

HM INTERNATIONAL HOLDINGS LIMITED

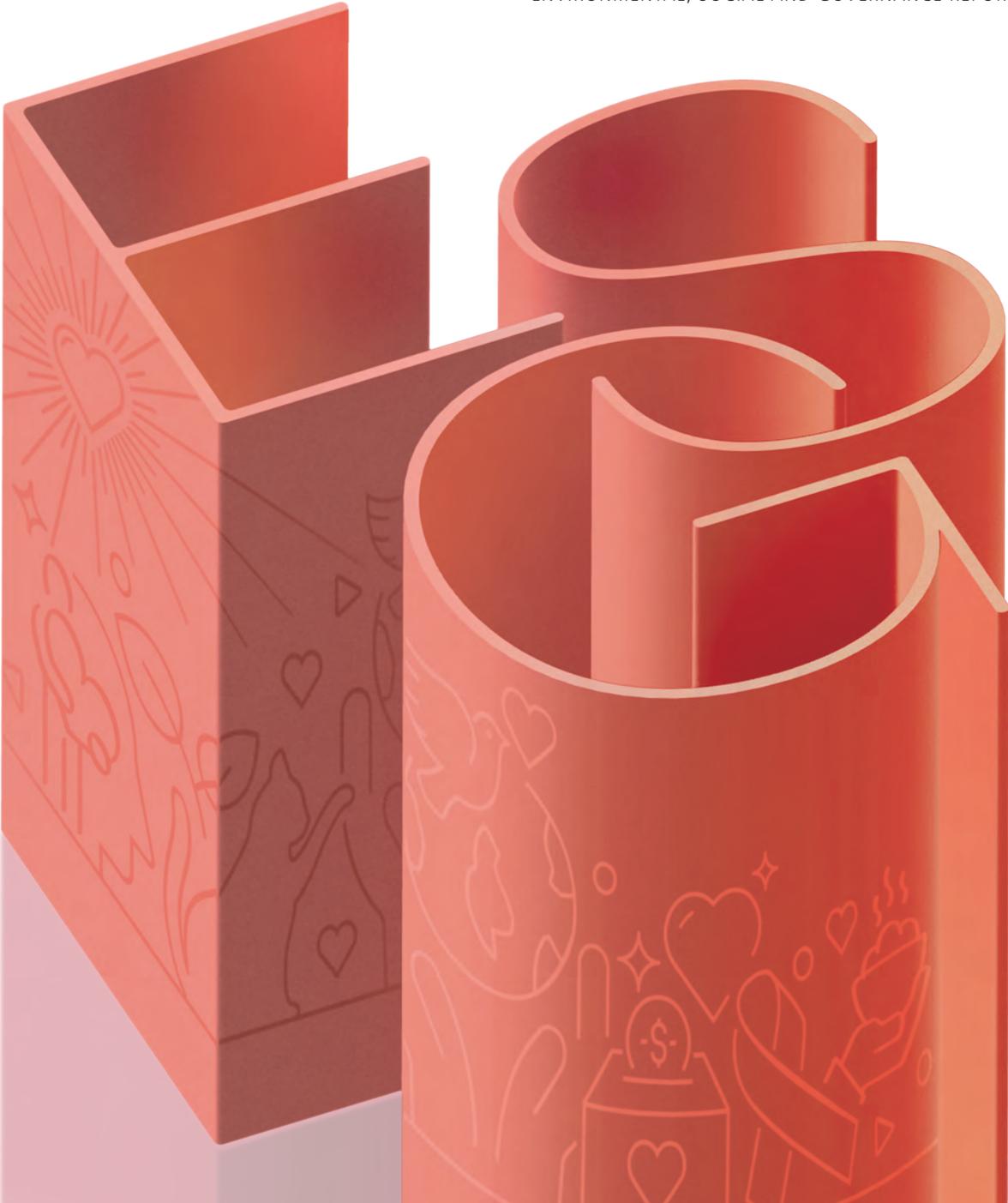


(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8416

2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



CONTENTS

	Page
ABOUT THE COMPANY	2
ABOUT THIS REPORT	2
MANAGEMENT STATEMENT	4
ESG GOVERNANCE	6
CLIMATE CHANGE IMPACT AND THE TCFD	8
SUSTAINABLE DEVELOPMENT GOALS	14
STAKEHOLDER ENGAGEMENT	18
MATERIALITY ASSESSMENT	20
EMPLOYMENT AND LABOUR PRACTICES	21
OPERATING PRACTICES	29
COMMUNITY PARTICIPATION	33
ENVIRONMENTAL PROTECTION	33
ESG PERFORMANCE AT GLANCE	41
ESG REPORTING GUIDE CONTENT INDEX	44

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

ABOUT THE COMPANY

Being one of the major financial printing service providers in Hong Kong, HM International Holdings Limited (the “Company”) and its controlling subsidiaries (together the “Group”) offer integrated printing services, including comprehensive one-stop Business Process Outsourcing (“BPO”) solutions that cover financial printing projects, marketing collateral printing projects and value-added digital services, such as website design, video production, e-book and app production and electronic marketing presentation material production.

Upholding the mission to deliver quality services with the “CARE” attitude: C – Confidentiality; A – Accuracy; R – Reliability; and E – Ease of Mind, the Group has been focusing on strengthening on three major areas, Creativity, Service and Technology, to differentiate its services among the competition.

The Group aims to fulfil the needs of its diversified clientele including corporations which are listed or seeking to be listed on the Stock Exchange of Hong Kong Limited (the “SEHK”), multinational financial institutions such as fund houses and insurance companies, education organisations, and private companies in hospitality, marketing and advertising and legal sectors.

The Company has been listed on GEM of the SEHK since January 2017.

ABOUT THIS REPORT

This report is prepared by the Group in accordance with the requirements set forth in the Environmental, Social and Governance (“ESG”) Reporting Guide (“Guide”), Appendix C2 of the Rules Governing the Listing of Securities on GEM of the SEHK, and was approved by the board of directors of the Group (the “Board”). It presents and aims to provide a balanced representation of our major ESG policies, initiatives and performances of the Group in the four main areas – employment and labour practices, operating practices, community participation and environmental protection – for the year ended 31 December 2023 (the “Reporting Period”). The governance structure and practices of the Group have been set out in the Corporate Governance Report on pages 40 to 53 of the 2023 Annual Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Scope of the Report

Starting from FY2022, we have included the controlling subsidiaries that we have control on their operating practices. This year we are able to show data for the Group as a whole for comparison purposes. We define the reporting scope as the core and material business units within our Group. Unless otherwise specified, the reporting scope of this Report only covers our operations in Hong Kong. The reporting principles of "Materiality", "Quantitative", "Balance" and "Consistency" as set out in the Guide is served as the basis of the contents of this Report and the presentation of information.

This report provides information related to the business activities of the offices and sites controlled by the Group in Hong Kong. Data from our customers or suppliers are not included as such data is difficult to verify with available resources.

Opinion and Feedback

This report is available online on our Company's website at www.hetermedia.com and the "Latest Listed Company Information" page of the GEM website at www.hkgem.com. This report will only be disseminated via electronic means.

We value feedback from our stakeholders. To enable us to address stakeholders' concerns and ensure continuous improvement of our reporting process, you are most welcome to share your feedback on our sustainability performance or reporting methods via email at corpcomm@hetermedia.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

MANAGEMENT STATEMENT

Dear stakeholders,

“**Continued challenge**” was the term that we could begin with in our ESG report for 2023.

As we reflect on the challenges faced in the previous year, we understand that 2023 proved to be another demanding year for our group. While countries around the world attempted to restore normalcy, our business continued to grapple with the aftermath of the pandemic, striving to regain pre-pandemic levels as quickly as possible.

As a SME (small and medium-sized enterprise), we recognize the delicate balance between the costs and implementation of our ESG strategy. However, we continued to remain committed to our vision of a more sustainable future, where the benefits are shared by all. Effective communication with our stakeholders and a steadfast commitment to corporate social responsibility are the cornerstones of our approach.

As we enter the new year, we acknowledge that the global landscape has experienced profound shifts. The “new normal” emerging from the pandemic has necessitated a reevaluation of our business operations and customer expectations. We will continue to adapt accordingly, leveraging lessons learned and embracing innovative approaches to meet evolving needs.

Resilience remains a key focus for our group. We recognize that disruptions, whether from pandemics, natural disasters, or other unforeseen events, can have a significant impact on our business. To enhance our resilience, we will invest in robust contingency plans, diversify supply chains, and foster strong relationships with our partners and stakeholders.

Building upon the foundations laid in previous years, we will continue to integrate ESG principles into our core business strategies. Our commitment to the Task Force on Climate-related Financial Disclosures (TCFD) remains unwavering, as we actively assess and address climate-related risks and opportunities. By engaging in scenario analysis, we will enhance our understanding of the potential impacts of climate change on our operations and develop robust strategies to mitigate these risks.

As we advance on our sustainability journey, collaboration will be at the forefront of our efforts. We will forge strategic partnerships with organisations, industry experts to foster knowledge exchange, share best practices, and drive collective action. By working and learning together, we can accelerate progress towards our sustainability goals and create meaningful change in our industry and beyond.



