

# HM INTERNATIONAL HOLDINGS LIMITED



(Incorporated in the Cayman Islands with limited liability)

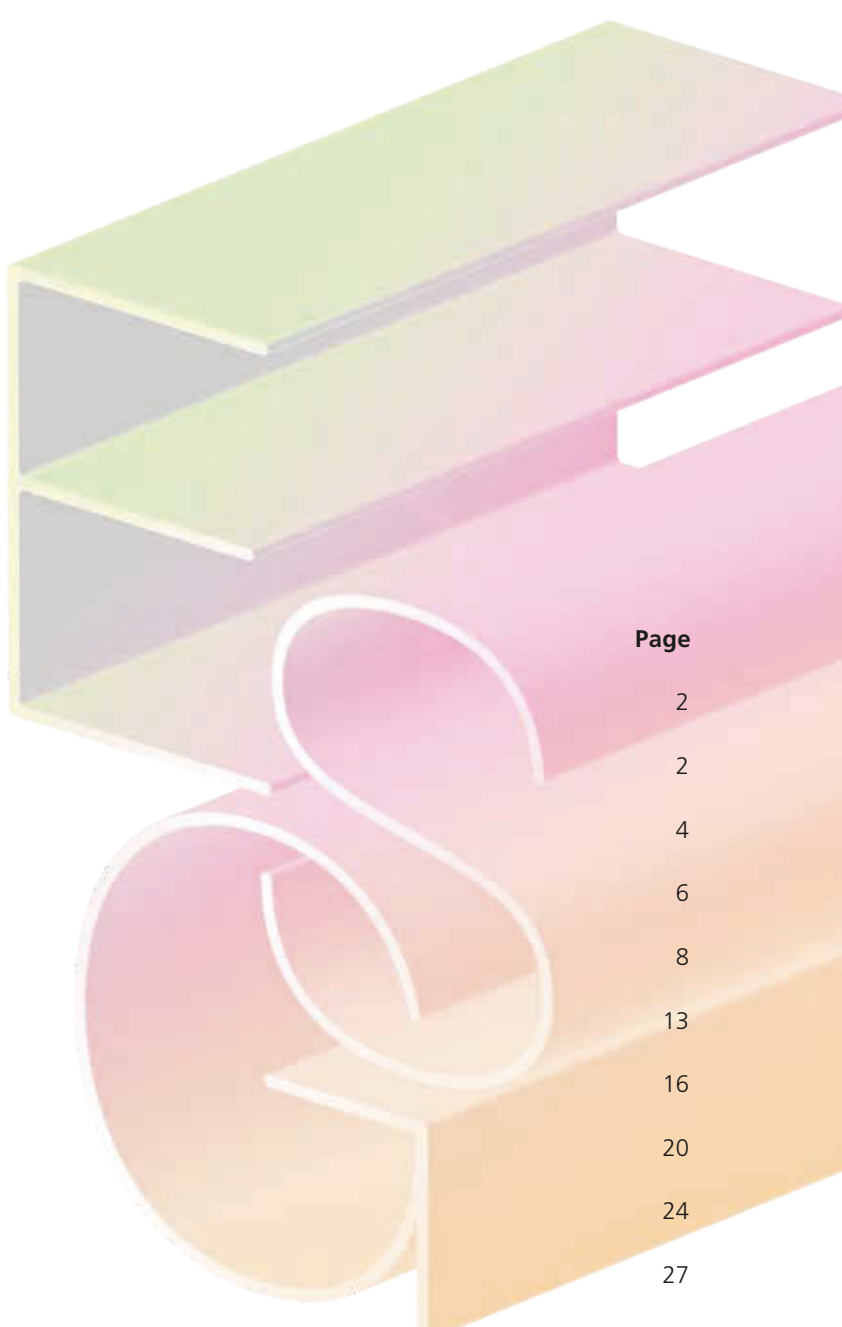
Stock Code: 8416

## 2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



# CONTENTS



	<b>Page</b>
ABOUT THE COMPANY	2
ABOUT THIS REPORT	2
MANAGEMENT STATEMENT	4
STAKEHOLDER ENGAGEMENT	6
EMPLOYMENT AND LABOUR PRACTICES	8
OPERATING PRACTICES	13
COMMUNITY PARTICIPATION	16
ENVIRONMENTAL PROTECTION	20
ESG PERFORMANCE AT GLANCE	24
ESG REPORTING GUIDE CONTENT INDEX	27

