



IWS

**Integrated Waste Solutions
Group Holdings Limited**

綜合環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 923



2023

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

ABOUT IWS

IWS is the leading integrated waste solutions provider in Hong Kong, providing waste management, including waste collection, treatment and recycling services to a wide range of customers in both public and private sectors

OUR MISSION

To become one of the largest integrated waste solutions providers in Greater China and to deliver services and products of the highest quality

OUR VISION

We are committed to making a difference to the environment in Hong Kong, mainland China and the world

FEEDBACK

We value your feedback and suggestions, as they are essential in our efforts to continuously improve our work and performance. You may contact us at:

Address:
Integrated Waste Solutions Building,
8 Chun Cheong Street,
Tseung Kwan O Industrial Estate,
New Territories,
Hong Kong
Email: info@iwsgh.com

CONTENTS

About the Report	2
Creating Positive Environmental Impact	3
FY2023 Environmental Highlights	4
Message from CEO	5
ESG Governance	6
Our Environment	11
Our Operation	22
Our People	26
Appendices	33



ABOUT THE REPORT

Integrated Waste Solutions Group Holdings Limited (referred to as the “Company” or the “Group” or “IWS” along with its subsidiaries) is publishing its seventh annual Environmental, Social and Governance (“ESG”) report. This report provides information about the Group’s management strategy and performance, specifically in relation to environmental and social aspects. It should be read alongside the Annual Report 2023. The Company has complied with the Code Provisions of the Corporate Governance Report outlined in Appendix 14 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Please refer to Pages 33 to 50 of our Annual Report 2023 for the Corporate Governance Report.

Reporting Framework

This report has been created in accordance with the ESG Reporting Guide stated in Appendix 27 of the Listing Rules and takes into account the Company’s operational status. In preparing this report, we have followed the reporting principles of Materiality, Quantitative, Balance and Consistency. Additionally, the Group’s sustainability management approach, where applicable, is consistent with the relevant United Nations Sustainable Development Goals (“UNSDGs”).

Reporting Principles

Materiality	To define material ESG topics, the Group conducted materiality assessment with internal and external stakeholders during the year. In this process, we had taken into account the interests and expectations of different stakeholders.
Quantitative	The report indicates which data have been estimated, and the underlying assumptions and techniques used for the estimation, or where that information can be found.
Balance	The information in this report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis.
Consistency	To allow for meaningful comparisons, the Group uses consistent methodologies in preparing this report. Any significant variation between reporting periods can be identified and explained.

Reporting Boundary

This report includes information about the Company and its subsidiaries, which include IWS Waste Management Company Limited (“IWS WM”), Confidential Materials Destruction Service Limited (“CMDS”), IWS Environmental Technologies Limited (“IWS ET”), IWS Logistics Limited (“Logistics”), IWS Waste Management (Asia) Limited, RGF Environmental New Material Limited (“RGF”), a joint venture project company in which IWS has a 49% stake, and I-Talent Paper Product (HK) Limited (“ITPP”), in which IWS has a 51% stake. The reporting boundary remains unchanged from the previous year. The data and information in this report cover the period from 1 April 2022 to 31 March 2023 (“FY2023”).

CREATING POSITIVE ENVIRONMENTAL IMPACT

As a socially responsible enterprise, IWS has integrated sustainability into its business model and is devoted to delivering advanced and integrated waste solutions through technology. Our core businesses, which are outlined below, have a favourable impact on the environment and contribute to a circular economy. Going forward, we will continue to prioritise creating long-term value for our shareholders.

Our Four Core Businesses



Waste Management

We offer a range of waste management services, including the treatment of waste paper, plastics, and metals, as well as the sale of recovered cardboard paper and office paper from CMDS. Additionally, we are involved in waste plastic recycling. Our joint venture project, RGF, has developed OEM recycling solutions for plastic waste and produces recycled engineering plastic pellets. ITPP specialises in trading and manufacturing various paper products. Furthermore, the Group operates a hazardous waste treatment business in mainland China through our associated company, Dugong IWS HAZ Limited.



CMDS

The CMDS business assists clients in securely destroying confidential materials in a way that safeguards data privacy and addresses information security concerns.



WEEE

The joint venture runs a WEEE Treatment and Recycling Facility for the processing of electrical and electronic waste, such as refrigerators, TVs, computers, washing machines, and air conditioners. This facility converts these items into secondary raw materials while carefully managing the handling of hazardous materials.



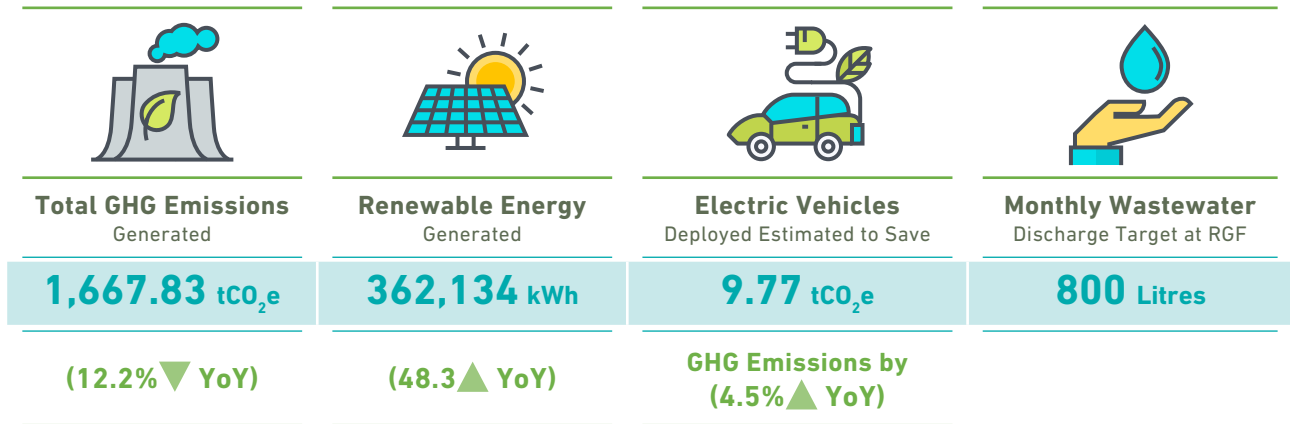
Logistics

The Group's logistics fleet offers waste collection services for our waste management business, CMDS, as well as our WEEE treatment business, covering a wide collection network.

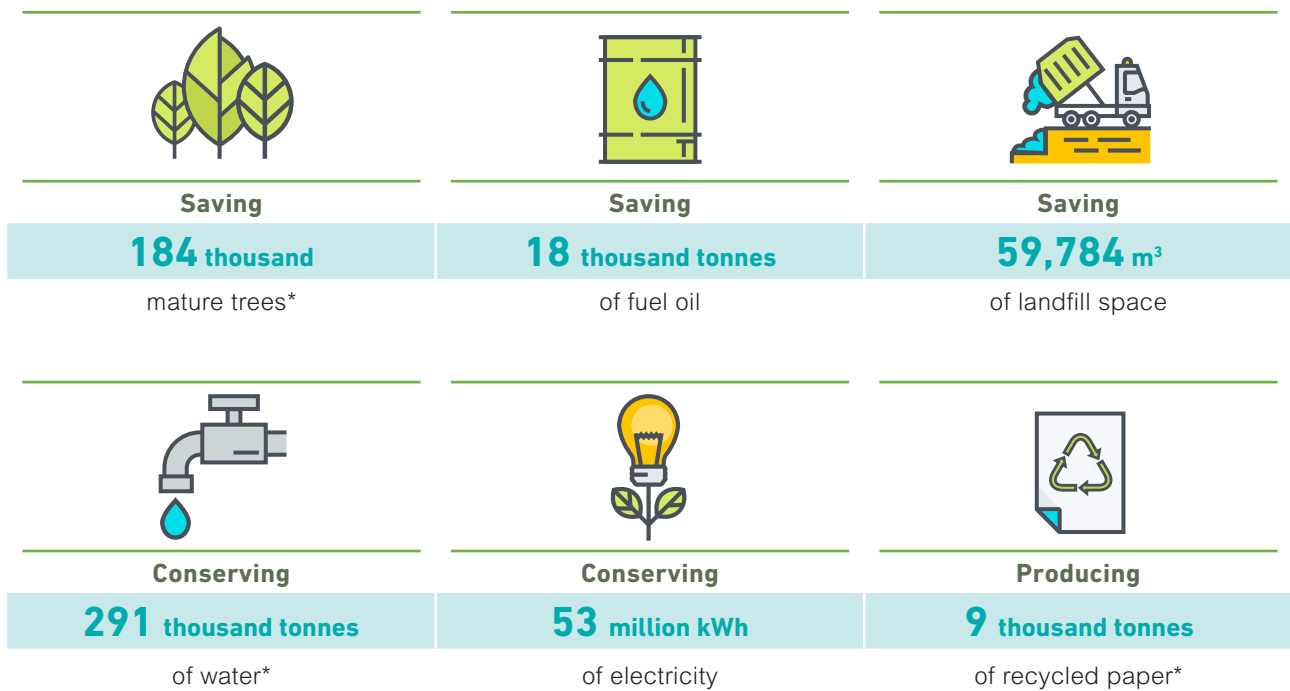
For additional information regarding the Group's business and services, please visit our corporate website.

We also actively participate in local plastic recycling projects to promote plastic waste recycling and processing solutions to local companies. Throughout the year, RGF collaborated with a local social enterprise and a waste electrical and computer processing plant to recycle and treat up to 260 tonnes of plastic waste that was collected locally.

FY2023 ENVIRONMENTAL HIGHLIGHTS



During the year, our IWS WM, CMDS, and RGF businesses recycled a total of 10,814 tonnes of paper and 1,428 tonnes of plastics, which is approximately equivalent to:



* Calculation based on paper recycling performance only.

MESSAGE FROM CEO

Dear Valued Stakeholders,

FY2023 presented a multitude of challenges, with the COVID-19 pandemic and economic slowdown having a significant impact on all fronts. Despite these obstacles, IWS remained committed to sustainability and safeguarding the interests of our stakeholders.

As part of our efforts to make a positive impact on the environment, we took active measures to mitigate the impact of climate change. We continued to increase our renewable energy generation capacities and improve energy efficiency in our operations. Throughout the year, we installed 1,079 solar panels, generating a total of 362,134 kWh of electricity. We also joined the CLP programme to replace our workshop lighting with LED lights to reduce electricity consumption. Our continuous efforts in waste management earned us a Wastewi\$e Certificate - Excellent Level.

