



# OSL Group Limited

*(formerly known as BC Technology Group Limited)  
(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 863)**

# 2023 Environmental, Social and Governance Report

Asia's Leading Digital Asset  
and Fintech Company

Parent of



**THE TRUSTED  
DIGITAL ASSET  
PLATFORM**

SaaS • Brokerage • Custody • Exchange



# CONTENTS

---



Section		Page
<b>1.</b>	<b>About This Report</b>	<b>2</b>
	Introduction	2
	Reporting Period	2
	Reporting Principles	2
	Reporting Boundaries	3
	Review and Approval	3
	Information and Feedback	3
<b>2.</b>	<b>About OSL Group</b>	<b>4</b>
<b>3.</b>	<b>Chief Executive Officer's Statement</b>	<b>6</b>
<b>4.</b>	<b>Approach</b>	<b>9</b>
	4.1 ESG Governance Structure	9
	4.2 ESG Strategy	10
	4.3 Stakeholders Engagement	12
	4.4 Materiality Assessment	14
	4.5 Materiality Matrix	15
<b>5.</b>	<b>Sustainable Carbon Management</b>	<b>16</b>
	5.1 Responding to Climate Change	18
	5.2 Emissions Management and Reducing Carbon Footprint	21
	5.3 Waste Management	22
	5.4 Use of Resources	23
	5.5 The Environmental and Natural Resources	23
<b>6.</b>	<b>People-Centric</b>	<b>24</b>
	6.1 Building Diversified Teams, Hiring and Retaining the Right People	27
	6.2 Learning and Development	28
	6.3 'Speak-Up' Culture	28
	6.4 Well-Established Performance Management	29
	6.5 Promoting Diversity, Equity and Inclusion	29
	6.6 Promoting Employee Well-being	30
	6.7 Health and Workplace Safety	30
	6.8 Meeting the Challenges of COVID-19	31
<b>7.</b>	<b>Effective Governance &amp; Operational Excellence</b>	<b>32</b>
	7.1 Corporate Governance	34
	7.2 Business Ethics & Integrity	34
	7.3 Anti-Bribery and Corruption	35
	7.4 Whistleblowing	35
	7.5 Anti-Money Laundering and Counter-Terrorist Financing	36
	7.6 Services Excellence	36
	7.7 Intellectual Property and Brand Management	37
	7.8 Effective Risk Management	37
	7.9 Risk Culture	38
	7.10 Business Continuity and Crisis Management	38
	7.11 Supply Chain Management	39
	7.12 Information Security, Customer Privacy Protection	39
	7.13 Cybersecurity	40
	7.14 Wallet Operations	41
	7.15 Vault Safety	42
	7.16 Community Investment	42
<b>Appendix I:</b>	Sustainability Performance Data Overview	43
	Environmental	43
	Social	45
	Legal Compliance	48
<b>Appendix II:</b>	Hong Kong Stock Exchange ESG Reporting Guide	49
	Content Index	
<b>Appendix III:</b>	GRI Content Index	55
<b>Appendix IV:</b>	TCFD Content Index	59
<b>Appendix V:</b>	SDGs Content Index	60

## 1.

## ABOUT THIS REPORT

### Introduction

OSL Group Limited (Formerly known as BC Technology Group Limited) ("**Company**") and its subsidiaries (hereinafter referred to as "**OSL Group**", or the "**Group**") believe that sustainable business practices are integral to the creation of long-term value to society. The Group is committed to corporate citizenship and adding value to its stakeholders through the integration of Environmental, Social and Governance ("**ESG**") considerations in its business practices.

The Group is also committed to improving its ESG performance by upholding good corporate governance standards, adopting climate friendly practices, engaging its stakeholders and promoting diversity.

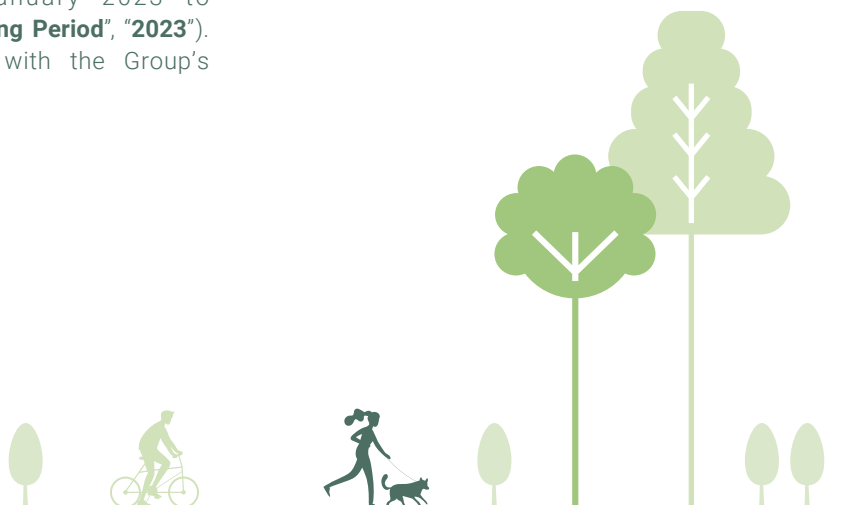
### Reporting Period

This ESG Report (the "**Report**") provides an overview of OSL Group's sustainability performance for the period from 1 January 2023 to 31 December 2023 (the "**Reporting Period**", "**2023**"). The Reporting Period aligns with the Group's financial year.

### Reporting Principles

OSL Group Limited is listed on the Main Board of the Stock Exchange of Hong Kong Limited ("**HKEX**") under the stock code "863". This is the eighth ESG report of the Group and it has been prepared in compliance with the "Environmental, Social and Governance Reporting Guide" set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong ("**Listing Rules**"), with reference to the Global Reporting Initiative ("**GRI**") Standards, Task Force on Climate-related Financial Disclosure ("**TCFD**") Recommendations, Sustainable Development Goals ("**SDGs**") and based on actual conditions of the Group. This is the third long-form ESG report published separately from the Group's Annual Report. For a comprehensive understanding of the Group's ESG performance, this Report should be read in conjunction with the Corporate Governance Report in the Group's 2023 Annual Report.

The Group has complied with the "comply or explain" provisions and adopted the four fundamental reporting principles of the HKEX's Environmental, Social and Governance Reporting Guide as follows:





### Materiality

The content of this Report is determined through stakeholder engagement and materiality assessment. The Group engaged an external consultant to assess its materiality through stakeholder engagement. Key material ESG issues were identified and endorsed by the Group's ESG Committee, and approved by the board (the "Board") of directors (the "Directors").



### Quantitative

The standards and methodologies used in the calculation of relevant data in this Report, as well as applicable assumptions are disclosed. Key performance indicators ("KPI(s)") were established, and are measurable and applicable to valid comparisons under appropriate conditions.



### Balance

To provide a fair and unbiased picture of OSL Group's ESG performance, both the Group's achievements and areas for improvement are disclosed.



### Consistency

OSL Group is consistent in its annual data collection and KPI calculation methodologies to ensure meaningful comparisons of its ESG data made over time.

The information contained herein is derived from official documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group's internal management systems. Complete lists of indexes in compliance with the ESG Reporting Guide and with references to the GRI Standards, TCFD recommendations and SDGs are also available at the end of the Report for reference. This Report is prepared and published in both Chinese and English and is available on the Group website at <https://group.osl.com> and on the HKEX website at [www.hkex.com.hk](http://www.hkex.com.hk). In the event of contradiction or inconsistency between the Chinese version and the English version, the English version shall prevail.

## Reporting Boundaries

The Report covers all the Group's global operations over which we exercise full management control during the Reporting Period, including Hong Kong, Mainland China, Singapore, the United Kingdom (the "UK"), the Americas and Australia. The Group regularly reviews the scope of the Report to ensure that any significant impact on the Group's overall business portfolio is covered.

## Review and Approval

The Board acknowledges its responsibility for ensuring the accuracy and completeness of this Report and to the best of their knowledge, this Report has addressed all relevant material issues and has fairly presented the ESG performance of the Group during the Reporting Period. The Board has reviewed and approved the content of the Report.

## Information and Feedback

The Group is committed to maintaining a long-term relationship with our stakeholders and is actively engaged in addressing their concerns with timely follow-up actions. If you, as one of our stakeholders, have any questions on the content of the Report or comments on the Group's sustainability practices, please contact us via email at [ir@osl.com](mailto:ir@osl.com).

## 2.

| ABOUT  
OSL GROUP

OSL Group is Asia's leading public fintech and digital asset company and is the parent company of the OSL digital asset and blockchain platform ("OSL"). OSL provides markets services including brokerage, exchange and custody ("**Markets**") and software-as-a-service ("**SaaS**") technology solutions, which deliver retail clients, institutional clients and professional investors access to the best-in-class digital asset platform, as well as the world's deepest liquidity pools. Our secure and insured hot and cold wallet infrastructure also ensures the safekeeping of digital assets with timely transaction settlements. OSL operates its digital asset platform business through its headquarters in Hong Kong and office in Singapore.

In December 2020, OSL Digital Securities Limited ("**OSL DS**"), a wholly owned subsidiary of the Group, became the first firm to receive a license from the Hong Kong Securities and Futures Commission ("**SFC**") to conduct type 1 (dealing in securities) and type 7 (automated trading service (ATS)) regulated activities related to digital assets. It is the world's first SFC-licensed, listed, digital asset wallet-insured and Big-4 audited digital asset platform for retail clients, institutional clients and professional investors. In July 2022, OSL DS became the first SFC-licensed digital asset broker to sell security tokens to professional investors with its private security token placement in Hong Kong. In September 2023, OSL Group achieved SOC 2 Type 2 certification on its Custody and Automated Trading Service (ATS) offerings.

The Group also has two Mainland China-based business segments: an advertising business that provides customised advertising and marketing services to customers in the automotive and other industries, and a business park management division that provides operations and management services for commercial property in the Jingwei Park in Shanghai. The advertising business ceased operations and completed its deregistration process in February 2023. The business park management division entered into an equity transfer agreement with an independent third party on 12 November 2023. Upon completion of the disposal process, it will cease to be a subsidiary of the Group in 2024.

To learn more about OSL Group, please refer to the Group's 2023 Annual Report or visit <https://group.osl.com>.





## Mission

Deliver best-in-class access to digital assets, setting the global standard for innovation, performance, security, and compliance

## Vision

Lead the regulated, institutional evolution of the digital asset market

## Value

- Be trustworthy and do the right thing
- Ownership and accountability
- Teamwork, collaboration and respect
- Relentlessly innovate for the clients

## 3.

**CHIEF EXECUTIVE  
OFFICER'S  
STATEMENT**

In the spirit of stewardship and shared purpose, I pen this message with a profound sense of honor as I embrace the new role entrusted to me at the helm of OSL Group. The stewardship we collectively uphold as part of this esteemed institution is one I carry forward with great responsibility. As we navigate through a period marked by significant global challenges, opportunities, and a critical transition in leadership, our commitment to Environmental, Social, and Governance (ESG) principles remains unyielding.

Reflecting on the past year, I am mindful of the profound economic uncertainties that continue to shadow our industry's progress. Yet, it is within this complex backdrop that our Group's dedication to integrating sustainability into every facet of our strategic vision shines brightest. We stand undeterred in our quest to be pioneers for positive change, aligning our efforts with Hong Kong's ambition for carbon neutrality as a target that resonates with our own pledge.



Our prior achievements, such as reaching a carbon neutrality status, lay the groundwork for the aspirations I now carry forward. As OSL Group progresses, we are enhancing our sustainability framework to encapsulate the full spectrum of ESG concerns pertinent to our operations. This strategic scaffolding is not only instrumental in guiding our talented workforce but also crucial in shaping the ethical contours of our corporate ethos.

Good governance is the linchpin of our ESG endeavors. I assure you that the Board and I are resolutely focused on the effectiveness of our strategies and transparent reporting. Our refined strategy, processes and procedures capture the essence of our approach to sustainability, considering diverse business aspects from HR to compliance, all calibrated to our non-financial metrics of success.

Our ESG Committee, representing a cross-section of our operational backbone, exemplifies our institutional commitment. This Committee's ongoing evaluations and advice are pivotal to the refinement of our sustainability strategy, ensuring our objectives are met with precision and integrity.

In tandem with the evolution of the regulated digital asset market, our Group is unwavering in its pledge to robust ESG programs. These initiatives are integral to the fabric of our corporate identity and pivotal in creating sustainable value for our communities and stakeholders alike.

As we stride forward, OSL Group's ESG commitments are not just about compliance but about embodying our core values in every endeavor. We aim to set a global precedent for ESG performance, and in doing so, fortify the trust you place in us.

In closing, I extend my heartfelt gratitude to our counterparts, shareholders, staff, and the Board. Your enduring support and collaboration are the cornerstone of our success. Together, we will champion the institutional adoption of digital assets while nurturing a sustainable legacy for generations to come.

Sincerely,

**Patrick Pan**  
*Chief Executive Officer*  
**OSL Group**



# APPROACH



# 4.

## APPROACH

### 4.1 ESG Governance Structure

The Group's ESG governance structure covers all Group levels, including Board management, functional departments and business units. The Board is responsible for setting strategic objectives and is the ultimate responsible party for ESG matters. Day-to-day responsibilities for ESG-related matters are delegated to the Group Chief Financial Officer & Company Secretary.

In 2020, the Group established the ESG Committee to drive, support and enhance the Group's ESG capability and impact through communication, engagement, strategic planning and execution. With the support of the ESG Committee, the Group CEO is responsible for providing direction on and overseeing the development and implementation of the Group's strategy and initiatives.