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*For the year ended 31 December 2020*

## ABOUT THE COMPANY

Being one of the major financial printing service providers in Hong Kong, HM International Holdings Limited (the "Company") and its 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 20 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 2020 (the "Reporting Period"). The governance structure and practices of the Group have been set out in the Corporate Governance Report on pages 35 to 46 of the 2020 Annual Report.

### Scope of the Report

As a start, the scope of the Report covers only HM International Holdings and its wholly owned subsidiaries. The Group may examine and extend the scope of the Report in future to cover its subsidiaries and joint ventures over which it currently possesses either a majority or joint control on their operating policies. This report focuses on the operation of the Group's integrated printing services in its two offices in Hong Kong during the Reporting Period. 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. In order to compare the Group's yearly performances, the structures of this report is aligned as closely as possible to that of the previous years.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*For the year ended 31 December 2020*

### Materiality of the Report

We believe setting the context for materiality assessment is essential. Materiality should be determined by both internal and external factors. In order to help identifying material issues and concerns, we engage stakeholders through different channels to better understand their views. Following elements are considered after consultation including business strategy, legal and regulatory obligations, industry norms, stakeholders' concerns and community and societal expectations etc. We follow Global Reporting Initiatives ("GRI") on the definition for purposes of ESG reporting which is "The information in a report should cover topics and indicators that reflect the significant economic, environmental, and social impacts of the organization, or that would substantively influence the assessments and decisions of stakeholders." Materiality varies based on different industries and companies, following the discussion with our senior management and operational staff, we assessed ESG issues relevant to the Group by considering their importance to our stakeholders as well as the Group, we therefore outlined the prioritisation on the aspects required by SEHK. These KPIs contain information deemed material to our Group or industry and may be in the high rank for reporting. Combining the results of discussion, we identified three material aspects, Employment, Product Responsibility and Use of Resources, to be the focuses of this report.

### Opinion and Feedback

This report is available online on our Company's website at [www.hetermedia.com](http://www.hetermedia.com) and the "Latest Listed Company Information" page of the GEM website at [www.hkgem.com](http://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 [enquiry@hetermedia.com](mailto:enquiry@hetermedia.com).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*For the year ended 31 December 2020*

### MANAGEMENT STATEMENT

The year of 2020 was a remarkable one. It will be remembered as one of the most challenging years in the century, yet it was transformative. The pandemic has caused the entire population in the world to urgently adapt a new way of life. It has forced all of us and nearly every industry in the globe to adopt a new working mode that was once thought impossible.

The civil unrest in Hong Kong in 2019, followed by the worldwide COVID-19 lockdown and ongoing Sino-US trade disputes have struck a severe blow at the worldwide economy. We are in no exception; the adverse impact on the Group's business is evident. A rapidly evolving event like COVID-19 pandemic is erratic to all of us with no established playbook. Certain controls and preventive measures were immediately established to protect our customers and employees who were present at our premises: protective equipment including but not limited to face masks, hand sanitizer, alcohol wipes and disinfectants was made available. We recognized and credited our management team who has demonstrated a great foresight by setting up the remote working infrastructure long before the pandemic happened. We have expanded the coverage of the Remote Working Policy to ensure the safety of our employees and customers. During this unprecedented adverse situation and rapidly changing environment, we have been strictly following all prevention measures required or advised by the government in all our regional offices without compromising our professional services level. Our customers experienced and appreciated our swift response even during this challenging and unpredictable period of time. Their health and that of our employees is always our priority, "People Oriented" is not a slogan but a cornerstone of our Group. We believe healthy businesses require healthy people.

