



ORIENTAL ENTERPRISE HOLDINGS LIMITED

(Stock Code: 18)



2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

This is the Environmental, Social and Governance Report (the “Report”) of Oriental Enterprise Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which covers the environmental, social and governance (“ESG”) work of the Group for the period from 1 April 2022 to 31 March 2023 (“2023” or the “Reporting Year”) and discloses to the stakeholders information on management approach, strategy, priorities and objectives of the Group, laying a foundation for the Group’s sustainable development.

The Report is prepared based on the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and discloses the following ESG scope and key performance indicators (“KPI”) for reference.

The Report has been reviewed and approved by the board (the “Board”) of directors (the “Directors”) of the Company, and the Board is fully responsible for the Group’s ESG strategy and reporting.

GOVERNANCE STRUCTURE

The Board is responsible for overseeing and assessing the Group’s ESG performance, and has assigned the Corporate Social Responsibility Committee (the “Committee”) to address ESG issues since 2013, and its scope of responsibility has been raised to the level of corporate governance structure. The Board is comprised of diverse members, who have the suitable skills, experiences, knowledge and perspectives to supervise the Group’s ESG work. The Committee is comprised of the Board chairman and two independent non-executive Directors and is chaired by Mr. Ching-fat MA. The Committee is responsible for enacting the Corporate Social Responsibility Policy, and ensuring the decisions are made upon due consideration of stakeholders’ opinions. With the purpose of improving the Group’s brand value and its operational efficiency, the Committee reviews the substance of policies from time to time to ensure the policies are up to date and in the interest of the Group. The objectives of the Corporate Social Responsibility Policy are as follows:

1. To respect the laws and regulations, place strong emphasis on transparency and fulfill social responsibilities;
2. To promote environmental protection, encourage reduction of waste and pollution and optimise the use of resources to achieve sustainability;
3. To treat employees well and attract talents; and
4. To maintain quality of products and enhance brand value.

The approach and strategy regarding corporate social responsibilities are closely related to the Group’s businesses. Therefore, the Committee, with the assistance from the management, has to systematically manage the ESG issues. The management bears the responsibility to assess, manage and execute the respective policies and strategies enacted by the Committee.

The management identifies issues related to ESG through on-going risk management and internal control system. It also collects information and stakeholders’ opinions through various channels, and prioritises the ESG issues through materiality assessment. The management meets regularly with supervisors from all departments to review the effectiveness of the relevant measures, assess risks and formulate targets, and follow-up on and assess the progress toward relevant targets, ensuring the operation of the Group is in line with the foresaid objectives. Also, the management regularly collects the relevant statistics, monitors the execution of various measures and reports to the Board and the Committee accordingly. The management issues internal notices and guidelines from time to time to explain the Group’s new policies, measures and targets and requires the supervisors and employees to follow the Group’s policies on corporate social responsibility, for the purpose of refining the strategies on environmental protection, employees’ benefit, strict control on production process and other aspects.

The Committee shall convene at least one meeting each year to review the annual ESG report prepared with the aid of the management and then delivers the report to the Board for revision and approval to disclose. The Committee shall also reviews its performance, terms of reference and the implementation of the Corporate Social Responsibility Policy during the meeting, so to ensure the corporate governance objectives and strategies relating to ESG are properly executed, and to provide adequate suggestions regarding such matter to the Board. The Board shall convene at least one meeting each year to discuss the ESG issues and listen to the report and advice of the Committee, then monitors, reviews, provides guidance and sets targets based on such report and advice, so to prepare for the risks arisen or likely to arise from the ESG issues. To ensure the effectiveness of the foresaid measures, the Board can authorise the Committee to seek external legal or other professional opinions regarding the ESG management procedures for professional knowledge and suggestions when appropriate.

REPORTING PRINCIPLES

Materiality

The Board has conducted a comprehensive materiality assessment for the principal business of the Group. The management collected opinions from our stakeholders such as shareholders, employees, advertisers, readers, agents and suppliers by means of meeting, telephone, letter, interview and questionnaire, and obtained the result of assessment by evaluating the stakeholders' influences to the Group and its understanding on the relevant content. During the Reporting Year, general stakeholders are of the view that health and safety are the most essential aspect for the Group, secondly is employment aspect.

Quantitative

The data stated in the Report is calculated based on the said measurement unit. Data from the corresponding period in the previous year ("2022") is provided for comparison purpose. The standards, methodologies and applicable assumptions used when calculating the statistics relating to the KPIs are supplemented by explanatory notes.

Balance

The Report is prepared on an unbiased basis, where the data and content are presented in an objective and fair manner, so to ensure the information disclosed accurately reflects the overview and achievement on the Group's corporate social responsibility.

Consistency

Unless stated otherwise, the Group has applied consistent methodologies as previous years for stakeholders' easy comparison of the data stated in the Report. If there are any changes in the scope of disclosure and calculation methodologies that may affect the comparison against previous reports, the Group will elaborate on the corresponding data.

REPORTING SCOPE

The Group operates two principal businesses (i.e. publication of newspapers and money lending business) in the Hong Kong Special Administrative Region ("Hong Kong"). Therefore, unless the context otherwise requires, the Report only covers the Group's operation in Hong Kong.

The Report sets forth the information in regard to the following two aspects of the Group during the Reporting Year:

- A. Environmental (emissions, use of resources, environmental and natural resources and climate change)
- B. Social (employment, health and safety, development and training, labour standards, supply chain management, product responsibility, anti-corruption and community investment)

For details on the Group's corporate governance, please refer to the Corporate Governance Report included in the 2023 Annual Report of the Group.