Our Group's commitment to transparency and accountability remains resolute. We will enhance our ESG reporting practices to provide stakeholders with comprehensive and timely information. Through clear and measurable targets, we will track our progress and hold ourselves accountable for our performance. We welcome feedback from our stakeholders and pledge to actively address any concerns or suggestions raised.

Engaging with stakeholders is vital for understanding their expectations, concerns, and aspirations. We will actively seek feedback from our stakeholders, including employees, customers, investors, and communities. By incorporating diverse perspectives, we can make informed decisions that align with the interests of all stakeholders.

In 2024, we will continue leveraging on innovation and technology. Embracing digital transformation and innovative solutions will enable us to optimize our operations, reduce our environmental footprint, and deliver value-added services to our existing clients. We will invest in research and development to explore sustainable alternatives through partnerships and potential M&As, fostering a culture of continuous improvement and applicable innovation.

Recognising the importance of our supply chain, we will work closely with our suppliers to promote ethical and sustainable practices. Together, we will drive positive change throughout the value chain, ensuring that our products and services are sourced and delivered in a manner that respects minimisation of environmental impact, and upholds the highest standards of integrity.

Our employees are the core of our organisation, and their well-being will remain a top priority. We will continue to foster an inclusive and diverse work environment that promotes employee growth, development, and work-life balance. By nurturing a culture of collaboration and empowerment, we will harness the collective potential of our workforce to drive sustainable innovation and positive societal impact.

In summary, as our Group move forward into the coming year, we are committed to embracing the new normal, strengthening resilience, fostering collaboration, enhancing ESG reporting, engaging stakeholders, promoting supply chain sustainability, leveraging innovation and technology, and maintaining a continuous learning mindset. By doing so, we aim to create a sustainable future and deliver long-term value to our stakeholders.

Chan Wai Lin

Chief Executive Officer, Executive Director and Compliance Officer

HM International Holdings Limited

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

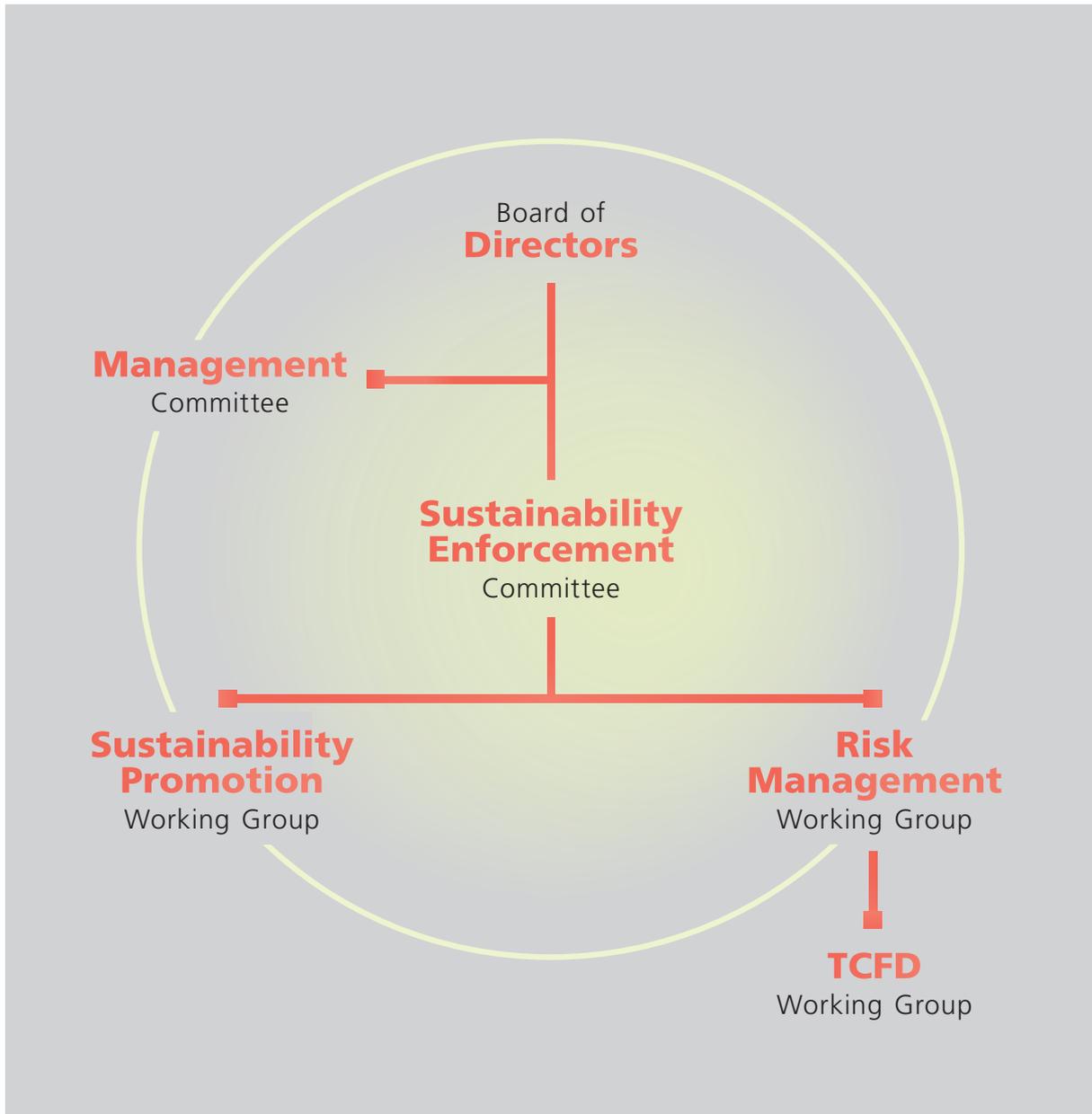
For the year ended 31 December 2023

ESG GOVERNANCE

Governance Structure

The Company recognises the scale of ESG issues on its business operations and considers this to be an important management issue. The Company has established a standalone committee comprising senior management and department heads on the governance of ESG issues to formulate plan and implement effectively to the Company, with the C-level management to chair the committee.

Our Management has attended the ESG meeting/forum held by different professional experts to keep abreast of the latest development on the ESG issues.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Roles and Responsibility

The Board of Directors

- Principally approving and monitoring of the policies and mechanisms to manage ESG issues and the adequacy of resources
- Review and endorse all sustainability policies, disclosures and goals
- Ensure appropriate risk mitigation measures are in place

Management Committee

- Formulates and advances plans for Company with the assistance of the Sustainability Enforcement Committee
- Integrates the ESG goals into businesses, identifies and manages the ESG risks
- Coordinates different departments to implement the ESG strategies and necessary actions
- Oversees the policies and mechanisms is implemented in an efficient and effective manner
- Provides ESG updates regularly to the Board

Sustainability Enforcement Committee

1. Sustainability Promotion Working Group

- Formulates and advances plans focused on the achievement of the SDGs
- Formulates and advances plans for disclosure of the ESG information
- Arranges training and sharing sessions to promote the sustainability

2. Risk Management Working Group

- Identifies significant risks and the impact for the Company, formulates and advances plans (including climate change) for countermeasures to ensure resilient move
 - i) TCFD Working Group
 - Evaluates the climate-related issues and risks
 - Formulates and advances plans focused on the climate-related issues impact and the transformation of the business

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

CLIMATE CHANGE IMPACT AND THE TCFD

Being a party acceded to the Paris Agreement, Hong Kong Government has set out the decarbonisation target of reducing Hong Kong's carbon intensity by 65% to 70% by 2030. In the meantime, with effect from July 2020, SEHK's ESG Reporting Guide has been amended to incorporate elements of the Task Force on Climate-related Financial Disclosure ("TCFD") recommendations. Climate change related impacts present financial risks to many sectors, ours is in no exception. Being a responsible corporation, we need to consider our actions today in light of how financial risks from climate change may evolve in future. The Group will disclose information from the four perspectives of 1) Governance, 2) Strategy, 3) Risk Management and 4) Metrics and Targets on identifying and disclosing the potential financial impacts of climate-related risks and opportunities on our businesses.



1) Governance

The impacts of climate change on different sectors of society are interrelated. As such, the Group views risks and opportunities related to climate change as important issues. An ESG governance structure supervised by the Board of Directors was established in 2021. (see Section "ESG Governance"). A standalone committee was formed in 2021 to ensure the ESG message has full penetration from top to bottom. The Board of Directors delegates the handling of climate-related issues to the Management Committee (the "Committee"). The Committee establishes multiple working groups and coordinates evaluation of climate-related issues and countermeasures to them. This dedicated approach governance structure enables us to have a more holistic view of the impact of the climate change to the business and operations of the Company. With the C-level Management who chair the committee and the Board members in other standing committee, this ensures the climate-related issues from dialogue with traditional business functions to be maintained and

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

the related policies are formulated without isolation. In 2022, the Group has announced its support for the recommendations of the TCFD through the establishment of a working group under the Risk Management Working Group. The Sustainability Enforcement Committee will submit a report after the evaluation of the climate-related issues to the Committee for the strategy formulation before making comprehensive decisions. The Sustainability Enforcement Committee comprises senior management from different business functions and is responsible for monitoring our policies, programmes, and performances relating to climate change. The climate-related performance targets is set within the Committee in order to assist our Board in evaluating the effectiveness of its climate strategy and measures. The Committee will present to the Board annually on the status to ensure such issues and risks are incorporated into our strategy.

