PAX Global Technology Limited
百富環球科技有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立的有限公司)
Stock Code 股份代號：00327

2024

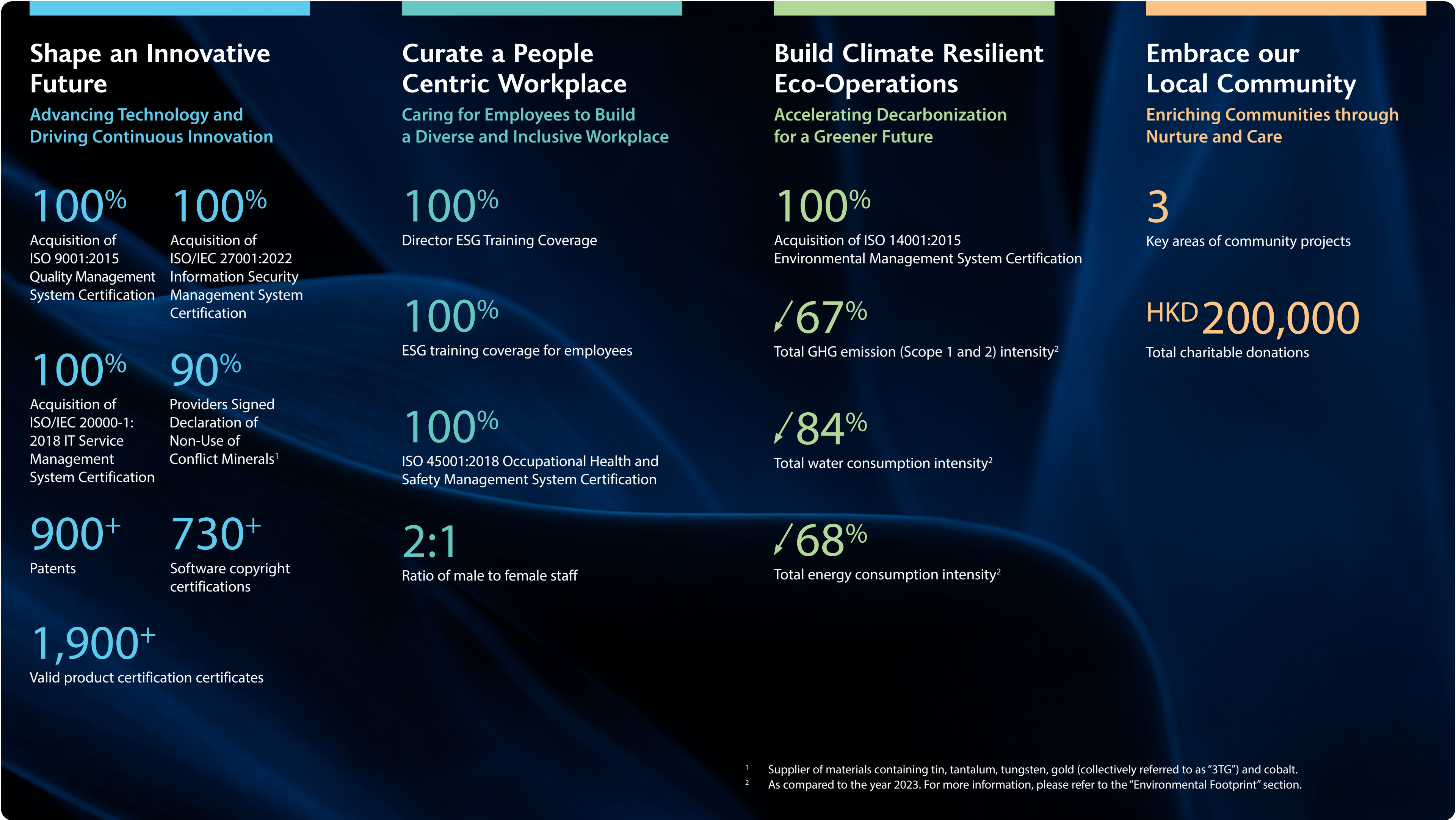Environmental, Social and
Governance Report

環境、社會及
管治報告

Contents

PAX GLOBAL TECHNOLOGY LIMITED
Environmental, Social and Governance Report 2024

PAX 2024 Sustainability Highlights

Shape an Innovative Future
Advancing Technology and Driving Continuous Innovation

100%
Acquisition of ISO 9001:2015 Quality Management System Certification

100%
Acquisition of ISO/IEC 27001:2022 Information Security Management System Certification

100%
Acquisition of ISO/IEC 20000-1: 2018 IT Service Management System Certification

90%
Providers Signed Declaration of Non-Use of Conflict Minerals[1]

900+
Patents

730+
Software copyright certifications

1,900+
Valid product certification certificates

Curate a People Centric Workplace
Caring for Employees to Build a Diverse and Inclusive Workplace

100%
Director ESG Training Coverage

100%
ESG training coverage for employees

100%
ISO 45001:2018 Occupational Health and Safety Management System Certification

2:1
Ratio of male to female staff

Build Climate Resilient Eco-Operations
Accelerating Decarbonization for a Greener Future

100%
Acquisition of ISO 14001:2015 Environmental Management System Certification

↙67%
Total GHG emission (Scope 1 and 2) intensity[2]

↙84%
Total water consumption intensity[2]

↙68%
Total energy consumption intensity[2]

Embrace our Local Community
Enriching Communities through Nurture and Care

3
Key areas of community projects

HKD 200,000
Total charitable donations

[1] Supplier of materials containing tin, tantalum, tungsten, gold (collectively referred to as "3TG") and cobalt.
[2] As compared to the year 2023. For more information, please refer to the "Environmental Footprint" section.

Promoting Sustainable Products

We are committed to integrating customer-centric values and sustainability principles into our product and service innovation, and introducing a series of high-performance, high-security and high-quality products to satisfy needs of diverse clients. Among which, our Android smart payment solution A920MAX not only retains these core features, but also integrates consideration for the product chemical safety and sustainability. Additionally, the design aesthetics and product performance have been further enhanced. For details, please refer to the "Emphasis on Eco-Product Design" section.

Design for safety and security

First Asian payment terminal provider elected to the Payment Card Industry Security Standards Council ("PCI SSC") Advisory Board

ISO/IEC 27001:2022 Information Security Management System Certification

100% of the Software as Services ("SaaS") and POS products are compliant with Payment Card Industry Data Security Standard ("PCI DSS") and PCI SSC's standards

High quality and durability

ISO 9001:2015 Quality Management System Certification
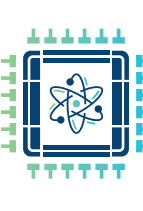
95%+ Customer Satisfaction Rate (2024)

Accessibility Functions

Accessibility Mode
With read-aloud function

Haptic Stickers
Assist the visually impaired with password entry

A920MAX

More environmental friendly, more durable and more efficient*

Environmentally friendly lithium-iron phosphate battery
Apply clean technology to the product: a longer lifespan than conventional ternary batteries

Faster Processor
Equipped with Cortex-A53 quadcore processor for lower power consumption

eSIM Technology
Reducing plastic waste & electronic waste

Higher Energy Efficiency
Higher energy efficiency, batteries can support 10% more transactions

Compatibility with e-receipt Solutions
Reduce the use of paper

Electronic Product Manuals
Paper conservation & reduced carbon footprint

Natural (Uncoloured) Injection Moulding instead of oil spraying technology
Reduced paint use for higher chemical safety

*   The relevant core functions are only available in the Android smart payment solution A920MAX.

About the Report

Reporting Purpose, Period and Scope

PAX Global Technology Limited ("PAX" or the "Company", together with its subsidiaries the "Group" or "We") is pleased to publish our Environmental, Social and Governance ("ESG") Report (this "Report"). This Report aims to provide our key stakeholders with comprehensive disclosure and highlight of the Group's management approach, strategies, policies, systems, measures and performance of our material sustainability issues. This Report also provides a thorough overview of the Group's performance in relevant areas through detailed data disclosure.

Unless otherwise stated, this Report covers the period from 1 January 2024 to 31 December 2024 (the "Reporting Period"), focusing on the Group's core business in the People's Republic of China (for the purpose of this Report, excluding Hong Kong Special Administrative Region ("Hong Kong"), Macau Special Administrative Region and Taiwan) (the "PRC") and Hong Kong, which include the following subsidiaries:

- Pax Technology Limited;
- Pax Computer Technology (Shenzhen) Co., Ltd.; and
- Wonder Pax Technology (Shenzhen) Co., Ltd.

Based on the reporting principle of materiality, the reporting boundary is determined by factors such as the revenue proportion, business scale, number of employees of each subsidiary as well as the impact on sustainability.

An analysis of the revenue of the Group by geographical segments for the Reporting Period is set out in Note 6 to the consolidated financial statements in the Annual Report 2024 of the Company.

Reporting Standards

This Report is prepared in accordance with the provisions of the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide", which has been renamed as the Environment, Social and Governance Reporting Code since 1 January 2025) in Appendix C2 to the Rules Governing the Listing of Securities on the main board of The Stock Exchange of Hong Kong Limited (the "HKEx"). We also disclose climate information with reference to the framework recommended by the Task Force on Climate-related Financial Disclosures ("TCFD"). Please refer to the "Climate Risk and Resilience Management" section for more information.

For details of the corporate governance of the Group, please refer to the section headed "Corporate Governance Report" in the Annual Report 2024 of the Company.

Reporting Principles

In the preparation of this Report, the Group has adhered to the four reporting principles set out in the ESG Reporting Guide, to ensure that the content of this Report is presented with clear and effective disclosure of the Group's sustainability performance and impact on stakeholders.

Principles	Explanations	The Group's Responses
Materiality	When the ESG issues covered in this Report have a material impact on investors and other stakeholders, the Group should provide relevant disclosures.	We maintain effective communication with our stakeholders through various channels. We conduct the annual materiality assessment and analysis to identify material sustainability issues that are relevant and important to both the Group and our stakeholders.
Quantitative	This Report shall set up measurable targets aimed at mitigating individual impact. This approach facilitates the evaluation and validation of the effectiveness of our ESG policies and our management systems. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	In this Report, we present quantitative environmental and social key performance indicators ("KPIs") and appropriate historical data comparisons. Our sustainability framework and strategy and historical data comparisons have enabled us to keep track of our performance while assisting in corresponding strategic pillars, directions as well as goals and targets settings. Relevant standards, methodologies, assumptions, and conversion factors are disclosed when reporting the Group's emissions and energy consumption.
Balance	This Report should impartially present the performance and challenges faced by the Group, avoiding any potential influence on the reader's decision-making or judgment through biased choices, omissions or reporting formats.	The Group has disclosed the environmental and social impacts and performance related to our business in a balanced manner in this Report, covering our achievements, challenges and room for improvement in relation to material issues, as well as reporting comprehensive KPIs and data.
Consistency	The Group shall continuously prepare this Report in accordance with the ESG Reporting Guide of HKEx and use consistent methodologies to allow for meaningful comparisons of ESG data over time.	Unless otherwise stated, we adopt consistent methodologies for the calculation of KPIs and conduct appropriate yearly comparisons in this Report.

Data Collection Method

The data and information cited in this Report are extracted from the Group's official documents and statistical data, approved by the board of directors of the Company (the "Board") in March 2025. Going forward, the Group will improve its data collection process through training, systematisation and optimised data collection methods. This aims to provide a more comprehensive view of the Group's sustainability performance.

Access To This Report

This Report is available in both Chinese and English versions on the websites of PAX and the HKEx. The Chinese version shall prevail in case of discrepancies between the Chinese and English versions.

Feedback

The Group attaches great importance to the opinions of our diverse stakeholders and endeavours to address them whenever feasible. Your valuable feedback serves as the driver for our continuous improvement. The Board extends its gratitude to all our stakeholders who participated and contributed valuable insights in the stakeholder engagement exercise during the Reporting Period. Should you have any inquiries or feedback regarding this Report or the Group's sustainability performance, please do not hesitate to reach out to us at ir@pax.com.hk.

Major Awards, Recognitions and Certifications

Awards & Recognitions

Enterprise Credit Rating Certificate (AAA Grade)

China Software Industry Association

High and New Technology Enterprise Certificate

Shenzhen Science and Technology Innovation Committee, Department of Finance of Shenzhen Municipality, Shenzhen Municipal Tax Service, State Taxation Administration

Shenzhen Manufacturing Industry Champion Enterprise

Industry and Information Technology Bureau of Shenzhen Municipality

Corporate Headquarters Qualifications in Shenzhen

The Development and Reform Commission of Shenzhen Municipality

Red Dot Design Concept

Elys Solution

iF Design Award

Elys Solution

Certifications

Payment Terminal Safety

Products have obtained PCI PTS certification as approved PTS devices

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Certificate for China Compulsory Product Certification

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China UnionPay Payment Terminal Equipment Security Certification

Cybersecurity

The Payment Card Industry Data Security Standard

.

UnionPay Card Acceptance Terminal Product Application Certification

Environmental Management

The European Union's Restriction of Hazardous Substances ("RoHS") Standard

Management System Certification

ISO/IEC 27001:2022 Information Security Management System Certification

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ISO/IEC 20000-1:2018 Information Technology Service Management System Certification

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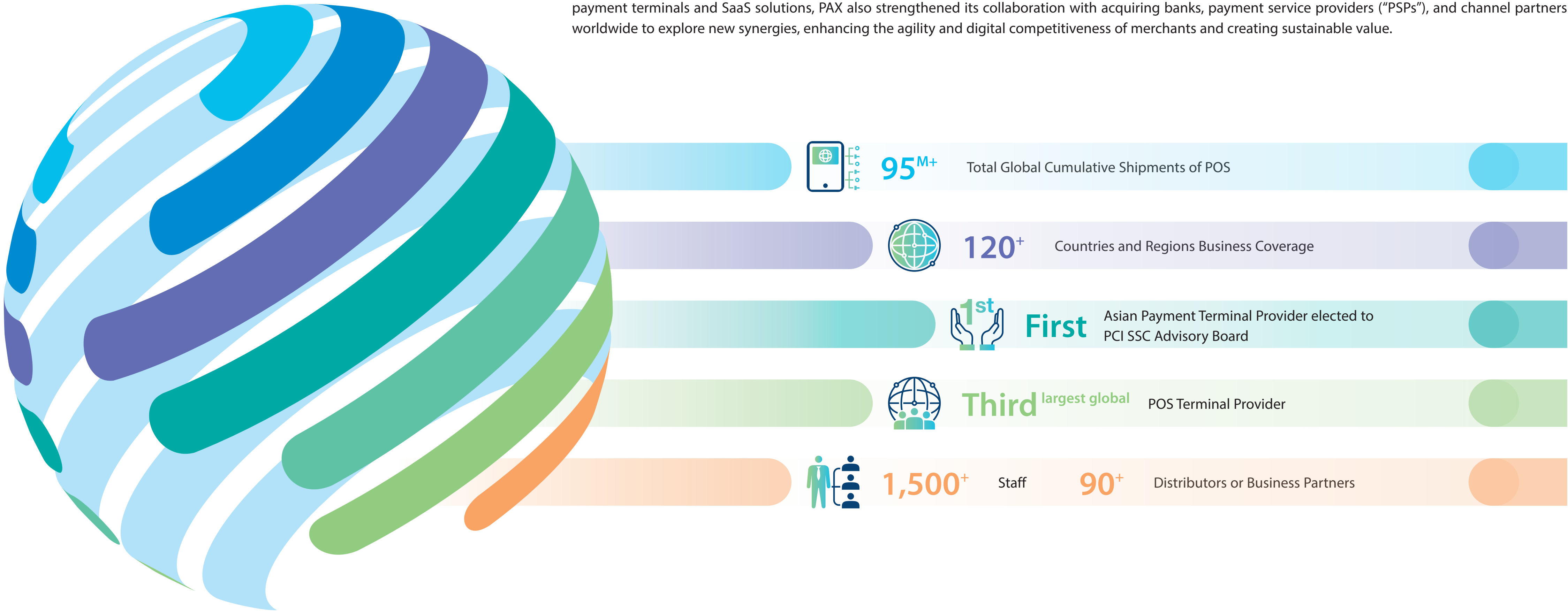ISO 9001:2015 Quality Management System Certification

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ISO 45001:2018 Occupational Health and Safety Management System Certification