The ESG Committee meets to identify ESG issues and opportunities, oversee the implementation of ESG initiatives, provide recommendations to senior management on ESG-related matters, promote ESG awareness within the Group, and communicate and report on the Group's ESG initiatives.

#### Board of Directors

- Responsible for the long-term success of the Group through monitoring strategy and management execution
- Provides oversight of the Group's financial reporting, internal control systems, business conduct and code of ethics
- Provides directions on and oversees the development and implementation of the Group's ESG initiatives related to corporate sustainability, environmental protection and social well-being

#### Group CEO

- Responsible for ESG oversight, strategic development and operations of the Group in alignment with the Group's mission, vision and values
- Supervises the implementation of ESG initiatives

#### ESG Committee

- Responsible for carrying out and promoting specific ESG tasks
- Prepares ESG reporting and external communications
- Promotes ESG awareness within the Group, communicates and reports on the Group's ESG initiatives

#### Group Departments

- Execute ESG-related tactics
- Assist collection of quantitative data for ESG reporting
- Assist the ESG Committee as needed

## 4.2 ESG Strategy

OSL Group is uniquely positioned as one of the most regulatory compliant, institutionally ready digital asset participants in the world and is consistently executing its vision to lead the regulated, institutional evolution of the digital asset market. This mission goes hand-in-hand with a responsibility to manage the Group's ESG impact across the blockchain and digital asset industry.

The Group believes in delivering long-term sustainable value creation to its stakeholders. In doing so, while the Group carries on its business, senior management makes choices that bring a positive impact to the community. The Group has adopted policies covering ESG issues that pertain to its businesses, including in the areas of employment and labor practices, business integrity, data security and privacy, Anti-money laundering ("**AML**"), counterterrorist financing ("**CTF**"), anti-corruption, market surveillance and transaction monitoring. The Group is also committed to supporting sustainable environmental standards and implementing environmentally friendly operational measures.

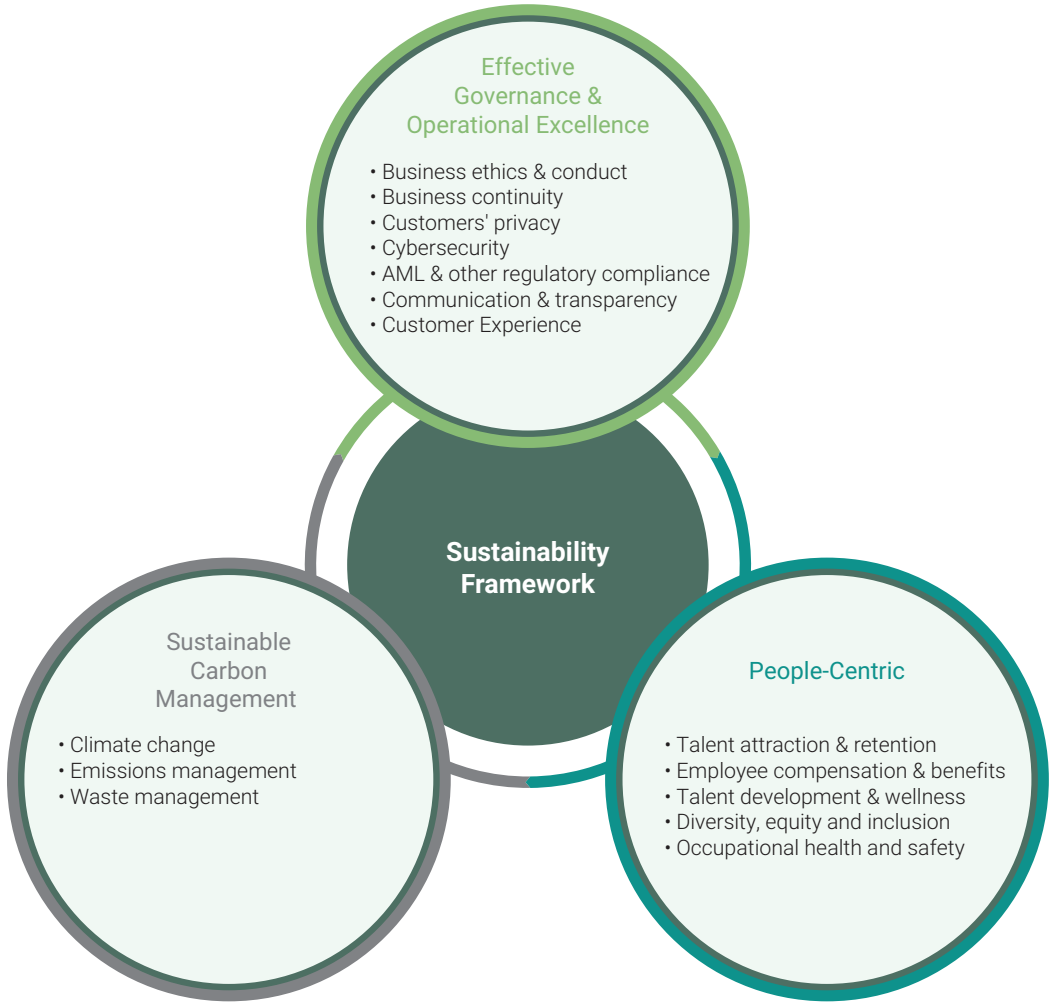
Creating and delivering sustainable values to its stakeholders remains an overarching principle for the Group. To ensure that our long-term vision and missions are carried out effectively and consistently throughout the Group, we have developed a sustainability framework with three strategic pillars, namely:

- 1) Sustainable Carbon Management;
- 2) People-Centric; and
- 3) Effective Governance & Operational Excellence.

The contents of this Report were developed around these three pillars and each section focuses on one pillar of the framework.



**Sustainability Framework**



**United Nations' Sustainable Development Goals**

The Group is a supporter of the United Nations' SDGs which aim to tackle climate change and address a range of social needs. As a responsible corporate citizen, we acknowledge the emerging global trends outlined in the SDGs and we are committed to contribute and tackle the sustainability challenges. The Group's ESG strategy is consistent with the SDGs as follows:



### 4.3 Stakeholders Engagement

The Group recognises that the views and expectations of our stakeholders are vital to the Group and our sustainability goals. We proactively engage and communicate with the identified key stakeholders including shareholders, staff, business partners, customers and regulators to understand their needs and concerns.

Engaging stakeholders on an ongoing basis is vital to the Group's ESG governance and management. The Group regularly communicates with stakeholders to better understand their expectations and concerns. This enables the Group to respond to its opportunities and challenges, and to build long-term loyalty and trust – as an SFC-licensed brokerage and exchange, an employer and a corporate citizen. Consistent stakeholder engagement contributes positively to community development, which in turn supports sustainable growth.

In 2023, the Group continued to engage with our key stakeholders via several communication channels, including meetings and surveys. Feedback was provided to senior management, who reviewed the findings and made an evaluation on whether material ESG topics were relevant to the key stakeholder groups.






### Stakeholder communication matrix:

<b>Employee</b>	<ul style="list-style-type: none"><li>• Employees' compensation and benefits</li><li>• External and internal training and development opportunities</li><li>• Occupational health and safety</li></ul>	<ul style="list-style-type: none"><li>• Employee engagement surveys</li><li>• Staff training and workshops</li><li>• Town-hall meetings and "Ask Management Anything" sessions</li><li>• Staff performance appraisals</li></ul>
<b>Shareholders and potential investors</b>	<ul style="list-style-type: none"><li>• Return on investment</li><li>• Corporate governance</li><li>• Strategic plans</li></ul>	<ul style="list-style-type: none"><li>• Annual general meeting</li><li>• Corporate communications</li><li>• Interim and annual reports</li><li>• Announcements and press releases</li><li>• Investor conference calls and virtual meetings</li><li>• Engagement surveys</li><li>• Monthly investor newsletters</li><li>• Results briefings</li></ul>
<b>Customers and potential customers</b>	<ul style="list-style-type: none"><li>• Service quality assurance</li><li>• Customers' privacy and confidentiality</li><li>• Cybersecurity</li></ul>	<ul style="list-style-type: none"><li>• Communications with sales representatives and traders</li><li>• Customer support channels</li><li>• Corporate website</li><li>• Daily communications</li><li>• Social media posts</li><li>• Press releases</li><li>• EDMs</li></ul>
<b>Suppliers and vendors</b>	<ul style="list-style-type: none"><li>• Fair and open procurement</li><li>• Win-win cooperation</li></ul>	<ul style="list-style-type: none"><li>• Visits and meetings</li><li>• Due diligence procedures</li><li>• Regular supplier reviews</li><li>• Engagement surveys</li></ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"><li>• Compliance with rules and regulations</li><li>• Anti-corruption policies</li><li>• Contribution to the local economy</li></ul>	<ul style="list-style-type: none"><li>• Daily communications</li><li>• Compliance with local rules and regulations</li><li>• Circulars and guidelines of regulatory authorities</li><li>• Regular dialogues and meetings</li></ul>

## 4.4 Materiality Assessment

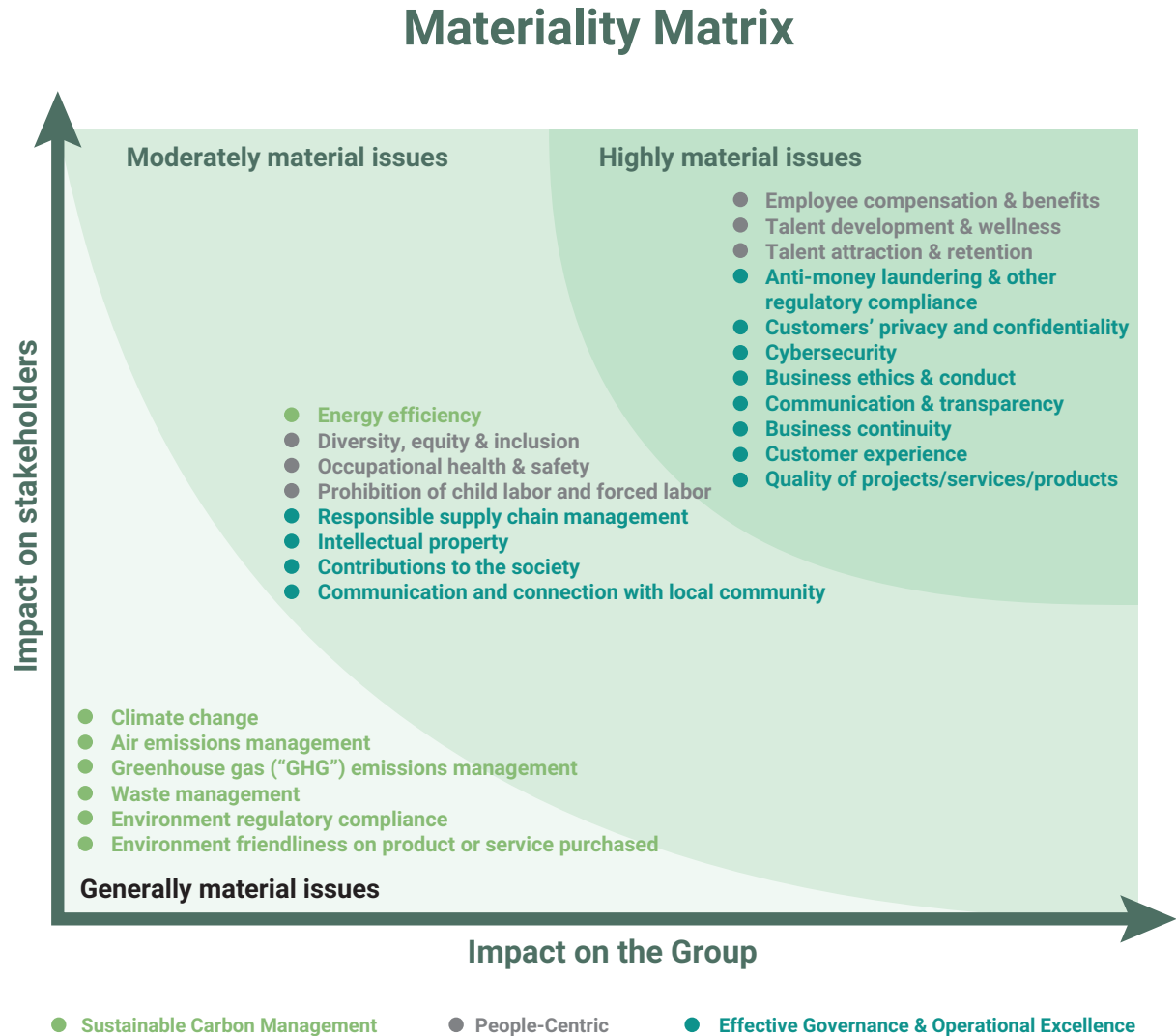
Focusing on the most important ESG issues can help the Group better utilise its resources to address issues and reduce associated risks. The Group conducted a comprehensive materiality assessment in 2023 and adopted a three-step methodology to identify and review ESG issues that are material to the Group's business and stakeholders.