A. ENVIRONMENTAL

Aspect A1: Emissions

Although emissions was rated as a less important aspect for the Reporting Year by the stakeholders, the Group attaches great concern to environmental protection and pays close attention to the impact operation has on the environment. Apart from complying with relevant standards and regulations enacted by the Hong Kong Special Administrative Region Government (the “Hong Kong Government”), the Group has also formulated the Environmental Policy and measures with a view to reducing wastage, mitigating emissions and reducing wastes through managing the environmental protection measures introduced to each operation departments of the Group, so to protect the environment and to support sustainability. Notwithstanding that the Group’s operation does not result in significant air and greenhouse gas emissions, heavy discharge into water and land or production of hazardous and non-hazardous wastes, the Group still strives to reduce emissions and wastes and engages qualified contractors to properly treat wastes which may affect the environment to reduce its impact on the environment. All environmental protection policies and measures are executed by department supervisors under the supervision of the management. The management has regular meetings with relevant department supervisors to review the emission reduction measures and enhance the performance standards, ensuring that the effectiveness is in line with the targets established by the Group. From time to time, the Group implements various measures to enhance the environmental protection awareness of its employees.

During the Reporting Year, the Group was not aware of any incidents of material non-compliance with relevant laws and regulations, including but not limited to Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) and Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), that would have any significant impact on the Group.

A1.1

The operation of the Group’s principal businesses would not result in extensive air emissions which cause air pollution. The emissions are mainly generated from the nitrogen oxides, sulphur oxides and suspended particles (or particulate matter (“PM”)) emitted by the Group’s vehicle fleet and shuttle buses, followed by the nitrogen oxides and sulphur oxides emitted from towngas consumption of the staff canteen and printing plants. Nevertheless, the above emissions are minor compared to the Group’s operating scale.

During the Reporting Year, the Group’s emissions of nitrogen oxides, sulphur oxides and PM are detailed as follows:

Indicator ¹	Unit	Emissions of nitrogen oxides		Emissions of sulphur oxides		Emissions of PM	
		2023	2022	2023	2022	2023	2022
Vehicle fleet and shuttle buses	kg	1,218	1,274	2	2	108	110
Staff canteen and printing plants ²	kg	3	N/A	– ³	N/A	N/A	N/A
Total emissions	kg	1,221	1,274	2	2	108	110

Notes:

1. The data of air emissions are prepared based on How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange.
2. The relevant data is first disclosed in 2023, and comparable data will be provided in the next reporting year.
3. The amount is less than 1 kg and has been rounded down.

A1.2

The greenhouse gas emitted from the Group's operations are mainly attributable to the energy indirect greenhouse gas emissions (Scope 2) caused by the purchased electricity and town gas consumed by printing plants, offices and staff canteen, followed by the direct greenhouse gas emissions generated from fuel combustion of the Group's vehicle fleet and shuttle buses, staff canteen and printing plants (Scope 1).

During the Reporting Year, the Group's emissions of greenhouse gas are detailed as follows:

Indicator ⁴	Unit	2023	2022 ⁶
Direct greenhouse gas emissions (Scope 1)	tCO ₂ e	384	432
Energy indirect greenhouse gas emissions (Scope 2)	tCO ₂ e	4,570	4,822
Total greenhouse gas emissions	tCO ₂ e	4,954	5,254
Total greenhouse gas emissions intensity ⁵	tCO ₂ e/m ²	0.11	0.12

Notes:

- The greenhouse gas emissions data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards issued by the World Resources Institute and the World Business Council for Sustainable Development, How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange, "Global Warming Potential Values" from the 2014 IPCC Fifth Assessment Report, 2022 Sustainability Report published by CLP Holdings Limited and Environmental, Social and Governance Report 2022 published by The Hong Kong and China Gas Company Limited.
- As at 31 March 2023, the total area of the Group's reporting scope was 45,550 m² (as at 31 March 2022: 45,550 m²). The intensity data of 2022 is first disclosed in 2023, and such data was used in the calculation of other intensity data contained in the Report.
- To enhance accuracy, the data of 2022 has been restated to provide comparable data.

A1.3

The hazardous wastes generated by the Group's printing plants include used printed zinc plates, rubber blankets for and wastewater from cleaning printing machines, dregs of wastewater treatment tanks and dregs of filter washing tanks, etc. All wastes are collected and treated properly by licensed waste collectors regularly to avoid adverse effects on the environment and ecology. During the Reporting Year, the hazardous wastes generated by the Group are detailed as follows:

Indicator	Unit	2023	2022
Total hazardous waste	tonne	72.07	75.47
Total hazardous waste intensity ⁷	tonne/m ²	0.0016	0.0017

Note:

- The intensity data of 2022 is first disclosed in 2023.