Our employees are the backbone of our business. We value their contributions and strive to foster a safe, inclusive, and cohesive workplace. Beyond providing competitive remuneration and benefits, we prioritise the health and safety of our employees. We provide various safety trainings, conduct regular safety audits and reviews, and distribute physical protective equipment to ensure their well-being. Our joint venture RGF was certified as an OSH Star Enterprise and CMDS as an OSH Progressive Enterprise, a testament to our achievements in health and safety.

We are committed to maintaining sustainable operations by optimising our products and services to meet the needs of our customers. In addition, we uphold high standards of corporate governance by protecting customer data privacy and security and arranging anti-corruption trainings for directors and employees.

Thanks to the efforts and support of our employees, customers, business partners, NGOs, and the government, IWS has taken a significant step forward in our vision of becoming one of the leading integrated waste solutions providers. On behalf of the Board, I express my sincere gratitude to all stakeholders for their strong support during the year.

By Order of the Board

Lam King Sang

Chief Executive Officer

Hong Kong, 29 June 2023

ESG GOVERNANCE

ESG has become an inextricable part of our business. Strong and effective ESG governance is of vital importance in pursuing business excellence.

Board Statement

The Board of Directors of the Group holds the ultimate responsibility for all ESG matters. It oversees the development and implementation of ESG-related strategies and policies, monitors and manages ESG-related risks (including climate risks), identifies and prioritises material ESG topics, and reviews progress against ESG-related targets.

In FY2022, IWS formed an ESG Working Group to enhance its ESG governance. The ESG Working Group is made up of senior management and heads of different operating units/departments, and it provides guidance, advice, and support for formulating ESG-related policies, measures and targets, implementing ESG initiatives, and advising the Board on ESG matters. In FY2023, the ESG Working Group convened a meeting to review the annual ESG performance and reported directly to the Board.

Board Engagement in FY2023

- Reviewed and approved the ESG report of FY2022;
- Endorsed the reporting boundary for FY2023;
- Reviewed and received the progress report against ESG-related targets from the ESG Working Group;
- Reviewed and discussed the Group's ESG targets for FY2023 and onwards;
- Approved the ESG targets and action plan proposed by the ESG Working Group;
- Reviewed and monitored the Group's ESG-related risks.

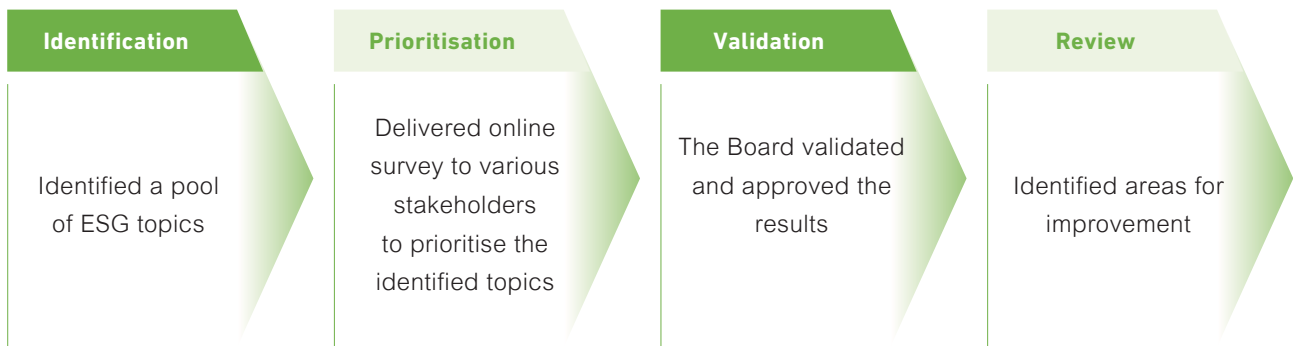
The Board has reviewed and approved this report. To the best of its knowledge, this report accurately addresses the identified material issues and presents the ESG management approach and performance of the Group.

IWS's Materiality

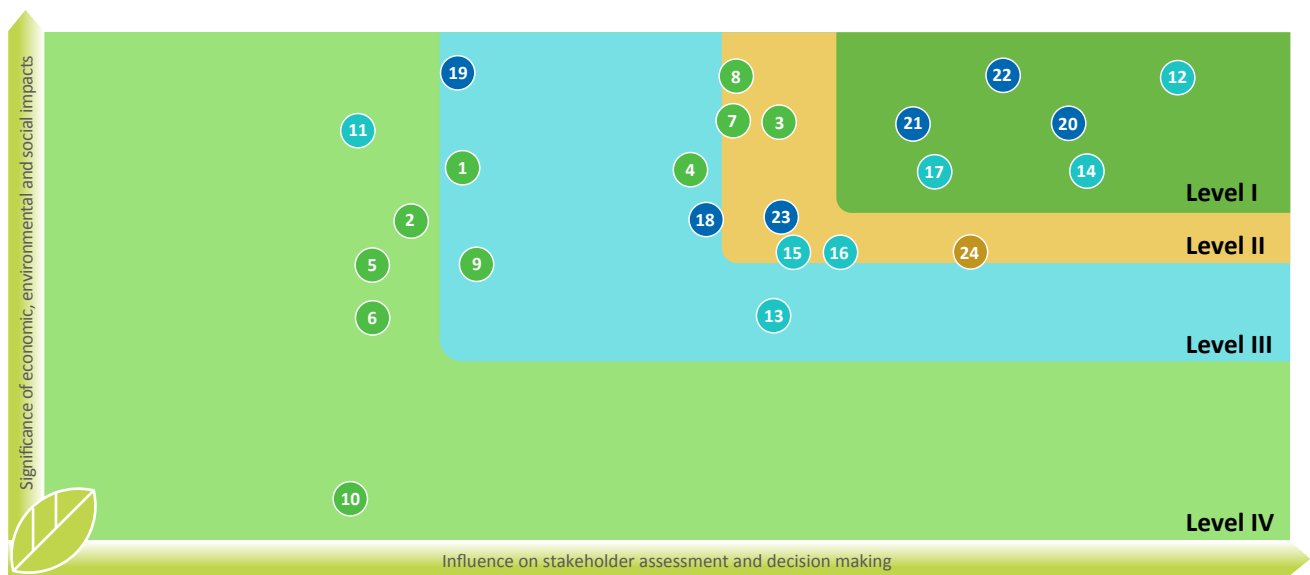
The opinions of stakeholders are essential to the sustainability development and strategy of the Group. These opinions allow us to assess and prioritise actual and potential risks and opportunities across all areas of our business operations. Therefore, we regularly engage with our stakeholders to understand their needs and concerns through various engagement platforms and channels, which are listed below.

Stakeholders	Engagement Approach	Key Areas Concerned
Employees	<ul style="list-style-type: none"> • Regular meetings • Notice board • Grievance system • Employees activities 	<ul style="list-style-type: none"> • Welfare and benefits • Training and development • Occupational health and safety • Explicit upward path
Customers	<ul style="list-style-type: none"> • Regular meetings • Customer satisfaction survey • Complaint handling mechanism 	<ul style="list-style-type: none"> • Product quality • After-sale service • Effective communication • Customer privacy protection
Suppliers and Subcontractors	<ul style="list-style-type: none"> • Regular meetings • Regular assessments 	<ul style="list-style-type: none"> • Supply chain management
Government	<ul style="list-style-type: none"> • Meetings 	<ul style="list-style-type: none"> • Laws and regulation compliance • Developments in environmental policies
Community	<ul style="list-style-type: none"> • Engagement with NGOs • Public enquiries 	<ul style="list-style-type: none"> • Environmental benefits derived from business • Waste management
Shareholders and Investors	<ul style="list-style-type: none"> • Annual and interim reports • ESG reports • Press releases • Annual meeting • Company website 	<ul style="list-style-type: none"> • Financial performance • ESG performance • Corporate governance • Business development update

To better identify topics that have a significant impact on the environment, society, and the economy, we conducted a materiality assessment during the year. This assessment was carried out by an independent third-party using a four-step approach, which included identification, prioritisation, validation, and review. We invited internal and external stakeholders of the Group, including management of the Group, employees, suppliers/contractors, investors, customers, and NGOs, to share their opinions towards different ESG topics.







The results of the materiality assessment are presented in the materiality matrix below. Topics located in Level I have been identified as material issues for the Group. The ESG Working Group reviewed and confirmed these material topics during the year.





Level I (Material Topics)	Level II	Level III	Level IV
<ul style="list-style-type: none"> 12 Occupational Health and Safety 14 Employee Communication 17 Employee Benefit and Welfare 20 Customer Privacy Protection 21 Customer Satisfaction 22 Anti-corruption 	<ul style="list-style-type: none"> 3 Waste Management 7 Environmental Benefit Derived from Corporate Business 8 Environmental Compliance 15 Precautionary Measures of Child/Forced Labour 16 Diversity and Equal Opportunity 23 Green Procurement 24 Community Involvement 	<ul style="list-style-type: none"> 1 Air Emissions 4 Energy Management 9 Use of Clean Energy 13 Employee Training and Promotion 18 Supply Chain Management 19 Quality of Products and Services 	<ul style="list-style-type: none"> 2 Greenhouse Gas Emissions and Climate Change 5 Water Management 6 Use of Packaging Materials 10 Biodiversity and Land Use 11 Talent Management
<ul style="list-style-type: none"> Environmental Topics 	<ul style="list-style-type: none"> Employee Topics 	<ul style="list-style-type: none"> Operation Topics 	<ul style="list-style-type: none"> Community Topics

Aligning with Sustainable Development Goals

As a socially responsible corporate citizen, the Group is dedicated to taking further steps towards sustainable development by utilising our expertise. Throughout the year, we made efforts to support the UNSDGs. The table below outlines the actions we took in FY2023, aligned with some of the UNSDGs.