2) Strategy

The Group has set the tone in 2021 on the Sustainable Development Goals (“SDGs”) that we will focus and its basic approach to providing solutions to social issues. The Group has targeted to reduce the carbon emission by 70% in Scope 1 and Scope 2 and 60% in Scope 3 in 2030. The Group has also decided to adjust its supply chain management strategy to share the same vision with its downstream. We have the Committee being chaired by the C-level Management to expedite the decision process. It formulates and advances plans with the assistance of the Sustainability Enforcement Committee which comprises of Sustainability Promotion and Risk Management Work Group. The Working Groups are made up of different departments and functional committees members to ensure the messages and actions are conveyed thoroughly and effectively. The Group recognises that we are facing a challenging situation. Short-term impacts including the decreased demand of the traditional paper products, medium to long term threats including change of the regulations and costs rising. We understand failure to respond could cause a crisis to our business, conversely, responding appropriately and timely to such risks can generate business opportunities. In addition to its traditional business model, the Group is currently transforming to a digital mode of operation, which supports the shift to new business models in a digitalised society.

3) Risk Management

The Group recognises climate change as a serious issue and important matter for management. The Risk Management Working Group comprises department heads who are responsible for identifying and assessing climate-related risks, the formulation of countermeasures, and progress monitoring. The governance structure is established to ensure the process is oversighted by directors, whereby the activities of the Working Group are presented to the Committee and subsequently reported to the Board of Directors.

Climate change risk management approaches to the Group fall into three categories: 1) mitigation – we set the target to reduce the carbon emission, transform our business into a digital era and increase the awareness in the offices; 2) adaptation – disaster recovery and building resilience to those impacts to reduce damages and disruptions; 3) knowledge-base expansion – efforts to learn and understand more about the climate system, conveys the messages to everyone in the office and increases the awareness.

4) Metrics and Targets

In line with the timeframe set in Paris Agreement, the Group has targeted to reduce the carbon emission by 70% in Scope 1 and Scope 2 and 60% in Scope 3 by 2030. The Group will keep on disclosing information on the status of progress towards these targeted figures.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Under the framework provided by the TCFD Recommendations, there are two main categories of risks related to climate change. Firstly, physical risks are those resulting from tangible damage caused by escalating instances of natural disasters and unusual weather patterns induced by climate change. The concept of physical climate risk encompasses the potential for physical damage and financial losses due to increased exposure to climate hazards. Secondly, transition risks are those that emerge during the shift towards a decarbonised society, such as the implementation of stricter regulations and the introduction of decarbonisation technologies.

Physical risks are the risks have the concrete consequences. It represents the easily identifiable financial threats associated with climate change. These risks have the potential to disrupt regular business operations and can be classified as either acute or chronic.

Physical risks resulting from climate change can be acute risks such as the potential economic costs and financial losses resulting from the increasing severity and frequency of extreme climate-change related events. There is increased severity of extreme weather events nowadays, such as floods, super typhoon, earthquake etc., which can cause immediate damage to physical infrastructure and instant interruptions to business operations (like office shutdowns, transportation problems, etc.), along with other financial impacts (like inventory destruction, physical collateral degradation, etc.).

Chronic risk is another physical risk which refers to the longer-term progressive shifts in the climate. They might not be a daily issue, but their effects tend to accumulate over time. The sustained high temperature may cause chronic heat waves, regulations in some regions allow employee to stay home or having allowance in the days with high temperature, e.g. In May 2023, the Hong Kong Labour Department has established a system of Heat Stress at Work Warning coded amber, red, and black, indicating the level of heat stress that employees face when working outdoors or in indoor environments without air conditioning system. Employers must arrange rest breaks or suspend work for workers according to different warning levels. Financial performance of our Group may also be affected when exposed to the impact of drastic changes in climate. Transition risks related to the process of transitioning to a low-carbon economy may elicit changes on policy and legislation, technology, reputation, and market to address the mitigation and adaptation requirements related to climate change.

Physical risk may have the below potential impacts on the business activities of the Group:

- Revenue reduction due to decreased production capacity
 - ✓ Procurement process difficulties caused by supply chain disruptions (e.g., delays in raw material delivery due to transportation issues)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

- Revenue reduction and increased costs due to workforce impacts
 - ✓ Employee absence caused by transportation problems or illness (e.g., health and safety issues, absenteeism)
- Write-offs and premature retirement of existing assets (e.g., excessive use of air conditioning)
- Increased operational costs
 - ✓ Rising raw material costs due to paper shortages caused by deforestation
 - ✓ Increased energy costs due to higher ambient temperatures
- Rising insurance premiums and potential reduced insurance availability for assets in “high-risk” locations

Transition risks, which pertain to the process of shifting to a low-carbon economy, may prompt changes in policy, legislation, technology, reputation, and market strategies. These changes aim to address the mitigation and adaptation requirements related to climate change. These risks represent the challenges of navigating this changing landscape.

Transition risks may have the below potential impacts on the business activities of the Group:

1. Policy and Legal Risks

- Increased operational costs from:
 - ✓ Heightened compliance costs
 - ✓ Rising insurance premiums
 - ✓ Potential increase in levies due to stricter energy-saving and other regulations
 - ✓ Dramatic decrease in demand of the traditional paper products due to the change in regulations
- Write-offs, asset impairments, and premature retirement of existing assets due to policy changes
- Increased costs and/or reduced demand for products and services due to fines or judgments

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

2. Technological Risks

- Write-offs and premature retirement of existing assets
- Reduced demand for products and services
- Expenditure on research and development for new and alternative technologies
- Capital investments in technology development
- Costs to adopt/deploy new practices and processes
- Transformation of the production system due to changes in materials

3. Reputational Risks

- Reduced revenue from decreased demand for goods/services
- Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions)
- Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention)
- Reduction in capital availability
- Quality of product may compromise under high temperature or humid conditions

4. Market Risks

- Reduced demand for goods and services due to shift in consumer preferences. Dramatic decrease in demand of the traditional paper products due to the digital trends
- Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment)
- Abrupt and unexpected shifts in energy costs
- Change in revenue mix and sources, resulting in decreased revenues

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

The interconnection between physical and transition risks is undeniable. As the pace of climate change quickens, leading to more severe weather events, the urgency to act escalates, thereby influencing the magnitude and speed of transition risk. Taking early action to curb emissions can mitigate the extremity of transition risks. Conversely, any delay in addressing emissions will necessitate more drastic policy measures in the future.

The Group recognises the impact that climate change can have on its operations as a major issue and has started to analyse and implement countermeasures to both physical risks brought by drastic climate change and transition risks associated with a shift to a low-carbon society. We will continue to strive to create new business such as using recycle materials for our traditional business, expansion on digital business and develop a new market segment. The Group will re-evaluate and explore business opportunities through methods such as scenario analysis.



Cancer Fund Stride for a Cure 2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

SDGs	Description	Our Position and Efforts
 <p>1 NO POVERTY</p>	<p>Goal 1: No Poverty</p> <p>End poverty in all its forms everywhere</p>	<p>We concern the proportion of the population living below the poverty line and out of which, particularly the grassroots elderly, single-living elderly and homelessness.</p> <ul style="list-style-type: none"> • We have made donations to Homeless Link Hong Kong (無家者同行) and Gingko House (銀杏館) respectively to show our support. Homeless Link Hong Kong is committed to serving the homeless on the street, providing them with charitable donations, career employment referrals, and creating a warm and sheltered residence for them. In addition to donating money, we also take action. This is the third year we joined Gingko House (銀杏館) the "Love Lunch Box Campaign (銀杏館愛心行動)" to distribute the free lunch boxes to those very deserving under-privileged groups in Hong Kong. Not that we do the donation, our employees were present for the distribution to deliver the caring message. Gingko House is a privately held social enterprise focusing on senior employment in the food and beverage industry. • We have also again participated in the Food Angel Food Rescue and Assistance Programme (惜食堂食物回收及援助計劃) supported by The Community Chest of Hong Kong (香港公益金). It is a programme to foster the idea of "Waste Not Hunger Not", our Social Responsibility Team joined them to prepare food collected from different sectors that would otherwise go to waste, the food after the processing will later turn into nutritious hot meal boxes to serve the underprivileged communities in Hong Kong. • According to reports from 2019, 2.9 million mooncakes were leftover from the previous year. This inspired our idea to share the joy with those in need. Since then, our company has obtained the consent of our customers every year to donate the mooncakes originally intended to be given to them as gifts, along with other daily necessities such as oil, pasta, towels, etc., to the elderly. This is the continued fifth year we donated the gift bags to Po Leung Kuk Residential Care Home (Ma Kam Ming Ma Cheung Fook Sien Day Care Centre) for the Elderly Mid-Autumn Festival Lucky Bag Campaign to share the joy. Great appreciation to our clients for their kindness.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