A1.4

The non-hazardous wastes generated by the Group were mainly attributable to the grease trap from the staff canteen, waste paper from the printing process and general office wastes. The quantity was not significant. During the Reporting Year, the non-hazardous wastes disposed of or recycled by the Group are detailed as follows:

Indicator		Unit	2023	2022
Waste lubricating oil	Disposed of	litre	400.00	400.00
	Intensity	litre/m ²	0.0088	0.0088
Grease trap waste	Disposed of	m ³	20.00	24.00
	Intensity	m ³ /m ²	0.0004	0.0005
Waste paper	Recycled	tonne	213.40	337.60
	Intensity	tonne/m ²	0.0047	0.0074
Scrapped electronic parts	Recycled	tonne	3.41	7.72
	Intensity	tonne/m ²	0.0001	0.0002

A1.5

In 2022, the Group set a target to reduce all air and greenhouse gas emissions by 5% by the end of the coming two reporting years using 2022 as the baseline year. During the Reporting Year, the total greenhouse gas emissions decreased by approximately 5.71% when compared to 2022. The decrease was in line with the designed target and the progress will be reviewed again next year. In terms of air emissions, the emissions of nitrogen oxides and PM decreased by approximately 4.16% and 1.82% respectively when compared to 2022, while the emissions of sulphur oxides remained at similar level. As such, the Group is still trying to achieve its goals. The main source of air emissions was the vehicle fleet, among which the gasoline consumption of motorcycles increased, which was mainly because the Group deployed more motorcycles to perform interviews in response to the heavy traffic in Hong Kong. The Group will continue to implement the following emission reduction measures and continuously review the progress toward the target in the coming year.

In order to achieve long-term reduction of emissions from the vehicle fleet, the Group has replaced all shuttle buses with vehicles which meet the EU 5 emission standards, and has also been replacing old shuttle buses and purchasing electric cars to replace existing interview cars in stages, all in an effort to maintain the quality of the fleet. The Group has required the vehicle fleet to strictly abide by the law of “switching off idling engines” and reduce vehicle use as required. The catalytic converters of the fleet are cleaned regularly, and synthetic oil is also reapplied regularly to help boost the performance of the vehicles, thus reducing unnecessary consumption of fuel. In addition, the Group engages qualified contractors to collect waste lubricating oil of the vehicle fleet and shuttle buses for disposal at the sites approved by the Hong Kong Government on a regular basis to reduce the impact on the environment.

In order to reduce greenhouse gas emissions, the Group has also implemented measures to reduce electricity consumption. Please refer to section “A2.3” for details.

A1.6

In 2022, the Group set a target to reduce all wastes by 3% by the end of the coming two reporting years using 2022 as the baseline year. During the Reporting Year, the total hazardous waste disposed of was approximately 4.51% fewer than 2022, and with regard to non-hazardous waste, while waste lubricating oil remained at similar level, the amount of each of other wastes that the Group disposed of or recycled decreased by over 10% when compared to 2022. In general, the Group had made satisfactory progress toward the goal to reduce waste.

The management issues internal notices to remind employees to comply with the Group's Environmental Policy in dealing with hazardous and non-hazardous wastes from time to time, and requests the supervisors of all departments to continuously monitor the progress toward the waste reduction targets. The management also regularly reviews the results and makes timely improvements. The Group has implemented the following measures to achieve its long-term policy goals of reducing waste and pollution:

"Half-portion meal" is offered in the staff canteen for employees to encourage them to cherish food and reduce food waste. The staff canteen has also changed its cooking method from frying to steaming and boiling using electric steaming cabinets to reduce grease trap waste. The waste water from the canteen is discharged after grease trap procedures. The Group engages qualified contractors to collect grease trap wastes and transport them to landfills designated by the Hong Kong Government on a regular basis. In addition, the utensils provided in the staff canteen are reusable, which helps reduce waste.

The Group is mainly engaged in newspapers printing. During which, waste paper are produced and are collected regularly by qualified contractors engaged by the Group. The Group had simplified the layout to reduce paper use, as well as reduced waste paper loss from erroneous samples through enhanced quality control. As a result, the amount of paper recycled by the Group during the Reporting Year was significantly less than last year. Furthermore, the printing plants had already switched to eco-friendly zinc plates thereby reducing the production of hazardous waste such as printed zinc plates.

The general office wastes are not significant as the Group encourages employees to re-use electronic equipment and office equipment. During the Reporting Year, the number of scrapped electronic parts reduced greatly as compared to 2022. It was mainly attributable to the large quantity of computer hardware that were purchased in previous years but became outdated and had to be discarded in 2022, and the amount has resumed to normal level during the Reporting Year. The Group has engaged environmental recyclers to handle the scrapped electronic parts while used printer cartridges are returned to suppliers for recycling to comply with the Environmental Policy of the Group.

Aspect A2: Use of Resources

The Group advocates efficient use of resources and energy conservation to attain the goals of environmental protection and reduction of its production costs. The Group has implemented a series of energy conservation measures in the production plants and offices according to the Environmental Policy, in a bid to achieve the target through behavioural changes and introducing effective technologies, procedures and systems.

A2.1

The direct energy consumed by the Group was mainly used to operate the vehicle fleet; the indirect energy consumed by the Group mainly provided power systems for printing plants and offices, followed by the town gas consumed in the staff canteen and printing plants. During the Reporting Year, the energy consumed by the Group is detailed as follows:

Indicator	Unit	2023	2022 ⁸
Direct energy consumption ⁹			
– Gasoline	kWh	469,285	572,488
– Diesel	kWh	875,204	925,584
Indirect energy consumption			
– Purchased electricity	kWh	11,694,900	12,334,747
– Purchased town gas ¹⁰	kWh	210,773	249,453
Total energy consumption	kWh	13,250,162	14,082,272
Total energy consumption intensity	kWh/m ²	291	309

Notes:

8. To enhance accuracy, the data from 2022 has been reclassified and restated. In 2022, the direct energy consumption included approximately 59,072 litres of gasoline and approximately 86,477 litres of diesel, while the indirect energy consumption included approximately 12,334,747 kWh of purchased electricity and approximately 898,032 MJ of purchased towngas.
9. The unit of the energy consumption data was converted according to the Energy Statistics Manual published by the International Energy Agency.
10. The unit of the towngas consumption data was converted according to How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange and Environmental, Social and Governance Report 2022 published by The Hong Kong and China Gas Company Limited.