 <p><b>1. Identify Relevant Topics</b></p>	<ul style="list-style-type: none"> <li>• Research of relevant economic, environmental and major social trends and challenges</li> <li>• Review of available internal documents and peer companies, creation and curation of a list of relevant ESG topics</li> <li>• 25 issues were identified and categorised by the Group's sustainability framework pillars</li> </ul>
 <p><b>2. Assess and Rank</b></p>	<ul style="list-style-type: none"> <li>• A materiality matrix was created based on the results of internal and external assessments:</li> <li>• Internal assessment: The ESG Committee assessed material issues based on the Group's corporate values, development strategy, upcoming market challenges and opportunities</li> <li>• External assessment: In addition to communicating with stakeholders through regular channels, the Group engaged an independent third-party consultant to conduct an online survey of key stakeholders to understand their expectations</li> <li>• The impacts of the issues were ranked on a scale of 1 to 5, with 1 being least impact and 5 with most impact to the Group or the stakeholders</li> </ul>
 <p><b>3. Validate Results</b></p>	<ul style="list-style-type: none"> <li>• Recommended material issues were discussed by the Group CEO, senior management and ESG Committee, and approved by the Board</li> </ul>



## 4.5 Materiality Matrix

The feedback collected from the internal and external assessments was reviewed and analysed. The result of the materiality assessment is illustrated below:



# 5.

## SUSTAINABLE CARBON MANAGEMENT

### Strategic approach:

- Lead the promotion of decarbonisation and green innovation in the digital asset industry
- Commit to carbon neutrality initiative with ambition to achieve net-zero emissions in the future
- Reduce the carbon footprint produced from the Group's operations
- Increase digitalisation and automation, reduce the use of resources and the need for business travel





---

**SUSTAINABLE  
CARBON MANAGEMENT**

## 5.1 Responding to Climate Change

The climate emergency represents a pivotal obstacle of our era that will necessitate worldwide efforts to mitigate. The Group recognizes the urgency and importance of addressing the climate crisis. As a leading digital asset and fintech company, the Group plays a critical role to support the transition to a climate-resilient and net-zero carbon emission economy. We are committed to reaching net-zero GHG emission by 2050, targeted to reduce emissions from operations and have adopted energy-saving measures (Please refer to the section “Emissions Management and Reducing Carbon Footprint”).

### Carbon credit offset

In 2021, the Group achieved a significant milestone by purchasing 2,000 tonnes of voluntary carbon credits from ACX, a carbon credit exchange based in Singapore. These credits were issued under Verra’s Verified Carbon Standard (VCS) Program and originated from a solar renewable power project in India. By offsetting the carbon, we successfully became “carbon negative” in the last reporting period.

### Climate mitigation project investment

The Group also showed its dedication to a sustainable future by investing in an ESG-focused block-chain firm, Allinfra, in 2021. Allinfra specializes in climate-related digital assets, particularly in tokenizing infrastructure and renewable energy projects. They are currently involved in initiatives in Asia to tokenize renewable energy data for emission credits and carbon reduction credits.

## Crypto Climate Accord

In a further commitment to building a sustainable business for investors and the planet, the Group joined the Crypto Climate Accord (“CCA”) as an official Supporter. The CCA, inspired by the Paris Agreement, is a private sector-led initiative for the entire crypto community focused on decarbonising the cryptocurrency and blockchain industry. The CCA’s objective is to decarbonise the global crypto industry by prioritising climate stewardship and supporting the entire crypto industry’s transition to net-zero GHG emissions by 2040. As an official supporter, the Group not only approves of the Accord’s objectives but is also involved in helping advise, develop, and scale solutions in support of the CCA.

These actions were aimed at actively supporting initiatives that reduce greenhouse gas emissions and promote environmental conservation. By engaging in these activities, we aimed to make a positive impact on the environment and help address the challenges posed by climate change.

## Climate-related Risks and Opportunities

The Group acknowledges that climate change is a pressing issue that requires immediate attention. Our priority is to proactively address climate-related risks to our staff, offices and business while maintaining a commitment to environmentally responsible operations. To better understand the potential impacts of climate change on our business operation, we have engaged external consultants to conduct climate scenario analysis and climate-related risk assessment that are aligned with the TCFD framework.

During the Reporting Period, the Group had identified and assessed the physical and transition risks that may have financial implications for the Group with two time horizons: medium-term (2030) and long-term (2050). Six suitable scenarios are chosen from the Representative Concentration Pathways (“RCP(s)”) and Shared Socio-Economic Pathways (“SSP(s)”) of the Intergovernmental Panel on Climate Change (“IPCC”), the Global Energy and Climate Model from the International Energy Agency (“IEA”). The details of the scenarios used are as follow:

Aggressive mitigation scenarios	Business-as-usual scenarios
<p><b>IPCC RCP 2.6</b> A stringent mitigation scenario which is in line with the Paris Agreement’s target (i.e. warming of less than 2°C by 2100).</p> <p><b>IPCC SSP1 – Sustainability</b> A scenario of the world shifting gradually towards a sustainable path.</p> <p><b>IEA Net Zero Emissions by 2050 Scenario</b> A scenario which sets out a pathway for the global energy sector to achieve net-zero CO<sub>2</sub> emissions by 2050.</p>	<p><b>IPCC RCP 8.5</b> A high GHG emission scenario which is consistent with a future with no policy changes to reduce emissions (i.e. warming in excess of 4°C by 2100).</p> <p><b>IPCC SSP5 – fossil-fuelled development</b> A scenario that the world places increasing faith in competitive markets and is coupled with the exploitation of abundant fossil fuel resources.</p> <p><b>IEA Stated Policies Scenario</b> A scenario which reflects current policy settings based on a sector-by-sector and country-by-country assessment of the specific policies that are in place.</p>

With the business-as-usual scenarios, we assessed both acute and chronic physical risks and transition risks based on the location of our operation, assets and employees. The details are as follow:

Physical risk	Impact	Management and mitigation
<p>Acute</p> <ul style="list-style-type: none"> <li>Increased severity of extreme weather events such as cyclones, rainfall and floods</li> </ul>	<ul style="list-style-type: none"> <li>Asset is exposed to low physical risks.</li> <li>The increasing frequency of extreme weather events (e.g. tropical cyclones) globally would impose an increase in insurance premiums in both medium- and long-term.</li> <li>Loss of revenue due to business disruption.</li> <li>Impose safety risks to our employees.</li> </ul>	<ul style="list-style-type: none"> <li>The Group operates its technology stack with remote data centre sites and has implemented business continuity and disaster recovery plans to ensure resilience against physical disaster.</li> <li>To mitigate these risks, the Group regularly reviews our business continuity plans to ensure the adequacy of contingency policy to protect our employees.</li> </ul>
<p>Chronic</p> <ul style="list-style-type: none"> <li>Heat stress</li> </ul>	<ul style="list-style-type: none"> <li>Reduce productivity and increase loss of working days due to the heat stress-related illnesses suffered by employees in Australia and the Americas where employees face a drastic increase in the number of hot days (with maximum temperature &gt;35°C), in the long term results in lower revenue.</li> </ul>	

Transition risk	Impact	Management and mitigation
<p>Policy &amp; legal</p> <ul style="list-style-type: none"> <li>Heightened regulatory oversight and reporting obligations</li> <li>Introduce carbon pricing or carbon tax</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced sustainability reporting requirements may elevate compliance costs and increase in legal risks for non-compliance of the new regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Pay close attention to the development of government policies and give more training on new regulations to staff to ensure compliance of new regulations.</li> </ul>
<p>Market</p> <ul style="list-style-type: none"> <li>Changing customer preference</li> </ul>	<ul style="list-style-type: none"> <li>Failure to grasp changes in consumer attitudes and sustainably improve services and operations will result in the risk of losing several consumers who are increasingly conscious of climate issues.</li> </ul>	<ul style="list-style-type: none"> <li>Establish and improve the energy conservation, waste management and carbon reduction management system, actively promote the use of renewable energy, such as encouraging employees to use new energy electric vehicles for traveling.</li> </ul>
<p>Reputation</p>		<ul style="list-style-type: none"> <li>Participate in carbon credits offset, as well as invest in climate mitigation projects to actively support initiatives that reduce greenhouse gas emissions and promote environmental conservation.</li> </ul>

Climate-related Opportunities	Possible Impacts
<ul style="list-style-type: none"> <li>In the medium-term, we could seize the opportunity to incorporate green digital assets (e.g. green tokens) to our block-chain platform.</li> <li>In the long-term, transitioning into a renewable energy-based business.</li> </ul>	<ul style="list-style-type: none"> <li>meet the potential changes in customer demand.</li> <li>develop a high reputation and be the pioneer in the industry.</li> <li>maintain our competitiveness in the market.</li> </ul>



## 5.2 Emissions Management and Reducing Carbon Footprint

The Group is committed to long-term environmental sustainability and community development and has, to its best knowledge, complied with all relevant rules and regulations regarding environmental issues in the regions in which it operates. During the Reporting Period, the Group measured and managed its environmental performance in several aspects of its operations.

### Air emissions

Air pollution is one of the greatest environmental risks to our health. The Group recognizes the importance of reducing air pollution and has identified the major source of emissions from its operations. Due to the nature of its service-based business and the absence of industrial production, the Group does not directly generate a significant amount of exhaust gas during its operations. As a result, the air emission level remained consistently low throughout the Reporting Period. Given the negligible impact of air emissions, they were considered immaterial to the Group's overall operations. The Group's air emissions were generated mainly from gasoline consumption of our vehicles in Mainland China.

We have been adopting several strategies to reduce air emissions by:

### Measures to Reduce Air Emissions

- better journey planning to reduce the transportation mileage and use vehicles with less air emissions.
- minimize the number of trips made for business purposes.
- encourage the use of video and web conferencing as a substitute for face-to-face meetings.

### GHG emissions

The impact of global climate change is a challenge that businesses and organisations around the world must face and address.

From assessment of the 2023 GHG emissions, direct emissions (Scope 1) comprise only about 0.6% of the total emissions, which are mainly generated from gasoline consumption of our vehicles. Indirect emissions generated by purchased electricity (Scope 2) comprise about 84.8% of the total emissions, which account for the largest portion of the Group's GHG emissions. Air travel constitutes the majority of the Group's other indirect GHG emissions (Scope 3), which comprises about 14.6% of the total emissions.

The total GHG emissions of the Reporting Period recorded an increase of approximately 97.2%, compared with that of the prior year. This was mainly due to an increase in air travel as a result of resumption to normal operations from the COVID-19 pandemic.

The Group is keeping track of its emission reduction target. To achieve it, the Group aims to continuously reduce energy consumption and enhance the energy conservation awareness of employees through a number of energy conservation strategies and measures, including:

- Use of energy-saving equipment and lighting devices (e.g. LED lights, using energy efficient chillers);
- Use of motion sensors for office lighting which turn off lights automatically when rooms are not in use;
- Use as much natural light as possible without interfering office work;
- Prompt replacement of damaged lights to prevent continued electricity consumption when they are not illuminating; and
- Programmed auto switch off of all air-conditioning in the Group's core offices, typically at 19:00.

To reduce the Scope 3 emissions, the Group has encouraged employees to use video and web conferencing technologies rather than travelling, whenever possible. With successful utilisation of the conferencing technologies for meetings and collaboration, the Group remains committed to the continued use of this technology, where feasible, to reduce the need of business travel.

The Group has been adopting flexible work arrangements for employees ever since 2020 with an aim to reduce energy consumption through savings in commuting, use of cars and fuel, and production of office wastes. The Group will continue to assess, record and disclose its GHG emissions annually.

The Group will continue to refine its data collection system and expand disclosure of Scope 3 GHG emissions in the coming years. The Group is committed to full carbon offsets for Scope 1 and Scope 2 GHG emissions going forward.

### 5.3 Waste Management

During the Reporting Period, hazardous waste (mainly toner) and non-hazardous waste (mainly waste paper) were produced by the Group from daily operations.

Recognizing the importance of waste reduction and sustainable waste management, the Group is committed to upholding the principles of “reduce, reuse, and recycle” throughout its operations. By implementing these principles, the Group aims to minimize the overall waste generated and promote a circular economy approach.

The Group is committed to implementing various waste management initiatives in its office operations to reduce waste, promote recycling, and ensure proper waste separation at the source. Some of these initiatives include:

#### Waste Reduction

The Group actively promotes waste reduction by encouraging employees to minimize waste generation in their daily activities. This can involve measures such as using digital documents instead of printing, sourcing office paper that complies with environmental standards and printing only when necessary, setting printers to default to double-sided and black and white printing modes, centralising paper procurement, strictly controlling the amount used, reusing single-side printed paper, stationeries and practicing mindful consumption of resources.

#### Waste Separation

The Group emphasizes the importance of waste separation at the source to facilitate efficient recycling. Proper waste separation ensures that different types of waste, such as hazardous and non-hazardous waste, are appropriately segregated to enable effective recycling or disposal methods.

#### Recycling Programs

The Group has established recycling programs within its offices to ensure that reusable materials are efficiently diverted from the waste stream. This includes providing designated recycling bins for paper, plastic and aluminium, and educating employees on the proper sorting and disposal of recyclables.

#### Paperless Practices

The Group recognizes the environmental impact associated with paper usage and has taken steps to reduce paper consumption through technology. It involves implementing digital document management systems, encouraging electronic communication and collaboration, and promoting paperless workflows whenever possible.





### ■ Employee Awareness

The Group conducts awareness campaigns to educate employees about waste management practices. This helps to foster a culture of waste reduction and recycling, ensuring that all staff members are knowledgeable about the Group's waste management initiatives and actively participate in their implementation.

By implementing these waste management initiatives, the Group aims to minimize waste generation, increase recycling rates, and create a more sustainable office environment. These efforts align with the Group's commitment to environmental responsibility and contribute to its overall goal of reducing its environmental impact.

### ■ 5.4 Use of Resources

The Group strives to maximise resource efficiency and is gradually transitioning to a low-carbon business model.

### ■ Energy consumption

During the Reporting Period, direct energy consumption was generated from the use of gasoline; indirect energy consumption was generated from the purchased electricity consumption which is the primary source of energy consumption from the Group's operations. The total energy consumption of the Reporting Period recorded with an increase of approximately 141.5% compared to that of the prior year. This was mainly due to increase in the purchased electricity consumption during the Reporting Period. The Group aims to improve energy efficiency as part of the continuous improvement process. Please refer to the section "Emissions Management and Reducing Carbon Footprint" for the measures adopted to reduce its energy consumption.