SDGs	Description	Our Position and Efforts
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Goal 3: Good Health and Well-Being</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>We strive to ensure good physical and mental health for our people in the workplace and in our community.</p> <ul style="list-style-type: none"> • We promote the remote working mode and flexible working hours to our employees to maintain work-life balance. • We arranged a 'Green Friday' event, during which we prepared green salads for our employees. The aim was to promote the numerous benefits of eating more green foods and fruits, both for our bodies and the environment. • Echoing 'every step matters, every dollar counts', we participated in the annual 'Stride for a Cure' hike organized by the Cancer Fund. This Walkathon, coupled with our donation, supports individuals affected by cancer by providing better treatment options and improving their quality of life. • We continue to support the "Pink Revolution" organised by Hong Kong Cancer Fund. We funded the "Pink Recovery Pack" for breast cancer patients who have just undergone surgery. We arranged a pink office party for the employees to raise their awareness on breast cancer. • Studies shows that pets come with some powerful health benefits. Caring for a dog, cat, or other animal can reduce stress, anxiety, and depression, ease loneliness, encourage exercise and playfulness, and even improve cardiovascular health. This is our first year collaborating with the HK Saving Cat And Dog Association ("HKSCDA"), an organisation committed to providing food, medical care, sterilisation, and adoption services for stray cats and dogs. Our employees have volunteered to help clean the cat shelters. This creates a win-win-win situation: the employees enjoy time with the cats, the cats receive care, and as a non-profit organisation, the Association can save some costs. This service also helps raise awareness: "Adopt, Don't Abandon". <p>In addition, we have donated to The Nature Conservancy with the aim of making a difference both in Hong Kong and globally, for people, wildlife, and wild places. Our goal is to help protect and restore health to our oceans, rivers, and fisheries. We believe that through collaboration, we can combat climate change.</p>



HKSCDA – Cat Shelter



Healing Dried Flower Workshop

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

SDGs	Description	Our Position and Efforts
	<p>Goal 5: Gender equality</p> <p>Achieve gender equality and empower all women and girls</p>	<p>We treat everyone the same regardless of their background, religions, races and gender etc. The promotion within the company completely is based on the performance of the individual but nothing else.</p> <ul style="list-style-type: none"> Hong Kong Federation of Women’s Centres (HKFWC) is a non-partisan and non-religious women’s organisation. They concern about the situation of grassroots women, and promote gender equality in Hong Kong through services, education and advocacy. HKFWC trains women so that they can have space to realize their potential and creativity, turning garbage in everyday life into valuable items. It can lengthen those item’s life and contribute to the sustainable development of our planet. The women in the center also actively learn and develop different types of new products, and teach different communities to make products, to promote sustainable development and green lifestyle. We have organized HKFWC to provide a Healing Dried Flower Workshop for our employees. By doing this, we not only showed appreciation for their creativity and recognized their values, but we also provided our employees with a fun activity in our high-pressure work environment.



Food Angel



Ginkgo House



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

STAKEHOLDER ENGAGEMENT

Based on our experience and communication we have with our clients, external organisations and our employees, the Group consolidated seven different groups of stakeholders that are relevant to our business. These include our employees, shareholders and investors, industry associations, suppliers and service vendors, our clients, the community and Government and regulatory authorities.

The Group tries its utmost best to communicate with its key internal and external stakeholders through various communication channels. Stakeholder participation allows the Group to ensure our business and sustainability strategies align with the stakeholders' perspectives and expectations.

These continuous communication channels and measures also stimulate the Group to keep up with the pace of change, identify and prioritise any emerging ESG risks, and turn them into opportunities.

The following table illustrates our key internal and external stakeholders with their expectations, communication channels and the measures we carry out to facilitate the communication.

Stakeholder	Expectation	Communication Channel	Measures
Employees	<ul style="list-style-type: none"> Workplace health and safety Diversity and inclusion Training and Career development Employment stability and benefits Labour relations 	<ul style="list-style-type: none"> Intranet, emails and notices Training seminars and sharing sessions Employee surveys Quarterly talk 	<ul style="list-style-type: none"> Provide new staff orientation sessions and welcome events Organise regular training and team building activities Provide a comfortable and safe working environment Listen to employees' comments and opinions proactively
Shareholders and investors	<ul style="list-style-type: none"> Investment return Transparent and timely updated information Risk Management Sustainability issues 	<ul style="list-style-type: none"> Annual general meetings and extraordinary general meetings Financial reports, circulars and announcements Company website Emails 	<ul style="list-style-type: none"> Issue notices of meetings, financial reports, circulars and announcements Update the information on the Company website from time to time
Industry associations	<ul style="list-style-type: none"> Experience sharing Fair competition 	<ul style="list-style-type: none"> Industry conferences and meetings 	<ul style="list-style-type: none"> Cooperate with industry partners to achieve better performance Attend open seminars in the industry

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Stakeholder	Expectation	Communication Channel	Measures
Suppliers and service vendors	<ul style="list-style-type: none"> • Fair trade • Long-term relationship with the Company • Transparent information 	<ul style="list-style-type: none"> • Business meetings and verbal communication • Supplier assessments and reviews 	<ul style="list-style-type: none"> • Enhance communication with suppliers and service vendors
Clients	<ul style="list-style-type: none"> • High-quality products and services • Close relationship with the Company • Transparent information • Business integrity and ethics 	<ul style="list-style-type: none"> • Company website • Financial reports, circulars and announcements • Business meetings and verbal communication • Product and service brochures • Client satisfaction survey • Various social media 	<ul style="list-style-type: none"> • Strengthen quality control management • Obtain feedback from our clients proactively
The community	<ul style="list-style-type: none"> • Business integrity and ethics • Local recruitment and economy revitalisation • Environmental protection • Financial contribution and volunteer work 	<ul style="list-style-type: none"> • Financial reports, circulars and announcements • Company website • Various social media 	<ul style="list-style-type: none"> • Organise and support charitable activities
Government and regulatory authorities	<ul style="list-style-type: none"> • Compliance • Health and Safety • Indirect economic effect • Social Responsibility for local • Communities and Environment 	<ul style="list-style-type: none"> • Webinar • Conference • Press Release • Email 	<ul style="list-style-type: none"> • Regular reporting • Complying with local laws and regulations • Collaboration with different parties to follow the established policies and standards

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

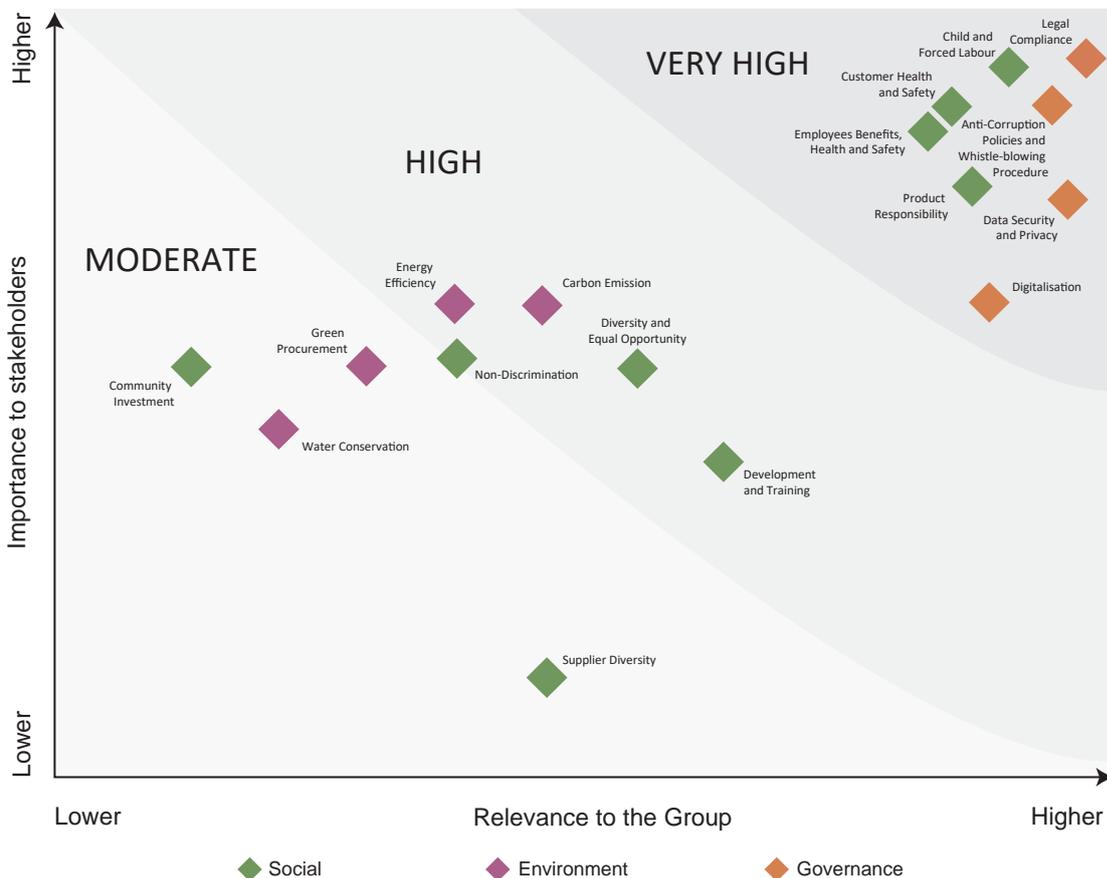
MATERIALITY ASSESSMENT

We believe that establishing a context for materiality assessment is crucial. Materiality is influenced by both internal and external factors, and the materiality of ESG risks can vary greatly depending on a company’s business model. To identify the material ESG factors pertinent to our operations, we initiated a comprehensive review process. This involved numerous meetings with stakeholders across various business units, conducted through diverse channels, to determine the significance of ESG factors. This extensive review allows us to evaluate the impact of ESG factors on our businesses and their relevance to our stakeholders.