A2.2

The Group's printing plants, staff canteen and offices were the main sources of water consumption. During the Reporting Year, the total water consumption was approximately 54,463 m³ (2022: approximately 58,860 m³) and the intensity was approximately 1.20 m³/m² (2022: approximately 1.29 m³/m²). Water consumption during the Reporting Year was approximately 7.47% fewer when compared to 2022, which was mainly attributable to the reduction of manpower and the deactivation of washrooms with low usage rate.

A2.3

In 2022, the Group set an energy efficiency target to reduce all types of energy consumption by 5% by the end of the coming two reporting years using 2022 as the baseline year. During the Reporting Year, the consumption of diesel and electricity both decreased by approximately 5% and the consumption of gasoline and towngas decreased by approximately 18% and 16% respectively. As a result, the total energy consumption was approximately 5.91% lower than 2022, reflecting that the progress toward the energy efficiency target was satisfactory. The Group expects that the consumption of all types of energy will further decrease approximately 2% in the next year.

To achieve its target, the Group has formulated a number of measures to improve energy efficiency. The Group adjusts the types of shuttle buses and its frequency according to the number of the on-duty and off-duty employees and time to reduce diesel consumption. The Group also adjusts the central air-conditioning system of the offices on a seasonal and timely basis each year to keep a moderate temperature in order to save electricity. In addition, the printing plants and offices are designed to make use of natural light. Energy-efficient T5 fluorescent tubes or electricity-saving fluorescent tubes are fully installed on each floor and the lights and air-conditioning system in the printing plant and the office are operated depending on usage. The technology department is operating extensively on a virtual server infrastructure, which can effectively reduce electricity consumption and dissipate heat. The staff canteen has also started steaming and boiling food using electric steaming cabinets instead of frying food to protect the health of employees as well as effectively reduce the consumption of towngas. The Group has finished installing photovoltaic power systems on the platforms and rooftop of its headquarters in Tai Po which helps save energy and thereby reduce greenhouse gas emissions. The Group plans to look into the possibility of installing renewable energy systems at other locations in the future.

A2.4

The Group did not encounter any issues in sourcing water that is fit for purpose as its principal place of operation is Hong Kong. To control the water consumption effectively, automatic water faucets have been installed in the washrooms of the plants and offices at the time when the headquarters of the Group came into operation in 2004. During the Reporting Year, the Group set a target to reduce water usage by 5% by the end of the coming two reporting years using 2023 as the baseline year. It will review the relevant progress in the next reporting year.

A2.5

As there is no need to pack the products separately, the total amount of packaging materials used is not included in the Report.

Aspect A3: Environmental and Natural Resources

The nature of the Group's business does not involve production and operation procedures that cause extensive pollution, so its operation does not cause severe impacts on the environment and natural resources. Nonetheless, the Group realised that its business operation has potential impacts on the environment. Therefore, apart from abiding by relevant environmental laws and regulations and international standards to protect the natural environment, the Group has also drawn up the Environmental Policy based on the principle of mitigating the effect its operation has on the natural environment. The Group is committed to finding ways to incorporate environmental elements in its business decision making process, in an effort to achieve sustainability that is favourable to the environment.

A3.1

Paper is the main natural resource that the Group's business consumes. To comply with the Group's Environmental Policy, the Group procures newsprint from reputable suppliers who are all members of the Forest Stewardship Council, so as to reduce the material impact it exerts to forest resources. The usage of newsprint depends on market needs and the Group does not overstock them. During the news printing process, supervisor of the department also strictly monitors and controls the use of newsprint to ensure they are handled properly. Moreover, the Group adopts environmental friendly ink when printing newspapers to attain its environmental protection target.

The Group is committed to achieving its resource efficiency target, so it introduced renewable energy and implemented green office measures to enhance employees' awareness toward environmental protection. Such measures include promoting a paperless office, wide adoption of electronic forms, implementing an electric photo selection system and recycling paper, as well as setting up an intranet for internal communication, all of which reduce paper consumption and increase administration efficiency.

Aspect A4: Climate Change

As the climate change issues are getting more attention, the Group has established the Climate Change Policy aiming to guide the efforts to mitigate the impacts of climate change have on the Group, and to increase the resilience and adaptability of the operations to climate change.

A4.1

In response to the intensifying threats imposed by climate change, the Group has reviewed the potential risks that its business operation may cause. Those risks originate from the following aspects:

Physical Risk

The risks imposed by climate change, especially those result from the increase in frequency and intensity of extreme weathers such as typhoon may adversely affect the Group, such as cause electricity shortage and damage assets, and result in an increase of maintenance cost and endangerment of the health and safety of employees. The Group has implemented different measures to counter the serious physical risks mentioned above. For example, the Group maintains insurance coverage for employees and assets to reduce or avoid loss of property when operating locations are affected by extreme weathers. The Group proactively monitors the Hong Kong Observatory and government departments of emergency management regarding warnings of extreme weathers, and adjusts relevant businesses correspondingly. The Group has prepared itself against extreme weathers to the best possible extent to mitigate potential financial effects such weathers may cause.

Although the climate change has a limited impact on the business of the Group, for the sake of environmental protection, the management has set targets on carbon reduction and energy-saving for the business operations, explores the opportunities to expand the use of renewable energy at the Tai Po headquarters, as well as encourages the use of low-carbon, energy efficient, and regionally-produced materials and products in the procurement process.

