suspected corruption, fraud, misconduct, conflicts of interest, malpractice, coercion, or harassment. The audit committee will investigate all suspected fraud cases while keeping the identity of the whistleblower highly confidential. Once such behavior is proven, it may result in disciplinary action, including but not limited to termination of employment. If the identity of the whistleblower is exposed of, any malicious retaliation against them may face disciplinary action.

The Group has organized anti-corruption training during the Reporting Period to enhance the anti-corruption awareness of our employees and directors.

During the Reporting Period, the Group was not aware of any concluded legal cases regarding corrupt practices brought against the Group or our employees, nor any non-compliance with applicable laws and regulations relating to anti-corruption, bribery, extortion, fraud and money laundering that would have a significant impact on the Group.

### Community Investment

As a corporate citizen, giving back to society has always been one of the Group's concerns. We constantly look for opportunities for various types of community engagement to fulfil our corporate social responsibilities. During the Reporting Period, the Group is devoted to anti-fraud promotion work. We conducted anti-fraud promotion on sites, including posting posters in relation to the prevention of illegal fundraising.

In the future, the Group will continue to pay attention to the community's needs with the goal of promoting sustainable development of the community, and actively participate in activities that are beneficial to the community.



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<b>Mandatory Disclosure Requirements</b>			
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG related goals and targets with an explanation of how they relate to the issuer’s businesses.	About Sustainability Governance	2
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles (Materiality, Quantitative, and Consistency) in the preparation of the ESG Report.	About This Report — Reporting Principle	3
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	About This Report — Reporting Scope and Period	4
<b>“Comply or explain” Provisions</b>			
<b>A. Environmental</b>			
<b>A1 Emissions</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment	8
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Air and Greenhouse Gas Emissions	8

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KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Emissions — Air and Greenhouse Gas Emissions	8
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	The Group's business does not generate significant hazardous waste.	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste	9
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions — Air and Greenhouse Gas Emissions	8
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste	9
<b>A2 Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources	10
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Use of Resources	10
KPI A2.2	Water consumption in total and intensity.	Use of Resources	10
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources	10
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources	10
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the consumption of packaging materials.	
<b>A3 The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources	11
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources	11



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<b>A4 Climate Change</b>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	12
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	12
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>B1 Employment</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment	12
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment	12
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	12
<b>B2 Health and Safety</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety	15
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety	15
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety	15
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety	15



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KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	17
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<b>B5 Supply Chain Management</b>			
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KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	18
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	18
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	18



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<b>B6 Product Responsibility</b>			
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KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve the recall of products.	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility — Customer Opinion	19
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Protection of Intellectual Property Rights	19
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Quality Assurance	19
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility — Customer Data Protection and Privacy	19
<b>B7 Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	20
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	20
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	20
KPI 7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	20



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<b>Community</b>			
<b>B8 Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment	20
KPI B8.1	Focus areas of contribution.	Community Investment	20
KPI B8.2	Resources contributed to the focus area.	Community Investment	20