Additionally, we examine the company’s activities to understand their influence on these ESG factors. Our scientific materiality assessment led to the development of a matrix that illustrates our stakeholders’ concerns on ESG issues impacting the Group’s operations. This assists the Group in identifying and directing our resources towards specific ESG issues.

After consultation, we consider elements including business strategy, legal and regulatory obligations, industry norms, stakeholders’ concerns, and community and societal expectations. We adhere to the Global Reporting Initiatives (“GRI”) definition for ESG reporting, which states, “The information in a report should cover topics and indicators that reflect the significant economic, environmental, and social impacts of the organisation, or that would substantively influence the assessments and decisions of stakeholders.”

We evaluated the ESG issues relevant to the Group by considering their significance to both our stakeholders and the Group. As a result, we prioritized the aspects required by the SEHK. These key performance indicators contain information considered material to our Group or industry and may rank high for reporting.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023



EMPLOYMENT AND LABOUR PRACTICES

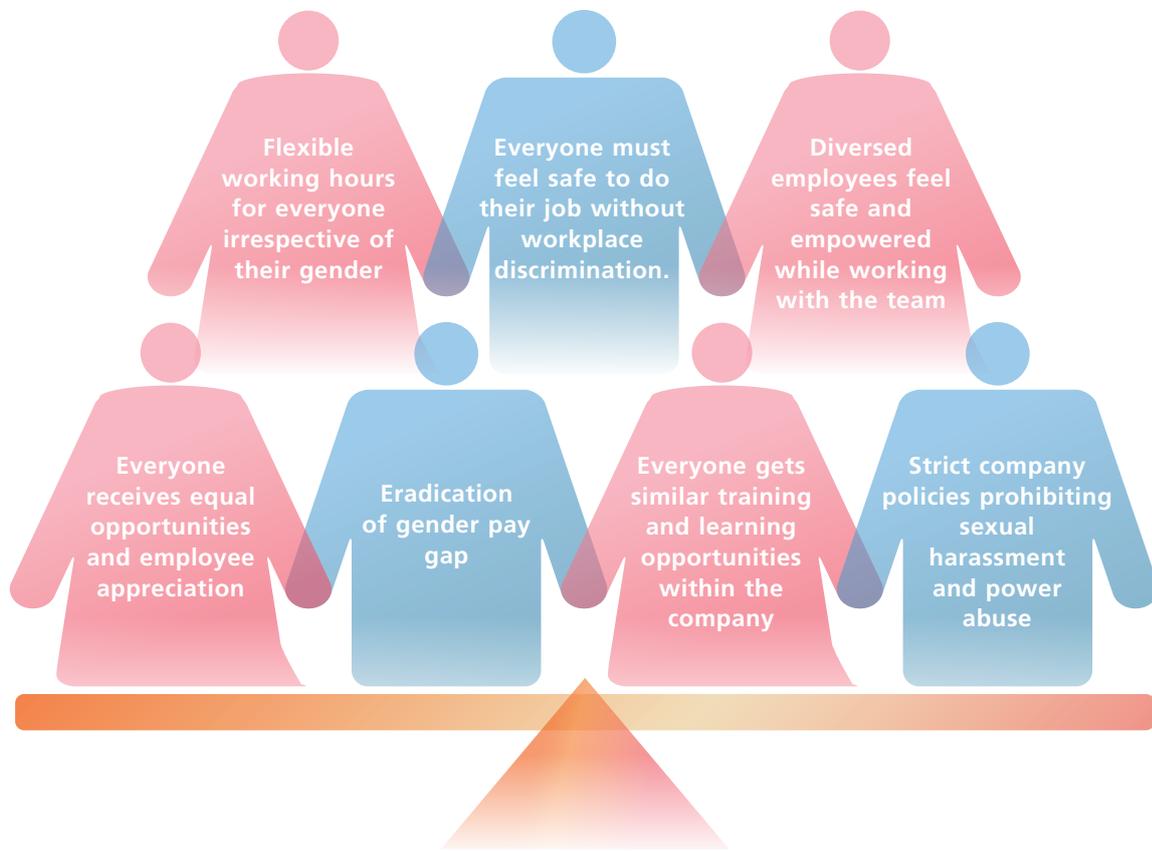
Employment

Employees are the foundation of the Group and the dedication and commitment of each of our employees are vital. We equally value our part-time and full-time employees as we believe part-time employees offer flexibility and their contribution to the Group is no difference than others especially in a volatile business environment. As a responsible employer, we have in place a set of employment policies that ensures fair remuneration for all part-time and full-time employees. Policies relating to our employment system, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare are set out in the Staff Handbook.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Our Group has been awarded with the Certificate of the Good Employer Charter organised by the Labour Department as a recognition of being an employee-oriented employer, and also the Manpower Developer Award (2023-2025) organised by Employees Retraining Board (“ERB”) to recognise our outstanding achievements in manpower training and development. We pledge to continue offering care for our employees, enhancing work-family balance, providing employee benefits above the statutory requirements and encouraging communication amongst employees. We have pledged to adopt the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation since 2022. This Code, issued by the Government of the Hong Kong Special Administrative Region, is to facilitate self-regulation on the part of employers and employees in eliminating discriminatory practices in employment. We committed to following the practices recommended in this Code.



Our BPO services are often complex and time-critical, and to meet the clients’ needs the Group operates around the clock throughout the year including public holidays. Yet to ensure our employees can achieve and maintain a healthy balance between work and family commitments, we have implemented family-friendly practices such as offering flexible working hours or work-from-home permit to those who consulted with their supervisors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

We believe creating a culture of diversity and inclusion helps our employees to unleash their potentials. We value staff diversity in our workplace, and therefore we provide equal opportunities for all applicants and employees regardless of race, colour, national origin, religion, gender, marital status, age, sexual orientation, and disability. We are committed to treating all employees with fairness and respect. Employees are hired based on their abilities and merits, and are promoted based on their performance. These commitments are stated in our Inclusive Working Environment Policy. Our Code of Conduct also requires employees to maintain a proper demeanour and conduct to eliminate discrimination and harassment in our workplace. Employees who are being discriminated or harassed should report to the Group directly. Disciplinary actions will be applied to employees who have committed any act of discrimination or harassment.

During the Reporting Period, there were no cases of non-compliance with laws and regulations related to employment and labour practices.

Social performance – Employment indicators

Number of full-time employees

The Company and its controlling subsidiaries

Gender	Employee category	2023				Total	2022				TOTAL
		Age Group					Age Group				
		below 30	30-40	41-50	above 50		<30	30-40	41-50	>50	
Male	Top Management	0	0	1	1	64	0	0	1	1	74
	Senior Management	0	1	0	1		0	0	0	1	
	Middle Management	0	2	5	2		0	3	5	3	
	General Staff	8	25	11	7		10	32	11	7	
Female	Top Management	0	0	0	0	65	0	0	0	0	70
	Senior Management	0	0	1	1		0	0	1	1	
	Middle Management	0	3	6	1		0	4	6	1	
	General Staff	13	28	5	7		17	26	7	7	
Total workforce		129				144					
Male to female ratio		0.98:1				1.06:1					
Change		-10.42%									

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Employee turnover

The Company and its controlling subsidiaries

Gender	Employee category	2023					Total	2022				TOTAL
		Age Group				Age Group						
		below 30	30-40	41-50	above 50	<30		30-40	41-50	>50		
Male	Top Management	0	0	0	0	14	0	0	0	0	13	
	Senior Management	0	0	0	0		0	0	0	1		
	Middle Management	0	0	2	1		0	0	0	0		
	General Staff	2	3	5	1		5	2	5	0		
Female	Top Management	0	0	0	0	22	0	0	0	0	14	
	Senior Management	0	0	0	0		0	0	0	0		
	Middle Management	0	1	1	0		0	0	1	1		
	General Staff	9	7	2	2		5	4	2	1		
Total employee turnover		36					27					
Employee turnover rate¹		2.20%					1.60%					
Change							33.33%					

¹ Employee turnover rate is calculated based on the average of monthly full-time employees' departure during the Reporting Period, divided by the average of the employee numbers at the beginning and end of year.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

As at 31 December 2023, the Company and its controlling subsidiaries had a total of 129 employees (2022: 144 employees). As a responsible employer and a listed company, we tried our best to make a balance to keep our staff and maintain the same level costs and benefits.