Transition Risk

The development of international policies and regulations on climate change as well as the evolving commitments Hong Kong Government made to reduce carbon emissions may pose potential operation risks and increase relevant compliance cost. The Group may even face risks of compensation and litigation if it fails to comply with the climate change compliance regulations, which may damage the corporate reputation.

Each department of the Group monitors existing and new climate-related trends, policies and regulations, as well as assesses the impacts and risks of climate change on the operation regularly, so they can establish mitigation measures accordingly. Moreover, with the view to show the concern about the climate change issues, when the nomination committee selects a candidate for directorship, it will further consider his/her knowledge on climate issues.

B. SOCIAL

Employment and Labour Practices

The Group believes that human resources are the key to corporate operation and development, the core of the Group's competitiveness and also the driving power of the Group's innovation. In order to build a united and harmonious working team, the Group provides the employees with a fair working environment, proactively safeguards their basic rights and interests and cares about their concerns, protects their physical and mental health, improving their knowledge and skills for discharging duties at work and thereby enhancing their work efficiency.

Aspect B1: Employment

The Group understands that outstanding employees are valuable assets and employee diversity could help the Group to seize every opportunity that arises. With a view to retaining talents, the Group develops and gives incentives to its employees based on their performance and productivity. The Group has formulated the Employee Handbook to specify matters in relation to recruitment, promotion, remuneration, working hours, leave and benefits, ensuring that the conditions are competitive and in compliance with relevant laws. During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (the "Employment Ordinance"), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) and the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) (the "MPF Ordinance"), that would have any significant impact on the Group.

The Group upholds the principle of equal opportunities and diversity in recruitment policy. Selection criteria are mainly based on qualification, experience and passion for work of candidates. The Group also ensures a fairness in recruitment process without any violation of the discrimination ordinances in relation to sex, disability, family status and race.

In respect of remuneration policy, the Group ensures that the employees' remuneration complies with the statutory minimum wage requirements and is competitive in the labour market. Further, in assessing the rate of annual salary adjustment, the Group takes into account its annual results and makes reference to the economic environment, inflation, salary trends and industry salary adjustment in Hong Kong, and makes adjustment based on the appraisal reports and work performance of employees.

In respect of promotion policy, the Group attaches importance to cultivating talents and offering promising career path. Thus, the Group will firstly consider internal re-designation and promotion of potential employees to fill up any vacancy within the Group. Promotion criteria are based on various factors such as employees' working performance, leadership and willingness to cooperate. The Group also ensures fairness in process without any violation of the discrimination ordinances in relation to sex, disability, family status and race.

In respect of the policy of working hours and leave, the Employee Handbook has specified the relevant system and arrangements under different scenarios. The Group ensures compliance with the requirements of relevant laws and guidelines issued by the Labour Department of Hong Kong (the "Labour Department"). Competitive working conditions are offered with reference to the overall industry condition.

The Group provides its employees with retirement benefits through defined contribution plans. The Group operates a defined contribution retirement benefit scheme under the MPF Ordinance for all of its employees who are eligible to participate in the scheme. Contributions are made based on a percentage of the employees' basic salaries, subject to a cap in accordance with the MPF Ordinance. Furthermore, employees who have completed at least five years of services with the Group are entitled to long service payment and the amounts are calculated in accordance with the applicable laws in Hong Kong.

During the Reporting Year, the Group offered gifts to employees and organised meal-gatherings from time to time as an expression of gratitude towards employees for their hard work and as incentives and measures to retain talents. Employees are entitled to the medical benefits and employee discounts specified in the Employee Handbook. The Group also provides its employees with a quality working environment. A spacious staff canteen, floor lounge and car parking in the headquarters located in Tai Po are available for employees to use. Further, a breastfeeding-friendly workplace in the headquarters is available for postpartum employees to use.

In respect of dismissal policy, the Group offers chances for employees who have been found at fault or whose performance fails to meet the requirements. If such employee still fails to make considerable improvement, the Group then considers dismissal and acts in accordance with the Employment Ordinance. In case of serious fault, the Group may dismiss the relevant employee with immediate effect and without prior notice or payment in lieu of notice.

B1.1

As at 31 March 2023, the Group employed 904 employees (as at 31 March 2022: 956 employees) in Hong Kong. The number of employees by gender, employment type and age group is as follows:

Indicator¹¹	As at 31 March 2023	As at 31 March 2022
By gender:		
Male	627	653
Female	277	303
By employment type:		
Full-time	898	952
Part-time	6	4
By age group:		
40 or below	245	291
41 or above	659	665

Note:

11. The data presented in this table does not include overseas employees that the Group employed. As at 31 March 2023, the Group employed 4 employees (as at 31 March 2022: 4 employees) in Australia.

B1.2

During the Reporting Year, the Group's operation in Hong Kong recorded a voluntary turnover rate¹² of approximately 10.5% (2022: approximately 15.0%). The employee voluntary turnover rate by gender and age group¹³ is as follows:

Indicator ¹⁴	2023	2022
By gender:		
Male	9.5%	11.1%
Female	12.6%	22.3%
By age group:		
40 or below	19.9%	29.9%
41 or above	6.2%	6.4%

Notes:

12. The calculation of voluntary turnover rate only includes employees who voluntarily resigned. The voluntary turnover rate is calculated as follows: (total number of employees resigned during the reporting period ÷ (total number of employees at the beginning of the reporting period + total number of employees newly hired during the reporting period)) x 100%.