Sections	UNSDGs	Specific Targets	Actions Taken in FY2023
Our Environment	 <p>6 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> Target 6.3 – Improve water quality by reducing pollution Target 6.4 – Improve water usage efficiency 	<ul style="list-style-type: none"> Established internal wastewater treatment facility to remove suspended particles Applied additional measures to reduce wastewater Installed a closed-loop water circulation system for reusing cooling water Installed water-saving faucets
	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> Target 7.2 – Increase the share of renewable energy Target 7.3 – Improve global energy efficiency 	<ul style="list-style-type: none"> Participated in CLP Peak Demand Management initiative to reduce energy usage in peak demand hours Joined the Change of Light Bulbs CLP programme to save energy Completed the installation of 430 solar panels, with 362,134 kWh of renewable energy generated and sold to CLP Replaced conventional petrol cars with electric vehicles and the majority of commercial vehicles are Euro V vehicles
	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> Target 12.4 – Achieve environmentally sound management of chemicals and all wastes Target 12.5 – Reduce waste generation 	<ul style="list-style-type: none"> Established guidelines to handle hazardous waste Completed an environmental inspection checklist each month Obtained Hong Kong Green Organisation Certification: Wastewi\$e Certificate - Excellent Level Set the waste reduction target to reduce our hazardous and general waste intensity by 5% in FY2027
	 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> Target 13.1 – Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters Target 13.3 – Improve the ability to raise awareness on need for climate change mitigation, adaptation and impact reduction 	<ul style="list-style-type: none"> Established Climate Change Policy to mitigate and manage climate risks and opportunities Aligned with TCFD framework and identified physical and transition risks along the value chain Conducted impact analysis and scenario analysis Implemented various measures to mitigate the impact of climate change through a range of projects and activities

Sections	UNSDGs	Specific Targets	Actions Taken in FY2023
<p>Our Operation</p>		<ul style="list-style-type: none"> ■ Target 16.5 – Reduce corruption and bribery 	<ul style="list-style-type: none"> ■ Established clear policies for anti-corruption and protecting whistle-blowers in the Employee Handbook ■ Conducted regular audits and assessments to ensure normal operation ■ Arranged anti-corruption training for directors and employees to raise awareness
<p>Our People</p>		<ul style="list-style-type: none"> ■ Target 8.7 – Eradicate forced labour and eliminate child labour ■ Target 8.8 – Protect labour rights and promote safe and secure working environments 	<ul style="list-style-type: none"> ■ Strictly background checking procedures have been taken during the recruitment processes ■ Updated Occupational Safety and Health Policy ■ Provided clear guidelines on procuring, using, storing, and safely disposing of hazardous chemicals ■ RGF was certificated as an OSH Star Enterprise ■ CMDS was certificated as OSH Progressive Enterprise ■ Provided training to our frontline employees including heat stress risk assessment related training

OUR ENVIRONMENT

IWS is dedicated to delivering its services and conducting its business in an environmentally-friendly manner that helps protect the planet, and we take urgent actions where possible to address climate change. By doing so, we also assist our customers in reducing their environmental impact.

Environmental Management

The Group acknowledges that its operations have an impact on the environment. With ISO 14001:2015 certificated Environmental Management System, we strive to effectively manage and monitor our environmental performance and reduce the adverse impacts. To continuously optimise resource usage, promote sustainable practices and ensure legal operation, the Group has formulated a series of internal policies, including but not limited to Waste Management, Noise Pollution Control, Hazardous Chemicals Handling Guidelines, Paper Waste Recycling Guidelines, Office Green Procurement, Office Environmental Management Code, Resource Conservation, and Workplace and Terminal Environmental Management Code.

We strictly adhere to applicable laws, regulations, and local policies to strive for green development, and incorporate sustainable practices into our daily operations, supporting Hong Kong's plan to achieve carbon neutrality by 2050 and mainland China's plan to achieve carbon neutrality by 2060.

During the year, we were not aware of any violation of laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Responding to Climate Change

Climate change is a critical global challenge with significant devastating impacts on the economy, society, and the environment. Tackling the climate crisis requires full cooperation from all sectors and stakeholder engagement. Faced with the threat of increasingly severe climate-related topics, we made the Climate Change Policy based on the physical and transition risks and opportunities we have identified. Since FY2022, we have started to disclose climate-related risks and opportunities by adopting the recommendations from the Task Force on Climate-Related Financial Disclosure ("TCFD"). This year, we have taken a step forward to strengthen our disclosure framework on climate change, covering 4 core areas, namely "governance", "strategy", "risk management" and "metrics and targets".

Governance

The Board is responsible for overseeing all sustainability issues, including climate-related risks and opportunities. The ESG Working Group supports the Board in monitoring climate-related issues and reports to the Board on a regular basis. The Group developed a Climate Change Policy during the year, proposed by the ESG Working Group and approved by the Board. This policy aims to assist the Group in identifying and managing climate change risks, developing strategies that align with regulatory requirements, and mitigating the impact of climate change on the Group's business.

Strategy

To comprehend the impact of climate change on our business, IWS has assessed and identified physical and transition risks throughout the value chain, including the supply chain, business operations, employees, and investors, which are presented below.

Risk Type	Impact Aspect	Risk Description	Impact Analysis
Physical Risks			
Acute risks - Frequent extreme weather	Supply Chain	<ul style="list-style-type: none"> Impact on collection, transportation and supply of recovered paper and other recycled materials Influence the speed of recycling and material handling 	<ul style="list-style-type: none"> Decrease in revenue: Slowdown in recycling and sales services
	Business Operations	<ul style="list-style-type: none"> Asset depreciation and expenses increased due to the destruction of recycling facilities Impact on the normal operation of some businesses such as logistics services and CMDS Impact on sales of recovered paper and materials 	<ul style="list-style-type: none"> Decrease in revenue: Unable to provide services Increase in expenditure: Additional expenditure for maintaining recycling and material handling facilities and restoring normal operation of logistics services
	Employees	<ul style="list-style-type: none"> Typhoon, extreme heavy rain and storm surges have led to increased work safety risks for employees, reduced effective working hours for employees and affected productivity 	<ul style="list-style-type: none"> Increase in cost of safety equipment and training, increase in cost of handling work injuries and accidents
	Investors	<ul style="list-style-type: none"> Damage recycling facilities, causing significant losses to the Company and affecting the share price of the Company 	<ul style="list-style-type: none"> Decrease in share price of the Company and increase in financing costs
Chronic risks (Rising sea level, changes in rainfall, continuous high temperature)	Business Operations	<ul style="list-style-type: none"> Wind storms and rising sea level damage coastal recycling treatment facilities that are vulnerable to water infiltration; Typhoon and extreme rains cause damage to logistics vehicles and affect the normal operations of the fleet 	<ul style="list-style-type: none"> Increase in costs: Vehicle and facility maintenance Decrease in revenue: Business operations affected
	Employees	<ul style="list-style-type: none"> The average temperature continues to rise, the health risks of employees have increased, the effective working hours of employees have decreased, and productivity gets affected 	<ul style="list-style-type: none"> Increase in costs: Increase in health and safety equipment and training costs due to high temperature, increase in costs of handling accidents Decrease in revenue: Affected staff working hours and productivity, leading to a slowdown in recycling, transportation, material handling and sales services

Risk Type	Impact Aspect	Risk Description	Impact Analysis
Transition Risks			
Technology risks	Business Operations	<ul style="list-style-type: none"> • Incorporate green building or energy-saving equipment into facilities • Logistics service fleet switching to electric vehicles 	<ul style="list-style-type: none"> • Increase in costs: Increase in investment in green building technology • Increase in costs: Purchase of new vehicles
		<ul style="list-style-type: none"> • The wide application of new energy-saving facilities drives the procurement of new facilities and replacement of old equipment • Low carbon transformation, purchase of renewable energy and equipment 	<ul style="list-style-type: none"> • Increase in costs: Purchase or research and development of new facilities • Decrease in assets: Decommissioning of original equipment
Market risks	Business Operations	<ul style="list-style-type: none"> • Consumers and governments are promoting recycling, which requires increased capacity of facilities 	<ul style="list-style-type: none"> • Increase in costs: Increase investment to upgrade capacity of facilities
		<ul style="list-style-type: none"> • Accelerating global energy transformation to replace fossil fuels has led to a plunge in oil prices and affected product demand • Changes in local governments' policies on recycling industry or import and export of waste lead to continuous fluctuations in prices of recycled materials and reduction in waste recycling 	<ul style="list-style-type: none"> • Decrease in revenue: Decrease in price, recycling volume and sales • Increase in costs: Increase in costs to sustain the business
Policy and legal risks	Business Operations	<ul style="list-style-type: none"> • Changes in government policies have led to an increase in waste disposal and carbon dioxide emission costs (e.g. waste levy, introduction of carbon pricing, carbon tax, etc.) 	<ul style="list-style-type: none"> • Increase in costs: Business operations
		<ul style="list-style-type: none"> • Enhanced regulation on energy use, recycling, emissions and waste disposal 	<ul style="list-style-type: none"> • Increase in costs: Business operations
		<ul style="list-style-type: none"> • Stricter environmental regulations may expose enterprises to higher risks of claims and litigation 	<ul style="list-style-type: none"> • Increase in costs: Legal cases of non-compliance claims
Reputational risks	Investors	<ul style="list-style-type: none"> • A company's failure to meet compliance requirements for climate change can result in a decline in corporate reputation 	<ul style="list-style-type: none"> • Increase in finance costs: Potential legal repercussions
	Business Operations	<ul style="list-style-type: none"> • The social assessment of a company's environmental performance has become increasingly important when employees are considering job opportunities. A company's poor environmental performance may negatively impact an employee's job satisfaction or job security 	<ul style="list-style-type: none"> • Increase in costs: This may include higher recruitment costs and increased human resources expenses to maintain staff stability

Risk Management

The Group conducted a climate risk assessment utilising scenario analysis to identify the impacts of physical and transition risks across our value chain. Senior management, including the CEO and CFO, provided their insights through a climate risk assessment survey to evaluate our climate-related risks.

IWS has taken steps to mitigate and adapt to the impacts of climate change through various projects and activities.