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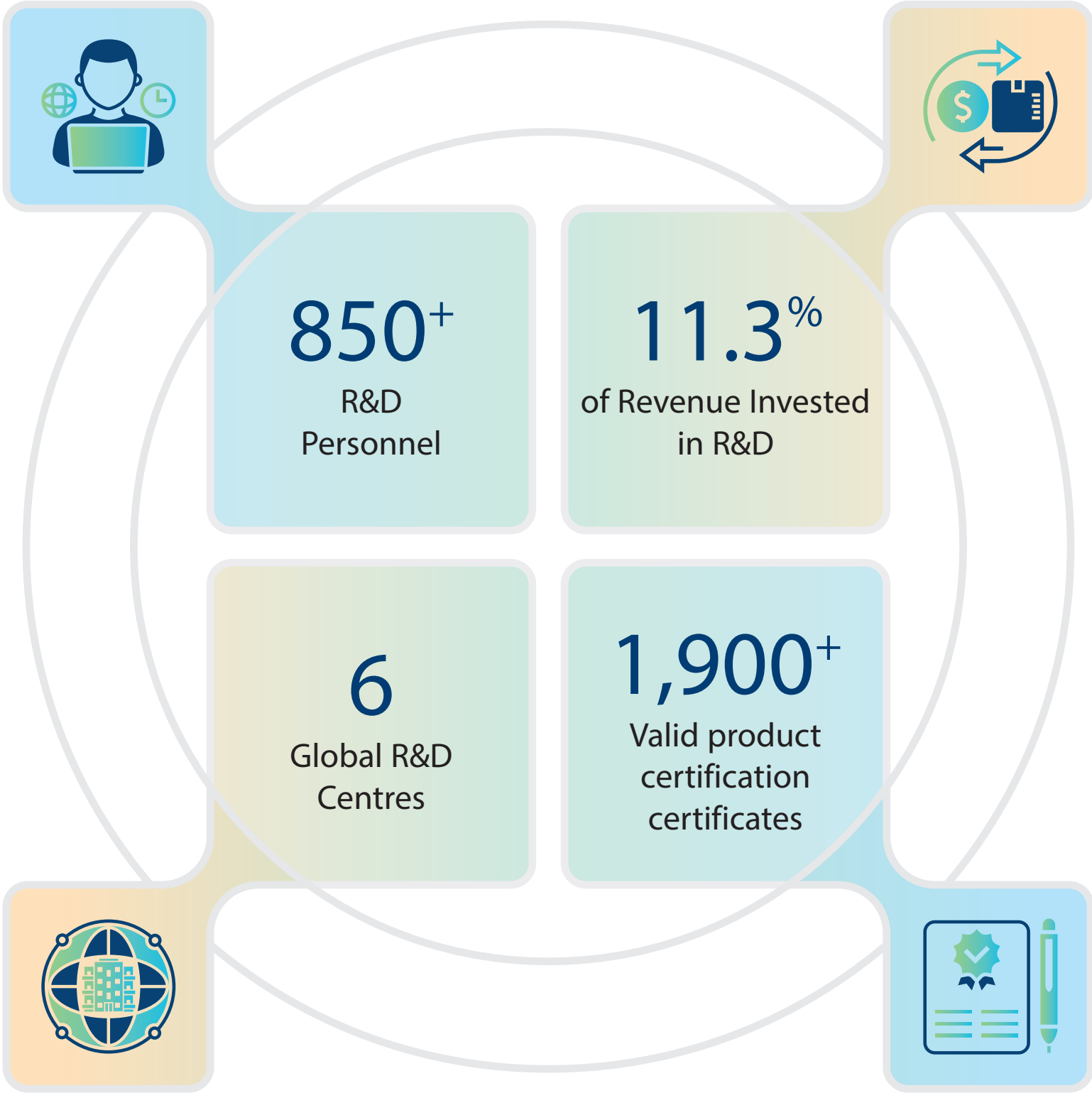ISO 14001:2015 Environmental Management System Certification

About the Group

PAX was established in 2000, and publicly listed on the main board of the HKEx on 20 December 2010. The Group is principally engaged in the development and sales of E-payment Terminals products, provision of maintenance and installation and payment solution services. As the world's leading electronic payment terminal enterprise, PAX is steadfast in its commitment to investing in the future, driving business and sustainable development. Through Android smart payment terminals and SaaS solutions, PAX also strengthened its collaboration with acquiring banks, payment service providers ("PSPs"), and channel partners worldwide to explore new synergies, enhancing the agility and digital competitiveness of merchants and creating sustainable value.

95^{M+} Total Global Cumulative Shipments of POS

120^{+} Countries and Regions Business Coverage

1st **First** Asian Payment Terminal Provider elected to PCI SSC Advisory Board

Third largest global POS Terminal Provider

1,500^{+} Staff **90**$^{+}$ Distributors or Business Partners

Global Leader in Payment Terminal Solutions

Set out to create the most innovative and user-friendly payment terminals

We focus on technological R&D and are committed to creating products that comply with international safety standards and delivering outstanding performance

Much more than a payment device

Payments are the beginning of opportunities. We are improving the user experience through digitalisation

Providing solutions to the acquiring institutions

Through value-added services, we effectively assist merchants in smart operations, promoting their business and enhancing consumers' payment experience

Focus on R&D & Pursue Excellence in Quality

850+
R&D Personnel

11.3%
of Revenue Invested in R&D

6
Global R&D Centres

1,900+
Valid product certification certificates

Key Milestones of the Group

2024
PAX new headquarters building in Shenzhen, China and PAX Smart Terminals Industrial Park in Huizhou, China commenced operations

2022
MAXSTORE achieved high standards of financial data security with PCI DSS Certification

2016
Launched the first Android-based smart payment terminal model – A920

2013
Listed in Forbes Asia's 200 Best Under A Billion Companies

2009
Qualified as a National New High-Tech-Enterprise

2007
Ranked top 10 E-payment Terminals supplier globally

2000
Set up with a mission to be a leading global player

2020 – Present

2010 - 2019

2000 - 2009

2017
Launched MAXSTORE (formerly known as PAXSTORE) – a self-developed cloud SaaS platform

2015
Completed the first overseas acquisition （Pax Italia S.r.l.）

2008
Set up a US subsidiary and entered US market

2001
Became the first EMV 2000 certified POS terminal solution provider in Asia

2023
Elected to the PCI SSC Advisory Board

2010
Successfully listed on the HKEx

Products Highlights (For Reference Only)

Android Smart E-Payment Solutions

General features: Powered by PCI PTS certified. Compact, portable, equipped with a large high resolution touch screen and inbuilt camera. Support various kinds of payment options, including bank card payments, Near Field Communication ("NFC") contactless and QR code payments.

Unattended Solutions

General features: Ideal for self-service sales points such as railway stations, petrol stations, parking lots and kiosks. Products are certified with PCI PTS and have met required standards for anti-vandalism and waterproof. Support various kinds of payment options and connectivity options include 3G, 4G, WiFi and Bluetooth.

Classic E-Payment Solutions

General features: Traditional Linux portfolio with PCI PTS certified, ranging from the D-Series, Q-Series, S-Series, and more. Support bank card payments, NFC contactless payments, and more.

Commercial EPOS Solutions

General features: Feature a suite of software and hardware for business Internet of Things, such as the handheld scanner, external printer, as well as a commercial Kitchen Display System. Powered by Android, these devices seamlessly interconnect and collaborate between in-store POS devices.

MAXSTORE

MAXSTORE, a cloud-based SaaS platform, connects PSPs, acquiring banks, application developers and merchants, providing one-stop terminal management and value-added services.

- **Advanced terminal management**

  Industry-leading terminal management features designed to enable PSPs and acquiring banks manage payment terminals in real time.

- **Powerful value-added services hub**

  Rich industry value-added tools, deliver business management for merchants across diverse business segments.

14,000,000+	14,000+	3,700+
Connected terminals	**Applications**	**Application developers**

Sustainability Management Approach

Sustainability Strategy and Achievements

PAX has been committed to integrating sustainability into the Group's operations and development strategies to remain competitive and achieve success over the long term. Our sustainability framework is based on four strategic pillars: (1) **Shape an Innovative Future**, (2) **Curate a People Centric Workplace**, (3) **Build Climate Resilient Eco-Operations**, and (4) **Embrace our Local Community**. These strategic pillars provide a sustainability framework that guides the Group in fully integrating sustainable practices into its operations. The ESG policies approved by the Board guides the Group in embedding the sustainability principles across our business operations, and assisting the management team in addressing key sustainability issues within the Group.

As a leading global electronic payment terminal enterprise, we support the universal call of the United Nations Sustainable Development Goals ("UNSDGs"), so as to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. We are committed to developing an environmental, social and governance strategy that is consistent with the UNSDGs, thereby aligning our sustainability focus areas with these goals. We have identified and selected 13 out of the 17 UNSDGs that are most relevant to our business and integrated them into our four strategic pillars, and incorporated them into our strategy. Details of our contributions towards specific UNSDGs during the Reporting Period are disclosed in the corresponding sections of this Report.

Shape an Innovative Future

Advancing Technology and Driving Continuous Innovation

GOAL: To lead industry upgrade by focusing on product R&D and strengthening global sales networks

2024 Highlights:

Initial release of **" PAX 2030 Sustainability Vision"**

To further reinforce our commitment to sustainability, we have developed the PAX 2030 Sustainability Vision. To realize this vision, we have established a sustainability strategy to review and manage our environmental and social impacts, and we are committed to integrating sustainability into every aspect of our operations by improving our internal work processes and developing new products, as well as delivering high quality and practical products and services to our customers.

PAX 2030 Sustainability Vision	Progress in 2024	
100% acquisition of ISO 9001:2015 Quality Management System Certification in our major operating locations	100% acquisition of ISO 9001:2015 Certification in our major operating locations	●
100% acquisition of ISO/IEC 27001:2022 Information Security Management System Certification in our major operating locations	100% acquisition of ISO/IEC 27001:2022 Information Security Management System Certification in our major operating locations	●
100% acquisition of ISO/IEC 20000-1:2018 IT Service Management System Certification in our major operating locations	100% acquisition of ISO/IEC 20000-1:2018 IT Service Management System Certification in our major operating locations	●

● Achieved   ◑ In progress

Key Actions and Achievements:

Became the first Asian payment terminal provider elected to PCI SSC Advisory Board

Continue to actively expand into **international markets, and total revenue of the Group exceed HK$6,044.9 million**

Maintained close communication with clients, consumers, suppliers and other stakeholders

Supported merchants in their **digital transformation** with PAX Android SmartPOS solutions

PAX Smart Terminals Industrial Park in Huizhou officially put into operation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Curate a People-Centric Workplace

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Caring for Employees to Build a Diverse and Inclusive Workplace

GOAL: To foster a culture of care through building a diverse talent pool and strengthening employee relations

2024 Highlights:

Quantitative Human Resources Development Targets

We recognize that our employees are the most important asset of the Company and their contribution is the key to our success. Talent development is a core part of PAX 2030 Sustainability Vision. PAX has set quantitative human resource development targets and is committed to providing a series of talent development programs to help our employees grow and develop. In order to realize this vision, during the Reporting Period, PAX provided employees with appropriate training to meet their needs at different levels, giving them opportunities for growth and development.

PAX 2030 Sustainability Vision	Progress in 2024	
100% directors ESG Training Coverage	100% of directors have completed ESG-related training	●
100% ESG training coverage for employees	100% of staff have completed ESG related training	●
100% acquisition of ISO 45001:2018 Occupational Health and Safety Management System Certification in our major operating locations	100% acquisition of ISO 45001:2018 Occupational Health and Safety Management Systems Certification in our major operating locations	●

● Achieved   ◐ In progress

Key Actions and Achievements:

Organised **ESG-related** training for directors and employees

Offered a diverse range of **benefits and recreational activities** for employees

Organised various training programs continuously and **implemented a mentorship programme** to comprehensively enhance employee capabilities and **build diverse teams**

Cooperation with universities on **trainee programmes** to cultivate future leaders

Introduced a series of **occupational health and safety measures** at offices and factory

Family-friendly workplace

Build Climate Resilient Eco-Operations
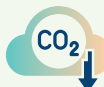
Accelerating Decarbonization for a Greener Future

GOAL: To advance eco-design for our products to minimise environmental footprint and enhance climate resilience

2024 Highlights:

Optimizing Green Targets

During the Reporting Period, we continued to conduct a comprehensive assessment of our greenhouse gas (Scope 1 and Scope 2) emissions and energy consumption in order to formulate improvement measures and greenhouse gas emission reduction and energy saving targets. To address the challenges of local and global climate change and to reduce carbon emissions in the Group's business activities, the Group has set up the carbon reduction targets and optimizing green targets and is committed to achieving the relevant targets by 2030 through the development of a feasible action plan.

PAX 2030 Sustainability Vision	Progress in 2024	
To reduce carbon footprints by adopting green and sustainable production and operations	67% reduction in total GHG emissions (Scope 1 and 2) intensity compared to 2023	●
To reduce energy consumption by implementing a series of energy saving measures	68% reduction in total energy consumption intensity compared to 2023	●
100% plastic-free packaging by 2030[3]	100% plastic-free packaging materials realized[3]	●

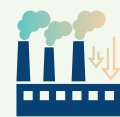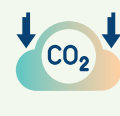[3]   Covers only the outer layer of packaging used in the sale of the product.

2024 Highlights: (continued)

Calculated greenhouse gases (Scope 3) emissions for the first time

To strengthen the value chain carbon emission management, through collaboration between various business units and teams, we conducted a comprehensive review of Scope 3 greenhouse gas emission sources (i.e. indirect greenhouse gas emissions generated in the value chain) during the Reporting Period in accordance with the Greenhouse Gas Protocol, and greenhouse gas (Scope 3) emission data was disclosed for the first time, providing a basis for formulating further emission reduction strategies

Progress in 2024	
Conduct the first emission screening for greenhouse gases (Scope 3) and establish a greenhouse gas (Scope 3) inventory and identify ten significant emission categories from the inventory	●
Actively communicate with business units on the feasibility of energy saving and carbon reduction targets and have identified a range of carbon reduction opportunities	●

● Achieved   ◑ In progress

Key Actions and Achievements:

Leveraging on our innovative technologies to maximise resource circularity across the life cycles of our products

Optimised the assessment of climate-related risks and opportunities and enhanced climate change management **with reference to the recommendations of TCFD**

Implemented a series of **environmental protection measures** in the office and factory

Conducted product **lifecycle carbon emission assessments** during the Reporting Period to reduce the embodied carbon of products

Embrace our Local Community

Enriching Communities through Nurture and Care

GOAL: To embrace corporate social responsibility to collectively drive societal progress and create shared value

2024 Highlights:

Setting the **Community Investment Targets**

The success of our business is inextricably linked to the economic, social and environmental well-being of the communities in which we operate. As a member of the community, we are committed to being a responsible member of the community. During the Reporting Period, PAX continued to assess current social needs and contribute to social development and well-being through our community investment programs. In addition, PAX has set up the "PAX volunteer team" to promote staff participation in community activities and to care for the underprivileged in the community through volunteer service activities, as well as to foster friendships among staff members.

PAX 2030 Sustainability Vision	Progress in 2024	
100% PAX Community Investment Scheme benefits disadvantaged groups	100% PAX Community Investment Scheme is targeted at disadvantaged groups, including the visually impaired, youth, grassroots families and the elderly	●
Establishment of PAX volunteer team	Formally set up the "PAX volunteer team" to promote staff participation in community activities and to care for the underprivileged in the community through volunteer service activities, as well as to foster friendships among staff members	●

● Achieved   ◖ In progress

1 NO POVERTY

4 QUALITY EDUCATION

2 ZERO HUNGER

10 REDUCED INEQUALITIES

3 GOOD HEALTH AND WELL-BEING

Key Actions and Achievements:

Actively encouraged employees to participate in community service activities

Developed accessible products to promote digital inclusion

Sustainability Governance and Board's Oversight

As the highest governance body of the Group, the Board assumes overall responsibility for the Group's sustainability strategy and reporting while overseeing sustainability-related issues, setting the direction for the Group's long-term development and positioning. The senior management of the Group (the "Senior Management"), delegated by the Board, is responsible for overseeing sustainability management approach and strategy. Additionally, our Senior Management reports and advises the Board on various sustainability-related issues including but not limited to the below on a regular basis:

- Formulation and review (if necessary) of the Group's sustainability management approach, strategy, policies, goals and targets;

- Identification, evaluation, prioritization and management of ESG-related risks and opportunities (including but not limited to climate-related risks and opportunities, and environmental and social risks along the supply chain) and formulation of mitigation measures;

- Oversight and regular reviews of performance and progress made against our sustainability-related goals and targets, ensuring timely updates when necessary;

- Conducting a materiality analysis to evaluate, prioritise and manage material sustainability issues;

- Formulation and monitoring of the implementation of the Group's sustainability-related initiatives;

- Coordination with employees of core businesses to implement ESG-related matters in daily operations;

- Compilation of the Group's annual ESG Report for approval by the Board.