13. The voluntary turnover rate by category is calculated as follows: (number of employees resigned in the specific category during the reporting period ÷ (number of employees in the specific category at the beginning of the reporting period + number of employees newly hired in the specific category during the reporting period)) x 100%.

14. During the Reporting Year, the voluntary turnover rate of overseas employees in Australia was 0% (2022: 0%).

Aspect B2: Health and Safety

Based on the findings of the materiality assessment of stakeholders engagement, health and safety are the most important aspects for the Group.

The Group is committed to providing employees with a safe and harmonious working environment. In accordance with the relevant labour standards and legal requirements, the Group has formulated a series of Safety Policies by reference to job nature, covering working at height, carrying and moving objects and operating electric lifting platforms, with a view to providing suitable guidelines, tools and training to employees for their safe discharge of duties. According to the Employee Handbook, the Group has purchased work-related injury compensation insurance for employees to provide protection for them.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations, including but not limited to the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong) (the "Factories and Industrial Undertakings Ordinance") and the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) (the "Occupational Safety and Health Ordinance"), that would have any significant impact on the Group.

B2.1

The Group has no work-related fatality record for the past three years (including the Reporting Year).

B2.2

During the Reporting Year, there were a total of 212.5 days (2022: 137.5 days) of work-related injury leave taken by our employees.

B2.3

The Group has established an occupational safety team responsible for the promotion, training, supervision and management of occupational health and safety in accordance with the Factories and Industrial Undertakings Ordinance and the Occupational Safety and Health Ordinance, so as to enhance employees' occupational safety awareness. The occupational safety team regularly promotes safety trainings and provides safety practices for the relevant employees, and conducts regular inspections in accordance with the codes and guidelines formulated by the Labour Department, Occupational Safety and Health Council and Hong Kong Construction Association.

Oriental Printing Limited, a subsidiary of the Group, also established a Safety Committee assuming major functions of exploration, recommendation and examination of the relevant measures from time to time for the improvement of occupational safety and health. For example, the committee reminds the responsible departments that lifting gears and tools shall not be used unless they have been tested and thoroughly examined by a competent examiner and an approved certificate has been obtained. The Safety Committee has prepared a Safety Proposal detailing the responsibilities of each position on occupational safety, achieving understanding and cooperation between colleagues of different posts. Further, the Safety Committee also reminds employees to pay attention to work safety and prevent accidents by using personal protective equipment based on individual working need. The Safety Committee organises meetings and seminars on a regular basis to strengthen communication and improve occupational safety and health.

Over the past year, in view of the recurring COVID-19 situation, the Group implemented a series of anti-pandemic measures to safeguard employees' health, including a free supply of vitamin supplements and various kinds of hot drinks in its staff canteen. The Group also improved office hygiene, launched an anti-pandemic reporting and emergency mechanism, and arranged work-from-home for certain employees to reduce infection risks.

Aspect B3: Development and Training

The Group understands that devoting resources in training employees is beneficial to the Group's future development. Accordingly, the Group has formulated the relevant plans to systematically provide employees at all levels with all-around technical trainings, ensuring that employees are well-equipped to attain outstanding performance. Further, in order to cultivate a new generation of talents for the journalism industry, the Group has implemented a training scheme to groom a new generation of journalists by providing employees with work-related training and systematic training courses under appropriate guidance given by senior employees. The Group also provides the employees of the administrative departments with relevant courses and seminars covering fire safety information, occupational safety and prevention of bribery, thus enabling employees to strengthen their work-related knowledge, skills and attitude in order to keep up with the times.

The training activities include:

- (i) a series of video clips and practical teaching materials for the employees to obtain basic work-related information, such as occupational safety information, application of computer system and various kinds of employees codes of conduct, etc;
- (ii) organise training courses and seminars on a regular basis for the employees to attend;
- (iii) distribute training materials on a regular basis to the employees for reading;
- (iv) arrange short-term internships for editorial employees on a regular basis; and
- (v) arrange the employees to attend external professional training courses at the expenses of the Group.

B3.1, B3.2

During the Reporting Year, approximately 99.3% (2022: approximately 99.4%)¹⁵ of the Group's employees participated in training activities, with an average training hours¹⁶ of approximately 72.3 hours (2022: approximately 72.2 hours). A summary of the training performance of the Group is as follows:

Indicator	2023		2022	
	Percentage of trained employees ¹⁷	Average training hours ¹⁸	Percentage of trained employees ¹⁷	Average training hours ¹⁸
By gender:				
Male	99.5%	64.7	99.5%	54.4
Female	98.9%	89.6	99.0%	110.8
By employee category:				
Senior management and supervisor	82.8%	6.3	84.4%	25.2
Middle management	100.0%	37.9	100.0%	45.5
General staff	99.9%	84.8	99.9%	81.6

Notes:

15. The percentage of total trained employees is calculated as follows: (total number of trained employees during the reporting period ÷ total number of employees at the end of the reporting period) x100%. Figures of 2022 are disclosed since 2023.

16. The overall average training hours are calculated as follows: total training hours during the reporting period ÷ total number of trained employees during the reporting period. Figures of 2022 are disclosed since 2023.

17. The percentage of trained employees by category is calculated as follows: (number of trained employees in the specific category during the reporting period ÷ number of employees in the specific category at the end of the reporting period) x100%.

18. The average training hours by category are calculated as follows: training hours of employees in the specific category during the reporting period ÷ number of trained employees in the specific category during the reporting period.