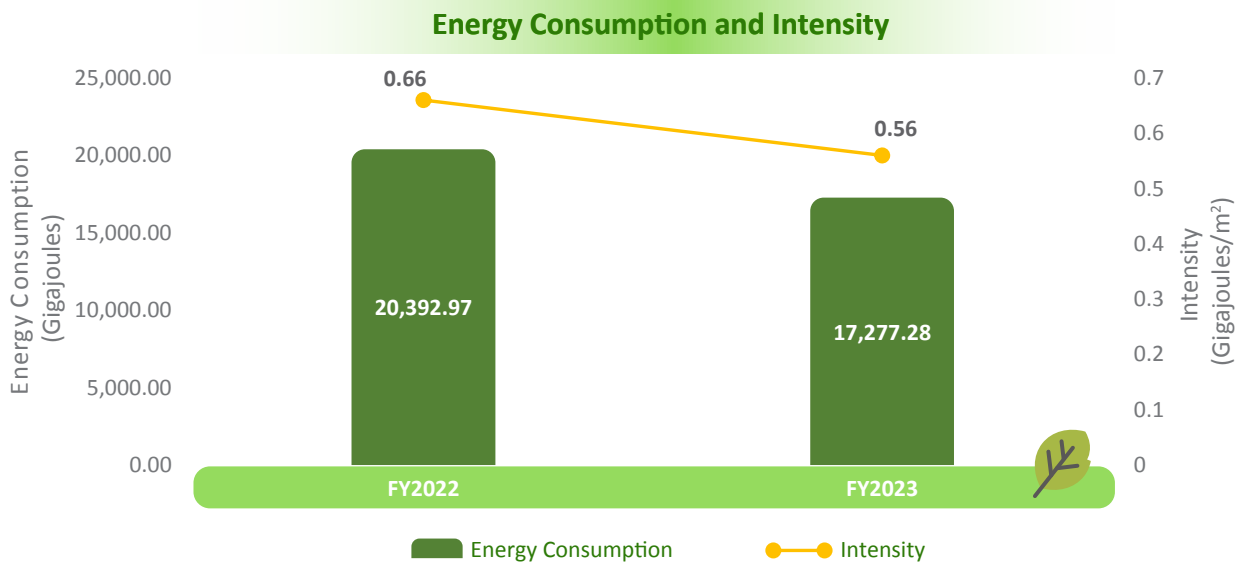
Mitigation Actions	Adaptation Actions
<ul style="list-style-type: none"> • Reduce GHG emissions from operations • Improve energy efficiency • Increase renewable energy use • Reduce waste in the supply chain • Support stakeholders to mitigate and reduce GHG emissions along value chain 	<ul style="list-style-type: none"> • Engage with stakeholders and cooperate partners to develop adaptation action plans • Increase awareness and capacity building along value chain • Improve infrastructure to cope with events that might occurred from climate change • Develop extreme weather and risk management plans

Extreme Weather Guidelines

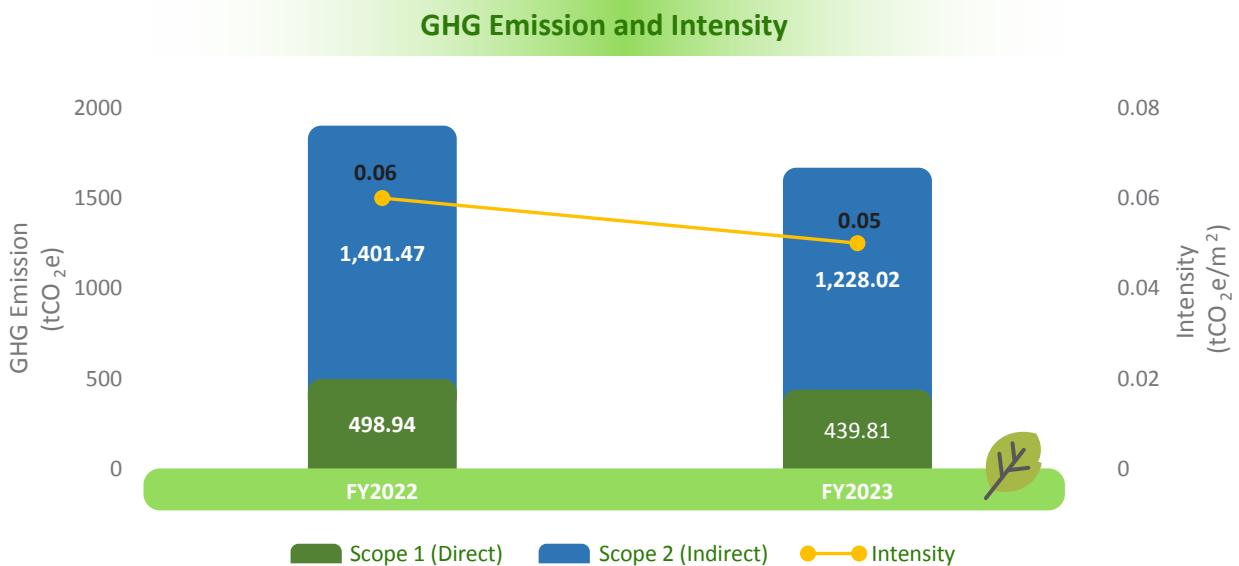
- In response to the growing risks of climate change, the Group has implemented special working arrangements and preventive measures during bad or extreme weather conditions. To disseminate information about ways to avoid adverse effects of safety incidents caused by environmental emergencies from extreme weather such as typhoons, IWS provides each employee with an Employee Handbook. In the event of extreme weather, the Group assesses the intensity and seriousness of the scenario and guides leaders from different departments to cooperate with security officers and cleaning staff to take appropriate actions according to the response policy and strategy to protect personal safety and company property.
- The Employee Handbook outlines emergency safety measures, work injury accident insurance, and incident reporting procedures. The Group has also put in place special protocols for operating company vehicles and Workshop Safety and Production Operations Guidelines to prevent accidents or damage. In the future, the Group will continue to review its risk management strategies to better anticipate and address potential climate-related financial and employee safety impacts.

Metrics and Targets

The majority of the Group’s energy use comes from purchased electricity and fuel consumed by forklifts, the Group’s car fleet, and logistical operations. During the year, the Group’s total energy consumption was 17,277.28 GJ (4,799,244.44 kWh), and the energy consumption intensity was 0.56 GJ (155.00 kWh) per square metre.



The Group’s primary sources of greenhouse gas (GHG) emissions are direct (Scope 1) emissions from forklifts and vehicle fuel combustion and indirect (Scope 2) emissions from purchased electricity. The total GHG emissions of the year amounted to 1,667.83 tonnes of carbon dioxide equivalent (tCO₂e), of which Scope 1 and Scope 2 emissions were approximately 439.81 tCO₂e and 1,228.02 tCO₂e respectively. GHG intensity was computed as 0.05 tCO₂e per square metre.



The Group has set a target to reduce GHG emission intensity by maintaining the renewable energy use at 5.8%. Looking forward, the Group will continue to explore opportunities to increase the utilisation of renewable energy.

Aspects	Targets of FY2023 and Onwards	Baseline Year	Target Year	Progress
Energy	<ul style="list-style-type: none"> Increase the use of Grade 1 energy efficiency electric appliances 	–	–	In progress
GHG Emission	<ul style="list-style-type: none"> Reduce GHG emission intensity by maintaining the renewable energy use at 5.8% 	–	–	Achieved (maintain the renewable energy use at 7.6% in FY2023)
	<ul style="list-style-type: none"> Maintain two electric vehicles and plan to gradually increase the number of electric vehicles in use over the next 5 years 	FY2021	FY2026	In progress (two electric vehicles in FY2023)

Improving Energy Efficiency

The Group is committed to exploring more eco-friendly and sustainable business practices across all areas of operation. We are adopting energy-saving plans and high-efficiency energy use technologies in our facilities, as well as promoting green office concepts and practices among our employees. We continue to prioritise energy conservation in every aspect of our operations and have established related management regulations such as Office Green Procurement and Office Environment Management Code to support our efforts towards sustainable development.

The following are some of the actions we have taken to make our operations more environmentally friendly:

CLP Peak Demand Management

The Group participated in the CLP Peak Demand Management initiative in FY2023 to reduce energy usage during peak demand hours. During the event, the Group was able to save a total of 253 kWh of electricity, resulting in an award of HK\$3,289.

Change of Light Bulbs CLP Programme

The Group joined the CLP Change of Light Bulbs programme in November 2022, which involves replacing traditional lights with LED lights. The project began in November 2022 and was conducted by stages on the first floor and the second floor of Integrated Waste Solutions Building. At the first stage, the project covers workshops A and B on the first floor, the unloading area, and the maintenance department area, with an estimated coverage area of 4,000 m². The project completed in May 2023. Currently, we have 215 LED lights in the area.

Upon completion of the project, the Group estimates that it will save around HK\$30,000 - 40,000 in lighting power consumption for workshops annually.



Adopting Renewable Energy

Given the challenges posed by the climate crisis today, the Group recognises the opportunity to inspire change and raise the level of ambition for the next phase of our climate commitment. We are firmly committed to mitigating and adapting to climate change, particularly through the expansion of renewable energy and innovation in electric vehicles.

The use of innovative clean energy technology is one of the core initiatives in our efforts to achieve low-carbon operations. During the year, we initiated phase II of expanding the installation of solar panels. By September 2022, we had finished installing 430 solar panels, increasing the total number of installed solar panels to 1,079. Our renewable energy systems were connected to CLP's electricity grid by August 2022.

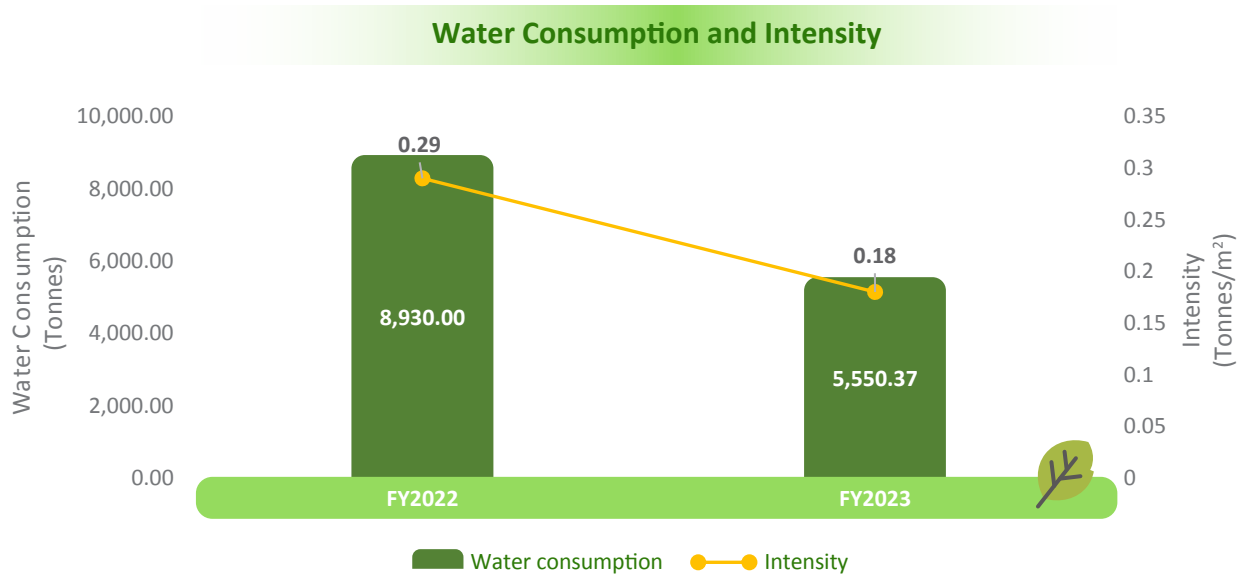
In FY2023, we generated and sold a total of 362,134 kWh of renewable energy to CLP, which represents a 48% increase from the previous year.