Sustainability Governance Structure

| The Board | → | Senior Management | → | Relevant Departments |

Sustainability Opportunity and Risk Management

The Group understands that the integration of sustainability-related risks into the existing risk management system enables the Group to accurately assess the impact of these risks on areas such as the Group's operations and finances. Our Senior Management, delegated by the Board, is responsible for identifying, evaluating, prioritising and managing material sustainability-related risks and opportunities (including but not limited to climate-related risks and opportunities, as well as environmental and social risks along the supply chain) on a regular basis. The Board retains ultimate responsibility for overseeing the management of sustainability risks and opportunities within the Group.

Identification	With the assistance of professional sustainability consultants (being independent third-parties), we identify sustainability-related risks (including but not limited to climate-related risks and environmental and social risks along the supply chain) as well as climate-related opportunities of the Group. In response to the increasing concerns of stakeholders, we have identified and disclosed climate-related risks and opportunities in this Report.
Evaluation	We evaluate the potential impact and likelihood of sustainability-related risks and climate-related opportunities.
Prioritisation	We prioritize significant sustainability risks by considering their risk levels in terms of potential impact and likelihood.
Management	Our Senior Management assists the Board in managing and monitoring identified sustainability risks, formulating corresponding control measures, and regularly submitting a risk assessment report to the Board for discussion. As part of its oversight responsibility, the Board regularly reviews the effectiveness of risk control measures and provides recommendations for improvement of the measures when necessary.

For details of our climate-related governance and other disclosures with reference to the recommendations of the TCFD, please refer to the "Build Climate Resilient Eco-Operations" section of this Report.

ESG Policy

To ensure that the Group's sustainability strategy is effectively implemented and that sustainability and climate change related elements are incorporated into business operations and decision making processes, the Group has formulated the ESG Policy. The Policy provides clear guidance for the Group's ESG management.

We regularly review and update the Environmental, Social and Governance Policy as appropriate to ensure that the Group can formulate policies in response to changes in the operating environment and community needs.

Environmental
- Green Operations
- Use of Resource (including energy and natural resources)
- Waste Management
- Sustainable Procurement Management
- Climate-related Risks and Opportunities

Social
- Diversity and Equal Opportunities
- Freedom of Association
- Occupational Health and Safety
- Employment Practices and Labour Standards
- Quality of Services and Products
- Community Engagement and Investment
- Controversial Sourcing and Conflict Minerals

Governance
- Corporate Governance
- Business Ethics and Integrity

Stakeholder Engagement

Sustainable development requires the support and participation of stakeholders. The Group recognizes the importance of stakeholder engagement and actively builds positive and close relationships with them. During the Reporting Period, we employ a range of measures to engage various significant stakeholders, including employees, customers, distributors, business partners, shareholders, suppliers, government or regulatory bodies, as well as the general public. We will also seize opportunities for communication and liaison, proactively share our initiatives with relevant stakeholders and collect their views and expectations.

Our Stakeholder Types and Communication Channels

Employees
- Face-to-face Communications
- Physical or Virtual Meetings
- Employee Newsletters
- Annual Performance Reviews
- Team Collaboration and Volunteer Activities

Customers, Distributors and Business Partners
- Customer Service Hotlines
- Partner Meetings
- Exhibitions
- Customer Satisfaction Surveys

Shareholders
- Shareholder Meetings
- Annual Reports, Interim Reports, Announcements and Circulars
- Email and Fax

Suppliers
- On-Site Inspections or Assessments
- Supplier Quality Meetings
- Supplier Evaluations

Government or Regulatory Bodies
- Corporate Reports and Announcements
- Policy Consultations
- Compliance Monitoring

The Public
- The Group's Website and Social Media Platforms
- Annual Reports, Interim Reports, Announcements and Circulars
- Email and Fax
- Volunteer Activities

Materiality Assessment

During the Reporting Period, the Group invited internal and external stakeholders to conduct materiality assessment by way of questionnaires to identify relevant issues, prioritize the issues and review, validate and verify the materiality of the issues by the Board of Directors, which is the focus of the disclosure in this report with the assistance of sustainability consultants (being independent third-parties) with an aim to pinpoint material sustainability topics relevant to both our business and stakeholders, thereby gaining an in-depth understanding of our stakeholder expectations and sustainability priorities for the future.

1 Identification
- Reviewed and incorporated prior results of stakeholder engagement
- Identified a total of 30 sustainability topics relevant to the Group's business based on the Listing Rules, industry nature and trends, international reporting standards, ESG rating criteria and peer benchmarking analysis

2 Prioritisation
- Invited various stakeholder groups to participate in an online survey
- Prioritised 30 identified relevant topics based on feedback from stakeholder online surveys

4 Integration
- Incorporated material topics into the Group's sustainability strategy and reporting, so as to ensure alignment with stakeholder expectations and sustainability trends

3 Validation
- Synthesized the results of the questionnaire survey and management's comments to compile a materiality matrix
- The prioritized list of topics to be reviewed and validated by the Board

The materiality matrix below illustrates the relative materiality of 30 sustainability topics to stakeholders (Y-axis) and the Group's business continuity and development (X-axis). A total of 13 topics in Tier 1 of the matrix were the most significant topics for stakeholders and the Group's ongoing operations and development, while topics in Tier 2 and Tier 3 are those we have identified as material and relatively less material to stakeholders and the Group's ongoing operations and development respectively.

Materiality Martix

Tier 1: Most Material Topics	Tier 2: Material Topics	Tier 3: Relatively Less Material Topics

Importance to Stakeholders

● Build Climate Resilient Eco-Operation   ● Curate a People-Centric Workplace
● Shape an Innovative Future   ● Embrace Our Local Community

Higher ... Lower

Importance to the Group's business continuity and development (Lower → Higher)
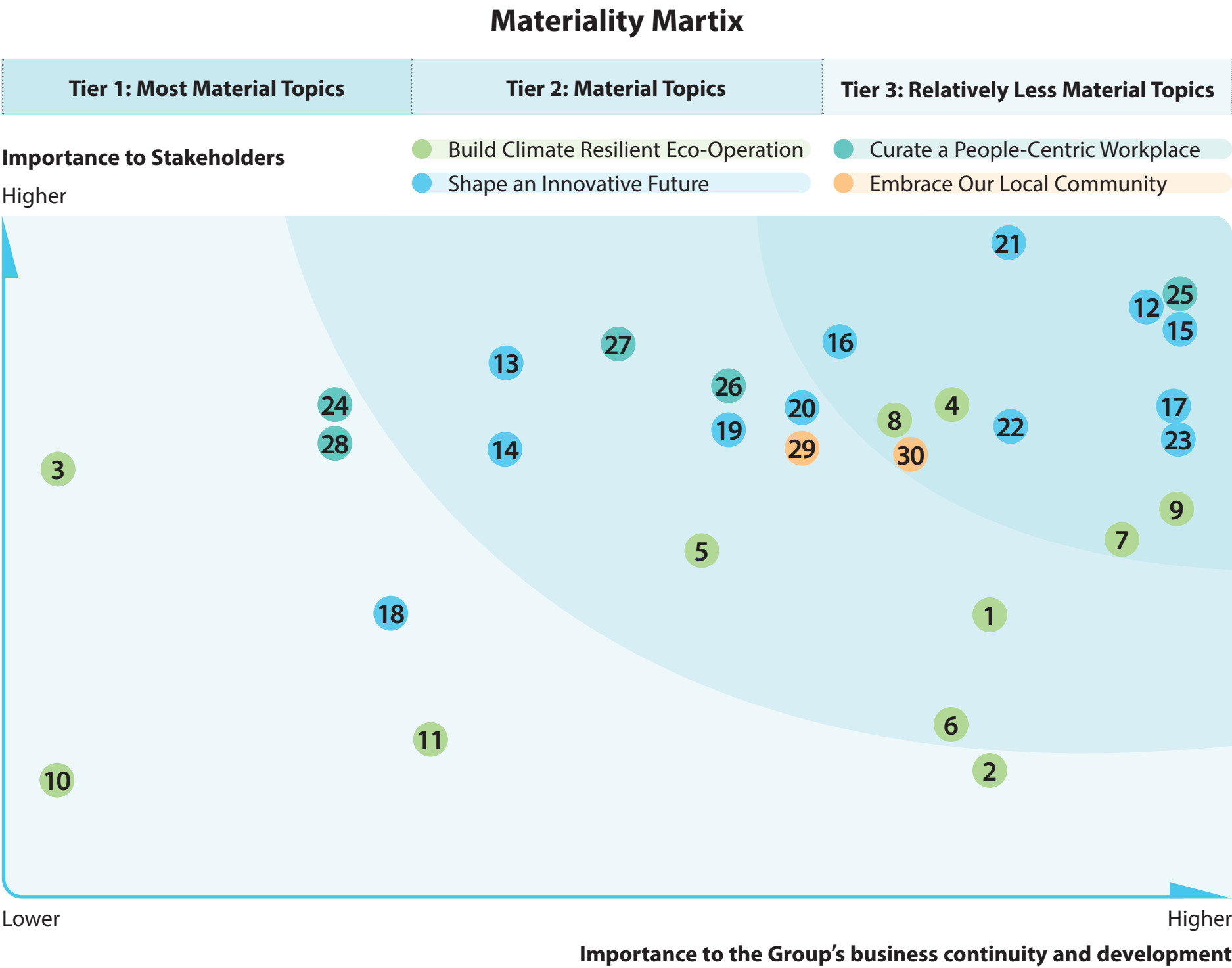
List of ESG-related Material Topics

ESG-related Material Topics	Report Sections	Pages
Tier 1: Most Material Topics		
4 Responsible Sourcing of Raw Materials and Green Procurement	Green Procurement	53
7 End of Product Life Cycle Management	Emphasis on Eco-Product Design	45

ESG-related Material Topics	Report Sections	Pages
Tier 1: Most Material Topics		
8 Development of Circular Economy Products	Emphasis on Eco-Product Design	45
9 Utilisation of Green and Clean Technology	Green Building, Emphasis on Eco-Product Design	44, 45
12 Capabilities in R&D and Innovation	Pursuing Excellence and Innovation	22
15 Product and Services Quality	Excellent Product, Excellent Service	25, 28
16 Customer Service and Experience	Excellent Service	28
17 Product Chemical Safety and Sustainability	Shape an Innovative Future, Emphasis on Eco-Product Design	19, 45
21 Network Security and Data Privacy	Excellent Product	25
22 Emergency Plan	Shape an Innovative Future	19
23 Business Ethics and Integrity	Anti-Corruption, Whistleblowing and Business Ethics	29
25 Employment Practices and Labour Standards	Curate a People-Centric Workplace	31
30 Promotion of Digital Inclusion	Embrace Our Local Community	55
Tier 2: Material Topics		
1 Management of Energy and Carbon Emissions		
5 Consumption of Packaging Materials		
6 Product Energy Efficiency and Carbon Footprint		
13 Responsible Supplier Management		
14 Environmental and Social Risk Management in the Supply Chain		
19 Intellectual Property Management		
20 Responsible Marketing		
26 Occupational Health and Safety		
27 Employee Training and Development		
29 Community Contribution		
Tier 3: Relatively Less Material Topics		
2 Water Resources Management		
3 Waste Management		
10 Biodiversity		
11 Climate Resilience and Adaptability		
18 Prohibition of Procurement of Conflict Minerals and Controversial Raw Material		
24 Equal Opportunities, Diversity and Inclusion		
28 Employee Well-being and Communication		

Shape an Innovative Future

Shape an Innovative Future

Advancing Technology and Driving Continuous Innovation

GOAL: To lead industry update by focusing on product R&D and strengthening global sales networks

Most Material topics covered in this chapter:

Capabilities in R&D and Innovation

Product and Services Quality

Customer Service and Experience

Product Chemical Safety and Sustainability
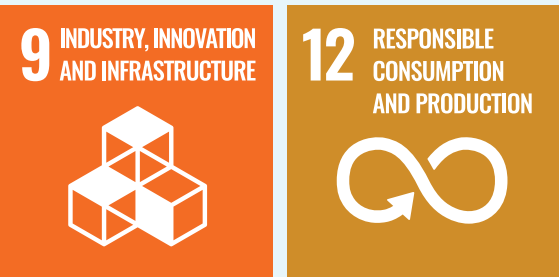
Network Security and Data Privacy

Emergency Plan

Business Ethics and Integrity

UNSDGs addressed in this chapter:

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our Progress of the Year

Launched a Series of Upgraded Products

PAX introduced a range of products, including Android smart payment solutions **(namely A8900, A99, among other handheld smart payment terminals) and IM25 for self-service scenarios**. All new offerings are featured with the latest Payment Security Certification PCI PTS 6.x. For more information on eco-design products, please refer to the "Build Climate Resilient Eco-Operations" section.

Collaboration with Bindo Labs to Promote Contactless Payment in Hong Kong Taxi Industry

During the Reporting Period, PAX A930 payment terminals were **successfully deployed in 2,000 taxis in Hong Kong**, revolutionizing the way passengers pay their fares with a seamless and convenient contactless payment experience for driving the future development of e-payment in taxis.

PAX Smart Terminals Industrial Park officially put into operation

During the reporting period, the Smart Terminal Industrial Park of PAX in Huizhou, China, which is equipped with **modern production lines, research and development laboratories, engineering laboratories and testing centres**, was put into operation to further enhance supply chain efficiency and strengthen delivery capabilities, thereby contributing to the efficient development of the business.

Case Study

Chemical Safety

During the Reporting Period, the Group had established a comprehensive chemical dangerous goods management system and formulated the "Chemical Dangerous Goods Management Requirements", "Chemical Warehouse Management System", "Chemical Inventory Registration Form", "Chemical Purchase Registration Form", etc., which comprehensively regulate the management of chemicals and dangerous goods throughout the entire process from purchase to disposal. Set out below is our chemical safety control process:

1. **Regulation of Risk Substances**
   - Comprehensively identify and list all chemicals used to ensure compliance with international and regional safety codes and laws and regulations, and include them in the Chemical Inventory.

2. **Chemical phase-out plan**
   - Develop and implement a plan for the phase-out of chemicals of concern, in particular the chemical substances listed in the national standard requirements.

3. **Registration and use of regulated substances**
   - Openly and continuously monitor the registration and use of all regulated substances and provide chemical use control information for internal review.

4. **Degree of disclosure of the product formulation**
   - Disclose complete formulation for a wide range of products, working with suppliers to ensure that each product's ingredients are accurate, detailed and publicly available.

5. **Procurement of chemicals**
   - Plan purchases according to the actual demand, fill in the Purchase Requisition Form, choose products with lower toxicity and hazardousness, and ensure that the transportation meets the safety requirements.

6. **Storage of chemicals**
   - Hazardous chemicals are centrally stored in compliant warehouses, categorized and under strict control of quantity, regularly inspected and recorded in the "Chemical Inventory Registration Form".

7. **Distribution and utilisation of dangerous chemicals**
   - Chemicals are managed by specialized personnel, following the first-in-first-out principle, and are equipped with protective devices and emergency equipment.

8. **Disposal treatment**
   - Chemical wastes are handled in accordance with the "Waste Management Procedure" and are classified and entrusted to qualified vendors to prevent pollution.

9. **Educational training**
   - Conduct regular safety and environmental training on the management and use of chemicals to ensure that employees are aware of emergency measures.

10. **Handling of abnormalities**
    - When an abnormal event occurs, it shall be controlled in accordance with the Emergency Preparedness and Response Control Procedure and countermeasures shall be taken in accordance with the Material Safety Data Sheet.

Strategy and Management

As a leading international electronic payment terminal enterprise, we are dedicated to propelling the Android smart payment terminal industry forward through research and development and innovative technology. Our commitment is rooted in developing products that not only meet but exceed international security standards while delivering exceptional performance. We strive to drive digital transformation and enhance operations for businesses and partners across diverse sectors, including retail, services, transportation and self-service and to deliver a secure and flexible payment service experience for both enterprises and consumers alike.

Our Policy

We strictly adhere to all applicable laws, regulations[4] and industry standards concerning health and safety, advertising, labelling, and privacy matters relating to our products and services. Policies and procedures, including the "Quality Manual" and the "After-Sales Service Department Management Manual", have been established to provide our employees with guidelines aligned with international standards and our commitment to quality control excellence.

Quality and Information Security Management System

The Group's quality management system and information security management system, covering the design and production of POS terminal and PINpad, which have obtained internationally recognised certifications such as ISO 9001:2015 for Quality Management System and ISO/IEC 27001:2022 for Information Security Management System. These certifications ensure effective oversight of quality management and information security within our operations.