Remote working and flexible hours policy was introduced years ago to provide a work life balance for our employees. Not only that it can cut down the commute time for our employees to allow more rest for them and better use of time, but also create a positive environmental impact by reducing the carbon emissions and paper consumption. Making sustainability integral to our core business has proved to be necessary and should be considered as part of our risk management approach. Thus, it remains a top priority to the Board and has become an essential part of our long-term formulated strategy. We have continued to invest on suitable technology to ensure employees' ability to work remotely and at the same time maintain the stability and efficiency of our operations. SEHK issued its consultation conclusions on 18 December 2020 to make paperless listing mandatory effective from July 2021. We welcome the decision and are well prepared for the change. We have kept abreast of the media trends to offer different e-channels to our customers for the printed matters replacement. For work that requires paper consumption, we have obtained the Chain of Custody Certification issued by the Forest Stewardship Council ("FSCTM") and the majority of A4 office papers our employees use is FSCTM-certified. Beyond our commitment to use resources responsible, our corporate philosophy is "Taken from the society, Given back to the society". 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. We engage our employees in giving and encouraging socially responsible behaviours. To this end, a Social Responsibility Team ("SRT") was established years ago to summon all of our strengths to contribute to our society. The Group is committed and we fully recognise that creating shared values with our stakeholders is a holistic and sustainable approach to our business. We also understand our responsibility for the business growth should be taken into account for creating a sustainable future for the planet.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

BEYOND BEING  
RESPONSIBLE  
USE OF  
RESOURCES,  
OUR FIRM  
BUSINESS  
PHILOSOPHY IS  
"TAKEN FROM  
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GIVE BACK TO  
THE SOCIETY".



The COVID-19 crisis has undoubtedly been seen as a risk to most of the industries/organisations however it has also sounded the alarm on the importance of the environment, social and governance factors. We believe it will ultimately accelerate the ESG agenda with the far-reaching repercussions. With concerted effort, we will continue to outperform ourselves in developing and maintaining a sustainable business. Taking different social needs and expectations into consideration, we endeavour to collaborate with our stakeholders at different levels to formalise a comprehensive sustainability governance structure. While we still have a long way to go, with the shared vision and the determination, we have every confidence in achieving the goals.

**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 2020*

### STAKEHOLDER ENGAGEMENT

Based on our experience and communication we have with our clients, external organisations and our employees, the Group consolidated six 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, and the community.

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.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

Stakeholder	Expectation	Communication Channel	Measures
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Rights and interests of employees</li> <li>• Comfortable and safe working environment</li> <li>• Clear career path, development and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Intranet, emails and notices</li> <li>• Training seminars and sharing sessions</li> <li>• Employee surveys</li> <li>• Quarterly talk</li> </ul>	<ul style="list-style-type: none"> <li>• Provide new staff orientation sessions and welcome events</li> <li>• Organise regular training and team building activities</li> <li>• Provide a comfortable and safe working environment</li> <li>• Listen to employees' comments and opinions proactively</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Investment return</li> <li>• Transparent and timely updated information</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meetings and extraordinary general meetings</li> <li>• Financial reports, circulars and announcements</li> <li>• Company website</li> <li>• Emails</li> </ul>	<ul style="list-style-type: none"> <li>• Issue notices of meetings, financial reports, circulars and announcements</li> <li>• Update the information on the Company website from time to time</li> </ul>
<b>Industry associations</b>	<ul style="list-style-type: none"> <li>• Experience sharing</li> <li>• Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>• Industry conferences and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperate with industry partners to achieve better performance</li> <li>• Attend open seminars in the industry</li> </ul>
<b>Suppliers and service vendors</b>	<ul style="list-style-type: none"> <li>• Long-term relationship with the Company</li> <li>• Transparent information</li> </ul>	<ul style="list-style-type: none"> <li>• Business meetings and verbal communication</li> <li>• Supplier assessments and reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance communication with suppliers and service vendors</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>• High-quality products and services</li> <li>• Close relationship with the Company</li> <li>• Transparent information</li> <li>• Business integrity and ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Financial reports, circulars and announcements</li> <li>• Business meetings and verbal communication</li> <li>• Product and service brochures</li> <li>• Client satisfaction survey</li> <li>• Various social media</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen quality control management</li> <li>• Obtain feedback from our clients proactively</li> </ul>
<b>The community</b>	<ul style="list-style-type: none"> <li>• Business integrity and ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reports, circulars and announcements</li> <li>• Company website</li> <li>• Various social media</li> </ul>	<ul style="list-style-type: none"> <li>• Organise and support charitable activities</li> </ul>