Solar Panels and Windmills

Conserving Water Resources

The Group primarily uses water for cooling and cleaning purposes. In FY2023, our total water consumption was approximately 5,550.37 tonnes, with a water intensity of 0.18 tonnes per square metre. There was a 38% decrease in water usage compared to the previous year. Despite the decrease in water usage, the Group did not encounter any issues in sourcing water fit for purpose during the year.



The Group is committed to reducing water usage through various initiatives. For our industrial processes, we have installed a closed-loop water circulation system that recycles cooling water for reuse. This water tower-tank recycling system significantly minimises the amount of water consumed and sewage generated during the cooling process. These efforts enable us to reduce our water usage by approximately 5.5 litres per month.

Aspects	Targets of FY2023 and Onwards	Baseline Year	Target Year	Progress
Water	<ul style="list-style-type: none"> Reduce water consumption intensity by 5% in 5 years 	FY2021	FY2026	Achieved (52% reduction in FY2023)
	<ul style="list-style-type: none"> Increase the use of Grade 1 water-consuming devices and plumbing fixtures 	–	–	In progress

Managing Waste and Effluents

The Group's operations generate both hazardous and non-hazardous waste. Non-hazardous waste or general waste includes paper and food waste in the office, while hazardous waste includes oil and chemical waste.

During the year, the Group generated approximately 662.01 kg of hazardous waste oil, 94% of which was reused or retained for reuse in other Group operations. In addition, the Group produced 52.50 kg of hazardous waste and 11,563.79 tonnes of non-hazardous waste in FY2023.

Waste Generation	FY2023	FY2022	Change
Hazardous Waste (kg)	714.51	532.02	34%
Hazardous Waste Intensity (kg per square metre)	0.023	0.017	34%
Non-hazardous Waste (Tonnes)	11,563.79	12,492.78	-7%
Non-hazardous Waste Intensity (Tonnes per square metre)	0.37	0.40	-7%

The Group is committed to responsible handling and disposal of both hazardous and non-hazardous waste to avoid potential environmental impacts, health hazards, or pollution to the environment. We classify, label, and store various types of non-hazardous wastes according to applicable laws and regulations. During the year, approximately 94% of non-hazardous wastes generated were recycled, which include 99.6% paper wastes and 0.4% non-paper wastes.

Hazardous chemicals are handled according to the Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes. Our Hazardous Chemicals Handling Guidelines govern the purchase, storage, use, disposal, and emergency handling of hazardous chemicals.

Additionally, we complete an environmental inspection checklist each month to examine waste generation patterns, and from this, we establish targets and initiatives to reduce waste production. In FY2022, we established a goal to reduce our hazardous and general waste intensity by 5% within five years. With our various efforts to reduce waste production, we obtained the HK Green Organisation Certification: Wastewi\$e Certificate - Excellent Level in FY2023.

Aspects	Targets of FY2023 and Onwards	Baseline Year	Target Year	Progress
Waste	<ul style="list-style-type: none"> Achieve excellent level of the Wastewi\$e Certificate for all operations 	–	–	Achieved
	<ul style="list-style-type: none"> Reduce hazardous and general waste intensity by 5% in 5 years 	FY2022	FY2027	In progress (7% reduction of general waste intensity in FY2023)

Wastewater

The Group generates wastewater during its manufacturing process, with a total volume of approximately 1.68 tonnes discharged during the year. This represents a 33% decrease compared to the previous year.

To regulate the disposal of wastewater, the Group sends it to an internal wastewater treatment facility to remove suspended particles. We strive to reduce the environmental impact of our production and operational processes by ensuring that wastewater generated during everyday activities is collected, placed, and transported in accordance with the Waste Disposal Ordinance by the Environmental Protection Department.

In addition to these measures, the Group is implementing additional measures to reduce wastewater production. For example, our joint venture for recycled engineering plastic pellets, RGF, was able to reduce wastewater production by strengthening the negative pressure of the vacuum system and increasing the frequency of cleaning the vacuum pipes. In FY2023, we have also established a target to reduce monthly wastewater discharge of RGF.

Aspects	Targets of FY2023 and Onwards	Baseline Year	Target Year	Progress
Water	<ul style="list-style-type: none"> RGF's wastewater reduction target at 800 litres per month 	-	-	Achieved (monthly wastewater discharged of 300 litres)

Air Pollutants

Exhaust gas is generated through one of our business services, waste collection, where the fleet of vehicles used for transporting waste generates exhaust gas. The exhaust gases generated are mainly comprised of sulphur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter (PM). In addition, the pelletising process at RGF produces a trace quantity of NO_x and PM. During the year, emissions of SO_x, NO_x, and PM were 2.67 kg, 2,507.44 kg, and 205.01 kg respectively.

The Group has launched several initiatives to reduce the emission of air pollutants from vehicles. For example, we are upgrading our logistics fleet consisting of a wide range of vehicles to provide efficient, effective, and eco-friendly waste collection services to all districts in Hong Kong.

Eco-Friendly Commuting

The Group recognises that corporate vehicles are a significant source of air emissions, which comprise NO_x, SO_x, and PM. Therefore, we are gradually replacing conventionally fuelled vehicles with Euro V vehicles, which helps lower SO_x emissions from motor vehicles by 80% and improves roadside air quality. We now only have one vehicle that is not Euro V, which strictly only uses fuels approved by law, such as unleaded and low-sulphur fuel.

Following a pilot program last year, two electric cars were deployed for management commuting in FY2023. The Group will continue to look for ways to improve the energy efficiency of its car fleet and achieve the greatest possible reduction in emissions in the future.

The Group is also actively searching and experimenting with ways to reduce air emissions from our facilities.

Reducing vehicle exhaust emissions

- Use only fuels approved by law, such as unleaded and low-sulphur fuel
- Electric forklifts have been deployed to eliminate emissions associated with gasoline-powered forklifts
- Replace fossil fuels with biofuels to improve energy efficiency and minimise exhaust gas emissions

Ensuring the collection and dischargement of air pollutants from its facilities

- Suction ports are installed on pellet production lines' heating equipment to send exhaust gas from the lines into a spray tower, thereby reducing the pollutant level in the exhaust gas
- Exhausted gas treatment systems are installed to improve collection and filtering of waste gas generated during the production process

Reducing dust production and emission from its facilities

- A misting system is installed to reduce production of dust
- Operation processes of equipment cleaning are modified to improve the original dust removal equipment in the workshop and the efficiency of dust recovery

Reducing Packaging Materials

The Group's CMDS, waste management, and recycled plastic pellets businesses consume packaging materials. We make every effort to minimise the consumption of packaging materials without sacrificing product quality. Our Group promotes the recycling of carton boxes, wooden boards, labels, and any other recyclable materials. We have also replaced wooden pallets with plastic pallets to increase their durability.

Green procurement and responsible packaging materials management practices are implemented to reduce consumption. For example, we purchase high durability canvas bags coated with polyethylene to maximise the lifetime of the bags. We also reuse plastic bags whenever possible and eventually recycle them into plastic raw materials.

In FY2023, the breakdown of packaging materials used by the Group was as follows:

Packaging Materials	FY2023	FY2022	Change
Wires (Tonnes)	23.08	23.12	0%
Canvas Bags (pcs)	6,120.00	5,760.00	6%
Plastic Bags (pcs)	1,821.00	2,863.00	-36%

OUR OPERATION

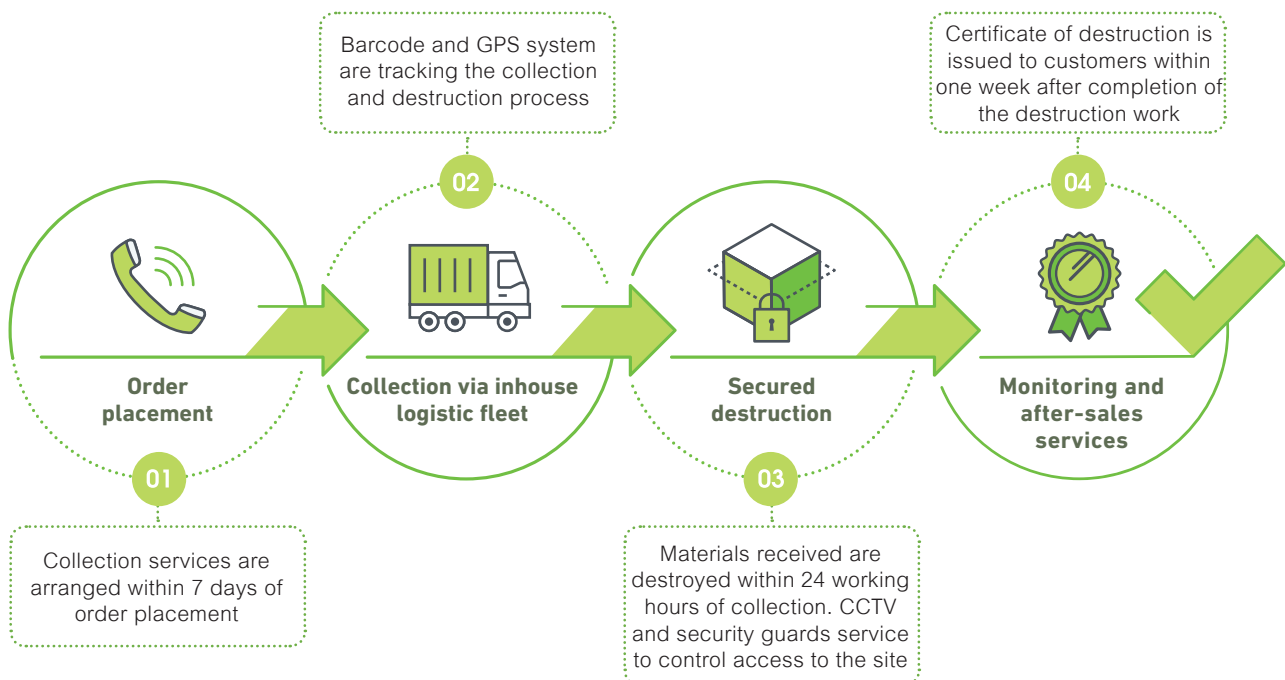
IWS is committed to achieving and maintaining operational excellence. We understand that meeting and exceeding customer expectations is essential for the success of our business, and we take customer feedback seriously.