During the Reporting Period, we were not aware of any material non-compliance related to health and safety, intellectual property, customer privacy, advertising, labelling or other relevant matters.

Pursuing Excellence and Innovation

The global shift towards cashless transactions presents both opportunities and demands for the E-payment Terminals solutions industry. In order to maintain the Group's leading edge in this dynamic field, we remain steadfast in our dedication to product innovation and R&D, and provide the support and resources to nurture our technical and R&D teams. As at 31 December 2024, our R&D team comprises approximately 850 skilled professionals, representing more than half of the core business personnel in Shenzhen and Hong Kong. During the Reporting Period, we continued to secure various technological patents for our products, including but not limited to:

- Mobile Payment POS terminal (A99)
- Mobile Payment POS terminal (A8900)
- Mobile Payment POS terminal (A33)
- Cashier management graphical user interface for display panel
- Flexible tear-resistant circuit board

The Group seizes emerging trends in Android smart payment terminals and focuses on developing smart payment terminal products. During the Reporting Period, PAX introduced a series of products, which is not only featured with enhanced functionality but also certified with the latest Payment Security Certification PCI PTS 6.x..

- Android Smart Payment Solutions (e.g. A8900 and A99, etc.)
- IM25 for processing electronic payments in a self-service scenario

Positive Influence in Shaping the International Payment Arena

PAX was elected to the Board of Advisors of the PCI SSC, distinguishing itself as the first payment terminal provider in Asia to take up the role, further solidifying its leading position in the international payment solutions domain.

Number of R&D Staff:	Number of patents:	Number of Copyrights:
850+	900+	730+

4   Please refer to the "Significant Laws and Regulations" section for a list of product responsibility-related laws and regulations significant to the Group's business operations.

Case Study

Assisting Hong Kong Taxi Industry to Realize Cashless Payments

In collaboration with Bindo Labs, PAX has integrated the Wonder app into the PAX A930 payment terminal, enabling efficient integration and streamlining of the taxi payment process, with full support for e-payments, including credit cards (UnionPay, Visa, MasterCard, JCB), e-wallets (Alipay, WeChat Pay) and mobile payment services (Apple Pay, Google Pay).

As of 31 December 2024, our A930 payment terminal has been successfully deployed in nearly 2,000 taxis in Hong Kong. With its smart interface and fast processing speed, the A930 payment terminal can effectively shorten transaction time, allowing drivers to focus more on providing quality service to passengers, helping taxi drivers to optimize their operations, and enhancing the overall travel experience of passengers.

Case Study

Sustainable Products Showcased at World Partner Conference

During the Reporting Period, we hosted a successful World Partner Conference in Ho Chi Minh City, Vietnam, where we showcased several new Android smart payment terminal solutions to our global partners and payment system integrators.

Responsible Supply Chain Management

The Group is dedicated to building a sustainable supply chain that aligns with ESG principles. With an aim to monitor and evaluate supplier' performance effectively, enhance the supply chain management and facilitate the development of sustainable supply chain, the Group has established comprehensive policies regarding the supplier management system, including "Quality Agreement", "Outsourcing Processing Manufacturers Agreement", "Suppliers Management Policy", etc., and incorporated environmental and social considerations into the Group's risk assessment mechanism to analyse the risks of suppliers from different aspects.

The Board is responsible for oversight of environmental and social risks. During the Reporting Period, the Group identified the environmental and social risks in the supply chain with the assistance of an independent consulting firm. Additionally, the Group has formulated the control measures including, among other things, the development of a series of internal procedures for procurement and supplier management to mitigate the relevant ESG-related risks and ensure that suppliers meet the requirements of the Group. During the Reporting Period, we identified and closely monitored material ESG-related risks along the supply chain and implemented the following control measures:

1. Supplier Selection

In our supplier selection process, we conduct qualification and on-site assessments and evaluations. In addition to considering the delivery capacity, pricing, and reputation of the suppliers, we also consider various sustainability factors:

- Product and Service Quality
- International Authoritative Certifications
- Employee Professional Training
- RoHS Hazardous Substance Management
- Prioritising Green Procurement Practices and Initiatives
- Social Performance
- Commitment to Avoid Controversial Raw Materials
- Use and Investment in Green Technologies

2. Supply Chain Risk Management

We request suppliers to sign a "Quality Agreement" outlining our sustainability expectations, encompassing various aspects such as:

- Product Quality and Reliability
- Ethical Standards
- Employee Rights and Benefits
- Environmental Protection
- Occupational Health and Safety
- Promoting Social Harmony and Development
- Avoidance of Controversial Raw Materials

We require suppliers to sign a "Commitment Certificate for Non-Use of Harmful Substances", committing to ensuring compliance throughout the product's production, manufacturing, packaging, storage and delivery processes with:

- European Union's Restriction of Hazardous Substances in Electrical and Electronic Equipment standards
- "Measures for the Control of Pollution from Electronic Information Products" in the PRC

3. Monitoring Supplier Performance

Through regular assessments, quality meetings and other communication channels, we evaluate existing suppliers, with consideration of various factors such as:

- Cost
- Punctuality
- Product Quality
- Other Sustainability Performance

Only those suppliers meeting our standards are deemed eligible for inclusion in our approved supplier list.

Should a supplier fail to meet the standards of the Group, either by delivering non-compliant products, experiencing significant delays in delivery, or encountering major quality issues, we will promptly notify the supplier. We will then collaborate with them to develop improvement plans and closely oversee the rectification process.

If a supplier fails to meet the required qualifications and does not demonstrate improvement within the specified timeframe, we will terminate our business relationship with them to mitigate risks within the supply chain.

During the Reporting Period, all of the 300 (2023: 315) primary suppliers collaborated with the Group in our core operations in the PRC and Hong Kong were from the PRC and Hong Kong. The Group implemented the above engagement practices on all suppliers.

ESG Certifications for Suppliers

We are committed to promoting sustainability in the supply chain and have included ESG performance as part of our assessment criteria for our suppliers. During the reporting period, our core suppliers have obtained the ESG-related certifications in a variety of areas, including but not limited to:

- RoHS standard of the European Union
- QC080000 Hazardous Substance Process Management System
- The Forest Stewardship Council ("FSC")
- Global Recycling Standard
- ISO 14001 Environmental Management System
- ISO 14064 Standard for Greenhouse Gas Inventory and Certification
- ISO 45001 Occupational Health and Safety Management System
- ISO 50001 Energy Management System

- ISO 9001 Quality Management System
- SMETA Ethical Trading Audit
- EcoVadis
- amfori Business Social Responsibility Initiative
- RBA Responsible Business Alliance Code of Conduct

In addition, we have commissioned on-site due diligence from certified third party external organizations and and will take measures to improve the traceability of raw materials used in our products.

Promoting Ethical Practices and Conflict-Free Minerals and Controversial Sourcing

Our Quality Agreement clearly sets out our sustainability expectations, covering areas such as anti-discrimination, limitation of working hours, prohibition of child and forced labor, prohibition of corporal punishment/disciplinary action, payment of a minimum living wage, protection of health and safety, respect for the freedom of association and the right to collective bargaining, and provision of acceptable living conditions. During the Reporting Period, approximately 100% of our suppliers have signed Quality Agreements.

We also have a policy on conflict-free minerals and controversial procurement in place to ensure that materials procured and used do not contain conflict minerals originating from the Democratic Republic of the Congo or its neighboring countries, where illegal activities are associated with such minerals. During the reporting period, approximately 90% of suppliers who provide materials with 3TG and cobalt have signed agreements/statements related to conflict minerals.

Excellent Product

Product Safety Management

To enhance the recognition of our product safety, we are dedicated to obtaining various international and industry-specific product safety certificates, including but not limited to:

- ISO/IEC 27001:2022 Information Security Management System certification
- Certificate for China Compulsory Product Certification
- RoHS standard of the European Union
- China UnionPay UnionPay Card Acceptance Terminal Application Specification
- China UnionPay Smart Point of Sales Terminal Technical Specifications

Our products also support a variety of payment methods and comply with specifications from different payment methods, including but not limited to:

- MasterCard Contactless Reader Specification
- Visa Contactless Payment Specification
- EMVCo Payment Standard for Contact and Contactless Chip Card Acceptance Terminal Products
- PCI PTS standards

As of 31 December 2024, the Group holds more than 2,990 certifications related to product safety management.

E-payment Terminals Products

Our E-payment Terminals products comply with the security standards set by the PCI SSC. In addition to hardware protection, we incorporate various data security features such as secure processors and tamper detection and response mechanisms to safeguard customer data. As the first payment terminals provider in Asia elected to PCI SSC Advisory Board, we remain vigilant in tracking industry policy trends and continually enhance our product security management to align with the evolving requirements.

Terminals Safety Team composed of experienced security management personnel
- Dedicated security reviews are integrated into the product development life cycle
- Adopting effective security management measures and industry-applicable security standards:
  - Physical security procedures
  - Logical security measures
  - Product lifecycle management
  - Vulnerability management

Cloud-based Software as a Service Platform

Our cloud-based SaaS platform aligns with the PCI DSS. We partner with reputable vendors who provide stable and reliable cloud services to ensure the highest level of security. Our SaaS platform incorporates multiple security features, including data access restrictions, dual authentication and encryption of merchant data, to protect against unauthorised access and ensure the data safety of both merchants and users.

SaaS Information Security Team comprised of employees from various departments and functions
- Manage and protect:
  - Security in product design
  - Security in technical R&D
  - Security in technical operation and maintenance
  - Physical safety of personnel
- Regularly conduct security assessments and penetration tests with corresponding corrective measures in place

Information Technology Management
- Implement a series of security measures to detect abnormal events and enhance defense against malicious software, including:
  - The installation of firewalls and use of intrusion detection systems
  - Regular back up for critical data
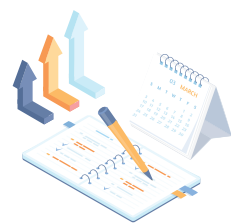
Employee Training
- Enforce strict ethical standards for employee conduct
- Conduct regular training on data security, covering topics such as:
  - Network security incidents
  - Vulnerability management
  - Industry security standards and the latest security-related practices and information

Quality Control

We are committed to elevating the quality of products while ensuring compliance with relevant laws and regulations regarding product quality and safety[5]. Our "Quality Manual" is developed in accordance with the ISO 9001:2015 Quality Management System, ensuring the effectiveness of quality management practices and quality assurance procedures. With dedicated quality management teams in our core operations in the PRC and Hong Kong, we strictly oversee and control the quality of terminals products along the entire process – from R&D, production, testing, and shipping to inspection and maintenance.

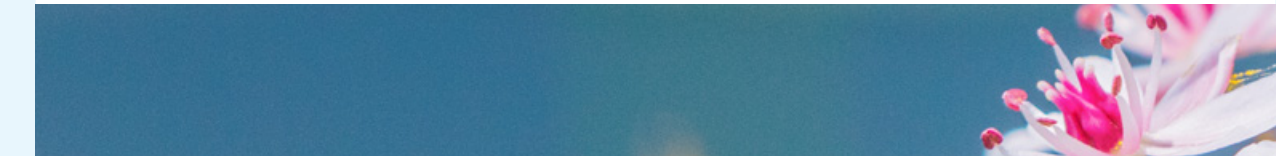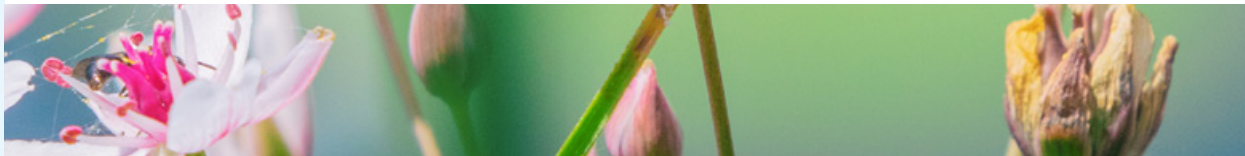During the Reporting Period, there were no products sold or shipped subject to recalls for safety and health reasons (2023: none). Additionally, the Group did not receive any material complaints[6] about products and services (2023: none).

Our quality assurance process is shown below:
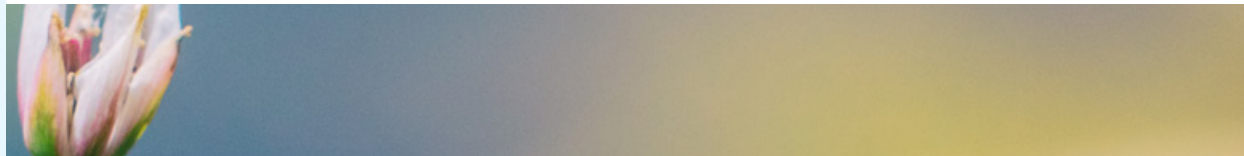
Raw Material Inspection
- Conducting rigorous inspections of component and raw material quality, including sampling inspections of incoming products based on the "Code for Inspection of Finished Machines", taking into consideration of the below:
  ◎ Appearance
  ◎ Functionality
  ◎ Power Supply
  ◎ Packaging

- Initiating immediate returns or repairs for any components or raw materials found not to meet specifications and our requirements

- Maintaining a record of the quantity and issues of non-conforming products in the monthly "IQC Incoming Material Inspection Monthly Report" and following up with suppliers to rectify the issues

Production
- Meticulously monitoring product quality through sample inspections of outgoing finished products, following guidelines out lined in the "Code for Inspection of Finished Machines" and taking into consideration of the below:
  ◎ Appearance
  ◎ Functionality
  ◎ Packaging

- If products fail to meet inspection requirements, implementing corrective measures and repeating the sampling inspection to ensure compliance with relevant standards before providing the products to customers

After-sales Support
- Strictly follow the standards and guidelines set forth in the "Standard for Quality Inspection of Maintenance Machines" to provide maintenance services, inspecting the following aspects:
  ◎ Functional Fault Points
  ◎ Appearance
  ◎ Software
  ◎ Overall Functionality

- Promptly recalling any non-conforming products from customers upon identification to prevent the use of non-compliant goods

- Conducting investigations to determine the root cause of non-compliance and implementing necessary corrective actions to prevent recurrence of similar incidents

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[5] Please refer to the "Significant Laws and Regulations" section for a list of product responsibility-related laws and regulations significant to the Group's business operations.

[6] Material complaints are defined as those that would result in long-term significant impact on our customers, or a failure to deliver agreed-upon service requirements.

Excellent Service

In order to enhance the customer experience, we have established a comprehensive customer service mechanism. We actively interact with customers through the following channels and encourage them to share feedback on our services.

Email and Fax

Face-to-face Communications

Customer Satisfaction Surveys

Customer Service Hotlines

Online customer questionnaires

We highly value customer feedback and have a structured response mechanism in place to address complaints and disputes. In order to ensure that our staff are familiar with the process and requirements of customer service, we have formulated the "Management Procedure of Customer Complaints" to strictly control the quality of staff service and the response to complaints to ensure timely and effective responses to customer feedback.

Our Service Commitment:
All Customer Complaints **Response Within 24 Hours**

We have formulated the "After-Sales Service Regulation" and established after-sales service centres nationwide to provide customers with various efficient after-sales service support.

Product Returns and Exchanges

In an event that customers discover any defective products upon unpacking, we will tailor our response based on the specific circumstances, which may involve arranging for complimentary replacement of the defective products.

On-Site Maintenance

We provide on-site maintenance services for our customers and have established policies for our maintenance process. These policies outline the job requirements for maintenance personnel, set standards for maintenance procedures as well as define clear timeframes to ensure the quality of our maintenance service.

Operation Training

We tailor training programs to meet the specific needs of our customers to ensure that they gain proficiency in basic POS operation procedures. Simple troubleshooting scenarios and their respective solutions are covered.

Routine Inspection

We conduct regular on-site inspections and provide necessary training such as failure handling, equipment maintenance and program downloads as needed.

Customer Engagement and Satisfaction

Each year, we invite our key customers to participate in our annual customer satisfaction survey. This valuable feedback enables us to gain insights into their opinions and expectations, which in turn drives our efforts to enhance the quality of our products and services. During the Reporting Period, we collected a total of 92 satisfaction surveys from both domestic and international customers. Our customers consistently express satisfaction with our services and product quality, maintaining an overall satisfaction rate that has exceeded 95% for three consecutive years. Our unwavering commitment remains focused on improving the quality of our products and services, with the ultimate goal of meeting and exceeding customer expectations.