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

### 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 Company 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 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.

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 (2020-2022) 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.

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 2020

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

Gender	Employee category	2020				2019			
		Age group				Age group			
		<30	30-40	41-50	>50	<30	30-40	41-50	>50
Male	Top Management	0	0	1	1	0	0	1	2
	Senior Management	0	0	0	0	0	0	0	0
	Middle Management	0	1	3	1	0	3	3	0
	General Staff	11	19	9	2	22	23	7	3
Female	Top Management	0	0	0	0	0	0	0	0
	Senior Management	0	0	1	2	0	0	1	2
	Middle Management	0	4	3	0	0	5	3	0
	General Staff	18	17	5	6	26	17	6	5
<b>Total workforce</b>		104				129			
<b>Male to female ratio</b>		0.86:1				0.99:1			
<b>Change</b>		-19.38%							

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

### Employee turnover

Gender	Employee category	2020				2019			
		Age group				Age group			
		<30	30-40	41-50	>50	<30	30-40	41-50	>50
Male	Top Management	0	0	0	1	0	0	0	0
	Senior Management	0	0	0	0	0	0	0	0
	Middle Management	0	1	0	0	0	1	0	1
	General Staff	10	8	0	2	5	2	1	0
Female	Top Management	0	0	0	0	0	0	0	0
	Senior Management	0	0	0	0	0	0	0	0
	Middle Management	0	2	1	0	0	1	0	1
	General Staff	12	9	2	0	14	4	0	0
<b>Total employee turnover</b>		48				30			
<b>Employee turnover rate<sup>1</sup></b>		3.65%				2.02%			
<b>Change</b>		60.00%							

As at 31 December 2020, the Group had a total of 104 employees (2019: 129 employees). As a responsible employer, we tried our best to keep our staff and maintain the same level costs and benefits during 2020 such a difficult business environment.

### 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. 2020 was probably the most challenging year to provide training to our staff, however we managed to provide more than 23 internal and external training programmes which comprised 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.

<sup>1</sup> 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 2020

### Social performance – Development and training indicators

#### Employee Training Information

Year	Employee category	Number of employees trained			Percentage (%) of employee trained by gender	Number of hours trained		
		Male	Female	Total		Male	Female	Total
2020	Top management	1	0	1	Male: 66.67% Female: 89.29%	9.5	0	9.5
	Senior management	0	3	3		0	179	179
	Middle management	5	7	12		43	120.5	163.5
	General staff	26	40	66		152	289	441
	<b>Total</b>			<b>82</b>				<b>793</b>
2019	Top management	3	0	3	Male: 62.50% Female: 80.00%	7	0	7
	Senior management	0	3	3		0	32	32
	Middle management	6	8	14		21	107.5	128.5
	General staff	31	41	72		149.5	359.5	509
	<b>Total</b>			<b>92</b>				<b>676.5</b>

Compare to 2019, the total number of training hours has slightly increased by 6.50% in 2020. Investment in our people remains the core value of the Group, with the policy set by the Company to restrict staff from going in office, we however managed to train 80 staff in 2020. The Group continues to pay special attention to employee engagement and talent retention. By doing so we not only strengthen employee's professional skills but also promote team-building and communication through training games and activities.

#### 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 are proud of our zero-injury record in 2020 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

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. The Group also provided several Occupational Safety and Health awareness training to employees in 2020.