### ■ Water consumption

The Group's business is conducted in office premises where water supply is controlled and centrally managed by building property management. It is therefore not feasible for the Group to provide relevant water consumption data as there are no separate meters for individual office units to record water usage and there are no issues in sourcing water. Despite this, the Group endeavors to conserve water effectively. To achieve this goal, employees are consistently reminded to turn off water taps after use, promoting responsible water usage throughout the organization. Additionally, the Group diligently conducts regular checks on faucets to prevent any unnecessary leakage. In the event of water pipe leakages, immediate action is taken to promptly fix them and avoid any wastage. These proactive measures highlight the Group's dedication to water conservation and sustainable resource management. Water consumption has been identified as non-material to the Group.

### ■ 5.5 The Environment and Natural Resources

Recognizing growing global concerns about climate change, the Group prioritizes sustainable practices and responsible resource management and incorporates concepts of environmental friendliness into internal management and daily operation. To minimise the impact of our operations on the environment, the Group is committed to applying best industry practices, complying with legislation, establishing and reviewing safety, security and environmental objectives and targets, using energy and materials efficiently, reducing waste and emissions, and communicating its environmental protection policy to all staff.

Due to the nature of the business activities, the Group has no significant impact on natural resources. During the Reporting Period, the Group was not aware of any incidents of noncompliance with relevant rules and regulations related to environmental concerns or that had a significant impact to the Group.

# 6.

## PEOPLE-CENTRIC

### Strategic approach:

- Cultivate a high-performance culture
- Create a supportive work environment that promotes workplace diversity, well-being, health and safety, advanced innovation and inclusion
- Implement accountable and fair processes for employment, career advancement, and reward systems to achieve sustainable business outcomes
- Offer a comprehensive learning and development platform that facilitates personal and professional growth, enabling individuals to build meaningful careers within OSL Group



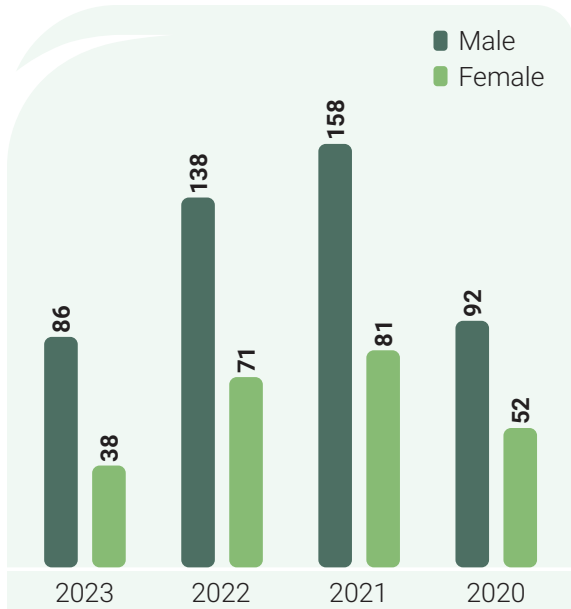


---

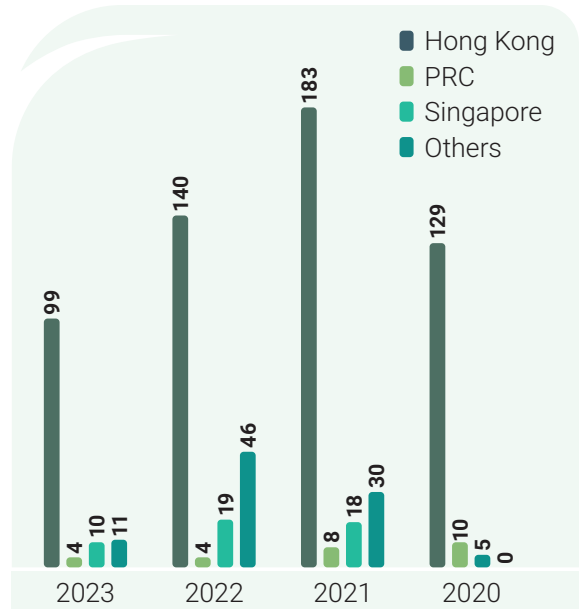
# PEOPLE-CENTRIC

People-Centric By The Numbers

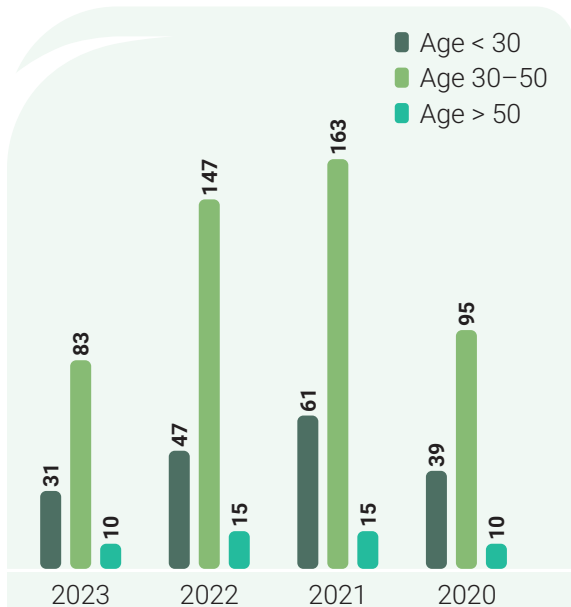
Total number of employees by gender



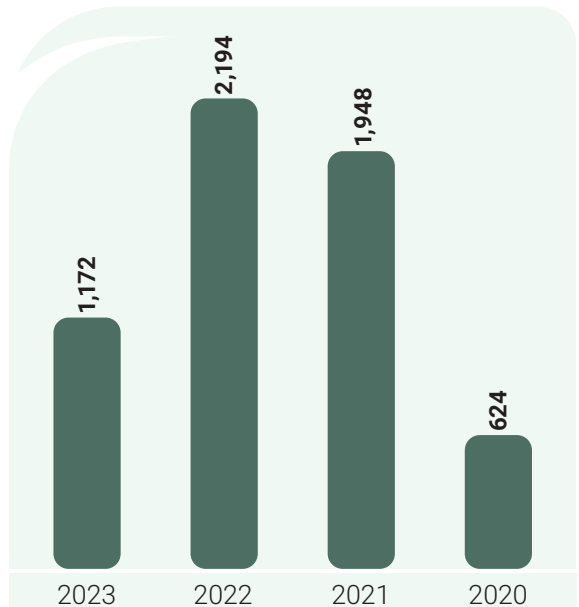
Total number of employees by geographical region



Total number of employees by age group



Total number of training hours



The Group is committed to employee health and well-being, employee growth and development. It embraces a values-based culture of high-performance and firmly believes that comprehensive human resources policies are the key to practice. The Group's human resources policy aims to provide all employees with fair treatment in talent acquisition, learning and development, performance appraisals, promotions, remuneration and benefits. Staff dismissals are based on relevant local rules and regulations as well as requirements stipulated in the employment contracts.

In order to establish an ethically responsible and professional working environment, the Group has also established a Code of Conduct, aiming to set a standard of behaviors and professionalism that it expects on all the employees, as well as to provide employees with clear work guidelines, and promote the ethical and professional development of the Group. Meanwhile, in order to attract and retain outstanding talents, the Group provides a competitive package of benefits to all eligible employees according to the job requirements and individual performance. The work of each employee is reviewed on an ongoing basis with a systematic performance evaluation to ensure effective assessment on employee performance and contributions and providing targeted feedback and development opportunities.

## 6.1 Building Diversified Teams, Hiring and Retaining the Right People

The Group values talents and regards "people-centric" as the strategic guideline of its human resources policy. It aims to recruit and retain talents with excellent abilities and potential and actively build a diverse team that is consistent with the Group's values. The Group has set clear recruitment standards to provide competitive compensation and benefits packages to its employees. It actively monitors turnover rate and compares them against industry benchmarks, continuously tracks its competitiveness by market benchmarking and dynamically reviews its remuneration. Meanwhile, it establishes a work environment that focuses on employee needs and well-being, targets to attract, grow, reward and retain diverse talent. In addition, the Group also gathers insights through exit surveys and interviews to identify the reasons and ways to improve it, which helps the Group establish a more attractive and supportive work environment, and improve employee satisfaction and loyalty, thereby reducing turnover and retaining great talent.

The Group actively promotes diversity and has a diverse workforce in terms of gender and nationality, providing different perspectives and ideas, as well as levels of competencies and expertise, thereby promoting innovation and enhancing the Group's competitiveness, helping to expand the market and customer base, while also enhancing the corporate image and promoting the long-term success and development of the Group. As of 31 December 2023, the total number of employees of the Group was 124.



## 6.2 Learning and Development

The Group firmly believes that continuous learning is the key to employee growth and the Group's competitiveness. Therefore, it is committed to creating a work environment that provides continuous learning. By encouraging employees to continue learning, it promotes the growth and development of employees, ensures they can master sufficient skills and knowledge, realize their potential and explore new development opportunities.

To facilitate the seamless integration of new joiners into the Group, a comprehensive on-boarding program is provided for new joiners to ensure that new employees clearly understand the Group's values and culture. It also helps to promote new employees' job satisfaction and sense of belonging, thereby improving its effectiveness and contribution. The on-boarding program provides information about the Group's structure, an introduction of different departments, the employee's Code of Conduct, an over-view of company policies and procedures, and other important HR-related activities.

The Group is committed to promoting ethical practices and preventing misconduct. Employees receive annual training on business ethics, fraud prevention, anti-bribery and anti-corruption, anti-money laundering and counter-terrorist financing, insider trading, information security and cyber risk awareness, and conflicts of interest.

In addition, the Group offers regular "Learning & Development" and e-learning sessions to equip staff with industry knowledge and other important information and skills. As the first SFC-licensed digital asset trading platform to conduct type 1 and 7 regulated activities related to digital assets, the Group also sponsors training for all employees engaging in regulated activities to enhance their technical skills and professional expertise and ensure compliance. The Group also considers providing financial sponsorship to employees upon a program of study leading to a professional qualification or accreditation.

During the Reporting Period, the total number of training hours of Group staff was 1,172, with a 99.5% employee coverage rate.

## 6.3 "Speak-Up" Culture

The Group believes direct and transparent communication style is a key element in the Group's open and dynamic company culture, therefore the Group encourages employees to act with courage and integrity, to "speak up," and use sound judgements in challenging situations.

Creating channels and opportunities for staff to speak with the senior management is important. The Group holds regular town-hall meetings, and regularly conducts "Ask Management Anything" sessions to create an open dialogue between the staff and the management, open and transparent dialogue can provide a deep understanding of employees' perspectives and needs, enhance effective communication and understanding, promote understanding and respect for different viewpoints, exchange of ideas and innovation, and help establish good working relationships.

The Group also conducts surveys and collects instant feedback through internal communications tools. Staff are given opportunities to freely share comments and valuable feedback about their experiences with the Group, which allows HR and the management to create appropriate HR initiatives and staff well-being programs.



## 6.4 Well-Established Performance Management

OSL Group implements a robust and transparent process to evaluate the competencies and experience of candidates during recruitment and has fair and equitable employment, remuneration, promotion and termination procedures. The Group utilises a well-established 360-degree performance appraisal and feedback system and encourages regular feedback meetings between reporting managers and staff. Performance review is conducted at least once a year. It gives a formal opportunity for managers and employees to assess performance and cultivate strong working relationships in support of the company's objectives. The review process also provides an opportunity to discuss progress, provide feedback and recognition, identify support that may be needed, and address issues that could affect an individual's well-being.

The HR team leverages a cloud-based goal management system to provide employees with clear direction and establish objectives. This tool helps managers guide employees to communicate and align expectations. All staff have at least one formal performance review each year, during which they discuss with their managers their progress against the established goals and achievements. The results influence pay recommendations during the performance review.

OSL Group offers competitive remuneration to attract talents, considering factors such as individual performance, behavior, and market benchmarks. The Group utilizes a performance-based remuneration system to motivate employees, with a portion of pay being discretionary and tied to the Group's performance and an individual's contribution. The Group also provides opportunities for employees to become shareholders through its Share Option Scheme and Share Award Plan, aligning their interests with the company's success.

## 6.5 Promoting Diversity, Equity and Inclusion

OSL Group is committed to creating an inclusive, equal and diverse work environment, demonstrating the importance and respect for all employees.

By formulating, outlining and incorporating the principles of an inclusive workplace culture with zero tolerance for discrimination or harassment into the employee handbook, the equal opportunities policy helps the Group to transparently communicate its commitment to equality and inclusion to all employees, ensuring that all employees understand their rights and responsibilities in the workplace and work together to create a fair and respectful environment. The Group firmly prohibits any form of discrimination or harassment and provides employees with safe and confidential reporting channels. The Group ensures that any reports of harassment or potential harassment will be taken seriously, and appropriate investigation and handling procedures will be carried out. Additionally, the use of gender-inclusive language is promoted in the workplace to enhance inclusion and respect.

The Group's HR policies strictly comply with all applicable local laws, legislations and ordinances. As an equal opportunity employer, the Group is committed to providing equal opportunities to all employees and applicants regardless of race, color, religion, national origin, sex, age, marital status, sexual orientation, disability, political affiliation, personal appearance, family responsibilities, matriculation or any other characteristic protected under local law. Every employee is evaluated on the basis of ability, qualifications and suitability for the work.