Aspect B4: Labour Standards

As an organisation with more than 900 employees, the Group has formulated policies to ensure all employees and job applicants are entitled to fair opportunity and treatment. During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations, including but not limited to Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) and Employment of Young Persons (Industry) Regulations (Chapter 57C of the Laws of Hong Kong), which would have any significant impact on the Group.

B4.1

The Group strictly complies with relevant employment laws and regulations throughout the recruitment and employment process, prohibits any employment of child labour. The human resources department shall check and verify the identity documents of applicants during the recruitment process, to make sure that all successful applicants have attained the legal working age. Besides, the Group prohibits forced labour and ensures legal and voluntary employment of all employees and each employee is required to sign the employment contracts upon commencement of employment to ensure legal and voluntary employment. With regard to resignation, dismissal or retirement, relevant procedures are stipulated in the Employee Handbook, so as to standardise the system of terminating employment contracts and avoid the occurrence of forced labour.

B4.2

If it is found that child labour or forced labour is employed in violation of recruitment process, the Group will immediately stop the work of child labour or forced labour and conduct investigations. Especially for overtime work, the Group only provides overtime compensation to employees specified in contracts or approved by supervisors, and finds other methods to mitigate this situation, such as implementing shift work.

Operating Practices

Aspect B5: Supply Chain Management

The principal business of the Group is publication of newspaper. Raw materials for newspaper printing, such as newsprint and ink, are the major resources consumed by the Group. Paper factory and ink factory are the Group's main production suppliers. In order to ensure that suppliers meet the Group's requirements in terms of quality, environment and safety standards, the Group has formulated a Procurement Code to manage the environmental and social risks of the supply chain in a more effective way.

B5.1

Number of suppliers of the Group by geographical region is as follows:

Geographical region	2023	2022
Korea	2	2
Australia	1	1
Canada	3	3
Sweden	1	1
Finland	–	1

B5.2

The Group pays much attention to the printing quality of the newspapers. In course of procuring the necessary equipment and raw materials for newspaper printing, the Group selects suitable supplier based on the Procurement Code. When buyers conduct quotation analyses to select suppliers, in addition to pricing as the primary condition, it also takes into account various factors such as the stability of provision of goods, as well as the supplier's reputation, environmental protection policies and experiences of past transactions. Apart from non-applicable cases listed in the Procurement Code, the procurement department compares not less than three major suppliers for each application for goods and makes recommendations to the department head and management. The department head and management then review and give approval, in order to ensure the equipment and raw materials so purchased are of good quality and reasonable price. The procurement department also reviews the quality, pricing and stock of the goods from time to time. The procurement department has regular meetings every month to review the operation process of procurement, and discusses the operational problems and improvement measures.

B5.3

The procurement department is responsible for filling in the information on the supplier list for filing. The Group will annually evaluate the environmental and social impact arising from its production and supply chains through daily contact with suppliers. Relevant departments will conduct ongoing supervision on such impacts and select suppliers who fail to meet the standards from the list and submit to the department head to confirm the updated information, then they will make appropriate recommendations on procurement to the management as and when appropriate.

B5.4

In the procurement process, the Group purchases newsprints as raw materials from suppliers who are the members of the Forest Stewardship Council and ensures that the paper used came from certified trees to protect forest resources. The Group will strive to work with low-carbon, energy-saving and neighbouring suppliers to reduce energy consumption and emissions generated during transportation. Environmental protection conditions are embedded through regular selections to enhance the awareness of suppliers on environmental issues, environmental protection practices and professional environmental considerations. The procurement department will use their best endeavours to advise each supplier to use more environmental friendly products from time to time, and the relevant departments will follow up the situation to timely make appropriate recommendations on procurement to the management.

Aspect B6: Product Responsibility

The Group mainly operates newspaper publication and online news portal. It bears the responsibility of monitoring the society and protecting the public's right to know. Therefore, great importance shall be attached to the authenticity of the news. The editorial department has established a set of editorial procedures and guidelines to ensure high level of reliability and accuracy of the news. Measures and/or policies for safeguard of privacy and intellectual property rights are also put in place, requiring non-infringement of the intellectual property works created by the employees in the course of employment and strict compliance with the collection of personal data policy and guidelines of the Group when dealing with personal information of customers and users, to ensure that employees respect other people's intellectual property rights and personal information.

The Group puts an emphasis on the importance of appropriate advertisement and compliance of requirements in relation to media advertisement. The Group has enacted policies and procedures in this regard, and responds to the feedback from audiences or the public in a timely manner. The Group strictly abides by the laws and regulations regarding advertising and labelling.

Another principal business of the Group is money lending business, where product responsibility is heavily emphasised. Staff members of credit department are required to strictly comply with the requirements of the licence conditions with regards to obtaining others' personal information. The Group has also formulated the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism, which contains requirements for customer due diligence and risk assessment, reporting of suspicious transaction, record-keeping and staff training, etc. By strengthening regulations, the Group strives to ensure the provision of quality services to customers.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations, including but not limited to Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the "Privacy Ordinance") and Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong), which would have any significant impact on the Group.

B6.1

The operation of the Group does not involve healthy and safety issues related to the products and services provided. Therefore, no products are required to be recalled due to healthy and safety reasons.

B6.2

The Group has set up a hotline and an e-mail for the readers or clients to offer their feedback or submit complaints in respect of the product quality or services of the Group. The Group would conduct individual investigation and handle the cases accordingly. During the Reporting Year, the Group did not receive any complaints about the product quality and services (2022: Nil).