Our Inclusive Working Environment Policy clearly states our commitment to treating all employees with fairness and respect. The Group hires based on ability and merit, and rewards and promotes based on performance, regardless of gender, race, age, etc. This commitment is why we adopted the Code of Practice Against Discrimination in Employment on the Ground of Sexual Orientation in 2022. This year, the male to female ratio of the Company and its controlling subsidiaries' workforce (including directors, senior management, and other staff) was 98:100. Though the gap is small, we will pay close attention to this and strive to continue promoting gender equality by balancing the number of male and female employees.

Our Company is committed to promoting board diversity and has introduced a female board member since January 2021.

Development and Training

We believe by providing training programmes to our employees, we can promote improvement in their performance and nurture their career growth. The Group has prepared a training and development guideline for the management to establish training plans in a systematic manner. According to the guideline, we will conduct assessment to identify the training needs of our staff every year. The training programmes would eventually be developed based on the identified needs and will be organised both internally and externally. Hong Kong sought to return to a state of normalcy in 2023 after three years of pandemic. We were finally able to get back to normal and provide training to our staff. Consequently, our training hours increased dramatically from 256 to 744 hours. The training covered a variety of topics, including professional and technical knowledge, corporate culture, and communication skills.

Our employees are highly valued, and we show this by elevating their skills not only for our business growth, but also for their career growth. Apart from the continuous and effective trainings that promote knowledge acquisition and knowledge transfer, suitable performance evaluations are adopted to monitor the development of all employees. Regular transparent evaluations are conducted to review the employees' performance, attitude and abilities.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Social performance – Development and training indicators

Employee Training Information

The Company and its controlling subsidiaries

Year	Employee Category	No. of employees trained			Percentage (%) of employee trained by gender	No. of hours trained		
		Male	Female	Total		Male	Female	Total
2023	Top Management	1	0	1	Male: 43.75% Female: 60.00%	9.5	0	9.5
	Senior Management	2	2	4		15.5	29.5	45
	Middle Management	8	9	17		111.25	126.5	237.75
	General Staff	17	28	45		192.75	259	451.75
	Total	28	39	67		329	415	744
2022	Top Management	0	0	0	Male:23.40% Female:28.85%	0	0	0
	Senior Management	0	2	2		0	51.5	51.5
	Middle Management	5	6	11		52	61.5	113.5
	General Staff	6	7	13		36.5	54.5	91
	Total	11	15	26		88.5	167.5	256

In 2023, the total number of training hours more than doubled compared to 2022. As a core value of the Group, we continue to prioritize investing in our people. We were able to train 67 staff members in 2023, compared to 26 in 2022. The Group remains dedicated to employee engagement and talent retention. By doing so, we not only enhance our employees' professional skills, but we also foster team-building and communication through training games and activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Health and Safety

Creating a healthy and safe working environment is our commitment to all employees, particularly when it comes to protecting employees from work injury and occupational diseases. To accomplish this objective, our Occupational Health and Safety Policy states the joint responsibility of the Group and our employees.

We enable our employees to have a flexible work arrangement long before COVID-19 to maintain work-life balance. It allows us to respond with more agility during the pandemic. But not every employee can handle all of their tasks from home. We have some guidelines and preventative measures in place to mitigate the chance of COVID spread and limit the COVID exposure among our staff. We have made the health of our employees the priority. We have engaged a professional hygiene management company to conduct a Professional Sani-Mist Germicidal Treatment for the office at least once a month to eliminate bacteria, viruses and odour sources through deep cleaning and sanitation.

We are proud of our zero-injury record since 2017 and our employees who made and will continue to make safety a daily priority. The wellbeing of our staff is imperative to us and therefore we respond actively to government appeals and have restrictions to put in place to limit physical access to the premises. We also had implemented alternate working arrangements to reduce the on-site presence. In the meantime, we remain having facilities and activities in place that encourage calories burning and nutrients intake. Dart board, table tennis table and synthetic bowling greens are installed in the office and we have arranged more physical activities to promote healthy lifestyle.

To go beyond the standard set out in the regulations and to maintain a safe and healthy workplace, we are keen on listening to our staff who are encouraged to talk to the occupational safety and health representatives regarding any potential hazards at workplace. To take this even further, the Group introduced an "ESG Corner" on its intranet, where tips on workplace health and safety are shared with our employees, and by having quiz games, we opened up another channel to collect feedback from our employees. Most of our employees in 2023 were arranged to work on a hybrid working mode. Nevertheless, throughout the year the Group continued to promote and remind them the importance of Occupational Safety and Health both when they are in the workplace and when they work remotely.

During the Reporting Period, there were no cases of non-compliance with laws and regulations related to health and safety.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Social performance – Health and safety indicators

Number of work-related fatality and/or injury

	The Company and its controlling subsidiaries	
	2023	2022
Number of work-related fatalities	0	0
Number of work-related injury	0	0
Lost day due to work-related injury	0	0

Labour Standard

Child and forced labour do not only put our reputation at risk, but more importantly, it is associated with possible infringement of basic human rights.

The Group has established policies to provide guidance on prohibiting any form of child or forced labour in our operations. As stated in our Hiring Procedure, the use of child labour is prohibited according to the Employment of Children Regulations made under the Employment Ordinance or other relevant employment laws. Reimbursements, cash compensation and compensatory leaves are provided to eligible employees who agree to engage in overtime work during work days and rest days.

During the Reporting Period, there were no cases of non-compliance with laws and regulations related to child and forced labour.



Encourage Everyone Go Green!

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

OPERATING PRACTICES

Supply Chain Management

As a business involving the use of natural resources, the Group pays greater attention to minimising the environmental and social impacts of our business along with our suppliers and service vendors. We are including ESG factors in all aspects of supply chain management, from assessment to annual performance review. During the Year, the Group has approximately 249 suppliers, of which 232 are based in Hong Kong, 15 is based in Mainland China, 1 in Japan and 1 in Singapore. We prefer selecting those who have environmental commitments and we look for indicators such as the ISO 14001 certification. We prioritise suppliers with excellent ESG performance, and products that have Forest Stewardship Council certification. These measures ensure that we use products that are low polluting, recyclable, and resource-saving; reducing our environmental impact and promoting sustainable development. We also consider factors such as compliance with environmental legal requirements in our supplier and service vendor assessment, selection and evaluation process.

The Group understands supply chains can increase the reputational risks to an organisation, for that reason a Green Procurement Guideline is in place and an assessment of suppliers' social performance is required when sourcing. All potential suppliers will be assessed based on different aspects such as reputation, experience, financial performance, awareness to environmental protection etc. On-site visit will be conducted for further evaluation. They are also required to sign the Non-Disclosable Agreement ("NDA") and Supplier Information Security Requirement Acknowledgement to register on our confirmed supplier list. The Group has taken measures to enhance the sourcing workflow and raise our employees' awareness by ensuring environmental and social impacts are also taken into account when assessing the cost-effectiveness in our purchasing decision-making process. Supplier Code of Conduct, which is published under Section "Stakeholder Communications" on our Investors Page on the Company website, has stated the baseline and our suppliers are encouraged to strive to exceed the industry sustainability standards. Supplier's Performance Evaluation will be conducted on a semi-annual basis to ensure the quality of our services and they are invited to complete a questionnaire on an annual basis to review their security level. Suppliers are stipulated to do incident reporting with the respective handling mechanism on any defect.

The Group places more reliance on suppliers and service vendors as the Group's businesses evolve. When more and more sensitive data is being processed and stored with third parties, the Group has extended to its suppliers and service vendors the commitment and responsibility they have to the clients in maintaining the confidentiality, integrity and availability of such data, which is the rationale of the Group's vendor risk management policy. Vendor-related or project-based risks are assessed and categorised in high, medium or low criticality, subject to factors such as sensitivity of vendor-controlled data and access type, while appropriate controls are implemented to limit any threat or damage that may cause to the Group. We are currently drafting a self-assessment questionnaire to be used before the selection process for potential suppliers. It is slated for release in 2024. The Group will continue to improve our Supply Chain Management to achieve better results.

Product Responsibility

The Group has been a participating member to Green Event Pledge organised by Environmental Protection Department (the "EPD") since 2019. We committed to make reference to the "Green Event Guidebook" published by EPD when organising or providing services to events, integrate the green concepts into events of different nature to enhance the environmental performance.

As a BPO service provider, having an effective approach in risk management is critical in safeguarding our clients. The Group has in place a set of privacy and security policies to make sure all employees are provided with sufficient guidelines to strictly comply with all relevant regulations and laws.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

We care deeply about our clients' trust and satisfaction. With this in mind, the importance of confidentiality needs no further emphasis given the nature of the information we handle. We have always maintained a firm stance on protecting confidentiality by adhering to the strictest standards. Our Access Control Policy outlines our controlling measures on information access, while the Code of Conduct states clearly that all employees should treat all non-public information about the Group, any clients, and any suppliers and service vendors as confidential information. Employees who have access to confidential information are not permitted to use or share such information to any third parties except for the conduct within the Group's business.