Moreover, the Group conducts its business in a manner which respects all internationally recognised human rights in accordance with the United Nations Guiding Principles on Business and Human Rights, International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The Group prohibits the use of child labor and forced or compulsory labor at all its units and suppliers. No employee is made to work against his/her will or work as a forced labor, or is subject to corporal punishment or coercion of any type related to work. The Group has zero tolerance to employment of child labor and forced labor by the suppliers. During the Reporting Period, the Group was not aware of any noncompliance with relevant rules and regulations on preventing child or forced labor.

The Group also embraces gender diversity. Women represented 30.6% of employees across the Group during the Reporting Period.

### ■ 6.6 Promoting Employee Well-being

The Group believes that employees who enjoy a good work-life balance are better equipped for high performance, enhanced creativity and loyalty, as well as help promote employees' physical and mental health. Therefore, The Group regularly reviews employee benefits against market benchmarks to ensure they are fit for purpose and support staff well-being, promoting a healthy workplace culture.

The Group embraces workforce diversity and promotes productivity, irrespective of physical and geographical locations. During the Reporting Period, the Group supported colleagues working from home and provided other forms of flexible work arrangements designed to prioritize employee's health and safety. In addition, to consider and accommodate employee requests in an equitable, consistent and sustainable manner, the Group also rolled out a flexible work arrangement (FWA) to allow employees to work from home or other OSL Group offices, depending on their job nature, business requirements and their own circumstances.

The Group also has staff mobility programs that enable employees to transfer to other office locations. Having the right people in the right place helps ensure the Group's ability to mobilise resources to meet complex challenges for its customers. It also supports staff development.

The Group offers its employees comprehensive benefits, including medical and dental coverage. To show care and support for employees, it also provides medical and family leaves, including marriage leave, maternity leave and paternity leave, examination leave, and birthday leave, to help create a work environment that supports employee health and well-being. The Group has reviewed and updated employee annual leave and entitlement benefits to promote work-life balance in the past years.

### ■ 6.7 Health and Workplace Safety

The Group recognises its responsibility to prioritize the health and safety of its employees, aiming to create a work environment that enables them to thrive both physically and mentally.

The Group's health and safety policy is incorporated in its employee handbook, providing clear instructions on the appropriate actions to be taken in case of accidents, such as fires and injuries. During the Reporting Period, the Group ensured full compliance with relevant occupational health and safety legislations of Hong Kong, Mainland China and other relevant jurisdictions. The Group also maintained a healthy and safe working environment with no occurrence of work-related fatalities. As the Group is principally engaged in a digital assets platform business and business park management services businesses, the Group believes that potential occupational hazards are relatively low.



In addition, the Group also provides comprehensive insurance benefit packages that cover a wide range of medical services, including hospitalisation and surgical benefits, outpatient treatment, dental services and wellness support. Over the past years, the Group has offered employees resilience workshops, physical fitness workshops and healthy lunch options. The Group is committed to innovations and enhanced technology in the workplace, aiming to enhance efficiency and agility within the organization.

## ■ 6.8 Meeting the Challenges of COVID-19

The COVID-19 pandemic presented many challenges to the Group in the past years. To ensure the safety of employees while maintaining operations, the Group implemented guidelines for working from home, split-site operations, and team shifts during the peak of the outbreak.

The Group continued to implement social responsibility and employee safety programs to protect employees against infection and minimise the impact of the pandemic. Several measures were taken to protect employees and minimize the risk of infection, including providing surgical masks and disinfectant gel in communal areas, increasing the frequency of office cleaning, and promoting remote and flexible working arrangements. The Group also encouraged the use of video conferencing instead of face-to-face meetings and emphasized the importance of personal hygiene, such as wearing masks properly and practicing frequent handwashing.

Although the pandemic subsided in the Reporting Period, the Group will continue to monitor the pandemic and strengthen precautionary measures as necessary.



## 7.

**EFFECTIVE  
GOVERNANCE &  
OPERATIONAL  
EXCELLENCE****Strategic approach:**

- Manage risks and opportunities related to the Group's businesses
- Maintain and ensure the sufficiency and relevance of the risk management framework and its application in sustainable business practices
- In compliance with laws and regulations, commit to operational excellence and create long-term value for shareholders and stakeholders
- Establish a corporate culture of ethics and integrity and improve the transparency of corporate operations





**EFFECTIVE  
GOVERNANCE &  
OPERATIONAL EXCELLENCE**

The Group is committed to high standards of regulatory compliance, operational transparency, and encourages fair and orderly digital asset markets. Recognizing the social benefits of digital asset transfers, such as increased financial inclusion and value preservation in times of geopolitical conflicts, the Group is also aware of the potential risks and abuses associated with these transactions conducted over the internet.

The Group has compliance safeguards and opted into regulatory frameworks covering anti-money laundering (AML) and countering the financing of terrorism (CTF) that are applicable to financial institutions in Hong Kong and other operating jurisdictions. The Group applies institutional-grade AML and “know-your-customer” (KYC) standards to all platform users to prevent financial crime and regulatory circumvention. Furthermore, blockchain analytics tools are utilised by the OSL platform to analyse the sources of digital assets received by the Group and further enhance its compliance framework.

The Group has implemented policies and measures to effectively address non-compliance and security issues. These include policies that cover conflicts of interest, market surveillance and transaction monitoring tools to maintain fair and orderly digital asset markets. It has also established security measures and protocols in accordance with industry standards, with insurance that provides safeguards in case of thefts or losses of digital assets held in the Group’s platforms. The Group maintains a data privacy policy in accordance with relevant laws and industry practices.

The Group is committed to honesty, integrity and fairness in its business operations. It supports fair trade and operational practices, ensuring that all marketing and communication materials are updated in compliance with government regulations in the regions in which it operates.

The Group was not aware of any material noncompliance with relevant laws and regulations on health and safety, advertising and privacy matters related to services provided or related to bribery, extortion, fraud and money laundering during the Reporting Period.

## 7.1 Corporate Governance

Strong corporate governance is essential for delivering sustainable shareholder value. The Group recognizes the importance and is dedicated to upholding high standards of corporate governance. It provides the framework and mechanisms necessary to ensure that the Group operates in a responsible, transparent, and ethical manner. By establishing effective governance practices, the Group can safeguard the interests of its shareholders, enhance investor confidence, mitigate risks, and make informed decisions that drive long-term value for shareholders, hence enhancing corporate value and accountability.

For details of the Group’s corporate governance, please refer to the “Corporate Governance Report” in the Group’s FY2023 Annual Report. To drive sustainable change in the marketplace and within the organization, the Group has set up an ESG Committee. The committee is responsible for overseeing and guiding the Group’s ESG (Environmental, Social, and Governance) strategy and operations. Please refer to the section “ESG Governance Structure” in this Report for more details.

## 7.2 Business Ethics & Integrity

The Group is a market leader that aims to set the global standards for security and compliance in digital assets. We recognise the importance of our reputation and are committed to upholding ethical business practices.

To cultivate a strong culture of integrity and compliance within the organization, the Group has implemented several measures. These include a personal account dealing policy and mandatory training for all staff on ethics, business standards, bribery and corruption. The Group regularly reviews and updates its policies to strengthen and enhance business resilience and to meet stakeholder expectations.

The employee Code of Conduct lays out expectations for ethical behavior for all staff and aligns with the Group's core values. It is mandatory for all employees to comply with the Code of Conduct, and they are required to comply with and read it on an annual basis.

### 7.3 Anti-Bribery and Corruption

The Group has a zero tolerance approach to bribery and corruption. In compliance with local regulations, including the Prevention of Bribery Ordinance and the financial professional ethics guidelines, as well as industry best practices, the Group also has created its own anti-corruption and anti-bribery management framework. The Group's anti-corruption and anti-bribery management framework is regularly reviewed and updated on an annual basis. This framework outlines the relevant principles, requirements, and guidelines to be followed. Meanwhile, it also delineates the roles, responsibilities, and mechanisms for effective management, including evaluation processes, training initiatives, and whistleblowing procedures.

The Group strictly prohibits:

- giving or offering anything of value to obtain a business advantage, reward, or expedite procedures.
- accepting anything of value if there is suspicion of an expected business advantage in return.
- threatening or retaliating against those who refuse to engage in bribery or raise concerns under the policy.

The Board sets the Group's anti-corruption and anti-bribery strategic direction, emphasizing strict adherence to relevant laws, regulations, and corporate culture. Regular business ethics training is provided to promote an anti-corruption culture within the organization.

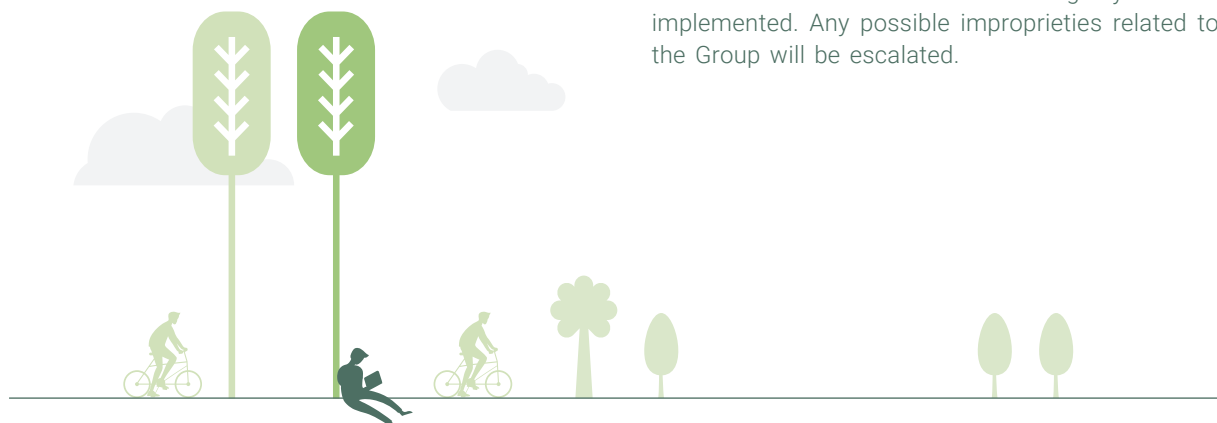
During the Reporting Period, all directors and staff completed training on company's values and conduct which covered, among other topics, anti-bribery and corruption. During the Reporting Period, no legal cases regarding corrupt practices were concluded or brought against the Group or its employees.

### 7.4 Whistleblowing

The Group firmly believes that promoting integrity and providing grievance and whistleblowing channels can help avoid unethical business practices, promote the establishment of a good corporate culture, protect the rights and interests of employees and stakeholders, and promote the sustainable development of enterprises. In order to encourage reporting of suspected irregularities, human rights abuses and workplace misconduct, the Group has established a clear whistleblowing policy. During the Reporting Period, no whistleblowing concerning criminal offences or misconduct was reported.

#### Clear policies and procedures

The Group's whistleblowing policy outlined procedures for reporting fraud, corruption, bribery, extortion and money laundering. It encourages reporting of suspected fraudulent actions and business irregularities in good faith and is clearly communicated to all employees. The Group also reviews and refines the procedures regularly to ensure an effective whistleblowing system is implemented. Any possible improprieties related to the Group will be escalated.



### ■ Diversified reporting channels

To encourage reporting of any actual or suspected misconduct where appropriate, the Group provides a variety of reporting channels, such as anonymous hotlines, mail, email or online complaint platforms, allowing whistleblowers to choose the method that best suits them.

### ■ Quick response and investigation

The Group is committed to ensuring that processes are in place such that all complaints and reports are responded to and investigated in a timely manner, also investigation of the reports and follow-up actions are handled confidentially, properly and appropriately.

### ■ Protect the rights and interests of whistleblowers

All whistleblowing cases are handled and investigated by subject matter experts and treated confidentially to ensure the privacy and safety of the whistleblower and without threat of retribution.

## ■ 7.5 Anti-Money Laundering and Counter-Terrorist Financing

The Group strictly abides by all relevant laws and regulations on AML/CTF. It has implemented an AML/CTF framework, and formulated an AML/CTF policy in compliance with relevant laws and regulatory requirements, the Group's risk management strategies and the recommendations of international organisations such as the Financial Action Task Force.

To manage AML risks effectively, the Group's Risk Committee establishes the Group's tolerance for AML risk and formulates resolutions for different business units to follow. Staff members diligently carry out their responsibilities in line with policies and regulatory obligations. This includes tasks such as customer acceptance, customer due diligence, ongoing monitoring, suspicious transaction investigation, whistleblowing, and maintaining customer and transaction records. The Group has a comprehensive set of sanctions screening and suspicious transaction monitoring systems, which are regularly enhanced to effectively identify suspicious customer accounts and transactions.

The Group conducts regular AML/CTF risk assessments in line with the recommendations and guidance of the relevant regulator(s). These assessments involve identifying inherent risks, analyzing relevant information qualitatively and quantitatively, determining overall risk levels, and evaluating the effectiveness of preventative and detective controls.

The Group provided employee training and incorporated examples of financial crime into training and internal circulars during the Reporting Period, in which:

- All employees are required to attend Compliance training at least once annually;
- Compliance training is organised for new employees, and new frontline employees are required to complete comprehensive training courses; and
- External AML experts are regularly invited to communicate with and conduct training for the Board, management and employees and share the latest AML regulatory requirements and international cases.

In addition, The Group has a Fraud Management Policy to provide customers with timely fraud risk and anti-money laundering tips through various channels to promote an ethical and fraud-free environment.

## ■ 7.6 Services Excellence

The Group prides itself on customer care and social responsibility. Customers are at the heart of its service strategy, planning and execution.

The Group actively seeks and considers feedback from customers, using it as a basis for adjusting and improving its services according to their needs.