B6.3

The Group also makes every effort to safeguard and protect the intellectual property rights. It is stipulated in the Employee Handbook that intellectual property rights of all works created by the employees in the course of employment belong to the Group, and the employees shall not infringe the intellectual property rights of the Group or others without approval. In addition to the information gathered by the News Department, the employees obtain news all over the world through major overseas news agencies. Before using any other information or photo, the Group identifies the copyright owner and ascertains the ownership of the relevant copyrighted work and obtains consent from the copyright owner. The Group will purchase copyrighted works from its owners for publishing purposes, whenever necessary, for protecting other people's intellectual property rights. All computer software used by the Group are licenced works, and anti-virus softwares are installed to guard against hacker attacks.

Apart from refining the Terms and Conditions of Use of "on.cc" to remind users of the privacy policy and intellectual property rights of the Group, the management and the legal department remind the employees of the provisions of Privacy Ordinance and relevant practical guidelines through internal meetings and by issuing guidelines, to strengthen the policies on monitoring the protection of intellectual property rights and personal information of the Group.

B6.4

The Group is fully aware that news information has a substantial impact on the society, so the Group strives to maintain high standards and quality of the content of newspaper and website. According to the editorial procedures and guidelines established by the editorial department, relevant employees review the news content and discuss the plan in reporting through regular meetings, which aim at improving the quality of content and providing comprehensive coverage of social affairs to readers. Furthermore, during the newspaper printing process, the production department employees conduct random inspection of the newspaper from time to time in order to ensure the quality standards, and adjust and handle the issues immediately whenever necessary so as to make sure the newspapers distributed in the market meet the quality requirements. The Group engages specific agents for distribution of newspaper, who are also responsible for product recycling.

B6.5

The Group strives to protect the personal data collected during the operation and keeps reminding the employees and emphasising the importance of safeguarding the security of personal data (privacy). When the employees collect and process such data, they strictly complies with the Privacy Ordinance and the guidelines issued by the Office of the Privacy Commissioner for Personal Data, Hong Kong from time to time, with a view to protecting the privacy. The Group also imposes stringent requirements to employees as to dealing with personal information of customers, readers and/or users in accordance with the Personal Information Collection Statement and Privacy Policy and the Notice Relating to the Personal Data (Privacy) Ordinance as formulated by the Group. There are also measures to prevent unauthorised access to personal information. Supervisors of departments should exercise daily supervision and report to the management as and when appropriate.

Aspect B7: Anti-corruption

The Group highly recognises the importance of the ethical conducts and integrity of each Director and all employees in order to maintain a fair, honest and integrity-based business environment. The Group has set up a Prevention of Bribery Policy and formulated clear code of conduct in respect of the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) (the "Prevention of Bribery Ordinance"), employees' personal interests, conflicts of interest, prevention of extortion and fraud in the Employee Handbook. During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations, including but not limited to the Prevention of Bribery Ordinance, which would have any significant impact on the Group.

B7.1

During the Reporting Year, there was no concluded litigation of corruption brought against the Group or its employees (2022: Nil).

B7.2

Oriental FA Limited, a subsidiary of the Group, has also appointed a compliance officer and a money laundering reporting officer to assist in monitoring procedures. The management also reminds the employees of money lending department to fully comply with the Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Licensed Money Lenders formulated by the Companies Registry and implements effective measures to reduce the risks of money laundering and terrorist financing.

The Group reminds the employees by internal notice as and when appropriate to avoid bribery and acceptance of advantages. The Group has established a Whistleblowing Policy and encourages its employees to report any suspected case of corruption, bribery or misconduct through the whistle-blowing mechanism established by the Group. Such reports are kept confidential and the Group spares no efforts to protect the whistleblowers from unfair treatment.

B7.3

The Group provides anti-corruption related training and education to Directors and employees annually to raise their awareness of anti-corruption. Through participating in training sessions including seminars and workshops or reviewing the relevant policies and procedures, the Directors and employees have fully understood the anti-corruption policy of the Group and the relevant laws and regulations regarding bribery, extortion, fraud and money laundering.

The Prevention of Bribery Policy formulated by the Group, which is applicable to all Directors, employees and agents acting on behalf of the Group, further provides clear guidelines in respect of anti-bribery and maintaining honesty and integrity. The Group has provided such policy to all Directors and has uploaded it to the Group's intranet for employees' review at any time. The Group biannually sends out notifications to each employee via its intranet system to remind employees to review the relevant policies and solicit their confirmation. During the Reporting Year, the Group has implemented the relevant measures to ensure that the Directors and employees have full knowledge of the anti-corruption policies and procedures.

Community

Aspect B8: Community Investment

The Group is committed to supporting charitable activities to contribute to the society and perform its corporate social responsibilities. "on.cc" takes part in promoting various community and volunteer activities by reporting news and disseminating information, delivering to the general public a social responsibility and corporate values in line with the Group's Community Investment Policy.

B8.1

By engaging in promotion activities, the Group has a better understanding of the needs of the society and is able to take into account the community's interests in the course of its business operation. The Group has always been focusing on helping the needy in the society, promoting environmental protection awareness and sports activities, and fostering and facilitating industry development.

B8.2

During the Reporting Year, the Group donated HK\$1 million to charity groups to support their diversified social services. Further, the Group also participated in various community activities organised by charity groups through sponsored reporting on a voluntary basis.

By delivering these positive messages, the Group aspires to encourage more people to participate in charitable activities to lend a helping hand to the disadvantaged. Meanwhile, the Group seeks to inspire the society to pay more attention to the relevant issues and bring about positive impacts on the society.