Annual customer satisfaction survey results:

Technical Team Responsiveness	Service Quality	Customer Communication	Product Quality	Service Evaluation
Percentage of "Very Satisfied" or "Satisfied" Ratings:	Percentage of "Very Satisfied" or "Satisfied" Ratings:	Percentage of "Very Satisfied" or "Satisfied" Ratings:	Percentage of "Very Satisfied" or "Satisfied" Ratings:	Percentage of "Very Satisfied" or "Satisfied" Ratings:
95.1%	96.4%	94.8%	94.6%	95.7%

Overall Customer Satisfaction is 95%

Customer Privacy

As the Group's business involves the collection and use of customers' personal information, the Group strictly adheres to the "Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong)", the "Personal Information Protection Law of the PRC" (《中華人民共和國個人信息保護法》) of the Laws of PRC and other relevant laws and regulations, handling customers' data with great care, so as to safeguard the rights and privacy of our customers. The Group implements a range of data protection procedures and privacy policies to safeguard the secure collection and usage of customers' personal information. We strictly adhere to relevant laws and regulations[7], supplemented by the requirement for employees to sign a "Confidentiality and Intellectual Property Agreement". Employees are prohibited from disclosing the Group's confidential information and customer's personal data to any unauthorized parties. Prior consent from customers is essential before their personal information is utilised.

[7] Please refer to the "Significant Laws and Regulations" section for a list of product responsibility-related laws and regulations significant to the Group's business operations.

Anti-Corruption, Whistleblowing and Business Ethics

We are committed to upholding the highest standards of business ethics and maintaining a zero-tolerance stance towards corruption and bribery. We strictly adhere to laws and regulations pertaining to the prevention of bribery, extortion, fraud and money laundering[8].

Preventive Measures and Whistleblowing Procedures

We foster a culture of integrity through the below initiatives:

- The Senior Management is responsible for overseeing and monitoring anti-corruption risk management to prevent and address corruption risks
- We actively circulate anti-corruption messages to our employees and have incorporated relevant content on corporate governance and business ethics in our "**ESG Policy**"
- We have formulated an "**Anti-Corruption Policy**" that sets out the conduct standards for directors, employees and individuals acting on behalf of the Group in an agency or delegated capacity (such as agents, clients, suppliers, consultants, and contractors), including:
  - ◎ Preventing corruption
  - ◎ Prohibiting the provision or acceptance of benefits and hospitality
  - ◎ Avoiding conflicts of interest
- We encourage and assist employees and third parties (such as customers and suppliers) to report suspected cases of corruption, fraud, and misconduct through our 24/7 **independent reporting mechanism**
  - ◎ Employees can report any suspected cases of illegal or non-compliant behavior by the Group's employees or third parties to the Group's internal auditors at any time, either in person or in writing (in the local language of his/her choice).
  - ◎ The Group's "**Whistleblowing Policy**" outlines the types of misconduct and describes how the identity of the whistleblower will be kept confidential during investigations. Employees are protected from unfair dismissal, harm or unjust treatment due to reporting.

During the Reporting Period, we did not receive any reports regarding corruption or suspicious activities.

We handle reported information with utmost care and conduct fair and impartial investigations into cases. Upon confirming corruption or other criminal activities, we promptly report them to the relevant law enforcement authorities and implement corrective measures to prevent similar incidents. The Audit Committee regularly assesses and monitors the reporting and investigation procedures to ensure their effectiveness.

[8] Please refer to the "Significant Laws and Regulations" section for a list of anti-corruption laws and regulations significant to the Group's business operations.

Communication and Training

To enhance the Group's anti-corruption awareness and ensure that directors and employees are informed and understand the relevant local procedures and regulations, we have implemented the following measures:

- Circulate the "Whistleblowing Policy" to all directors and employees
- Introduce the Group's "Anti-corruption Policy" to new employees
- Regularly conduct anti-corruption training for directors and employees

During the Reporting Period, we provided anti-corruption training to directors and employees, providing them with anti-corruption guidance, regulatory information and internal requirements of the Group.

During the Reporting Period, the Group was not aware of any material non-compliance with applicable laws and regulations relating to bribery, extortion, fraud and money laundering. Additionally, the Group was not aware of any concluded legal cases regarding corrupt practices brought against the Group and its employees during the Reporting Period (2023: none).

Intellectual Property Protection

We recognise the importance of protecting intellectual property rights and ensure that our operations comply with relevant laws and regulations[9]. To guarantee the effective protection of the Group's intellectual property rights, we have set out guidelines and comprehensive protective measures on intellectual property in our "Confidentiality and Intellectual Property Agreements" for employees. Employees are mandated to adhere to the provisions therein and to apply for patents and copyrights, including invention patents, design patents, utility model patents and software copyrights, for the Group's R&D achievements. Additionally, employees must seek approval from the Group before showing any relevant intellectual property to external parties.

Advertising and Labelling

The Group is committed to providing customers with truthful and reliable information while strictly adhering to laws and regulations related to advertising and promotion[10]. This dedication aims to protect consumer rights and their access to transparent information. Prior to printing, all labels related to product production and sales undergo thorough review by the Group to ensure that all advertising and promotional content contains no misleading or false information.

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[9] Please refer to the "Significant Laws and Regulations" section for a list of laws and regulations significant to the Group's business operations.

[10] Please refer to the "Significant Laws and Regulations" section for a list of laws and regulations significant to the Group's business operations.

Curate a People-Centric Workplace

Curate a People-Centric Workplace

Caring for Employees to Build a Diverse and Inclusive Workplace

GOAL: To foster a culture of care through building a diverse talent pool and strengthening employee relations

Most Material topics covered in this chapter:

Employment Practices and Labour Standards

UNSDGs addressed in this chapter:

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Our Progress of the Year

Creating a Family-Friendly Workplace

To foster diversity and inclusion in the workplace, we have introduced **family-friendly arrangements and support programmes**. These include offering flexible working hours and shortened work schedule during the nursing period to employees in need.

Promoting Employee Well-being by Caring Initiatives

During the Reporting Period, we organised a series of **employee care activities** such as birthday parties, festive celebrations and annual dinners. The Group has established various sports teams including the running, football, basketball and badminton teams, and regularly organized **internal and external friendly competitions for a vibrant and healthy workplace culture**.

Enhancing Employee Information Security Awareness Training

During the reporting period, our employees participated in various professional trainings, including information security awareness training, and **phishing simulation exercises** for selected employees to enhance their ability to identify and respond to potential cyber threats and to further **strengthen the Group's overall information security protection standard**.

Strategy and Management

We prioritise building strong relationships with our employees with an emphasis on talent development and fostering a culture of care. Recognizing the importance of our staff, we provide competitive remuneration and benefits, ample training and development opportunities to cultivate a safe, fair and inclusive workplace environment.

Our Policy

The Group strictly adheres to local laws and regulations in our business operations, covering aspects such as employment, labour standards, health and safety, as well as development and training[11]. Our policies and commitment on topics such as compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare are outlined in our "Employee Handbook", "Employee's Code of Conduct", and other human resources-related policies. During the Reporting Period, we were not aware of any material non-compliance of laws and regulations relating to employment and labour standards.

Occupational Health and Safety Management System

To enhance workplace safety awareness and promote employee well-being, 100% of the production sites in our reporting area have obtained ISO 45001:2018 certification for Occupational Health and Safety Management System. This certification standardizes occupational health and safety measures across business units to mitigate health and safety risks for our employees in the workplace.

Employee Overview

As of 31 December 2024, the Group has a total of 997 full-time employees (2023: 1,268 full-time employees) in our core business in the PRC and Hong Kong.

	2024	2023	Unit
Number of employees by gender			
Male	**670**	818	person
Female	**327**	450	person
Number of employees by employee category			
Senior Management	**7**	20	person
Middle Management	**60**	72	person
Technical Staff and General Staff	**930**	1,176	person
Number of employees by age			
30 or below	**254**	328	person
31-40	**536**	666	person
41-50	**178**	226	person
51 or above	**29**	48	person
Number of employees by geographical region			
PRC (excluding Hong Kong)	**969**	1,238	person
Hong Kong	**28**	30	person

[11] Please refer to the "Significant Laws and Regulations" section for a list of employment and labour standards-related laws and regulations significant to the Group's business operations.

As of 31 December 2024, the employee turnover rate[12] by gender, age, and geographical region for the Group's core operations in the PRC and Hong Kong are as follows:

	2024	2023	Unit
Employee Turnover Rate by Gender			
Male	16	17	%
Female	11	17	%
Employee Turnover Rate by Age			
30 or below	17	18	%
31-40	13	16	%
41-50	15	19	%
51 or above	7	23	%
Employee Turnover Rate by Geographical Region			
PRC (excluding Hong Kong)	14	17	%
Hong Kong	4	7	%

Diversity and Fairness

In our pursuit of workplace diversity and ensuring equal opportunities, we appreciate each individual's unique contributions and prioritise employees based on their job performance and personal attributes. We have formulated a series of policies and measures with reference to the International Labor Organization Conventions to ensure that our employees are free from any discrimination and harassment based on age, gender, colour, race, nationality, religion, sexual orientation, family status, and we respect the freedom of association of our employees. For example, we provide regular diversity and anti-discrimination training to management and all employees, establish a confidential reporting line, and set up a Diversity and Inclusion Working Group. We hire diverse talents through various recruitment channels, including online recruitment, job fairs, head-hunters, campus recruitment and internal referrals. We recruit and adjust the salaries and positions of our employees based on the results of performance appraisals to ensure that all employees are given equal opportunities and that their treatment is not affected by factors unrelated to their work ability and qualifications.

Human Right Protection

We maintain a zero-tolerance stance for child labour and forced labour in strict accordance with all applicable labour standards laws and regulations[13]. Our "Employee's Code of Conduct" clearly outlines labour-related policies, including remuneration, working hours, overtime, holidays, dismissal and termination, guaranteeing adequate rest periods for employees and avoiding any instances of forced labour in our business operations.

During the recruitment process, our Human Resources department checks and verifies the applicant's identification documents, age, work experience, education level and other relevant information to prevent the hire of child labour or any other illegal recruitment practices. Upon identifying instances of child labour or forced labour, we promptly terminate the employment relationship and, if deemed necessary, report the matter to the relevant government authorities. Our Human Resources department periodically reviews employment practices to ensure the effectiveness of existing measures to prevent child labour and forced labour. During the Reporting Period, the Group was not aware of any severe non-compliance of applicable laws and regulations regarding child labour and forced labour.

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[12] The turnover rate for each category is calculated as the number of employees in the specified category leaving employment during the Reporting Period/the total number of employees in the specified category at the end of the Reporting Period x 100%.

[13] Please refer to the "Significant Laws and Regulations" section for a list of labour standards-related laws and regulations significant to the Group's business operations.

Talent Retention

The Group has an internal remuneration and welfare management system, and constantly review compensation and benefit packages to ensure continuous improvement of its employment standards and maintain competitiveness within the industry. Full-time employees are entitled to statutory and public holidays, personal leave, sick leave, annual leave, work-related injury leave, marriage leave, compassionate leave, and maternity leave. Employee benefits include but are not limited to:

Wedding and childbirth gifts	**Transportation subsidy**	**Lunch subsidy**	**Telecommunication subsidy**	**Compassionate pension**
Staff dormitory	**Fitness equipment**	**Additional insurance**	**Long-term service award**	**Festival benefits**
	Flexible working hours for breastfeeding employees	**Performance-based bonuses**	**Share options**	

Case Study

Creating a Family-Friendly Workplace

To promote workplace inclusiveness and to support female employees through pregnancy, childbirth and breastfeeding periods, we have implemented family-friendly arrangements and support programs. For instance, at Pax Computer Technology (Shenzhen) Co., Ltd, we offer flexible working hours and shortened work schedule during the nursing period to employees in need.

Engagement Channels

Effective communication and positive corporate culture are pivotal for driving success both at the individual and organizational levels. The Group fosters an open feedback culture and actively enhances employee engagement through regular communication and organizational activities. During the Reporting Period, we organised various communication channels to maintain close connections with employees.

Face-to face Communications with Employees	**Online Employee Questionnaires**	**Employee Newsletters**	**Physical or Virtual Meetings**	**Whistleblowing Policy**

To encourage employees to share their ideas, suggestions and concerns, we have established internal procedures to promptly address employee feedback. We will also reassess relevant human resources strategies and management approaches if necessary.

Case Study

Emphasis on Employee Well-being

We have organized a series of employee activities, such as birthday parties, holiday celebrations and annual dinners. These events featured games, lucky draws and food sharing, fostering camaraderie among our staff. During the Mid-Autumn Festival, we presented mooncakes to our employees as a token of appreciation and spread the festival spirit.

Case Study

Enhancing Work-Life Balance for Employees

The Group sponsors various sports programmes, including running, football, basketball, badminton, etc., and regularly organize internal and external sports competitions, so as to encourage employees to engage in physical activities, alleviate stress and improve overall fitness. These activities also fostered teamwork, enhanced cross-departmental communication and collaboration skills among colleagues, and strengthened the cohesion of the Group.

Talent Development

We have established a comprehensive training system, offering sufficient internal and external training opportunities for our employees. Fostering a culture of on-the-job mentorship, we provide dedicated mentors to guide new colleagues and tailor specific training programs to assist them in continuously enhancing their job performance. We have set a 2030 HR development target to achieve 100% ESG training coverage for all directors and employees (including new and existing employees), covering topics such as environmental protection, occupational health and safety, quality management and anti-corruption. Through training initiatives, we aim to support employees in adapting to the evolving business landscape, ensuring they stay equipped with the necessary professional knowledge and skills to meet the company's evolving demands. Additionally, we conduct assessments to evaluate the effectiveness of our training implementations, ensuring the successful outcomes of these developmental programs.

2,500+	40+	2.20+
Total Training Hours	Training Courses	Average Training Hours per Employee

Training Data by Gender

	2024	2023	Unit
Percentage of Employees Trained			
Male	**68.8**	59.1	%
Female	**31.2**	40.9	%
Average Training Hours			
Male	**2.20**	3.21	Hour(s)
Female	**2.28**	4.05	Hour(s)

Training data by Employment Category[14]

	2024	2023	Unit
Percentage of Employees Trained			
Senior Management	**0.9**	0.1	%
Middle Management	**5.4**	5.0	%
Technical Staff and General Staff	**93.7**	94.9	%
Average Training Hours			
Senior Management	**4.43**	1.00	Hour(s)
Middle Management	**9.56**	1.60	Hour(s)
Technical Staff and General Staff	**1.70**	3.65	Hour(s)

During the Reporting Period, the training programs attended by our employees included, but were not limited to:

Orientation Training
- Corporate code of practices
- Introduction for product market
- Information security
- Introduction to production safety

Business Training
- Paydroid, Uniphiz, Prolin, RunthOS operating systems
- POS industry security
- RKI scheme and local key injection introduction
- TP/LCD testing standards
- Product market feedback: issues, causes and solutions

Sustainability Training
- Anti-corruption
- ESG
- Latest Requirements on Climate-Related Disclosures proposed by the HKEx

Personal Development Training
- Workplace skills and professional conduct, such as communication, attitude email, and work ethics
- Career development
- Laws and regulations
- Language proficiency

[14]   The percentage of employees trained is calculated based on the number of employees in the specified category who took part in training during the Reporting Period, divided by the total number of employees who took part in training during the Reporting Period. The average training hours is calculated based on the total number of training hours for employees in the specified category during the Reporting Period, divided by the number of employees in the specified category at the end of the Reporting Period. The data included resigned employees during the Reporting Period.

Training for the Enhancement of Information Security Awareness of Employee

During the Reporting Period, Pax Computer Technology (Shenzhen) Co., Ltd conducted information security awareness training to enhance employees' ability to identify and respond to cyber threats through phishing simulation exercises and case studies. Employees were also required to complete a classroom quiz to test their information security knowledge. This not only enhanced staff awareness of security protection, but also strengthened the Group's overall information security protection, ensuring that the company maintains a high level of security in the complex network environment.

Occupational Health and Safety

We prioritise the safety of our employees, continuously enhancing workplace safety awareness and promoting employee well-being. We adhere to all applicable laws and regulations related to occupational health and safety[15] and have obtained ISO 45001:2018 certification for Occupational Health and Safety Management Systems. Our "Environmental and Occupational Health and Safety Manual" is developed in accordance with the requirements and usage guidelines of GB/T 24001-2016 for Environmental and Occupational Health and Safety Management Systems, as well as ISO 45001:2018 standards. This manual standardises occupational health and safety measures across business units, aiming to provide safe working environment and protect employees from occupational hazards.