The Group makes every effort to promptly and fairly investigate and resolve all disputes and complaints lodged by clients. Standard Operating Procedure (“SOP”) for client communications has been established. All client complaints are handled by the Compliance department. Upon receipt of a client complaint, Compliance conducts a timely and thorough analysis and investigation, reporting its findings to senior management. Senior management reviews the investigation report to determine the validity of the complaint. If valid, they will then determine an offer of rectification or compensation to the client. Details of which will be communicated to the client in a timely manner in order to finalise the complaint process. Once the client complaint has been finalised, senior management and Compliance will determine whether internal controls and procedures need to be enhanced or any other appropriate actions are required. During the Reporting Period, no substantial client complaints were received.

### 7.7 Intellectual Property and Brand Management

The Group protects its intellectual property by prolonged use and registration of domain names and various trademarks. Vigilant monitoring and timely renewal of trademarks and domain names are consistently carried out to prevent expiration. Furthermore, the Group immediately takes action against unauthorized third parties that disseminate incorrect news or inaccurate public materials referencing the Group, its intellectual properties (IP), brands, or subsidiary companies.

The Group’s internal and external communications, marketing, and advertising collateral provide distinct and transparent information on the Company and its practices, ensuring the Group not violate or infringe on the intellectual property rights, patents or rights of third parties.

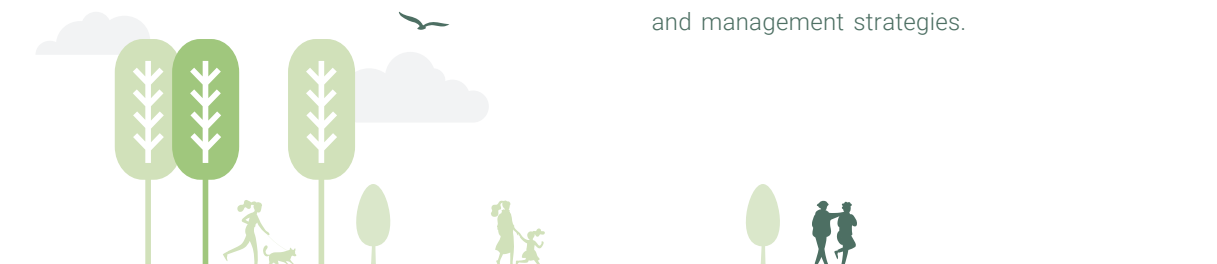
During the Reporting Period, the Group was not aware of any incidents of non-compliance with regulations and voluntary codes concerning the provision and use of the Group’s products and services. This covers product and service information, marketing communications (including advertising, promotion and sponsorship), and property rights (including intellectual property rights) that would have a significant impact on the Group.

The Group also has policies in place to govern its internal and external communications and to help employees learn about the Group’s brand identity and guidelines.

### 7.8 Effective Risk Management

A robust risk management framework is a cornerstone of operational excellence, resilience, and brand reputation. The Group has therefore established a robust risk and governance structure to ensure all risks are identified, assessed, managed, controlled and monitored.

The Board has ultimate responsibility for oversight of the Group’s risk management activities. The Board’s Risk Management Committee is responsible for advising the Board on the Group’s overall risk tolerance and risk management strategies. The Board’s Risk Management Committee is supported by the Group Risk Committee and various subcommittees such as the Operational Risk Committee, the Crisis Management Team, the Client Onboarding Committee, the Technology Risk Committee and the New Product Committee, each of which comprises various members of senior management and operational department heads. The ESG Committee was also formed to oversee ESG and climate-related risk management initiatives. During the Reporting Period, the Group engaged external consultants to conduct climate-related risk assessment, please refer to the section “Responding to Climate Change” for more details. We will continue to review and evaluate our risks and management strategies.



The Group's risk management framework encompasses key risk factors, including but not limited to, market and credit risk, technology and cyber-security risk, operational risk, ESG risks as well as legal, regulatory, fraud and reputational risk. This framework is clearly enunciated through a comprehensive suite of policies that drive operational controls and procedures.

The Group operates with a formal "four lines of defence" model, which sets out clear responsibilities for overseeing and coordinating risk assessment and mitigation of the Group's risks to ensure they are effectively identified, measured, monitored and controlled.

### 7.9 Risk Culture

The Group's robust risk management framework is a combination of top-down and bottom-up components.

The top-down component is explained in section 7.8 "Effective Risk Management" and remains an active framework for identification and management of risks and exposures.

The bottom-up component is founded on the statement: "all staff are risk managers," which has been presented to all staff as the key risk management message.

All staff have been tasked with one risk management directive: "escalate when you have a concern."

Issue and incident escalation is key to early identification and rapid remediation of risks. Staff are required to escalate to line managers, up through department heads and, if necessary, to the Group's Crisis Management Team.

### 7.10 Business Continuity and Crisis Management

The Group acknowledges the critical importance of business continuity and crisis management in the complex and challenging business environment. To ensure the organization's resilience and preparedness, the Group has developed a robust Business Continuity methodology that revolves around three key tenets.

Three tenets form the basis of the Group's Business Continuity methodology:

1. Staff safety above all else
2. Ability to maintain business activity
3. Client experience and safety

When an incident requires management intervention, the Crisis Management Team ("CMT") takes control so that:

- A single decision-making body has full coverage of all aspects of the challenge at hand;
- Clarity of action and elimination of confusion are provided for all staff; and
- Internal and external communication is via a single contact point.

Guided by the Group Crisis Management Plan, the CMT also drives all business continuity initiatives so that robust fail-over mechanisms are specified, tested against stress scenarios, and implemented. These fail-over mechanisms are a combination of technology disaster recovery components as well as departmental business continuity procedures. The plan undergoes regular reviews and enhancements to align with any operational changes or the evolving operating context.





## 7.11 Supply Chain Management

The Group values mutually beneficial and longstanding relationships with its suppliers. Contracts and agreements are performed in compliance with contractual requirements and all suppliers are treated with respect and equality.

The Group works closely with service providers that mainly offer information technology, professional and marketing services. The Group has developed a management policy which clearly defines standard systems, processes and tools for supplier management. Risk Assessment and due diligence are required for certain new suppliers to help mitigate potential risks and ensure that suppliers can deliver the expected services. The Group also has a well-established supplier selection system, based on criteria such as price, customer service team's responsiveness, capability and experience (or more), with preference given to potential suppliers who demonstrate their commitment to the environment, ensuring that suppliers meet the necessary criteria and align with the Group's requirements. The Group is on alert for unfavorable news related to the environmental impact of its engaged suppliers. In the event of such news, the Group will internally discuss the need to change the supplier.

Regular reviews of existing suppliers are also conducted related to anti-corruption, bribery, etc., with all conflicts of interests (including potential conflicts) declared. Relevant laws and regulations, as well as customer confidentiality obligations, are strictly followed, ensuring quality year-round services are provided.

During the Reporting Period, the Group had 161 suppliers. We refined the procurement management framework and recorded the geographical information of our suppliers. Please refer to Appendix I for the detailed breakdown.

The Group was not aware of any key suppliers that had any significant actual or potential negative impact on business ethics, environmental protection, human rights and labor practices, nor did any supplier have any non-compliance incident with respect to human rights or environmental issues.

## 7.12 Information Security, Customer Privacy Protection

In alignment with its mission to be an industry leader providing secure and compliant technology for digital asset products and services, it is critical for the Group to set standards for the protection of information assets from unauthorised access and compromise or disclosure. Accordingly, the Group has adopted comprehensive policies detailing data protection to help manage and protect its information assets. It has detailed guidelines on data security, data sharing, data retention/disposal and data classification.

Moreover, as the potential impact of cyberattacks may include but is not limited to financial loss, reputational damage and loss of customers, the Group is committed to protecting the organisations' information assets against internal and external threats. The Group's cybersecurity framework includes the following tenets:

- Protection of information and systems against unauthorised access;
- Confidentiality of information must be assured;
- Integrity of information must be maintained;
- Availability of information for business processes must be guaranteed; and
- Information Security Risk Management must be an ongoing control process.



To achieve these goals, the Group strictly complies with comprehensive internal policies and industry best practices regarding information security. The Group provides staff with up-to-date information security and cyber risk awareness training on a periodic basis. The Group also continually strengthens its data security policy and instructs employees to report security incidents. The Group's cybersecurity experts investigate numerous alerts from different data sources and, if necessary, escalate matters to the internal incident team.

Data privacy is overseen by individual businesses and functions as first-line risk owners, while the Chief Information Security Officer, Chief Risk Officer and Chief Information Officer are the first-line control owners to maintain and implement the overall information security framework, providing support and ensuring compliance with the information security framework. The Group's Technology Risk Committee provides second-line oversight for reviewing the policies, exception management and escalating significant cyber risk to the Board Risk Management Committee.

There were no substantiated complaints concerning breaches of customer privacy or losses of customer data for the Group during the Reporting Period.

### 7.13 Cybersecurity

Due to the nature of our business, the Group faces complex online threats. To withstand this challenge, the Group has implemented a comprehensive cybersecurity framework. This framework serves the purpose of identifying and assessing risks throughout the organization, enabling the Group to proactively address potential vulnerabilities and safeguard our digital assets. A "defence in depth" approach is taken to protect information and system assets including, but not limited to, the following technology aspects:

- Strict traffic flow and whitelisting;
- Application and service isolation;
- Multi-factor authentication enforcement;
- Activity monitoring and threat hunting across systems and services;
- Vulnerability and patch management program; and
- Secure baseline configuration across systems and services.

The Group's total defence approach encompasses:

#### Digital defence

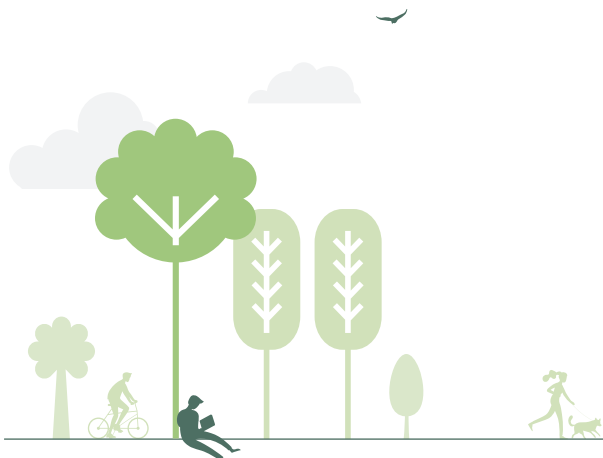
Cold wallets are based on air-gapped infrastructure located within secure vaults.

#### Physical defence

Secure vaults are designed with robust physical protections, including man traps, biometrics, dual control, closed-circuit television (CCTV) and 24/7 monitoring.

#### Process defence

All custody systems, processes and operations adhere to strict segregation of duties, dual control and split knowledge, and are designed to ensure end-to-end security providing maximum protection of client assets.



### Slippage detection and prevention

This includes 24/7 real-time monitoring of cold and hot wallets and reconciliation against multiple data sources to detect anomalies. Emergency controls are available to halt all asset withdrawals in the event of a detected anomaly.

Integrated blacklists and address whitelisting capability ensure wallets can only send to verified client addresses.

### Insurance

Insurance coverage for hot and cold wallets holding client assets is provided.

The Group recognizes the importance of maintaining an up-to-date and effective cybersecurity framework. To ensure its continued effectiveness, regular reviews of the framework are conducted. These reviews serve to assess the framework's alignment with evolving industry best practices, emerging threats, and the changing needs of the organization. By conducting periodic evaluations, the Group can identify any areas for improvement, allowing for timely adjustments and enhancements to be made to the cybersecurity framework.

### 7.14 Wallet Operations

The Group has a dedicated 24/7 wallet operations team which performs wallet-related tasks such as transferring digital assets to the hot wallet or to clients via the offline cold wallet.

Following best practices for internal controls, all activities throughout the wallet lifecycle process are designed to include dual control, four-eyes checks, segregation of duties and split knowledge.

With dual control, no single member of staff in the Group can perform any wallet function. All wallet withdrawals can only be initiated by the users of the Group's platform and then processed by the wallet operations team with strict maker and checker authorisation (four-eyes principle) required for the transfer of digital assets and other sensitive functions. Limit controls are enforced, and address whitelisting can be enforced for customers. Checker authorisation for certain transactions makes use of geographically separated, overseas approvers.

The Group also operates a 24/7 monitored reconciliation engine. The engine tracks transactions and digital asset transfers in real-time and performs 2-way and 3-way matching of these transactions and transfers. Engine operators initiate additional checks if exceptions are detected.

The Group has documented SOPs for every aspect of wallet operations such as wallet management, hot and cold wallet withdrawals, vault access enrolment and vault operations.

All new and existing wallet operations team members are required to attend training and refreshers on a periodic basis. New staff will initially perform their duties under supervision for a period of time after training to ensure smooth operations. Additionally, new staff must undergo employee screening.

The Group performs regular Business Impact Analysis ("BIA"). It creates or enhances Business Continuity Plans ("BCP") as a result of the BIA. Regular Disaster Recovery (DR) drills are carried out as part of the BCP.



### 7.15 Vault Safety

The Group's digital asset private keys are securely hosted in Federal Information Processing Standard (FIPS) 140-2 compliant hardware security modules ("HSMs") within dedicated physical security vaults.

The vault is protected by a 24/7 dedicated intrusion monitoring team manned by an independent alarm monitoring organisation. The vault is located in a secure building with its own physical security controls, CCTV monitoring and 24/7 security guards.

Entry to the vault is via multi-factor physical authentication and the vault contains isolated and localised CCTV. All personnel entering the vault are subject to a strict search and remove policy and a log register is maintained for every entry/exit.

Access and traffic flow to the vault are controlled by man-trap doors with biometric authentication and traditional lock and key.

The HSMs are directly connected to air gapped computers, which are never connected to the internet or any other networks, even during transaction signing procedures.