Information Security

IWS is dedicated to working alongside our clients to help prevent data breaches with our CMDS. We understand the importance of managing confidential materials in a secure and professional manner, and our service commitment is to ensure that all materials submitted by our clients are handled with the utmost care.

To fulfill this commitment, we have established a well-functioning information security management system that meets international standards and best practices for the destruction of confidential materials. Our processes are certified to the highest industry standards, and we have been a service provider in Hong Kong awarded AAA certification by the National Association for Information Destruction (“NAID”) for plant-based operations covering both paper and non-paper destruction services since 2015.

IWS’s Confidential Materials Destruction Process



CMDS’ operations are certified to the ISO 27001:2013 Information Security Management System. The Information Management Committee is responsible for identifying all information assets and associated risks within the scope of CMDS business, such as access control and authority management, data encryption, environmental security, network security, and maintenance, business continuity operation management. The Committee assigns a risk owner for each risk and establishes standards and processes for assessing information security risks.

The risk owner analyses and assesses the likelihood and impact of each risk and determines its priority. Based on the results of the analysis and assessment, the Group has formulated a series of policies that provide detailed guidance on information security management and control. Various operational control procedures and contingency plans to deal with the situation after the occurrence of risks are derived in the relevant areas.

During the year, the Group engaged a third-party to conduct an independent audit, which was successfully passed and obtained certification by SGS Hong Kong Limited.

The Group strictly prohibits the unauthorised disclosure of personal data, customer information, business status, or other information to third parties to protect the information and privacy of the Group, its employees, and customers. If such violations are discovered, they will be swiftly prosecuted or disciplined. There were no reports of data leakage or privacy breaches during the year.

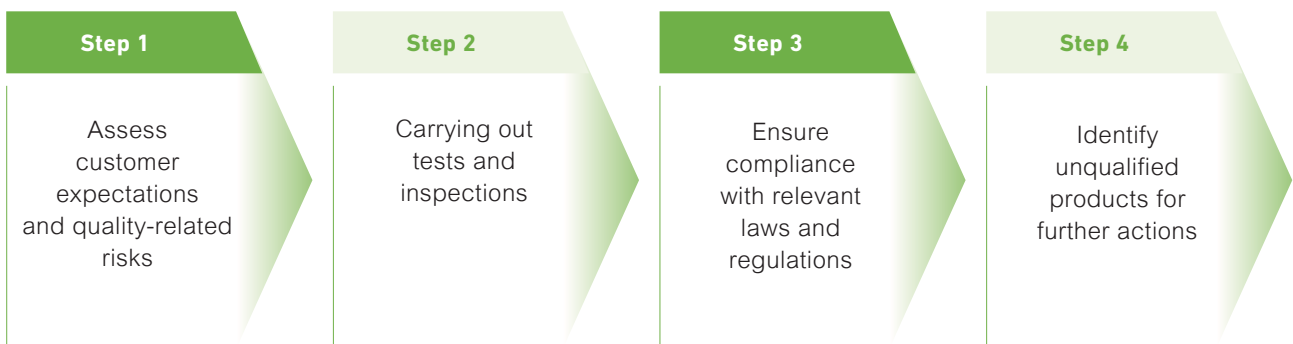
The Group places great importance on training and educating all relevant staff in the Logistics Department and CMDS workshops on information security measures, controls, and requirements for specific materials to improve their understanding and skills in dealing with the destruction and delivery of confidential items.



During the year, 100% of CMDS factory staff and 86% of logistics staff attended the “Confidential Document Destruction Process Review” training, which covered topics such as information security measures, controls, and requirements for specific materials such as magnetic storage devices and non-paper materials.

Quality Management

The Group is committed to providing products and services of the highest quality. Our ISO 9001:2015 certified quality management system is a standard 4-step process as outlined below:



We conduct internal audits based on ISO 9001:2015 with the support of external experts to ensure that our management approach is appropriate and effective. Any non-conformities are followed by a risk assessment, and if necessary, changes are made to the management system.

To continuously improve and optimise product quality, we have appropriate training courses, internal inspection guidelines, and communication channels in place to ensure compliance with all applicable rules and regulations. If any defective products are found, we take measures to reduce the percentage of nonconforming products and the number of complaints. During the year, there were no product recalls for health and safety reasons.

During the year, we set quality management targets, including ensuring the quality of our products and services, reducing customer complaints, and further improving customer satisfaction. For more details on our efforts to achieve these targets, please refer to the Customer Satisfaction section.

Customer Satisfaction

The Group places great emphasis on our core values of professionalism, passion, and prudence in providing products and services that earn the trust and loyalty of our customers. To continuously improve our offerings, we gather feedback from customers through various channels, such as seasonal customer meetings, regular customer satisfaction surveys, and a full-time complaint handling mechanism, which enables us to promptly respond and improve based on customer feedback.

During the year, the Group received 2 complaints, with 1 complaint related to products and services of the Group. In the rare event of a complaint, relevant departments will investigate the causes and develop solutions based on the principle of prioritising customer interests, in accordance with ISO 27001:2013, the Customer Service Operating Procedure, and Customer Complaint Handling Procedure. We collect all complaint records as an important reference for management evaluation and guidance for improvement.

Our efforts to provide excellent customer service have resulted in an average customer satisfaction score of 85% in IWS and 87.5% in RGF during the year.

Aspect	Quality Management Targets		Progress and Effectiveness	
	IWS	RGF	IWS	RGF
Customer satisfaction	Average customer satisfaction rate $\geq 75\%$	Average customer satisfaction rate $\geq 85\%$	Achieved (85% customer satisfaction rate during the year)	Achieved (87.5% customer satisfaction rate during the year)
Customer complaint	Less than 10	Less than 15	Achieved (2 complaints during the year)	Achieved (0 complaints during the year)

Our operations do not involve issues related to advertising, labelling and product safety. During the year, we were not aware of any violation of laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

Supply Chain Management

IWS and RGF maintained a total of 47 suppliers during the year, all of which were from Hong Kong. In line with our commitment to green and sustainable development, we have formulated policies such as the Quality and Environment Management Manual, Supplier and Contractor Evaluation Procedures, and Office Green Procurement, among others. All suppliers were required to adhere to these policies and meet selection criteria based on the 4R approach (Reduce, Recycle, Reuse, Replace), with priority given to suppliers with ISO 14001 certification. Suppliers were also required to provide relevant certifications to ensure compliance with relevant laws and regulations.

The Group maintained close contact with retained suppliers through regular meetings to keep them updated on the latest environmental issues and requirements to comply with our environmental policies. We conducted annual sample assessments of existing suppliers based on product quality, environmental protection, price, and other factors to comprehensively evaluate their performance. For unqualified suppliers and contractors, we helped them rectify any deficiencies and followed up on progress. Those who remained unqualified were delisted.

During the year, IWS audited all core suppliers, and all of them were qualified. RGF also audited its seven suppliers, achieving a 100% pass rate.

To ensure compliance with the Restriction of Hazardous Substances (RoHS) regulations, we have developed a product testing system and raw material testing mechanism. Suppliers were required to provide relevant test reports or samples for our research and development centre to conduct tests, ensuring that all products in the supply chain comply with regulations.

Anti-corruption

The Group is committed to preventing corruption and maintaining high ethical standards in all aspects of our operations. To this end, we have clear policies and regulations outlined in the Prevention of Corruption and Conflict of Interest chapters of the Employee Handbook, which aims to enhance employee awareness of anti-corruption and prevent corrupt practices.

We take a strict approach to corruption and have implemented severe disciplinary actions for any violations, including but not limited to the dismissal of relevant personnel. Additionally, we will take legal action against any individuals found engaging in illegal activities related to corruption. During the year, we were not aware of any violation of laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. And there were no concluded legal cases regarding corrupt practices brought against the Group or its employees in FY2023.

To ensure the effectiveness of reporting mechanisms and protect the rights and interests of whistle-blowers, we have established relevant policies for corruption reports. The Audit Committee conducts regular assessments on the effectiveness of these mechanisms to ensure their normal operation.

In addition to policies and regulations, the Group provides relevant trainings and lectures on anti-corruption to staff and management. For example, the ICAC provided an anti-corruption lecture to the Operation Department on 31 March 2023, and we also offered online seminars on integrity education, anti-corruption films, and other practical assistance to the directors and management in internal ethical decision-making and bribery prevention. During the year, 7 directors and 17 employees of the Group received a total of 26 hours of anti-corruption training.

OUR PEOPLE

The Group places a high value on its employees and is dedicated to creating a work environment that prioritises their well-being and development. We strive to foster a positive and collaborative work culture that supports the growth of both the Group and our employees.

Occupational Safety and Health

The Group recognises the vital role that occupational safety and health plays in our sustainable development, as it is closely related to the physical and mental health of our employees, as well as the well-being of society. To ensure a safe and healthy work environment for our employees, we have formulated an Occupational Safety and Health Policy to identify and mitigate potential occupational hazards and risks.

To implement this policy, we have established a safety management system that includes the creation of safe working duties, risk assessments, workplace safety rules, safe operating procedures, and emergency response drills. Our management representatives conduct annual reviews to oversee the implementation of the policy, and during the year, we updated and refined the provisions of the Occupational Safety and Health Policy.

Furthermore, we strictly comply with all relevant laws and regulations relating to occupational safety and health, including the Occupational Safety and Health Ordinance, the Employees' Compensation Ordinance, and the Factories and Industrial Undertakings Ordinance of Hong Kong. During the year, we were not aware of any violation of laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

Safety Management

To strengthen the Group's occupational safety and health management, the Group has established an Occupational Safety Committee with the management of the Group as members of the Committee. The Committee serves as a communication body for all employees and safety management members to facilitate effective communication. The Occupational Safety Committee holds quarterly safety meetings to review its Occupational Safety Policy and occupational safety and health management system and to promote efficiency among all levels of management, all employees and safety management members.