Occupational Health and Safety Targets

Electric shock injuries
Zero occurrences of electric shock accidents

Potential fire/explosion
Zero occurrences of fire accidents

Target Achieved

During the Reporting Period, the Group was not aware of any material non-compliance of applicable occupational safety laws and regulations. At the same time, we have recorded no work-related fatalities in each of the past three years (including the Reporting Period), as well as lost days due to work injuries (2023: 0 days).

[15]   Please refer to the "Significant Laws and Regulations" section for a list of health and safety-related laws and regulations significant to the Group's business operations.

The measures implemented by the Group for occupational health and safety include:

Safeguarding Employees' Health and Safety
- Providing personal protective equipment such as gloves, protective goggles, and face shields for relevant employees
- Installing exhaust collection pipeline systems in areas with printing and welding equipment
- Conducting regular medical and body check-up services for employees
- Regularly cleaning and disinfecting the office premises

Safety Supervision and Training
- Establishing food hygiene systems in the canteen of the Huizhou factory
- Providing anti-static bracelets, anklets and mats for employees involved in equipment maintenance
- Conducting fire inspections and providing fire prevention training for employees on a regular basis

Safety Emergency Plans
- Developing emergency plans for accidents such as electric shock, falling from heights, burns, fires, etc.
- Organizing emergency rescue team to assist in inspecting and managing preventive measures and preparing for emergency response

In order to safeguard the health of our employees, the Group continues to implement comprehensive safety and health measures to enhance staff hygiene awareness and to reduce the risk of employee infection and injuries including:

- Periodically reviewing and monitoring the effectiveness of our health and safety measures by designated staff
- Disseminating the latest epidemic prevention and health information to employees

Build Climate Resilient Eco-Operations

Build Climate Resilient Eco-Operations

Accelerating Decarbonization for a Greener Future

GOAL: To advance eco-design for our products to minimise environmental footprint and enhance climate resilience

Most Material topics covered in this chapter:

Responsible Sourcing of Raw Materials and Green Procurement

End of Product Life Cycle Management

Development of Circular Economy Products

Utilisation of Green and Clean Technology

UNSDGs addressed in this chapter:

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Our Progress of the Year

Focusing on the Product Life Cycle to Deliver Better Products

Our commitment to R&D drives us to embed the principles of **circular economy** into our product design. **Throughout the product life cycle,** we **select durable and sustainable materials**, aiming to **reduce carbon footprints** and extend product lifespan. Environmental considerations are prioritised in both product design and packaging material selection to ensure alignment with functional, lifespan and quality standards.

Emphasizing Sustainable and Eco-Friendly Product Design

We focus on **eco-design of our products** and make efforts to utilise **more eco-friendly raw materials and packaging materials**. Additionally, we incorporate design considerations such as **durability and ease of recycling** to extend the product life cycle and reduce the environmental impact of our products.

Conducting Product Lifecycle Assessment

We conduct product lifecycle assessment on selected products (e.g. Android Mobile POS A920, Android MiniPOS A77) and obtain Product Carbon Footprint Certificates to **calculate and analyze their full lifecycle carbon emissions**.

Case Study

Calculated Scope 3 Greenhouse Gas Emissions for the First Time

In addition, to demonstrate our commitment to value chain carbon management, we conducted a comprehensive review of greenhouse gas (Scope 3) emission sources (i.e., indirect greenhouse gas emissions from the value chain) in accordance with the Greenhouse Gas Protocol through the collaboration with our business divisions and teams during the Reporting Period, and disclosed greenhouse gas (Scope 3) data for the first time to provide a basis for the formulation of further emission reduction strategies. For details, please refer to the "Scope 3 Carbon Inventory and Reporting Methodology" section.

Strategy and Management

We firmly believe in our responsibility to drive climate action and shape a greener future for generations to come. Beyond implementing green practices within our operations, as a leading global electronic payment terminal enterprise with a presence in over 120 countries, we are also actively engaged in promoting a sustainable and climate-resilient future. Through innovative R&D and the creation of environmentally friendly products, we are dedicated to fostering a circular economy and building a more sustainable future.

Our Policy

We strictly comply with environmental laws and regulations[16]. The Group has formulated an "Environmental Manual" to guide environmental initiatives and implemented internal environmental supervision measures to minimise the impact of our operational processes on the natural environment as much as possible.

Environmental Management System

We have received international recognition with the ISO 14001:2015 Environmental Management System for our POS production and design processes in our reporting scope, systematically assisting us in improving environmental performance throughout our operations. This certification enables us to consistently reduce the impact of our daily operations on the natural environment.

During the Reporting Period, the Group is not aware of any material non-compliance with environmental laws and regulations at our business operation locations.
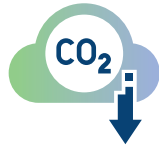
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[16]   Please refer to the "Significant Laws and Regulations" section for a list of environmental laws and regulations significant to the Group's business operations.

Carbon Emissions, Energy and Green Targets

To enhance the effective monitoring of the Group's environmental management performance, we have established green targets concerning air and GHG emissions, waste management, energy efficiency, and water efficiency. We regularly review the progress of these targets to ensure their effectiveness. We actively pursued the achievement of the following green targets and continuously strengthened our resilience to climate-related risks to address climate change.

During the Reporting Period, we optimized the carbon emission and energy targets, and regularly reviewed the achievement of the targets and took corresponding measures to realize them. To achieve these targets more effectively, we are committed to actively increasing our investment in clean technology. This will not only accelerate our transition to a low-carbon economy, but also enhance our competitiveness in environmental protection and innovative technologies.

Carbon Emissions, Energy and Green Targets		Implementation Status	Progress
Air and GHG Emissions	To reduce air and GHG emissions by adopting green and sustainable production and operations	67% reduction in total GHG emissions (Scope 1 and 2) intensity compared to 2023	🟠
Energy Efficiency	To reduce energy consumption by implementing a series of energy saving measures	68% reduction in total energy consumption intensity compared to 2023	🟠
Packaging Materials	100% plastic-free packaging by 2030[17]	100% plastic-free packaging materials realized	🟠
Water Efficiency	To reduce water intensity in offices and factories through implementation of various water conservation measures	84% reduction in total water intensity compared to 2023	🟠
Waste Management	To reduce hazardous and non-hazardous waste generation through recycling and waste management	71% reduction in total hazardous and non-hazardous waste generation intensity compared to 2023	🟠

🟠 Achieved   🌓 In progress

[17]   Covers only the outer layer of packaging used in the sale of the product.

Green Building

During the Reporting Period, our new headquarters building in Shenzhen and the PAX Smart Terminals Industrial Park in Huizhou officially commenced operations. Throughout the entire building lifecycle, we prioritized environmental considerations. We strictly adhered to regulations and planning requirements, as well as strived to minimize the impact on the surrounding environment during construction. Emissions from the construction process, including sewage, emissions, fumes and noise, were thoroughly monitored to ensure compliance with the relevant standards. Our commitment lies in enhancing the energy efficiency of our facilities. Additionally, we have conducted assessments for green building certification and energy efficiency.

In addition, both our new headquarters building in Shenzhen and the PAX Smart Terminals Industrial Park in Huizhou are equipped with the electric vehicles charging piles, fully supporting and encouraging employees to use electric vehicles.

PAX Smart Terminals Industrial Park

Case Study

PAX Shenzhen New Headquarters Building – Integrating Green and Clean Technology

In our new green building project in Shenzhen, we have taken a thorough approach to consider eco-conscious and ESG-related factors. From carefully selecting the site and construction to investing in cutting-edge clean technology for both design and operation, our aim is to maximize energy efficiency while minimizing our environmental footprint.

Our new building incorporates a comprehensive array of energy-saving measures. For instance, we have adopted variable refrigerant volume multi-connection terminal devices for our air conditioning system, facilitating intelligent adjustments to cooling or heating efficiency. Additionally, one-touch switches have been installed in the new building to mitigate the risk of employees inadvertently leaving certain systems on. In terms of lighting, we have adopted for high-efficient LED energy-saving fixtures, complemented by a smart system that automatically controls switches in stairwells. For the glass, aluminium alloy low-emissivity coating insulated glass windows are used, effectively blocking UV penetration and, consequently, reducing the need for excessive air conditioning or heating.

Within the area of the new building, we have integrated extensive greenery and amenities, including a yoga studio, employee cafeteria and reading room, all designed to cultivate a comfortable and pleasant working environment.

Emphasis on Eco-Product Design

We have consistently focused on developing and designing products from a sustainable perspective. In addition to ensuring products that meet required functionalities, lifespans, quality, aesthetics and other criteria, we minimise the usage of packaging materials by the simple packaging design. Simultaneously, we prioritise the selection of materials with smaller environmental footprints and greater sustainability to work towards the goal of a circular economy and to minimize the impact on natural resources.

We choose the packaging carefully

Sustainable Procurement

- We are committed to utilizing recycled materials, such as recycled cardboard or environmentally friendly paper certified by the FSC, to reduce plastic usage. Simultaneously, we ensure that the packaging raw materials originate from responsibly managed forests, guaranteeing the traceability of the raw materials

- We prioritise a natural and minimalist design, explore streamlined packaging designs and make rational adjustments to packaging dimensions to minimize and eliminate unnecessary packaging whenever possible

Recyclability in the Product Design

Product Energy Efficiency
Utilizing clean technology to maximize energy efficiency

Durability and Maintainability
During the product design phase, taking the extension of the product lifecycle into account

Circular Economy Recycling and Reuse
Implementing a POS machine recycling program for customers, collaborating with a recycling partner accredited by the "Guangdong Provincial Hazardous Waste Management License"（《廣東省危險廢物經營許可證》）, ensuring proper handling of machine components for recycling and reuse

Environmentally Friendly Raw Materials
Adopting environmentally friendly raw materials to reduce the carbon footprint of our products

**Engagement with Stakeholders for Environmental Sustainability**
Utilizing website promotion to enhance customer awareness of product sustainability

Case Study

Life Cycle Assessment for Greenhouse Gas Emissions of Products

During the Reporting Period, we conducted a Product Life Cycle Assessment ("LCA") for Android Mobile POS A920 and Android MiniPOS A77 to systematically calculate and analyze the product's carbon emissions over the life cycle. The LCA was conducted in strict accordance with the ISO 14067:2018 international standard, covering the entire process from raw material sourcing, production, transportation, use to final disposal, and realizing the quantification of a comprehensive carbon footprint from cradle to grave.

Through LCA, we are able to gain a deeper understanding of the environmental impact of each stage of the product life cycle, so as to identify high-emission areas and develop targeted improvement measures.
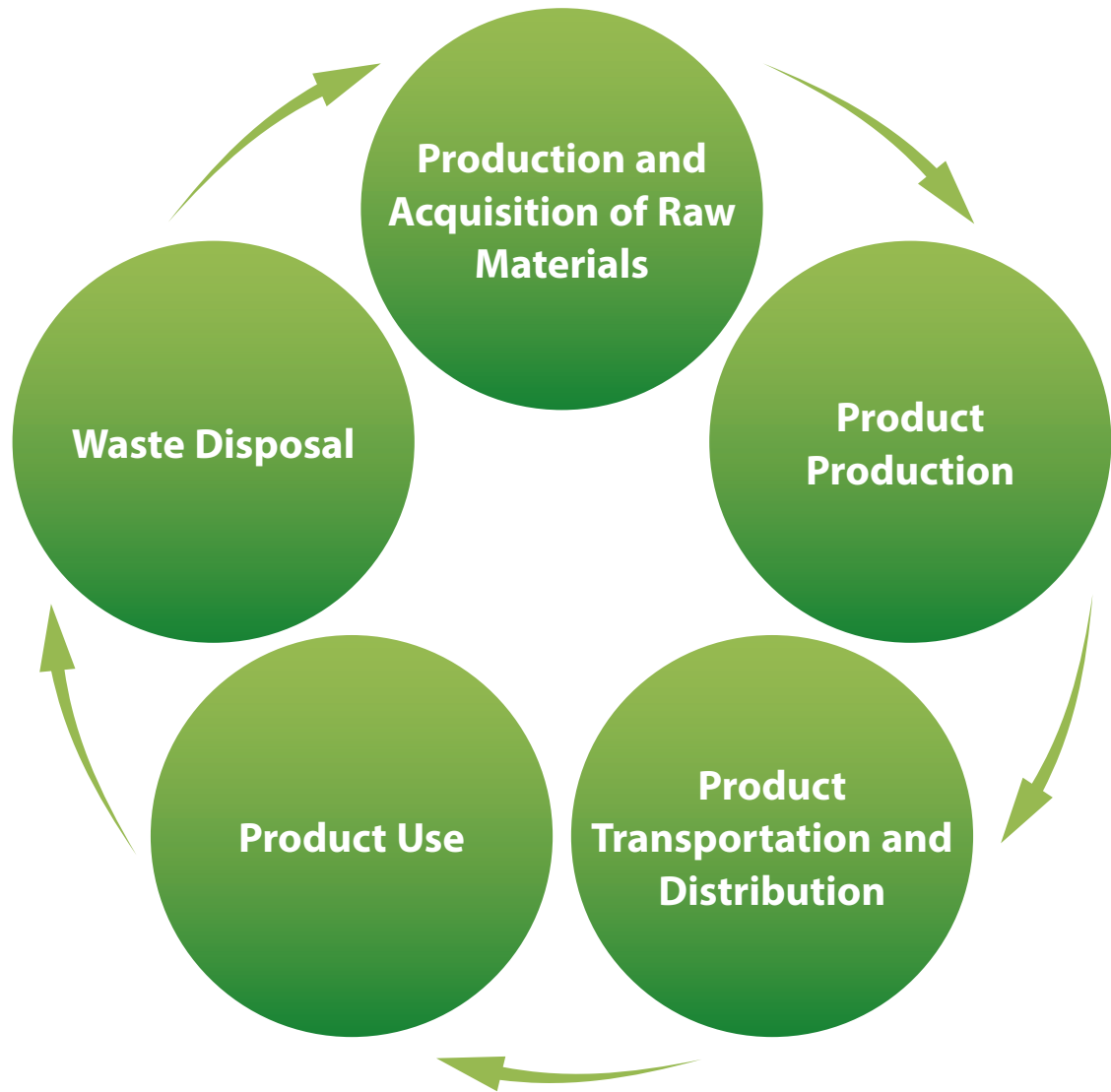
Case Study

Opportunities and Application of Cleaning Technology

In our product design and production process, we actively apply advanced cleaning technologies and innovative processes, which not only effectively reduce the consumption of resources, but also significantly reduce the pollution emissions.

Cleaning Technology Opportunities	Specific Measures
Using more environmentally friendly materials and processing techniques	• The pasting process of the screen and plastic shell is changed from hot melt adhesive to double-sided tape that can be pasted repeatedly • Reduce the use of rare metals, i.e. utilising lead-free solder paste and lead-free solder wire in the manufacturing process • Reduce spraying, printing and other processes, and opt for the original color of the plastic material • Introduce laser engraving technology to engrave directly on the product, replacing traditional product nameplate stickers • Introduce metal shell stretching/extrusion process to reduce energy waste caused by metal cutting
Switching to INCELL technology for LCD screens	• INCELL technology integrates the touch layer into the display panel, reducing the use of OCA glue • INCELL technology reduces energy consumption by reducing the number of touch layers and driver ICs compared to conventional LCDs
Improving Production Efficiency	• Flash lens is changed to use press-fit, no welding process is required • LCD screen converted to double-sided tape process, no need to use a dispenser
Design Simplification and Reuse	• Modularized design for vulnerable parts, with replaceable parts • Certain products adopt foldable structure to reduce package size
Introduction of electronic processes	• Structural panels are mostly 3D printed to reduce the waste brought by traditional processing • Suppliers are required to use eco-friendly circulating boxes, so as to realise high efficient reuse

Case Study

Enhancing Product Chemical Safety and Opportunities in Clean Technology

We have been committed to applying the clean technology and developing and improving the chemical safety of our products. For example, the next-generation smart payment terminal A920MAX body uses the technology of natural (uncoloured) injection moulding, which not only eliminates the necessity of traditional spray-painting, but also reduce the use of chemical inks, thereby minimising the chemical safety risks and environmental impact of the manufacturing process and products.

In addition, In order to seize the opportunities of clean technology and apply clean technology to reduce environmental pollution, the smart payment terminal A920MAX uses lithium iron phosphate batteries, whose lifespan is five times that of conventional ternary lithium batteries on the market. A lithium iron phosphate battery can last throughout the entire life cycle of the payment terminal without the need to replace the battery midway. This not only increases the product's recyclability but also reduces the generation of hazardous waste.