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

### Social performance – Health and safety indicators

#### Number of work-related fatality and/or injury

	2020	2019	2018
Number of work-related fatalities	0	0	0
Number of work-related injury	0	0	0
Lost day due to work-related injury	0	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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*For the year ended 31 December 2020*

### 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 prefer selecting those who have environmental commitments and we look for indicators such as the ISO 14001 certification. 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 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.

#### Product Responsibility

The Group has become the 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.

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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

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.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*For the year ended 31 December 2020*

### Anti-corruption

The Group is aware of the impact of its activities and its relationships with other members in the community. 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.

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. 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

### COMMUNITY PARTICIPATION

#### Community Investment

The Group's SRT was established in 2007, and ever since we have been taking part in various charity events, projects and donation drives. In 2020, we have recruited 106 volunteers and have contributed some service hours to visiting the elderly and providing interest classes to the community. Due to the restriction of the physical access to the premises requested by most of the associations, there was difficulty to serve our community on-site. We have also directly and indirectly donated around HK\$39,410 in support of various charitable activities.



Dress Pink Day to support  
Hong Kong Cancer Fund



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.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

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 twelve consecutive years.



SPCA Aniform Day



Pei Ho Counterparts

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020



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



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*For the year ended 31 December 2020*

### 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 2020*

### 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. Ever since the digital document management process launched in the operations department in November 2019, the demand on the paper has dropped drastically. Our paper order has significantly decreased from 9,275kg in 2019 to 950kg in 2020, which is about one-tenth of the previous year. In addition to our efforts to promote this, it is also attributed to the reduction on the client in-house activities during 2020. As stated in 2019 ESG report, 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. In 2020, paperless workflow has allowed us to maintain the same service level during the COVID-19 whilst most of the time our employees have to work from home. Externally, the Group continue 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. Electric appliances will 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 stationaries and advocate the use of reusable containers and utensils in the office.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

### 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

Air emission	Air Pollutant Emission (kg)		Change
	2020	2019	
Nitrogen oxides (NOx)	2.28	1.82	25.27%
Sulphur oxides (SOx)	0.06	0.06	–
Respiratory suspended particles (RSP)	0.17	0.13	30.77%

During the Reporting Period, the air pollutants of NOx and RSP increased by 25.27% and 30.77% respectively, with the SOx remains unchanged. The changes were mainly due to the increased usage of the vehicles.

Greenhouse gas emissions	Greenhouse Gas Emission (tonnes)		Change
	2020	2019	
Greenhouse gas in total	103.45	146.42	-29.35%
Scope 1: Direct greenhouse gas emissions	11.21	11.00	1.91%
Scope 2: Energy Indirect greenhouse gas emissions	84.89	98.58	-13.89%
Scope 3: Other Indirect greenhouse gas emissions	7.35	36.84	-80.05%
<b>Intensity of greenhouse gas (tonnes CO<sub>2</sub>-e per employee)</b>	<b>0.99</b>	<b>1.14</b>	<b>-13.16%</b>

During the Reporting Period, the total greenhouse gas emissions were 103.45 tonnes with an intensity of 0.99 tonnes of CO<sub>2</sub>-e per employee. This figure represents a significant decrease of 42.97 tonnes, or 29.35%, compared to the total greenhouse gas emissions in 2019. This decrease was mainly due to the drastic decrease in travel mileage and paper usage. The travel ban has caused the emission dropped from 27.68 tonnes to 5.11 tonnes and the paper ordering has decreased to one-tenth of the previous year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

Use of energy	Energy Consumption (MWh)		Change
	2020	2019	
Petrol	40.17	39.41	1.93%
Purchased electricity	114.00	128.35	-11.18%
<b>Total</b>	<b>154.17</b>	<b>167.76</b>	<b>-8.10%</b>
<b>Intensity of energy (MWh per employee)</b>	<b>1.48</b>	<b>1.30</b>	<b>13.85%</b>

During the Reporting Period, the total energy consumption used was 154.17 MWh with an intensity of 1.48 MWh per employee. This figure represents a further reduction of 13.59 MWh, or 8.10%, compared to the total energy consumption in 2019. This decrease was mainly due to a further reduction in the use of electricity and the promotion of an energy saving culture.