The Group has attained an accredited certification for ISO 27001 Information Security Management System in 2018, to demonstrate a clear commitment to third parties and stakeholders in relation to information security management. The Group has also implemented a series of IT/ISO 27001 related policies and procedures to ensure consistency and data protection in the delivery of our services to the clients.

Looking forward, we are reviewing the mechanism and considering to prepare policies or guidelines related to product responsibility. In particular, we are going to formalise procedures for risk assessment and management policy to enhance our corporate governance, as well as updating our internal control guidelines and methods of redress, which will be opened to external stakeholders in the future.

During the Reporting Period, there were no cases of non-compliance with laws and regulations related to product and service responsibility, data protection and privacy policies.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Anti-corruption

In an era where corporate integrity is under increased scrutiny, our Company views anti-corruption as a critical priority. We believe that a strong stance against corruption is not only a legal requirement but also an integral part of maintaining a healthy business environment. It fosters trust with our clients, partners, and employees, and serves to protect our reputation in the marketplace. In line with our Code of Conduct, our employees should be vigilant to any acts involving fraud, deception, theft, forgery, bribery or corruption. Unless consent is given, our employees should not offer, solicit or accept anything of material value to or from their colleagues, clients, suppliers and service vendors or other business partners of the Group.

We put special emphasis on preventing insider trading. The Code of Conduct requires our employees to keep all information of any listed companies strictly confidential, especially when the disclosure of such information would cause sharp fluctuation of share prices. Employees are also prohibited from trading the securities of these companies directly or indirectly.

To ensure that our anti-corruption policy is implemented effectively, the Group regularly communicates with our staff on the importance of integrity and arranges anti-corruption training sessions for all employees to arouse their awareness on business ethical standards and to ensure a full understanding on its expectations. These training sessions are designed to not only educate our staff on the importance of anti-corruption measures but also equip them with the skills needed to identify and respond to potential corruption risks. Employees are encouraged to report any suspicious behavior and are assured that they can do so without fear of retaliation. Bribery and corruption are viewed as unethical and unacceptable in the Group. They are inconsistent with our values and will not be tolerated in the Group. In support of this position and to emphasise the importance, we refine the anti-bribery and anti-corruption policy regularly to make it more comprehensive and provide clear guidelines on situations like kickbacks and gift receiving, to ensure we uphold the highest standards of professional integrity. We have invited the Hong Kong Independent Commission Against Corruption to conduct a seminar in 2023 to raise our employees' awareness of business ethical standards. We have also established a confidential whistle-blowing system as a channel for our staff to report any illegal behaviours. The whistle-blowing system will be reviewed continually to provide guidance in reporting and handling procedures. A more elaborated reporting channels and mechanism was launched in 2018 for different stakeholders to address their relevant concerns. If any person of the Group is suspected to have involved in illegal or dishonest acts, anyone can provide relevant information through reporting channels such as their line manager, department head, Chief Executive Officer, and the Chairman of the Audit Committee, depending on the seriousness and sensitivity of the issues involved and who is suspected of the wrongdoing. We are committed to achieving the highest possible ethical standards in all of its practices.

Whistle-blowing policy is also published under Section "Stakeholder Communications" on our Investors Page on the Company website, it is dedicated to external stakeholders to report any suspected misconduct, malpractice or illegal acts. Further details on the Whistle-blowing Policy and the reporting form can now be downloaded from the Company website.

During the Reporting Period, there were no concluded legal cases and cases of non-compliance with laws and regulations related to anti-corruption.

WE CARE THE COMMUNITY IN WHICH WE WORK AND LIVE, PEOPLE-ORIENTED LEADERSHIP STYLE HAS CREATED A CULTURE OF TRUST, CARING AND COHESIVENESS WITHIN THE GROUP.

HM gift bag to
Po Leung Kuk Elderly House
on Mid-Autumn Festival



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

COMMUNITY PARTICIPATION

Community Investment

The Group's Social Responsibility Team was established in 2007, and ever since we have been taking part in various charity events, projects and donation drives. In 2023, we have recruited 158 volunteers, and have served the community for 294.5 hours throughout the year. We encouraged our employees to give back to the society, items purchased to contribute for various charitable activities and direct donation is HK\$40,610.80 and HK\$48,360.00 respectively.

As a caring enterprise, the Group is keen on understanding the needs and fulfilling the expectations of our stakeholders and the communities which we operate in. The enactment of Community Investment Guideline indicates our commitment to foster positive relationships in the communities.

In recognition of our continuous efforts, we have been awarded with the Caring Company Logo from the Hong Kong Council of Social Service for fifteenth consecutive years.

ENVIRONMENTAL PROTECTION

The nature of our business carried out by the Group does not involve direct destructive effects on the environment. Yet, the Group has been and still is devoted to conserving and protecting the environment, for which, several activities and measurements are undertaken. Moreover, the Group understands its role as a responsible enterprise and aims at minimising the impact of its operation on the environment while facilitating its financial growth by establishing the Environmental and Social Policy and adopting the measures therein.

Emissions

During the Reporting Period, we have quantified the greenhouse gas emissions from our operations with a carbon assessment. The Guidelines compiled by the EPD and the Electrical and Mechanical Services Department of Hong Kong, and international standards such as ISO 14064-1 and Greenhouse Gas Protocol were referred to during the quantification of greenhouse gas emissions. The assessment process allowed us to understand the use of resources better, develop specific action plans to enhance efficiency and formulate carbon reduction targets.

Greenhouse gas emission is mainly generated from fossil fuel combustion that the Group consumes directly and indirectly in its daily operation. Direct emissions include unintentional greenhouse gas released from printing machines. Indirect greenhouse gas emissions are mainly attributed to the consumption of electricity from using the lighting system, air-conditioning and office equipment.

Business travel, especially by air, is one of the contributors to the Group's greenhouse gas emissions. We encourage employees to make use of virtual meetings and virtual training courses to avoid overseas business travel whenever practicable. We also encourage employees to schedule visits or offsite meetings within one trip to reduce the frequency of travel.

In order to reduce the number of non-hazardous waste, the Group engages a professional vendor to handle recycling of sensitive paper documents. Paper wastes, plastic bottles and aluminium cans would be collected separately by putting them in the designated color recycle bins at offices. Reusing of stationery such as paper clips, folders, binders, envelopes, refillable ball pens, etc. are recommended to fully utilise the office materials.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Use of Resources

It is the Group's duty to use resources efficiently and responsibly. We have adopted a series of measures which allows us to effectively manage our use of resources.

Paper is a major resource the Group uses, therefore the majority of A4 office papers in our daily operation is FSC™-certified, the mark of responsible forestry in production. We also minimise our paper consumption by replacing printed notices and memorandums with uploaded versions published on the Group's intranet and encouraging paperless meetings. The overall ordering has decreased ever since the digital document management process was launched and the idea of less paper usage to save the planet has been cultivated. Benefits of transforming into a paperless office is more than cost-effective, it has also created an efficient workflow as well as the data security enhancement and promotion on environmental friendliness. With most of our employees working from home, paperless workflow has allowed us to maintain the same service level during the coronavirus pandemic. We have implemented a paperless workflow across our controlling subsidiaries and all together we purchased 2,440.5kg paper in 2023 compared to 5,355.2kg in 2022. We have embedded the ESG culture into our subsidiaries. Last year, we set the objective to reduce our paper usage by half by 2023, and we have successfully achieved this goal. Externally, the Group continues to apply the green and digitisation approach in the marketing programmes. We have E-card/eDM/online media placement and advertisement to replace the traditional printing products; produced an online product catalogue for sales toolkit. We have also leveraged different social media channels for branding campaign and deploying an online platform for event promotion and registration.

The Group encourages water conservation at the workplace to nurture a water saving culture among the employees by reminding employees to turn off water taps when they are not in use. Any leakage or dripping found in our office areas should also be reported promptly to prevent unnecessary water consumption.

The Group has established guidelines to advise employees to use energy efficiently. Office copy machines will be automatically switched to energy saving mode when left idle for a set period of time. Our office has phased out all the incandescent light bulbs to promote the energy efficiency. Electric appliances are also be automatically switched off when they are not in use.

The Group is dedicated to using resources efficiently and has certain energy and resource saving initiatives in place to help reducing its consumption of resources.

Although the Group has put waste recycling and donation into practice to minimise any environmental impact, we understand that waste reduction is more beneficial and cost-effective than recycling. We encourage our employees to reuse office stationeries and advocate the use of reusable containers and utensils in the office.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023



Donation of love soup and meal box to Gingko House



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Environment and Natural Resources

We understand that in order to generate long-term values for stakeholders and local communities, it is important to minimise the negative environmental impact of our business operations.

Due to our business nature, apart from emissions and use of resources, our operation does not have other significant impact on the environment. The Group is certified with the FSC™ Chain of Custody Certification, which outlines the requirements for tracking certified materials from the forest to the final product to ensure the wood contained in the product or product line originates from certified forests.

The Group has established a whistle-blowing system for employees to raise concern on any behaviour that is detrimental to the environment. During the Reporting Period, there were no cases of non-compliance with laws and regulations related to emissions and environmental protection.