Safety Committee			
Management Representatives	Administrative Department Managers	Qualified Safety Officers	Factory Managers and Supervisors
Key Responsibilities			
<ul style="list-style-type: none"> Review the Group's occupational health and safety standards and policies regularly Evaluate safety measures and arrangements Monitor the trend and safety performances through reviewing statistical data related to accidents, safety incidents and occupational diseases Provide advice on the performance of occupational safety and health, and review the current operating procedures Provide suggestions to management to improve current operations procedures Update occupational health and safety guidelines for working environment Conduct safety training for employees 			

Safety Workplace

The Group conducts safety inspections of all workplaces and factories once or not less than once in two months, as stated in our Occupational Safety and Health Manual. We require all work-related injuries, non-hazardous accidents, fires, or hazardous incidents to be reported immediately to a supervisor. An initial incident report or employee accident investigation report is completed by the supervisor within 7 days and further investigated by the safety officer. The human resources department reports to the Labour Department by completing the required forms within the time frame specified by law.

To minimise safety risks and eliminate occupational hazards, the Group has formulated corresponding working guidelines for different working environments, including Noise Pollution Control, Guidelines on Hazardous Chemicals, and Guidelines on Maintenance of Plant Equipment and Vehicles. We have adopted a series of noise control measures, such as using quieter equipment and requiring employees to wear protective gear when working in noisy environments. We also provide clear guidelines on the procurement, use, storage, and safe disposal of hazardous chemicals.

Given the extensive use of mechanical equipment for waste management and recycling operations, the Group has an equipment maintenance plan in place. Our mechanical maintenance staff regularly inspect and maintain mechanical equipment and vehicles in accordance with the maintenance plan. First aid supplies are available at the convenient locations as a precautionary measure.

To prevent accidents and emergencies such as fires, explosions, serious chemical spills, etc., we have developed an Emergency Preparedness and Response to help employees prevent and mitigate such emergencies. We also developed an Influenza/Coronavirus Pandemic Preparedness Plan during Covid-19 to prevent serious health risks to employees. In the event of a fire, we have a fire evacuation procedure in place, and employees are advised to judge the situation and choose whether to put out the fire or evacuate. If evacuation is required, the fire evacuation message will be circulated and employees will follow the escape routes on each floor to the off-site meeting point.

In the past three years, there were no work-related fatalities. During the year, there were 4 work-related injuries in the Group, which were promptly followed up with surveys. These accidents were not serious and included incidents such as an employee tripping on uneven bricks, an employee being cut by the iron angle of a water pipe, an employee straining their arm while receiving goods, and an employee injuring their finger due to a cargo hopper being loosened and cargo falling over.

We have taken onboard the recommendations of the Occupational Safety and Health Council's safety audit report and implemented improvement measures to enhance safety in the workplace. Furthermore, we issue personal protective equipment to employees who are required to wear protective equipment for specific tasks. We also conduct regular inspections to ensure that personal protective equipment is being used appropriately and effectively.

We are pleased to report that during the year, our joint venture RGF successfully met the requirements of the "Occupational Safety and Health Star Enterprise - Occupational Safety and Health Enhancement Scheme for the Recycling Industry" organised by the Occupational Safety and Health Council and was certificated as an Occupational Safety and Health Star Enterprise. This certification recognises our commitment to promoting safety and health in the workplace and is a testament to our efforts to continuously improve our safety practices.

Moreover, CMDS had completed the “Occupational Safety and Health Enhancement Scheme for the Recycling Industry” organised by the Occupational Safety and Health Council and was certificated as Occupational Safety and Health Progressive Enterprise.

Safety Training

The Group places a high priority on promoting safety awareness and preparedness among our employees. To achieve this, we provide adequate resources, guidelines, and internal and external safety training programmes.

Our internal safety training programme is based on the Safety Training Analysis and Qualification Requirements programme. The Safety Officer is responsible for compiling training materials and reviewing and updating them as necessary to ensure that they are in compliance with legislation and processes. All new employees are required to undergo in-house safety induction training to raise safety awareness and prevent industrial accidents.

In addition to this, we provide specialised training on safety management, safe forklift operation, and noise control for employees working in specific workplaces. We also organise fire drills to ensure that our employees are prepared in the event of an emergency.

To further enhance our employees’ safety awareness and preparedness, we encourage them to participate in safety training programmes organised by external organisations such as the Occupational Safety and Health Council, the Labour Department, and the Vocational Training Council.

This year, the Occupational Safety Committee has taken steps to enhance the occupational safety and health culture of our employees. Frontline employees were sent to participate in safety and health training held by the Occupational Safety and Health Council to improve their knowledge and skills in this area.

In response to the year-on-year increase in temperature in Hong Kong, we have focused on providing heat stress risk assessment and related training to our employees this year. This training is aimed at helping our employees understand the risks associated with working in high temperatures and equipping them with the knowledge and skills to mitigate these risks.

Throughout the year, we provided safety training to a total of 390 people, for a total duration of 243 hours. The average number of safety training hours was 2.2 hours per person.



Fire Drill



Internal Safety Training

Development and Training

At IWS, we recognise that investing in the growth and development of our employees is essential to our success and the well-being of our workforce. We are committed to enhancing our training system and establishing diverse career paths and promotion mechanisms to enable each employee to uncover their potential.

Our Human Resources Department and management representatives are responsible for identifying the training needs of our employees and devising training plans that align with their present or future work assignments. We provide a comprehensive range of training programmes for our new recruits and professional employees to cater to their future career development needs.

During the year, we conducted key training programmes, which included regular group discussions on the root causes of various industrial accidents. We also carried out employee surveys to analyse the issues that our employees face at work and developed solutions to address them. In FY2023, approximately 80% of our employees received training, with an average of 2.59 hours of training per employee. The training events are listed below.

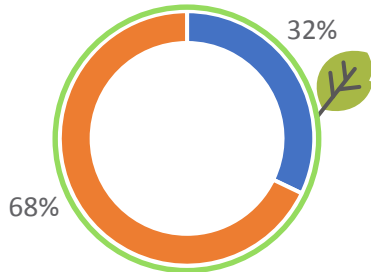
In-House Training	External Training
<ul style="list-style-type: none"> • New joiner safety training • New joiner orientation training • Fire drill evacuation procedures • User training on AX System • Confidential materials destruction process revisited • NAID certified staff training • CRM training 	<ul style="list-style-type: none"> • Employment Ordinance online workshop • Briefing of MPF offsetting mechanism • Reimbursement of maternity leave pay scheme • Introduction of Competition Ordinance • OSH training for the recycling industry • Forklift truck (counter-balance type) refreshment training • Update on Employment Ordinance workshop • eMPF platform consultative briefing • Veeam VDRO hands-on lab • Palo Alto networks meeting • ICAC anti-corruption talk

Talent Acquisition

As of 31 March 2023, IWS and RGF employed 109 full-time employees, all of whom worked in Hong Kong. The majority of our employees, around 68%, are workshop staff. The proportion of male and female employees is about 3:1, with the majority being male. Additionally, around 94% of our employees are aged over 31.

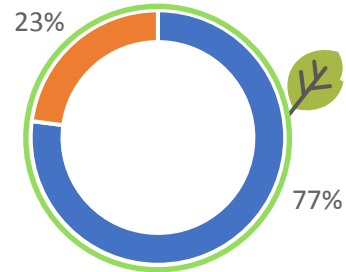
In terms of education, around 20% of our employees have a university degree or above. This indicates that we value both experience and education in our hiring process, and recognise the importance of having a diverse workforce with a range of skills and backgrounds.

Function Profile



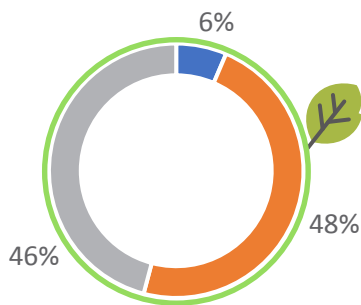
■ Office Staff ■ Workshop Staff

Gender Profile



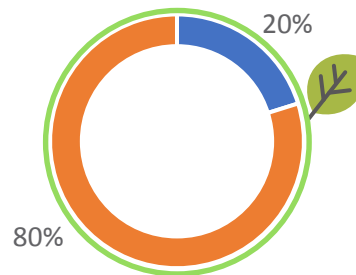
■ Male ■ Female

Age Profile



■ ≤ 30 ■ 31 - 50 ■ ≥ 51

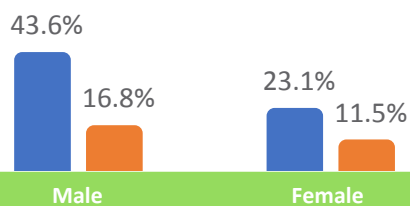
Education Profile



■ University or above ■ Secondary or below

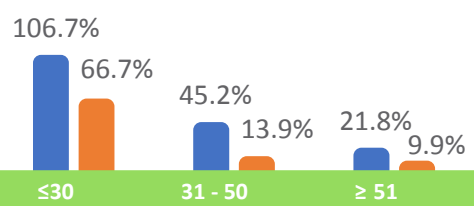
The overall turnover rate and new hire rate were 39% and 16% respectively. The following charts show the distribution by gender and age:

Turnover and New Hire Rates by Gender



■ Turnover Rate ■ New Hire Rate

Turnover and New Hire Rates by Age



■ Turnover Rate ■ New Hire Rate

Equal Opportunity, Diversity and Anti-discrimination

We have established an Employee Handbook that sets out our policies on equal employment opportunity and diversity. We are committed to complying with all relevant equal employment opportunity regulations and laws applicable to job applications and employees.

In our recruitment process and employee evaluation, we select employees based on their previous experience, ability, and professional knowledge. Our heads of departments are committed to following this principle throughout the recruitment process and employee evaluation.

During the year, we were not aware of any violation of laws and regulations that have a significant impact on the Group relating to equal opportunity, diversity, and anti-discrimination.

Welfare and Benefits

The Group is committed to providing its employees with fair and competitive compensation and benefits packages. We specify the employee compensation and benefits in the Employee Handbook, which outlines our policies on public holidays, annual leaves, sick leaves, bonuses, medical insurance, labour insurance, MPF scheme, leave compensation, and overtime allowances.

To ensure fair and competitive remuneration for all employees, the Group conducts an annual review of remuneration and adjusts it in accordance with the external economy, employee performance, and the Group's own performance.

During the year, we were not aware of any violation of laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, and other benefits and welfare.

Employee Communication

The Group places a high value on communication with all of its stakeholders. We believe that effective communication is essential for building trust, fostering relationships, and achieving our goals.

To ensure that our stakeholders can communicate with us effectively, we have put in place a Communication, Engagement, and Consultation Procedures. This policy outlines our commitment to engaging with our employees, suppliers, subcontractors and other related parties in a transparent and responsive manner.

Under this policy, management representatives of the Group are responsible for gathering feedback and assisting management in responding to inquiries from stakeholders. We have also established several communication channels, including emails, hotlines, bulletin boards, and regular meetings, to facilitate communication with our stakeholders.