The HSMs never leave the vault and the private keys are non-exportable.

Wallet infrastructure software is proprietary. All systems and hardware are sourced from trusted and diverse vendors and securely opened and configured under supervised conditions. All systems require hardware-based two-factor authentication devices.

The Group also maintains disaster recovery sites with scheduled annual drills.

### 7.16 Community Investment

The Group recognises the diversity of people, culture and social needs. We seek to make contributions to programs that have a positive impact on community development and reflect Group's values and sustainability objectives with a profound respect of all cultures and the unique social needs of different communities.

To ensure resources are deployed effectively, the Group formulated a "Charitable Contributions Review Procedure". The Compliance Department is responsible for screening all requests of charitable contributions by employees while the respective Senior Management and Executive Committee are responsible for further approvals.

In addition, to support local communities and charitable organizations, in cases where equipment holds no residual value and has limited resale value, the Group considers donating such equipment to non-profit organizations, including schools, charities, and volunteer organizations. The Group also encourages staff to take part in community welfare and voluntary work, and the Directors actively maintain communication with non-governmental organisations to understand community needs for the sake of fulfilling its responsibility and giving back to society.



## APPENDIX I: SUSTAINABILITY PERFORMANCE DATA OVERVIEW

### Environmental

#### Air emissions<sup>1</sup>

Air emissions	Unit	2023	2022	2021 <sup>2</sup>
Nitrogen oxides (NO <sub>x</sub> )	Emissions kg	10.832	0.204	0.017
Sulphur oxides (SO <sub>x</sub> )	Emissions kg	0.001	0.018	0.002
Particulate Matter (PM)	Emissions kg	1.018	0.036	0.003

#### Greenhouse gas (GHG) emissions<sup>3</sup>

GHG emissions	Unit	2023	2022	2021
Direct GHG emissions (Scope 1) <sup>4</sup>	tCO <sub>2</sub> eq	2.62	2.72	0.34
Indirect GHG emissions (Scope 2) <sup>5</sup>	tCO <sub>2</sub> eq	381.58	175.58	189.06
Other indirect GHG emissions (Scope 3) <sup>6</sup>	tCO <sub>2</sub> eq	65.86	49.87	5.39
<b>Total Scope 1 and 2 GHG emissions</b>	<b>tCO<sub>2</sub>eq</b>	<b>384.20</b>	<b>178.30</b>	<b>189.40</b>
<b>Total Scope 1, 2 and 3 GHG emissions</b>	<b>tCO<sub>2</sub>eq</b>	<b>450.06</b>	<b>228.17</b>	<b>194.79</b>

GHG emissions intensity	Unit	2023	2022	2021
Total Scope 1 and 2 GHG emissions/ office area <sup>7</sup>	tCO <sub>2</sub> eq/m <sup>2</sup>	0.11	0.05	0.05
Total Scope 1, 2 and 3 GHG emissions/ office area <sup>7</sup>	tCO <sub>2</sub> eq/m <sup>2</sup>	0.13	0.07	0.06
Total Scope 1 and 2 GHG emissions/ number of employees <sup>8</sup>	tCO <sub>2</sub> eq/headcount	3.10	0.85	0.79
Total Scope 1, 2 and 3 GHG emissions/ number of employees <sup>8</sup>	tCO <sub>2</sub> eq/headcount	3.63	1.09	0.82

<sup>1</sup> Numbers include the emission from fuel consumption of the Group's vehicle(s). Air emissions are calculated using methodologies and emission factors based on i) "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX; ii) "Technical Guidelines for Compiling the Primary Source Emission Inventory of Inhalable Atmospheric Particulate Matter (Trial)" issued by the Ministry of Ecology and Environment ("MEE") of the People's Republic of China; and iii) the "Energy Statistics Manual" issued by the IEA.

<sup>2</sup> The calculations in 2021 were revised to better reflect the situation of the emissions from Mainland China.

<sup>3</sup> GHG emissions are calculated using methodologies, emission factors and global warming potential rates based on

- i) "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX;
- ii) "General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (Trial)" issued by the National Development and Reform Commission of the People's Republic of China;
- iii) "ICAO Carbon Emissions Calculator" developed by the International Civil Aviation Organisation ("ICAO");
- iv) the "Energy Statistics Manual" issued by the IEA; and
- v) "Synthesis Report of the Fifth Assessment Report" issued by the IPCC. Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxides (N<sub>2</sub>O) are included in GHG calculations.

<sup>4</sup> Direct GHG emissions (Scope 1) include the emission from fuel consumption of the Group's vehicle(s) and town gas.

<sup>5</sup> Indirect GHG emissions (Scope 2) include emissions from electricity consumption at the Group's offices in Hong Kong and Mainland China. The Group uses business service centre in other regions where the electricity consumption costs are included in rental expenses and therefore are not included.

<sup>6</sup> Other indirect GHG emissions (Scope 3) include the emission from transportation of employees for business-related activities, paper waste disposal and usage of water.

<sup>7</sup> The gross floor area of the Group's Hong Kong and Mainland China offices in 2021, 2022 and 2023 are 3,478 m<sup>2</sup>, 3,478 m<sup>2</sup> and 3,478 m<sup>2</sup> respectively.

<sup>8</sup> The total number of employees of the Group in 2021, 2022 and 2023 are 239, 209 and 124 respectively.

## Waste management<sup>9</sup>

Waste management	Unit	2023	2022	2021
Hazardous waste <sup>10</sup>	tonnes	—	0.004	0.006
Toner waste generated				
Non-hazardous waste	tonnes	5.28	0.97	0.95
Paper waste generated				
Hazardous waste intensity <sup>8</sup>	tonnes/headcount	—	0.00002	0.0003
Non-hazardous waste intensity <sup>8</sup>	tonnes/headcount	0.043	0.005	0.004
Total waste intensity	tonnes/headcount	0.043	0.005	0.004

## Direct & indirect energy consumption<sup>12</sup>

Energy consumption	Unit	2023	2022	2021
Direct energy consumption	liters	960	1,200	150
Gasoline	kWh in '000s	9.05	11.06	1.38
	GJ	32.58	39.82	4.98
Indirect energy consumption				
Purchased electricity <sup>13</sup>	kWh in '000s	637.24	252.75	271.92
	GJ	2,294.06	909.89	978.92
Total energy consumption	kWh in '000s	646.29	263.81	273.31
	GJ	2,326.64	949.72	983.90

Energy consumption intensity	Unit	2023	2022	2021
Direct energy consumption/number of employees <sup>8</sup>	kWh in '000s/ headcount	0.07	0.05	0.01
	GJ/headcount	0.26	0.19	0.02
Indirect energy consumption/number of employees <sup>8</sup>	kWh in '000s/ headcount	5.14	1.21	1.14
	GJ/headcount	18.50	4.35	4.10
Total energy consumption/number of employees <sup>8</sup>	kWh in '000s/ headcount	5.14	1.26	1.14
	GJ/headcount	18.50	4.54	4.12

<sup>9</sup> Numbers include the waste generated from the Group's offices in Hong Kong and Mainland China.

<sup>10</sup> Hazardous waste generated is collected by licensed waste collectors.

<sup>11</sup> 0.75 tonnes of paper wastes were recycled during the Reporting Period.

<sup>12</sup> Numbers are calculated using methodologies, emission factors and global warming potential rates based on

- i) "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX;
- ii) "General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (Trial)" issued by the National Development and Reform Commission of the People's Republic of China; and
- iii) the "Energy Statistics Manual" issued by the IEA.

<sup>13</sup> Indirect energy consumption includes the electricity consumption from the Group's offices in Hong Kong and Mainland China. The Group uses business service centres in other regions where electricity consumption costs are included in rental expenses. No separate electricity usage data were obtained.

■ Social

■ Total number of employees by gender, age group, employee type, geographical region and employee category

Breakdown	2023		2022		2021	
	Number	% of total staff	Number	% of total staff	Number	% of total staff
<b>Total number of employees by gender</b>						
Female	38	29.2	71	34.0	81	33.9
Male	86	70.8	138	66.0	158	66.1
<b>Total number of employees by age group</b>						
Age < 30	31	25.8	47	22.5	61	25.5
Age 30–50	83	65.8	147	70.3	163	68.2
Age > 50	10	8.4	15	7.2	15	6.3
<b>Total number of employees by employment type</b>						
Full-time	120	96.7	205	98.1	238	99.6
Non full-time	4	3.3	4	1.9	1	0.4
<b>Total number of employees by geographical region</b>						
Hong Kong	99	82.5	140	67.0	183	76.6
Mainland China	4	—	4	1.9	8	3.3
Singapore	10	8.3	19	9.1	18	7.5
Others	11	9.2	46	22.0	30	12.6
<b>Total number of employees by employee category</b>						
Senior management	16	12.5	21	10.0	27	11.3
Mid-level employees	64	52.5	115	55.0	124	51.9
General employees	44	35.0	73	34.9	88	36.8
<b>Total</b>	<b>124</b>		<b>209</b>		<b>239</b>	



### ■ New employee hires by geographical region, age group and gender

Breakdown <sup>14</sup>	2023		2022		2021	
	Number	%	Number	%	Number	%
<b>Number of new employee hires and corresponding rate by gender</b>						
Female	10	18.3	27	35.5	57	<b>85.7</b>
Male	25	22.3	57	38.5	110	<b>88.0</b>
<b>Number of new employee hires and corresponding rate by age group</b>						
Age < 30	19	48.7	26	48.1	54	<b>108.0</b>
Age 30–50	15	13.0	54	34.8	108	<b>83.7</b>
Age > 50	1	8.0	4	26.7	5	<b>40.0</b>
<b>Number of new employee hires and corresponding rate by geographical region</b>						
Hong Kong	31	25.9	54	33.4	121	<b>77.6</b>
Mainland China	—	—	—	—	—	—
Singapore	2	13.8	9	48.6	13	<b>113.0</b>
Others	2	7.0	21	55.3	33	<b>220.0</b>
<b>Total</b>	<b>35</b>	<b>21.0</b>	<b>84</b>	<b>37.5</b>	<b>167</b>	<b>87.2</b>

### ■ Employee turnover by geographical region, age group and gender

Breakdown <sup>15</sup>	2023		2022		2021	
	Number	%	Number	%	Number	%
<b>Number of employee turnover and corresponding turnover rate by gender</b>						
Female	41	75.2	71	93.4	22	33.1
Male	76	60.9	38	25.7	38	30.4
<b>Number of employee turnover and corresponding turnover rate by age group</b>						
Age < 30	35	89.7	17	31.5	26	52.0
Age 30–50	73	63.5	87	56.1	31	24.0
Age > 50	9	72	5	33.3	3	24.0
<b>Number of employee turnover and corresponding turnover rate by geographical region</b>						
Hong Kong	66	55.2	75	46.4	53	34
Mainland China	—	—	4	66.7	2	22.2
Singapore	13	89.7	15	81.1	2	17.4
Others	38	133.3	15	39.5	3	20.0
<b>Total</b>	<b>117</b>	<b>70.3</b>	<b>109</b>	<b>48.7</b>	<b>60</b>	<b>31.3</b>

<sup>14</sup> New employee hires percentage = Number of new employees hired (of the specified category) during the corresponding year / Average number of employees (of the specified category) during the corresponding year

<sup>15</sup> Employee turnover percentage = Number of employees (of the specified category) left during the corresponding year / Average number of employees (of the specified category) during the corresponding year



## Training and development

Breakdown	2023		2022		2021	
	Number	%	Number	%	Number	%
<b>Total training hours and training percentage</b>	1,172	99.2	2,194	99.0	1,948	99.2
<b>Average training hours per employee</b>	9.45		10.50		8.15	
<b>Average training hours by gender and training percentage</b>						
Female	9.59	100	9.69	98.6	7.56	97.5
Male	9.39	98.8	10.91	99.3	8.45	100
<b>Average training hours by employee category and training percentage</b>						
Senior management	8.91	93.8	10.38	95.2	5.47	100
Mid-level employees	9.60	100	10.50	99.1	9.18	100
General employees	9.43	100	10.52	100	7.53	97.7

## Misconduct cases

Breakdown	2023	2022	2021
<b>Confirmed incidents categories</b>			
Discrimination	—	—	—
Corruption	—	—	—
Breaches of customer privacy	—	—	—

## Occupational health and safety performance

	2023	2022	2021
Number of fatalities as a result of work-related injury	—	—	—
Fatalities rate as a result of work-related injury	—	—	—
Lost days due to work injury	—	—	—
Rate of lost days due to work injury	—	—	—