Environmental performance

The Company and its controlling subsidiaries

Air emissions	Air Pollutant Emission (kg)		
	The Company and its controlling subsidiaries		
	2023	2022	Change
Nitrogen oxides (NOx)	0.90	0.66	36.36%
Sulphur oxides (SOx)	0.03	0.02	50.00%
Respiratory suspended particles (RSP)	0.06	0.05	20.00%

Unfortunately, Hong Kong's return to normalcy in 2023 has resulted in a rebound in air pollutant emissions. Vehicle usage has surged, and there has been an increase in the emissions of NOx, SOx, and RSP by 36.36%, 50.00%, and 20.00% respectively.

Greenhouse gas emissions	Greenhouse Gas Emission (tonnes)		
	The Company and its controlling subsidiaries		
	2023	2022	Change
Greenhouse gas in total	100.88	137.69	-26.73%
Scope 1: Direct greenhouse gas emissions	5.23	4.01	30.42%
Scope 2: Energy Indirect greenhouse gas emissions	91.98	107.58	-14.50%
Scope 3: Other Indirect greenhouse gas emissions	3.67	26.10	-85.94%
Intensity of greenhouse gas (tonnes CO₂-e per employee)	0.78	0.96	-18.75%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

During the Reporting Period, the total greenhouse gas emissions were 100.88 tonnes with an intensity of 0.78 tonnes of CO₂-e per employee. This figure represents a significant decrease of 36.81 tonnes, or 26.73%, compared to the total greenhouse gas emissions in 2022. The decrease is due to a drop in purchased electricity, which shows that our campaign on energy saving in the office is effective. However, the Scope 1 emissions have increased due to a return to normalcy which leads to an increase in driving frequency. We anticipate that in 2024, the Scope 1 and 3 emissions may unavoidably increase slightly.

The paper usage in our controlling subsidiaries used to be quite high. As suggested in our 2022 ESG Report, we have formulated various plans to reduce consumption. We have implemented a paperless workflow and have seen significant achievements as a result.

Use of energy	Energy Consumption (MWh)		
	The Company and its controlling subsidiaries		
	2023	2022	Change
Petrol	18.72	14.35	30.45%
Purchased electricity	135.26	136	-0.55%
Total	153.98	150.35	2.41%
Intensity of energy (MWh per employee)	1.19	1.04	-14.42%

During the Reporting Period, the total energy consumption used was 153.98MWh with an intensity of 1.19MWh per employee. The intensity per employee slightly increased from 1.04MWh to 1.19MWh in 2023. As Hong Kong returned to normalcy in 2023, vehicle usage also increased. As a result, petrol consumption has slightly risen. However, we successfully managed to reduce electricity usage within our Group.

Data of water consumption is not available since the Company and its controlling subsidiaries operate in leased office premises for which both water supply and consumption are solely controlled by the building management. The provision of water consumption data or sub-meter for individual occupants is not feasible.

Waste disposal	Waste Disposal (tonnes)		
	The Company and its controlling subsidiaries		
	2023	2022	Change
Hazardous wastes	0	0	N/A
Non-hazardous wastes	5.27	11.92	-55.79%
Total	5.27	11.92	-55.79%
Intensity of waste (tonnes per employee)	0.04	0.08	-50%

During the Reporting Period, the non-hazardous wastes produced were 5.27 tonnes with an intensity of 0.04 tonnes per employee. This figure represents a dramatical decrease of 6.65 tonnes or 55.79%, compared to the total waste in 2022.

The Company and its controlling subsidiaries all together has generated 5.27 tonnes non-hazardous wastes. We will strive for better and aim to reduce this number drastically in 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023



Cancer Fund – Sweat to Support!



Food Angel –
Help Prepare and
Sort Vegetables

Cancer Fund Pink Revolution
Dress Pink Day 2023



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023



Cancer Fund Stride for a Cure 2023



Our SRT Team joined the Food Angel Food Rescue and Assistance Programme to prepare food collected from different sectors

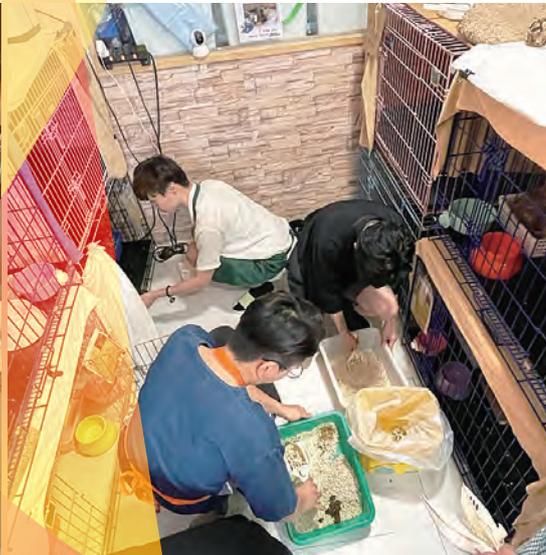


Cancer Fund – Dress Pink Day
All dress pink to show support

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Visit the shelter for abandoned cats and to clean cages



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

ESG PERFORMANCE AT A GLANCE

Environmental Performance

Air emissions	Types of emissions	Amount emitted
	Nitrogen oxides (NOx) (in kilogram)	0.90
	Sulphur oxides (SOx) (in kilogram)	0.03
	Respiratory suspended particles (RSP) (in kilogram)	0.06

Greenhouse gas emissions	Types of emissions	Amount emitted
	Greenhouse gas in total (in tonnes)	100.88
	Scope 1: Direct greenhouse gas emissions (in tonnes)	5.23
	Scope 2: Energy Indirect greenhouse gas emissions (in tonnes)	91.98
	Scope 3: Other Indirect greenhouse gas emissions (in tonnes)	3.67
Intensity of greenhouse gas (tonnes CO ₂ -e each employee)	0.78	

Waste disposal	Types of wastes	Waste produced
	Total hazardous (in tonnes)	5.24
	Non-hazardous (in tonnes)	0.00
Intensity of non-hazardous (tonnes each employee)	0.04	

Use of energy	Types of consumption	Waste produced
	Petrol (in MWh)	18.72
	Electricity (in MWh)	135.26
	Total energy consumption (in MWh)	153.98
Energy intensity (MWh each employee)	1.19	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Social performance – Employment and Labour Practices

	Gender	Employee category	Age Group				Total workforce	Male to female ratio
			below 30	30-40	41-50	above 50		
Number of full-time employees	Male	Top management	0	0	1	1	129	0.98:1
		Senior management	0	1	0	1		
		Middle management	0	2	5	2		
		General staff	8	25	11	7		
	Female	Top management	0	0	0	0		
		Senior management	0	0	1	1		
		Middle management	0	3	6	1		
		General staff	13	28	5	7		

	Gender	Employee category	Age Group				Total employee turnover	Employee turnover rate
			below 30	30-40	41-50	above 50		
Employee turnover	Male	Top management	0	0	0	0	36	2.20%
		Senior management	0	0	0	0		
		Middle management	0	0	2	1		
		General staff	2	3	5	1		
	Female	Top management	0	0	0	0		
		Senior management	0	0	0	0		
		Middle management	0	1	1	0		
		General staff	9	7	2	2		

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Work-related fatality and / or injury	Gender	Number of work-related fatalities	Number of work-related injury	Lost day due to work-related injury
	Male	0	0	0
	Female	0	0	0

	Gender	Employee category				Total	Percentage (%) of employee trained by gender
		Top management	Senior management	Middle management	General staff		
Number of trained employees	Male	1	2	8	17	67	43.75%
	Female	0	2	6	7		60.00%
Total training hours	Male	9.5	15.5	111.25	192.75	744	/
	Female	0	29.5	126.5	259		



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

ESG REPORTING GUIDE CONTENT INDEX

Material Aspect	Content	Page Number / Remark
A. Environmental		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	33
A1.1	The types of emissions and respective emissions data	36
A1.2	Greenhouse gas emissions in total and intensity	36
A1.3	Total hazardous waste produced	37
A1.4	Total non-hazardous waste produced and intensity	37
A1.5	Description of measures to mitigate emissions and results achieved	33
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	33
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	34
A2.1	Direct and indirect energy consumption by type in total and intensity	37
A2.2	Water consumption in total and intensity	There was no independent water meter installed in the office to record water consumption and the properties management is unable to provide relevant water bills. Hence, there was no data of water consumption.
A2.3	Description of energy use efficiency initiatives and results achieved	37
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Currently sourcing sufficient water from municipal water supplies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Material Aspect	Content	Page Number / Remark
A2.5	Total packaging material used for finished products	The Group did not use packaging material.
A3 Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	36
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	37
B. Social		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	21
B1.1 (Partial)	Total workforce by gender and age group	22
B1.2 (Partial)	Employee turnover rate by gender and age group	23
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	27
B2.1	Number and rate of work-related fatalities	28
B2.2	Lost days due to work-related injury	28
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	28
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	25
B3.1	The percentage of employees trained by gender and employee category	26
B3.2	The average training hours completed per employee by gender and employee category	26

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2023

Material Aspect	Content	Page Number / Remark
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	28
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	29
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	29
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	30
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	31
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	31
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	31
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	33
B8.2	Resources contributed	33