Characteristic	Specific Measures
Safety	Relatively better • Excellent high temperature resistance and chemical stability • Relatively safer even under special conditions such as short circuit, overcharging and squeezing
Circularity	Longer cycle life (over 80% of the original capacity of the battery is required after the cycle test) • Over 1,500 cycles at room temperature

Sustainable Product Lifecycle

In order to reduce the impact of the Group's products on the environment and natural resources, we rigorously manage every aspect of the product lifecycle to reduce waste generation, reduce pollution and optimize the use of resources. During the Reporting Period, the Group's operations did not have a significant impact on the environment and natural resources.

The following are the Group's initiatives for product life cycle management:

1. Reduce the risk of environmental pollution and ensure the safety of employees and customers:
    ◉ Requiring relevant suppliers to sign RoHS declarations, undertaking that their products do not contain prohibited hazardous substances

2. Ensure the factory's emissions of exhaust gases and dust do not exceed standard limits:
    ◉ Engaging recognised third-party testing agencies to test emissions of exhaust gases and noise on a regular basis
    ◎ Ensure compliance with regulatory standards such as Guangdong Province's "Emission Limit of Atmosphere Pollution Emissions"（《大氣污染物排放標準排放限值》）and "Emission Standard for Industrial Enterprises Noise at Boundary"（《工業企業廠界環境噪聲排放標準》）

3. Reduce pollutants and GHG emissions during the supply chain transportation process:
    ◉ Strive to adopt lightweight packaging to reduce transportation weight. Prioritise the engagement of local suppliers to minimize pollutants and GHG emissions in the supply chain transportation process

4. Provide repair and maintenance services:
    ◉ Inspect various aspects, including functional failure points, appearance, versions and overall functionality, to prolong the product lifecycle

5. Avoid negative environmental impacts from scrapped equipment materials such as metal and plastic:
    ◉ Implement a unified collection system for scrapped equipment from customers. Entrust recyclers accredited with the "Guangdong Provincial Hazardous Waste Management License"（《廣東省危險廢物經營許可證》）to uniformly process equipment in an environmentally friendly manner, fulfilling our commitments to circular economy
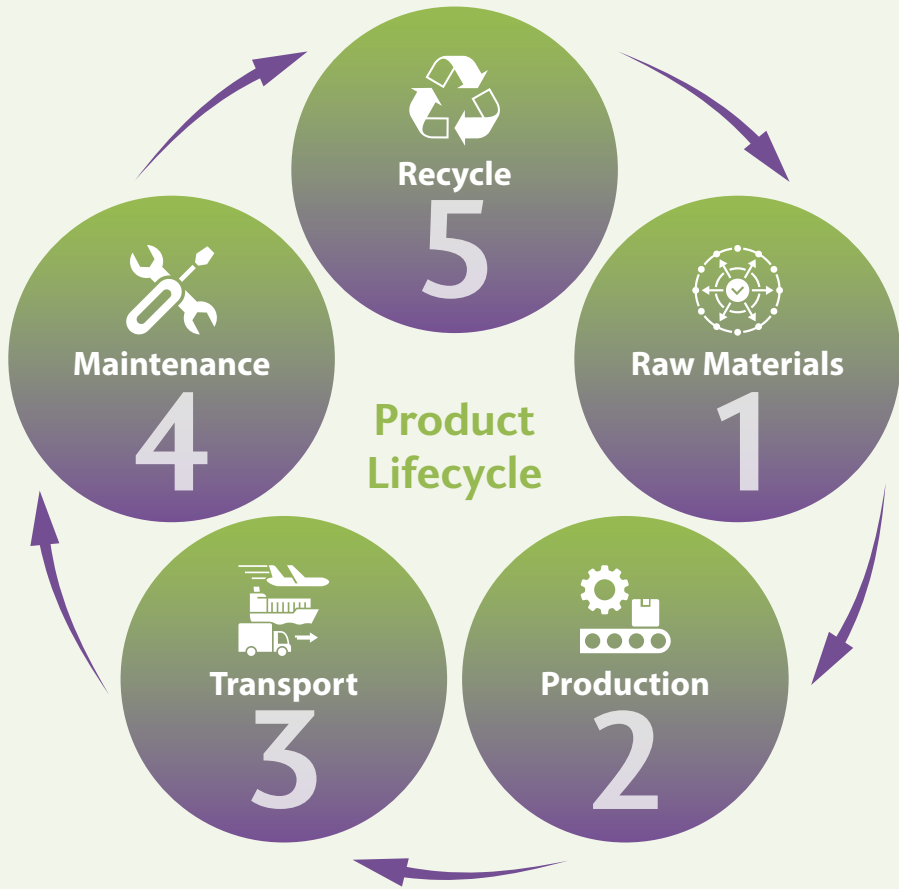
Case Study

E-waste Recycling

In support of the New Battery Regulation (EU) 2023/1542, we have partnered with an authorised Producer Responsibility Organisation ("PRO") for the safe disposal of e-waste from across India.

- **Buyback Scheme**

  With the assistance of PRO, e-wastes (such as disused batteries) from consumers, individual users and residents' associations are recycled. Recycling bins will be installed in residents' associations to facilitate drop-off.

- **Redemption and Coupons**

  We will offer a 1% discount coupon to customers who return end-of-life products, available for use as credit for future purchases of our products.

Climate Risk and Resilience Management

Although the Group is not an energy-intensive enterprise, with the increasing frequency and severity of extreme weather events, rising sea levels and shifting climate patterns, we recognize that all of which pose substantial threats to ecosystems, human health and economic stability. Therefore, we recognize the importance of identifying and effectively managing climate risks and opportunities and enhancing the Group's resilience to climate change. During the reporting period, the Group reviewed the risks and opportunities associated with climate change and optimized the relevant policies to strengthen our resilience to climate change and formulated countermeasures to mitigate, adapt to and resist climate change. In order to improve our climate disclosure, we have conducted a climate-related risk assessment and formulated a climate management approach with reference to the recommendations of the TCFD.

With reference to TCFD recommendations, the following is the Group's approach to climate management, which covers four core elements of (1) Governance; (2) Strategy; (3) Risk management; and (4) Metrics and Targets.

Governance

Board Oversight

The Board takes ultimate responsibility for the oversight of climate-related risks and opportunities. The Board, with the assistance of the Senior Management, is responsible for overseeing the Group's climate change policies and the management of climate-related opportunities and risks.

Management's Role

The Senior Management is responsible for assessing and managing climate-related risks and opportunities, designing and implementing of climate-related measures, as well as reviewing climate-related policies to ensure that the Group incorporates climate-related considerations into its day-to-day operations.

Strategy

Identification of Climate-related Risks & Opportunities

Through our sustainability risk management mechanism, we identify and manage both physical and transitional climate-related risks, as well as resource efficiency and products and services opportunities.

The table below provides a summary of the material climate-related risks and opportunities we have identified, their potential impacts on our business, and our response strategies.

Climate-related Risks and Opportunities	Period	Potential Impacts	Our Response Actions
Climate-related Risks – Physical Risks			
Acute • Increased severity of extreme weather events such as cyclones and floods	Short, medium and long term	Pose potential adverse impacts on the Group's business, operational performance, and financial condition	Remind employees about safety precautions and work arrangements during extreme weather conditions
Chronic • Rising mean temperatures, rising sea levels	Medium to long term	Affect the continuity of business operations and supply chains, cause damage to assets and/ or equipment, and increase risks to the health and safety of employees	Establish emergency mechanisms, including emergency plans and drills, to ensure employees are familiar with crisis management measures Adjust flexible working hours based on weather warnings to prevent accidents
		Damage the structural integrity of the Group buildings or production equipment	Insure machinery, equipment, and inventory in the factory to avoid economic losses
		Lead to disruptions in the supply chain, affecting supply and business continuity	Maintain strong relationships with suppliers to cope with delays caused by extreme weather
Climate-related Risks – Transition Risks			
Policies and regulations • Changes in climate-related policies and regulatory requirements	Medium to long term	Pose potential impacts on the Group's finances and reputation	Closely monitor changes in relevant laws and regulations, government's policy trends, technological developments, and market trends
Market • Changing consumer preferences for advanced solutions and products with minimal environmental impact	Medium to long term		Recycle e-waste through PRO and install recycling bins, encourage consumers to use a toll-free hotline to coordinate and provide awards to promote reuse Consider environmental and sustainable development principles in product development and design Conduct product lifecycle assessment on selected products (e.g. Android Mobile POS A920) and obtain Product Carbon Footprint Certificates to calculate and analyze their full lifecycle carbon emissions

Climate-related Risks and Opportunities	Period	Potential Impacts	Our Response Actions
Climate-related Opportunities – Resource Efficiency			
Resource Efficiency • Enhancing operational energy efficiency and optimising operational management	Short to medium term	Improve resource efficiency in daily operations, thereby reducing the Group's operating costs	Equip the office spaces with high-energy efficient LED lights and give priority to purchasing energy-saving devices Implement a "paperless office" approach, for instance, encouraging employees to use electronic communication channels
Climate-related Opportunities – Products and Services			
Products and Services • Innovation and development of new low-carbon products or services	Short to medium term	Provide customers with low-carbon products and services that meet market demand, thereby increasing the Group's revenue	Develop and design low-carbon products from a sustainable development perspective, aiming to extend product lifecycle as much as possible and reduce carbon emissions. Practical cases (such as the case study of A920MAX) can be referenced Prioritise the use of local suppliers to reduce pollutants and GHG emissions generated during the supply chain transportation process
Climate-related Opportunities – Energy Source			
Energy Source • Utilise of renewable energy generation, alternative energy sources and/or outsourcing of renewable electricity at the operation site	Medium to long term	Potential annual energy cost savings if the Group could adopt alternative energy sources	The Group actively promotes green operations and has put in place a series of energy saving measures and policies. For example, photovoltaic panels have been constructed in Shenzhen PAX Technology Building to promote energy saving and emission reduction
Climate-related Opportunities – Market			
Market • Obtain new assets and territories to be insured	Short to medium term	Reduce costs and optimize capital structure through green financing to enhance the image of sustainable development and strengthen competitiveness	The Group explores green financing, reduce costs through green bonds and pegged loans, while assisting the development of environmentally friendly projects to achieve low-carbon transformation
Climate-related Opportunities – Resilience			
Resilience • Enhance adaptability to climate change through efficiency improvement, design of new processes and development of new products	Medium to long term	Enhance operational stability and sustainability while increasing market competitiveness and long-term value creation potential	The Group identifies and manages climate-related physical and transformational risks through its sustainability risk management mechanisms and develops solutions to address such risks We calculated the carbon footprint of the Android Mobile POS A920 from cradle to grave, and we will continue to develop products with even lower environmental footprint and higher energy efficiency in the future

Risk Management

Under the supervision of the Senior Management, and with the assistance of independent third-party professional consultants, we have conducted sustainability risk assessments including, among other things, climate-related risks and opportunities. We have evaluated and prioritised the climate-related risks and opportunities in terms of their potential impacts and likelihood. Mitigation measures are formulated based on the assessment results to enhance our risk response capabilities and climate resilience.

Metrics and Targets

Our key climate-related metrics, such as greenhouse gas (Scope 1 and Scope 2) emissions as well as energy consumption, are available on our annual ESG reports. Additionally, we have optimized carbon emissions, energy and green targets during the Reporting Period. We report to the Board annually on the achievement status of these targets and metrics. This consistent reporting approach ensures ongoing oversight of our environmental performance.

The Group's direct and indirect energy consumption, as well as greenhouse gas (Scope 1 and Scope 2) emissions are available in the "Environmental Footprint" section of this Report. During the Reporting Period, we have disclosed the data of greenhouse gas (Scope 3) emissions relevant to our business for the first time. While the Group may have limited influence or control over some of our Scope 3 emissions categories, we will continue to monitor and aim to further refine our disclosures in the near future to reduce carbon emissions across the value chain.

Energy, Air and GHG Emissions

The energy consumption, air and GHG emissions of the Group primarily stem from the external purchase of electricity for offices and factories, fuel consumption of company vehicles, and employee canteens and dormitories. Additionally, there is a minimal generation of emissions during production processes, including particulate matter ("PM"), tin and its compounds, and volatile organic compounds.

We have implemented various green operational measures:

Factory Environmental Protection Measures
- Conducting waste gas treatment before emissions
- Engaging certified third-party testing institutions to conduct inspection on exhaust waste gases from factories regularly
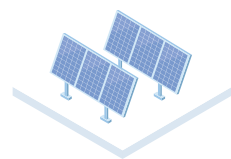
Staff Dormitory Environmental Protection Measures
- Using renewable solar energy to heat domestic water

Green Office Initiatives
- Using high energy-efficient LED lights
- Prioritising the purchase of energy-saving electronic devices
- Reminding employees to switch off idle devices before leaving
- Assigning personnel to check whether power is turned off when off work
- Setting the cooling function of air conditioning at temperatures above 26 degrees Celsius
- Encouraging employees to regularly measure and record energy consumption data

Water Resource Management

Our water resource consumption primarily comes from municipal water usage in our offices and factories, with the production processes also contributing to sewage discharge. During the Reporting Period, the Group had no issues in sourcing water that is fit for purpose in the locations of our business operations, nor were we aware of any material discharge of waste into water and land.

In our commitment to conserving water resources and minimizing pollution, we have implemented several water resource management measures:

Factory Water Resource Management Measures
- Strictly monitor the water quality of discharged sewage
  - Implement pre-treatment processes through the factory's three-tier septic tanks and three-tier oil-water separator
- Install a rainwater and sewage diversion drainage system
  - Ensure that treated sewage discharge complies with the emission standards specified in Guangdong Province's "Discharge Limits of Water Pollutant" 《水污染物排放限值》(DB44/26-2001)
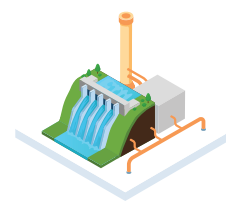
Office Water Resource Management Measures
- Repairing leaking faucets promptly
- Prioritising the use of water-efficient equipment

Waste Management and Resource Conservation

We do not dispose of a significant amount of waste considering the business nature of the Group. The Group's office operations generate non-hazardous waste such as paper and office garbage. In our production processes, we generate non-hazardous waste such as paper, food waste, plastic, and other general waste as well as a small quantity of hazardous waste such as electronic waste, spent activated carbon, waste packaging drums, used engine oil and discarded printed circuit boards.

We have implemented various measures to reduce waste generation:

Green Office Initiatives
- Implementing a "Paperless Office" approach:
  - Electronic communication channels
  - Recycle envelopes, paper, paper bags and other paper products
  - Reduce the use of disposable paper cups
- Choosing sustainably sourced paper approved by the FSC for printing financial reports
- Posting visible signs in office areas to remind employees to reduce paper usage

We implement waste management and resource recycling measures to reduce the environmental impact of waste and products after use:

Waste Management Measures
- Implementing waste sorting, collection and storage procedures
- Handing over non-hazardous waste to government departments for centralized collection and disposal
- Disposing kitchen waste in accordance with laws and regulations
- Handling and recycling hazardous waste by qualified and recognized recyclers
- Offering customers a decommissioned POS machine recycling program
  - Entrusting recyclers approved by the "Guangdong Provincial Hazardous Waste Management License" 《廣東省危險廢物經營許可證》 to properly handle the casing and components of the machines

Green Procurement

We incorporate green procurement principles into our procurement process to foster the use of environmentally preferable products and services. This includes practices such as reducing the use of packaging materials when appropriate, considering the energy and water consumption and efficiency of materials, and minimizing or avoiding the use of single-use disposable items. Additionally, the Group prioritises the engagement of local suppliers to reduce pollution and GHG emissions generated during the transportation process along the supply chain.