Labour Standard

As a responsible company, IWS takes the issue of child labour and forced labour very seriously. During the recruitment process, we follow strict procedures to ensure that we do not hire any employees who are underage or subject to forced labour.

Our recruitment process includes checking the ID cards and educational qualifications of all prospective employees, and we have strict policies in place to prevent the recruitment of child labour and forced labour. In the event that we discover any instance of child employment or forced labour, we immediately terminate the contract.

During the year, we were not aware of any violation of laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.

Community Involvement

As an integrated waste management and solutions provider, IWS is committed to integrating corporate social responsibility into the Group's business model and contributing to the development of society. We believe that it is our responsibility to give back to the community and promote sustainable development.

The Group has fulfilled its corporate social responsibility by participating in community activities. To enhance employees' awareness of environmental protection, we invited them to participate in the Earth Hour 2023 event organised by WWF. In total, 52 employees and their families signed letters of commitment to support environmental protection.

To care for the youth in our community, particularly those from low-income families, our CEO also joined the Job Shadowing Mentorship Scheme 2021 organised by The Federation of Hong Kong Industries, of which IWS is a member. This initiative provided opportunities for young people to gain insights into the workplace and develop their skills and knowledge.

The Group has also collaborated with other social organisations in community activities. During the year, our IWS WM worked with Sai Kung and Tseung Kwan O Women's Association Limited (SKTKOWA) in the Green Community project for buying and collecting waste paper in the Sai Kung area on a regular basis to support the running of SKTKOWA.

APPENDICES

Membership and Awards

The Group actively participates in environmental protection activities and works with government departments and external green organisations to make use of its role as a waste solution provider to promote effective waste management and sustainable development of the society. The following is a list of the memberships and awards awarded to the Group during the year.

Memberships	
Organisation	Membership Company
National Association for Information Destruction (NAID), AAA Member	Confidential Materials Destruction Service Limited
Hong Kong Waste Management Association	IWS Waste Management Company Limited
Hong Kong Recycled Materials & Re-Production Business General Association Limited	IWS Waste Management Company Limited
Business Environmental Council	Integrated Waste Solutions Group Holdings Limited
Hong Kong General Chamber of Commerce	Confidential Materials Destruction Service Limited
Federation of Hong Kong Industries	Integrated Waste Solutions Group Holdings Limited
Employers' Federation of Hong Kong	Integrated Waste Solutions Group Holdings Limited

Awards and Recognitions		
Name of Award	Awarded by	Awarded to
Sustainable Product Supplier	Business Environmental Council	Integrated Waste Solutions Group Holdings Limited
Hong Kong Green Organisation – Wastewi\$e Certificate (Excellent Level)	Environmental Campaign Committee	Integrated Waste Solutions Group Holdings Limited
Hong Kong Green Organisation	Environmental Campaign Committee	Integrated Waste Solutions Group Holdings Limited
Hong Kong Awards for Environmental Excellence	Environmental Campaign Committee	Integrated Waste Solutions Group Holdings Limited Confidential Materials Destruction Service Limited
Recycling Industry – OSH Progressive Enterprise	Occupational Safety & Health Council	Confidential Materials Destruction Service Limited
Recycling Industry – OSH Star Enterprise	Occupational Safety & Health Council	RGF Environmental New Material Limited

Licenses and Registrations		
Name of License/Registration	Issued by	Issued to
Import License of Registration for Overseas Supplier Enterprise of Imported Solid Wastes as Raw Materials	General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ)	Confidential Materials Destruction Service Limited
Registered Waste Producer under the Waste Disposal (Chemical Waste) (General) Registration	Environmental Protection Department	Confidential Materials Destruction Service Limited
BEC Low Carbon Charter – Pathway 1	Business Environmental Council	Integrated Waste Solutions Group Holdings Limited

Applicable Laws and Regulations

Aspect	Laws and Regulations	Section
Environment	<ul style="list-style-type: none"> Air Pollution Control Ordinance Noise Control Ordinance Waste Disposal Ordinance Water Pollution Control Ordinance Hazardous Chemical Control Ordinance 	Our Environment
Employment and Labour Standards	<ul style="list-style-type: none"> Employment Ordinance Minimum Wage Ordinance Mandatory Provident Fund Schemes Ordinance 	Our People
Occupational Health and Safety	<ul style="list-style-type: none"> Occupational Health and Safety Ordinance Factories and Industrial Undertakings Ordinance Employees' Compensation Ordinance 	Our People
Product Responsibility	<ul style="list-style-type: none"> Personal Data (Privacy) Ordinance 	Our Operation
Anti-corruption	<ul style="list-style-type: none"> Prevention of Bribery Ordinance 	Our Operation

Performance Data Summary

		FY2023	FY2022
Workforce	Number of Employees>		
	Total	109	136
	By Region		
	Hong Kong	109	136
	Others	0	0
	By Age		
	≤30	7	11
	31-50	52	73
	≥ 51	50	52
	By Gender		
	Male	84	108
	Female	25	28
	By Function		
	Office Staff	35	42
	Workshop Staff	74	94
	By Education		
	University or above	22	29
	Secondary or below	87	107
	By Employment Type		
	Full time	108	135
	Part time	1	1
	Employee Turnover Rate (%)		
	Total	39.0	48.6
	By Region		
	Hong Kong	39.0	48.6
	Others	-	-
	By Age		
	≤30	106.7	72.0
	31-50	45.2	41.1
	≥ 51	21.8	53.8
	By Gender		
	Male	43.6	38.7
	Female	23.1	86.2
	Employee New Hire Rate (%)		
	Total	15.6	37.9
	By Region		
	Hong Kong	15.6	37.9
	Others	-	-
	By Age		
	≤30	66.7	40.0
	31-50	13.9	31.8
	≥ 51	9.9	46.2
	By Gender		
	Male	16.8	34.2
	Female	11.5	51.7
	Total Employee Training Hours	282	169
	Average Training Hours	2.59	1.24
By Gender			
Male	2.09	1.08	
Female	4.24	1.88	

		FY2023	FY2022
Workforce	By Function		
	Office Staff	3.33	2.01
	Workshop Staff	2.23	0.90
	Percentage of Employees Trained (%)	79.8	70.6
	By Gender		
	Male	77.4	70.4
	Female	88.0	71.4
	By Function		
	Office Staff	74.3	76.2
Workshop Staff	82.4	68.1	
Health and Safety	Lost Days due to Work-related Injury	279	157
	Work-related Accidents	4	1
	Work-related Accident Rate (%)	3.7	0.7
	Work-related Fatalities	0	0
	Average Safety Training Hours	2.2	1.7
	Total Safety Training Person-times	390	293
Environmental^A	Resources Consumption		
	Total Energy Consumption (GJ)	17,277.28	20,392.97
	Electricity (kWh)	3,148,774.00	3,787,775.00
	Petrol (Litres)	303.48	2,532.01
	Diesel (Litres)	154,635.00	176,323.56
	Biofuel (Litres)	11,621.99	10,183.45
	Energy Intensity (GJ/m ²) [#]	0.56	0.66
	Water Consumption (Tonnes)	5,550.37	8,930.00
	Water Intensity (Tonnes/m ²) [#]	0.18	0.29
	Air Pollutant Emissions		
	SO _x (kg)	2.67	3.03
	NO _x (kg)	2,507.44	2,462.47
	PM (kg)	205.01	200.95
	Greenhouse Gas Emissions		
	Total Emissions (tCO ₂ e)	1,667.83	1,900.41
	Scope 1 (tCO ₂ e)	439.81	498.94
	Scope 2 (tCO ₂ e)	1,228.02	1,401.47
	GHG Intensity (tCO ₂ e/m ²) [#]	0.05	0.06
	Waste Production		
	Hazardous Waste (kg)*	714.51	532.02
	Hazardous Waste Intensity (kg/m ²) [#]	0.023	0.017
	Non-hazardous Waste (Tonnes)	11,563.79	12,492.78
	Non-hazardous Waste Intensity (Tonnes/m ²) [#]	0.37	0.40
	Wastewater (Tonnes)	1.68	2.49
	Packaging Materials		
	Wire (Tonnes)	23.08	23.12
	Canvas Bags (pcs)	6,120.00	5,760.00
Plastic Bags (pcs)	1,821.00	2,863.00	
Community	Donation (HK\$)	0	0

> Data collection boundary includes IWS Group and RGF.

^ Environmental KPIs stated in the report are calculated with reference to HKEX's "How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs".

The Group uses the gross floor area of its headquarters at Tseung Kwan O (TKO) Building as the basis of intensity calculation instead of revenue, having considered:

- (1) our original intent when deciding the scope of ESG reporting is to cover all activities in TKO Building; and
- (2) eliminating the possible anomalous results of intensity year-to-year due to the fluctuation of revenue of the Group.

* Hazardous waste data has been updated due to unit conversion.

Content Index

Aspects	KPIs	Sections/Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste.	Environmental Management Metrics and Targets Managing Waste and Effluents
KPI A1.1	The types of emissions and respective emissions data.	Air Pollutants Performance Data Summary
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).	Metrics and Targets Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Managing Waste and Effluents Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Managing Waste and Effluents Performance Data Summary
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Management Metrics and Targets
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.	Environmental Management Managing Waste and Effluents
Aspect A2: Use of Resources		
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	Environmental Management Metrics and Targets Improving Energy Efficiency Conserving Water Resources Reducing Packaging Materials
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).	Metrics and Targets Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Conserving Water Resources Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management Metrics and Targets Improving Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management Conserving Water Resources
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Reducing Packaging Materials Performance Data Summary

Aspects	KPIs	Sections/Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Management
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responding to Climate Change
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.	Responding to Climate Change
B. Social		
Aspect B1: Employment		
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.	Our People
KPI B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	Talent Acquisition Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Talent Acquisition Performance Data Summary
Aspect B2: Health and Safety		
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 Safety and Health
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Safety and Health
KPI B2.2	Lost day due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Occupational Safety and Health

Aspects	KPIs	Sections/Remarks
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our People
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standard
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standard
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Aspects	KPIs	Sections/Remarks
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Information Security Quality Management Customer Satisfaction
KPI B6.1	Percentage of total products sold or shipped to recall for safety and health reasons.	Quality Management
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	The Group's operation did not involve intellectual property.
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Security
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
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 Involvement
KPI B8.1	Focus areas of contribution to the community (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Involvement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Involvement Performance Data Summary



TWS

**Integrated Waste Solutions
Group Holdings Limited**
綜合環保集團有限公司