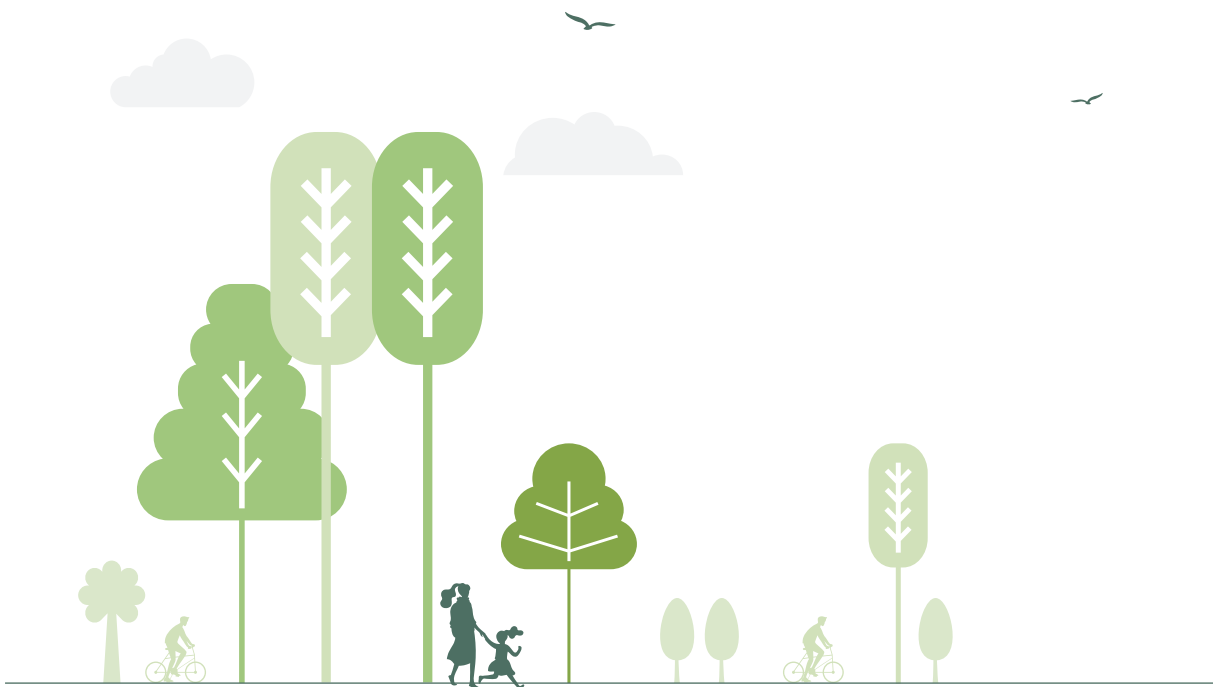
## Supply Chain

Breakdown	Total	Information Technology ("IT")	Non-IT
<b>Total number of suppliers during the Reporting Period</b>	161	59	102
<b>Number of suppliers by geographical region</b>			
Hong Kong	137	55	82
Singapore	12	3	9
Other regions	12	1	11

## Legal Compliance

### Non-compliance with rules and regulations

Breakdown	2023	2022	2021
<b>Number of significant instances of noncompliance with laws and regulations by category</b>			
Environmental	—	—	—
Employment	—	—	—
Health and safety	—	—	—
Labor Standards	—	—	—
Product responsibility	—	—	—
Anti-corruption	—	—	—



**APPENDIX II:**  
HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

HKEX ESG Reporting Guide Reference	Description	Section of the Report
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>	<b>General Disclosure</b> 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.	5.
	KPI A1.1 The types of emissions and respective emissions data.	5.2 and Appendix I
	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).	5.2 and Appendix I
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.3 and Appendix I
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity e.g. per unit of production volume, per facility).	5.3 and Appendix I
	KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	5.
	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.	5.3



HKEX ESG Reporting Guide Reference	Description	Section of the Report
<b>Aspect A2:</b> <i>Use of Resources</i>	<b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials.	5.4
	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).	5.4 and Appendix I
	KPI A2.2      Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water consumption has been identified as non-material to the Group.
	KPI A2.3      Description of energy use efficiency target(s) set and steps taken to achieve them.	5.4
	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.	Not applicable as the Group did not have issue in sourcing water due to its business nature and locations.
KPI A2.5      Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the Group's business nature, the use of packaging material is considered as immaterial to the Group.	
<b>Aspect A3:</b> <i>The Environmental and Natural Resources</i>	<b>General Disclosure</b> Policies on minimising the issuer's significant impacts on the environment and natural resources.	5.
	KPI A3.1      Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.5
<b>Aspect A4:</b> <i>Climate Change</i>	<b>General Disclosure</b> Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	5.
	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.	5.1

HKEX ESG Reporting Guide Reference	Description	Section of the Report
<b>B. Social</b>		
<b>Aspect B1: Employment</b>	<p><b>General Disclosure</b> Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ul> <p>KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.</p> <p>KPI B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>6.</p> <p>Appendix I</p> <p>Appendix I</p>
<b>Aspect B2: Health &amp; Safety</b>	<p><b>General Disclosure</b> Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ul> <p>KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p> <p>KPI B2.2 Lost days due to work injury.</p> <p>KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p>	<p>6.6, 6.7 and 6.8</p> <p>Appendix I</p> <p>Appendix I</p> <p>6.6, 6.7 and 6.8</p>
<b>Aspect B3: Development &amp; Training</b>	<p><b>General Disclosure</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p> <p>KPI B3.2 The average training hours completed per employee by gender and employee category.</p>	<p>6.2</p> <p>Appendix I</p> <p>Appendix I</p>

HKEX ESG Reporting Guide Reference	Description	Section of the Report
<b>Aspect B4:</b> <b>Labor Standards</b>	<b>General Disclosure</b> 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 labor.	6.5
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labor.	6.5
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	6.5
<b>Aspect B5:</b> <b>Supply Chain Management</b>	<b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.	7.11
	KPI B5.1 Number of suppliers by geographical region.	Appendix I
	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.	7.11
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.11
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.11



HKEX ESG Reporting Guide Reference	Description	Section of the Report
<b>Aspect B6:</b> <b>Product Responsibility</b>	<b>General Disclosure</b> 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.	7.
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the Group's business nature, the KPI is considered as immaterial to the Group.
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	7.6
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	7.7
	KPI B6.4 Description of quality assurance process and recall procedures.	7.6
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	7.12 and 7.13
<b>Aspect B7:</b> <b>Anti-Corruption</b>	<b>General Disclosure</b> 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.	7.2, 7.3 and 7.5
	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.	Appendix I
	KPI B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	7.4
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	7.3

HKEX ESG Reporting Guide Reference	Description	Section of the Report
<b>Aspect B8:</b> <b>Community Investment</b>	<p><b>General Disclosure</b> 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.</p>	7.16
	KPI B8.1      Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	7.16
	KPI B8.2      Resources contributed (e.g. money or time) to the focus area.	7.16





## APPENDIX III: GRI CONTENT INDEX

<b>Statement of use</b>	OSL Group Limited has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location/Explanation	
<b>General Disclosure</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1	Organisational details	1. and 2.
	2-2	Entities included in the organisation's sustainability reporting	1. and Annual Report 2023 – Notes to the Consolidated Financial Statements
	2-3	Reporting period, frequency and contact point	1. and 3.
	2-4	Restatements of information	Appendix I
	2-5	External assurance	The Group has considered seeking external assurance for the ESG report in future.
	2-6	Activities, value chain and other business relationships	2., 7.11 and Annual Report 2023 – Management Discussion and Analysis
	2-7	Employees	Appendix I
	2-8	Workers who are not employees	N/A
	2-9	Governance structure and composition	Annual Report 2023 – Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	Annual Report 2023 – Corporate Governance Report
	2-11	Chair of the highest governance body	Annual Report 2023 – Corporate Governance Report
	2-12	Role of the highest governance body in overseeing the management of impacts	4.1 and Annual Report 2023 – Corporate Governance Report
	2-13	Delegation of responsibility for managing impacts	4.1 and Annual Report 2023 – Corporate Governance Report

GRI Standard	Disclosure	Location/Explanation	
	2-14	Role of the highest governance body in sustainability reporting	1. and 4.1
	2-15	Conflicts of interest	Annual Report 2023 – Corporate Governance Report
	2-16	Communication of critical concerns	4.2 and 7.4
	2-17	Collective knowledge of the highest governance body	Annual Report 2023 – Corporate Governance Report
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2023 – Corporate Governance Report
	2-19	Remuneration policies	Annual Report 2023 – Corporate Governance Report
	2-20	Process to determine remuneration	Annual Report 2023 – Corporate Governance Report
	2-21	Annual total compensation ratio	N/A: These metrics are affected by a range of factors including market trend and inflation rate. The Group provides competitive compensation with market benchmarking to ensure competitiveness.
	2-22	Statement on sustainable development strategy	3.
	2-23	Policy commitments	6.5
	2-24	Embedding policy commitments	6.5
	2-25	Processes to remediate negative impacts	4.3 and 7.4
	2-26	Mechanisms for seeking advice and raising concerns	4.3 and 7.4
	2-27	Compliance with laws and regulations	Appendix I
	2-28	Membership associations	5.1
	2-29	Approach to stakeholder engagement	4.2
	2-30	Collective bargaining agreements	There are no formal collective bargaining agreements in place within the Group. All employees have the right and freedom to form and join trade unions.

GRI Standard	Disclosure	Location/Explanation
<b>Material Topics</b>		
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics 4.4
	3-2	List of material topics 4.5
<b>GRI 205: Anti-corruption 2016</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics 7.3
	205-3	Confirmed incidents of corruption and actions taken Appendix I
<b>GRI 302: Energy 2016</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics 5.4
	302-1	Energy consumption within the organisation Appendix I
	302-3	Energy intensity Appendix I
<b>GRI 305: Emissions 2016</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics 5.2
	305-1	Direct (Scope 1) GHG emissions Appendix I
	305-2	Energy indirect (Scope 2) GHG emissions Appendix I
	305-3	Other indirect (Scope 3) GHG emissions Appendix I
	305-4	GHG emissions intensity Appendix I
	305-5	Reduction of GHG emissions 5.1
<b>GRI 306: Waste 2020</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics 5.3
	306-3	Waste generated Appendix I
	306-4	Waste diverted from disposal Appendix I
<b>GRI 401: Employment 2016</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics 6.1
	401-1	New employee hires and employee turnover Appendix I





GRI Standard	Disclosure	Location/Explanation	
<b>GRI 403: Occupational Health and Safety 2018</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	6.6, 6.7 and 6.8
	403-1	Occupational health and safety management system	6.7
	403-3	Occupational health services	6.7
	403-5	Worker training on occupational health and safety	6.7
	403-6	Promotion of worker health	6.7 and 6.8
	403-9	Work-related injuries	Appendix I
<b>GRI 404: Training and Education 2016</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	6.2
	404-1	Average hours of training per year per employee	Appendix I
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	6.5
	405-1	Diversity of governance bodies and employees	Appendix I
<b>GRI 406: Non-discrimination 2016</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	6.5
	406-1	Incidents of discrimination and corrective actions taken	Appendix I
<b>GRI 418: Customer Privacy 2016</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	7.12
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Appendix I

## APPENDIX IV: TCFD CONTENT INDEX

TCFD's core element	Disclosure	Section of the Report	
<b>Governance</b>	a)	Describe the board's oversight of climate-related risks and opportunities	3. and 4.1
	b)	Describe management's role in assessing and managing climate-related risks and opportunities	4.1 and 5.1
<b>Strategy</b>	a)	Describe the climate-related risks and opportunities the organisations have identified over the short-, medium-, and long-term	5.1
	b)	Describe the impact of climate-related risks and opportunities on the organisations' businesses, strategy, and financial planning	4.2 and 5.1
	c)	Describe the resilience of the organisations' strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	5.1
<b>Risk Management</b>	a)	Describe the organisations' processes for identifying and assessing climate-related risks	5.1
	b)	Describe the organisations' processes for managing climate-related risks	5.1 and 7.8
	c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisations' overall risk management	5.1 and 7.8
<b>Metrics and Targets</b>	a)	Describe the metrics used by the organisations to assess climate-related risks and opportunities in line with its strategy and risk management process	5.1 and Appendix I
	b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	5.1, 5.2 and Appendix I
	c)	Describe the targets used by the organisations to manage climate-related risks and opportunities and performance against targets	5.1

**APPENDIX V:**  
SDGS CONTENT INDEX

SDG	Relevant Target(s)	Area of Focus	Section of the Report
	3.3 End the epidemics of communicable diseases	<ul style="list-style-type: none"> <li>• Health and safety policy</li> <li>• Health and well-being workshops</li> <li>• Anti-epidemic measures for COVID-19</li> </ul>	6.7 and 6.8
	4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> <li>• On-boarding programme</li> <li>• Comprehensive annual training for employees</li> <li>• Technical skills training sponsorship</li> </ul>	6.2 and Appendix I
	5.1 End all forms of discrimination against all women and girls	<ul style="list-style-type: none"> <li>• Comprehensive HR policies</li> <li>• Promotion of gender-inclusive language in workplace</li> </ul>	6.5 and Appendix I
	7.2 Increase substantially in the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> <li>• Purchase carbon credits on solar renewable power project</li> <li>• ESG-related blockchain company investment</li> </ul>	5.1
	8.4 Improve global resources efficiency in consumption and endeavor to decouple economic growth from environmental degradation  8.8 Protect labour rights and promote safe and secure working environments for all workers	<ul style="list-style-type: none"> <li>• Emission management and resources efficiency strategy</li> <li>• Health and safety policy</li> </ul>	5., 6.7 and Appendix I
	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	<ul style="list-style-type: none"> <li>• Comprehensive HR policies</li> <li>• Equal opportunity policy</li> <li>• Commitment to human rights</li> </ul>	6.5

SDG	Relevant Target(s)	Area of Focus	Section of the Report
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p>	<ul style="list-style-type: none"> <li>Emission management and resources efficiency strategy</li> </ul>	5.
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>	<ul style="list-style-type: none"> <li>Procurement policy and vendor's Code of Conduct</li> </ul>	7.11
 <p><b>13</b> CLIMATE ACTION</p>	<p>13.2 Integrate climate change measures into policies, strategies and planning</p>	<ul style="list-style-type: none"> <li>Reach net-zero emissions with near- and long-term emission reduction target setting</li> <li>Purchase carbon credits on solar renewable power project</li> <li>ESG-related blockchain company investment</li> <li>Achieve "carbon negative"</li> </ul>	4.2 and 5.1
 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>16.5 Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> <li>Employee's Code of Conduct</li> <li>Anti-corruption and anti-bribery management framework</li> <li>Regular business ethics training for directors and employees</li> <li>Whistleblowing policy</li> </ul>	7.2, 7.3, 7.4 and 7.5