Environmental Footprint [18] [19] [20] [21]

The following table outlines the key environmental data for the Group during the Reporting Period:

	2024	2023	Unit
Emissions			
Air Emissions			
Nitrogen oxides (NOx)	**139.78**	201.37	Kg
Sulphur oxides (SOx)	**3.55**	3.26	Kg
Particulate matters (PM)	**10.25**	14.53	Kg
Greenhouse Gas Emission			
Total emissions (Scope 1 & 2)	**5,875.46**	3,218.72	Tonnes CO_2e
Total emissions (Scope 1 & 2& 3)	**163,343.91**	–	Tonnes CO_2e
– Direct emission (Scope 1)	**650.99**	649.10	Tonnes CO_2e
– Energy indirect emission (Scope 2)	**5,224.47**	2,569.62	Tonnes CO_2e
– Other indirect emissions (Scope 3)[22]	**157,468.44**	–	Tonnes CO_2e
Total emissions (Scope 1 & 2) intensity	**0.02**	0.06	Tonnes CO_2e/m^2
Total emissions (Scope 1 & 2 & 3) intensity	**0.56**	–	Tonnes CO_2e/m^2
Hazardous Waste			
Total hazardous waste generation	**0.41**	0.30	Tonnes
Total hazardous waste generation intensity	**0.00**	0.00	Tonnes/m^2

	2024	2023	Unit
Non-hazardous Waste			
Total non-hazardous waste generation	**84.33**	52.63	Tonnes
– Amount disposed	**62.36**	38.36	Tonnes
– Amount recycled	**21.97**	14.27	Tonnes
Total non-hazardous waste generation intensity	**0.00**	0.00	Tonnes/m^2
Use of Resources			
Energy			
Total energy consumption	**11,395.26**	6,491.41	MWh
– Direct energy consumption	**2,237.11**	2,281.17	MWh
– Unleaded petrol	**2,197.56**	2,005.28	MWh
– LPG	**39.55**	275.89	MWh
– Indirect energy consumption	**9,158.15**	4,210.24	MWh
– Purchased electricity	**9,158.15**	4,210.24	MWh
Total energy consumption intensity	**0.04**	0.12	MWh/m^2
Water			
Total water consumption	**59,006.11**	64,893.72	m^3
Total water consumption intensity	**0.20**	1.25	m^3/m^2
Packaging Material			
Total amount of packaging material	**3,154.79**	3,274.70	Tonnes
– Paper	**3,025.57**	3,123.23	Tonnes
– Plastic	**129.22**	151.47	Tonnes
Intensity	**0.12**	0.25	Tonnes/m^2

[18] Figures in the table of this section are rounded to the nearest two decimal places for disclosures, so that the totals may not be the sum of the figures shown in this section.

[19] 2023 intensity data are adjusted to ensure data consistency.

[20] During the Reporting Period, the emissions and resource usage increased compared to those in last year, mainly due to the official production of the Group's PAX Smart Terminals Industrial Park located in Huizhou, China.

[21] In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity consumed within the Group.

[22] As the office rented by Pax Technology Limited does not have separate water meter and the water charges are included in the building management fees, the building management office is unable to provide the water consumption of individual units. Therefore, the total water consumption does not include the water consumption of Pax Technology Limited.

Scope 3 Carbon Inventory and Reporting Methodology[23]

Categories of Scope 3	Applicability	Methodology/Justification for exclusion	2024 Tonnes CO$_2$e
1 Purchased Goods & Services	Yes	**Spend-based method** Multiply the raw expenditure data on purchased goods and services by the corresponding range 3 greenhouse gas emission factor ("Emission Factors") to calculate the emissions in this category.	76,815.47
2 Capital Goods	Yes	**Spend-based method** The raw expenditure data on fixed assets is multiplied by the corresponding Emission Factors to calculate the emissions for this category.	2,530.47
3 Fuel- and Energy-related Activities (Not Included in Scope 1 or Scope 2)	No	Emissions from fuel and energy-related activities have been included in Scope 1 and Scope 2 emissions.	N/A
4 Upstream Transportation and Distribution	Yes	**Spend-based method** The expenditure data on transport and distribution of purchased goods were multiplied by the corresponding Emission Factors to calculate the emissions for this category.	5,608.57
5 Waste Generated in Operations	Yes	**Waste-type-specific method** The expenditure data on waste management services is multiplied by the corresponding Emission Factors for general waste treatment services to calculate the emissions in this category.	46.73
6 Business Travel	Yes	**Spend-based method** The emission figures for this category are taken from the Group's "Air travel "and "Accommodation" expenditure figures and multiplied by the corresponding Emission Factors to calculate the emissions for this category.	1,589.79
7 Employee Commuting	Yes	**Average-data method** The emission figures for this category are taken from the number of employees in the Group and multiplied by the corresponding emission factors to calculate the emissions for this category.	289.13
8 Upstream Leased Assets	No	Emissions from leased offices are included in Scope 2 emissions.	N/A

Categories of Scope 3	Applicability	Methodology/Justification for exclusion	2024 Tonnes CO$_2$e
9 Downstream Transportation and Distribution	No	This category is excluded due to the lack of sufficient and reliable data.	N/A
10 Processing of Sold Products	No	The Group is principally engaged in the development and sale of electronic payment terminal products, provision of maintenance and installation and payment solution services. As there is no intermediate product, no disclosure of relevant emission data is required for this category.	N/A
11 Use of Sold Products	Yes	Products that directly consume energy (fuel or electricity) during use Using the expected energy consumption data of the e-payment end-products, the emissions for this category were calculated by multiplying them by the corresponding expected emission factor for the whole usage phase.	7,645.48
12 End-of-life Treatment of Sold Products	Yes	**Waste-type-specific method** The emission figures for this category are taken from the weight of the e-payment terminal product sold, multiplied by the corresponding emission factor for general waste treatment services, and multiplied by the corresponding emission factor to calculate the emission for this category.	50,387.98
13 Downstream Leased Assets	Yes	**Average-data method** The emission figures for this category are taken from the total gross floor area of the Group's leased assets and multiplied by the corresponding emission factor to calculate the emissions for this category.	4,516.92
14 Franchises	No	The Group is principally engaged in the development and sale of electronic payment terminal products, provision of maintenance and installation and payment solution services. As we do not have any franchise business, there are no reportable emissions in this category.	N/A
15 Investments	Yes	**Average-data method** This category emission figure is taken from the investee company's industry and revenues, multiplied by an industry-specific emission factor, and adjusted for our equity stake.	8,037.90

[23] Scope 3 Carbon Emission Calculation Standards and Methodology: The Greenhouse Gas Accounting System: Corporate Value Chain (Scope 3) Accounting and Reporting Standard, prepared by the World Business Council for Sustainable Development and the World Resources Institute, and combined with existing data for calculation and disclosure.
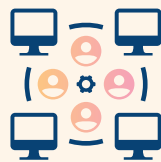
Embrace
Our Local
Community

Embrace our Local Community

Enriching Communities through Nurture and Care

GOAL: To embrace corporate social responsibility to collectively drive societal progress and create shared value

Most Material topics covered in this chapter:

Promotion of Digital Inclusion

UNSDGs addressed in this chapter:

1 NO POVERTY

4 QUALITY EDUCATION

2 ZERO HUNGER

10 REDUCED INEQUALITIES

3 GOOD HEALTH AND WELL-BEING

Strategy and Management

As a socially responsible enterprise, are committed to integrating sustainability into all aspects of our business, caring for and contributing to our community as a good corporate citizen to creating shared value to address the needs of the community. During the Reporting Period, we made donations and organized employee participation in volunteer activities, focusing on areas such as digital inclusion, community care, ecological conservation, and more.

During the Reporting Period, the total value of donations and resources assistance amounted to

HKD **200,000**

Digital Inclusion

We are dedicated to building an inclusive and sustainable digital economy that benefits individuals worldwide, regardless of their location. The barrier-free digital financial service plays a vital role in creating economic opportunities, reducing social inequality, fostering global economic growth and enhancing peoples' quality of life. Through collaboration with partners, we aim to offer society straightforward, comprehensible, secure and reliable financial services.

Advancements in Accessible Product Development

The Group is dedicated to promoting social diversity and inclusion, and strives to empower vulnerable communities through the development of accessible products. As payment devices continue to evolve with touchscreen interfaces, consumers with visual impairments or blindness encounter challenges in handling transactions. In response, since 2018, PAX has partnered with the Royal National Institute of Blind People in the United Kingdom to create a payment feature for visually impaired people that enables PIN entry on touchscreen displays.

Case Study

Inclusive Payment Experience for the Blind and Visually Impaired

When visually impaired customers need to pay, merchants can turn on "Accessibility Mode" on the PAX payment terminal. This prompts the device to audibly announce the payment amount and provide intuitive navigation instructions, supported by innovative buzzing techniques for enhanced screen keyboard navigation. The displays of PAX payment terminals are engineered for utmost clarity, featuring high-contrast number keys and buttons to facilitate ease of use for individuals with visual impairments. Additionally, selected Android Mobile POS A920 are equipped with haptic stickers on the screen frame, further enhancing accessibility for visually impaired customers.
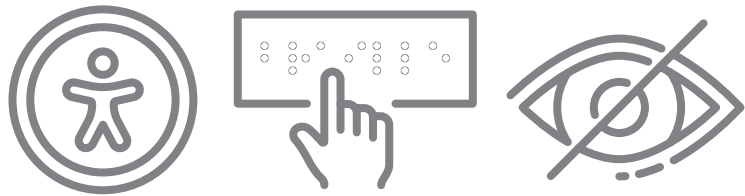
Community Care

Helping the Disadvantaged

During the Reporting Period, we actively supported the local underprivileged, especially the needy teenagers, students from grassroot families and the elderly, by making donations to help them grow and develop. Beneficiaries included non-profit organizations such as Youth Global Network Limited, Lok Sin Tong and HOPE Worldwide, among others.

Donations are mainly used in the following areas:
• Education and Employment Support
• Medical Services
• Care Services

These efforts not only directly improved the quality of life of disadvantaged communities, but also promoted social equity and sustainable development, fully demonstrating the Group corporate social responsibility and humanistic care.

Promote Ecological Conservation

Ecotourism Programmes

We are concerned about the important role of wetlands in supporting biodiversity and combating climate change, as well as the threats they face. To raise our staff's awareness of ecological conservation, we organized the Mai Po Ecotourism Programme organized by WWF during the reporting period.

The event enhanced staff's awareness of ecological conservation and sense of responsibility, promoted team cohesion, and encouraged the integration of environmental protection concepts into daily life and work, supporting sustainable development and promoting ecological protection.

Significant Laws and Regulations

Aspect	Significant Laws and Regulations
Aspect A. Environmental	**Laws of PRC** • The Law of the PRC on the Prevention and Control of Atmospheric Pollution • The Law of the PRC on the Prevention and Control of Water Pollution • Food Safety Law of the PRC • Regulation on the Implementation of the Food Safety Law of the PRC • The Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste • Environmental Protection Law of the PRC • The Law of the PRC on the Prevention and Control of Pollution from Environmental Noise **Hong Kong Legislation** Due to the primarily office-based nature of operations in Hong Kong, there are no significant environmental impacts and no applicable significant laws and regulations.
Aspect B1. Employment **Aspect B4. Labour Standards**	**Laws of PRC** • Employment Promotion Law of the PRC • Labour Law of the PRC • Labour Contract Law of the PRC • Regulation on the Implementation of the Labour Contract Law of the PRC • Social Insurance Law of the PRC • Law of the PRC on the Protection of Rights and Interests of Women • Law of the PRC on the Protection of Minors • Provisions on Special Protection for Juvenile Workers • Provisions on the Prohibition of Using Child Labour • Regulation on Paid Annual Leave of Employees **Hong Kong Legislation** • Cap.57 Employment Ordinance • Cap.282 Employees' Compensation Ordinance • Cap.480 Sex Discrimination Ordinance • Cap.487 Disability Discrimination Ordinance • Cap.527 Family Status Discrimination Ordinance • Cap.602 Race Discrimination Ordinance

Aspect	Significant Laws and Regulations
Aspect B2. Health & Safety	**Laws of PRC** • Law of the PRC on Occupational Disease Prevention and Control • Regulation on Work-Related Injury Insurances of the PRC • Food Safety Law of the PRC • Special Provisions on Labour Protection for Female Employees • Production Safety Law of the People's Republic of China **Hong Kong Legislation** • Cap.509 Occupational Safety and Health Ordinance
Aspect B6. Product Responsibility	**Laws of PRC** • Civil Code of the PRC • Product Quality Law of the PRC • Advertising Law of the PRC • Internet Security Law of the People's Republic of China • Data Security Law of the People's Republic of China • Personal Information Protection Law of the PRC • Regulation on the Management of Security of Cyber Data • Patent Law of the PRC • Trademark Law of the PRC • Copyright Law of the PRC • Regulation on Computers Software Protection **Hong Kong Legislation** • Cap.26 Sale of Goods Ordinance • Cap.362 Trade Descriptions Ordinance • Cap.457 Supply of Services (Implied Terms) Ordinance • Cap.486 Personal Data (Privacy) Ordinance • Cap.528 Copyright Ordinance • Cap.559 Trade Marks Ordinance
Aspect B7. Anti-corruption	**Laws of PRC** • Anti-Unfair Competition Law of PRC • Criminal Law of the PRC • Anti-money Laundering Law of the PRC **Hong Kong Legislation** • Cap.201 Prevention of Bribery Ordinance

Environmental, Social and Governance Reporting Index

Indicator		Chapter/Disclosure	Pages
A. Environmental			
Aspect A1: Emissions			
General Disclosure		Build Climate Resilient Eco-Operation	P. 40
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.			
Note: Waste gas emissions include nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations.			
Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.			
Hazardous waste refers to those defined by national regulations.			
KPI A1.1	The types of emissions and respective emissions data.	Environmental Footprint	P. 53
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).	Environmental Footprint	P. 53
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Footprint	P. 53

Indicator		Chapter/Disclosure	Pages
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Footprint	P. 53
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Build Climate Resilient Eco-Operation	P. 40
		Energy, Air and GHG Emissions	P. 51
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.	Build Climate Resilient Eco-Operation	P. 40
		Waste Management and Resource Conservation	P. 52
Aspect A2: Use of Resources			
General Disclosure		Build Climate Resilient Eco-Operation	P. 40
Policies on the efficient use of resources, including energy, water and other raw materials.			
Note: Resources can be used in production, storage, transportation, buildings, electronic equipment, etc.			
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).	Environmental Footprint	P. 53

Indicator		Chapter/Disclosure	Pages
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Footprint	P. 53
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Build Climate Resilient Eco-Operation	P. 40
		Energy, Air and GHG Emissions	P. 51
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.	Build Climate Resilient Eco-Operation	P. 40
		Water Resources Management	P. 52
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Footprint	P. 53

Aspect A3: The Environment and Natural Resources

General Disclosure		Green Building	P. 44
Policies on minimising the issuer's significant impacts on the environment and natural resources.		Emphasis on Eco-Product Design	P. 45
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Building	P. 44
		Emphasis on Eco-Product Design	P. 45

Indicator		Chapter/Disclosure	Pages
Aspect A4: Climate Change			
General Disclosure			
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Climate Risk and Resilience Management	P. 48
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Risk and Resilience Management	P. 48

B.   Social

Employment and Labour Practices

Aspect B1: Employment

General Disclosure		Curate a People-Centric Workplace	P. 31
Information on:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer			
relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.			
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee Overview	P. 33
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Overview	P. 33

Indicator		Chapter/Disclosure	Pages
Aspect B2: Health and Safety			
General Disclosure	P. 36		
Information on:		Occupational Health and Safety	P. 38
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer			
relating to providing a safe working environment and protecting employees from occupational hazards.			
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety	P. 38
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety	P. 38
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety	P. 38

Indicator		Chapter/Disclosure	Pages
Aspect B3: Development and Training			
General Disclosure		Talent Development	P. 36
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.			
Note: Training refers to vocational training. It may include internal and external courses paid by the employer.			
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development	P. 36
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Development	P. 36
B4: Labour Standards			
General Disclosure		Human Right Protection	P. 34
Information on:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer			
relating to preventing child and forced labour.			
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Human Right Protection	P. 34
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Human Right Protection	P. 34

Indicator		Chapter/Disclosure	Pages
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Aspect B5: Supply Chain Management	P. 19		
General Disclosure		Responsible Supply Chain Management	P. 24
Policies on managing environmental and social risks of the supply chain.			
KPI B5.1	Number of suppliers by geographical region.	Responsible Supply Chain Management	P. 24
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Supply Chain Management	P. 24
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Supply Chain Management	P. 24
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Supply Chain Management, Green Procurement	P. 24, P. 35

Indicator		Chapter/Disclosure	Pages
Aspect B6: Product Responsibility			
General Disclosure		Shape an Innovative Future	P. 19
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.			
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Control	P. 27
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Control	P. 27
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection	P. 30
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Control	P. 27
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Privacy	P. 29

Indicator		Chapter/Disclosure	Pages
Aspect B7: Anti-corruption			
General Disclosure		Anti-corruption, Whistleblowing and Business Ethics	P. 29
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.			
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption, Whistleblowing and Business Ethics	P. 29
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption, Whistleblowing and Business Ethics	P. 29
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption, Whistleblowing and Business Ethics	P. 29

Indicator		Chapter/Disclosure	Pages
Community			
Aspect B8: Community Investment			
General Disclosure		Embrace Our Local Community	P. 55
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.			
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Embrace Our Local Community	P. 55
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Embrace Our Local Community	P. 55