Data of water consumption is not available since the Group operates 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)		Change
	2020	2019	
Hazardous wastes	0	0	N/A
Non-hazardous wastes	1.87	12.02	-84.44%
<b>Total</b>	<b>1.87</b>	<b>12.02</b>	<b>-84.44%</b>
<b>Intensity of waste (tonnes per employee)</b>	<b>0.02</b>	<b>0.09</b>	<b>-77.78%</b>

During the Reporting Period, the non-hazardous wastes produced were 1.87 tonnes with an intensity of 0.02 tonnes per employee. This figure represents a decrease of 10.15 tonnes, or 77.78%, compared to the total waste in 2019. This decrease was mainly due to the reduction in paper usage.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

### ESG PERFORMANCE AT A GLANCE

#### Environmental Performance

Air emissions	Types of emissions	Amount emitted
	Nitrogen oxides (NOx) (in kilogram)	2.28
	Sulphur oxides (SOx) (in kilogram)	0.06
	Respiratory suspended particles (RSP) (in kilogram)	0.17

Greenhouse gas emissions	Types of emissions	Amount emitted
	Greenhouse gas in total (in tonnes)	103.45
	Scope 1: Direct greenhouse gas emissions (in tonnes)	11.21
	Scope 2: Energy Indirect greenhouse gas emissions (in tonnes)	84.89
	Scope 3: Other Indirect greenhouse gas emissions (in tonnes)	7.35
Intensity of greenhouse gas (tonnes CO <sub>2</sub> -e each employee)	0.99	

Waste disposal	Types of wastes	Waste produced
	Total hazardous (in tonnes)	0
	Non-hazardous (in tonnes)	1.87
	Intensity of non-hazardous (tonnes each employee)	0.02

Use of energy	Types of consumption	Waste produced
	Petrol (in MWh)	40.17
	Electricity (in MWh)	114.00
	Total energy consumption (in MWh)	154.17
	Energy intensity (MWh each employee)	1.48

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

### Social performance – Employment and Labour Practices<sup>2</sup>

	Gender	Employee category	Age group				Total workforce	Male to female ratio
			Below 30	30 to 40	41 to 50	Above 50		
Number of full-time employees	Male	Top management	0	0	1	1	104	0.86:1
		Senior management	0	0	0	0		
		Middle management	0	1	3	1		
		General staff	11	19	9	2		
	Female	Top management	0	0	0	0		
		Senior management	0	0	1	2		
		Middle management	0	4	3	0		
		General staff	18	17	5	6		

	Gender	Employee category	Age group				Total employee turnover	Employee turnover rate
			Below 30	30 to 40	41 to 50	Above 50		
Employee turnover	Male	Top management	0	0	0	1	48	3.65%
		Senior management	0	0	0	0		
		Middle management	0	1	0	0		
		General staff	10	8	0	2		
	Female	Top management	0	0	0	0		
		Senior management	0	0	0	0		
		Middle management	0	2	1	0		
		General staff	12	9	2	0		

<sup>2</sup> As of 31 December 2020.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

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	0	5	26	82	66.67%
	Female	0	3	7	40		89.29%
Total training hours	Male	9.5	0	43	152	793	/
	Female	0	179	120.5	289		

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

### ESG REPORTING GUIDE CONTENT INDEX

Material Aspect	Content	Page Number / Remark
<b>A. Environmental</b>		
<b>A1 Emissions</b>		
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	20
A1.1	The types of emissions and respective emissions data	22
A1.2	Greenhouse gas emissions in total and intensity	22
A1.3	Total hazardous waste produced	23
A1.4	Total non-hazardous waste produced and intensity	23
A1.5	Description of measures to mitigate emissions and results achieved	20
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	20
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	23
A2.1	Direct and indirect energy consumption by type in total and intensity	23
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	23

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

Material Aspect	Content	Page Number / Remark
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.
A2.5	Total packaging material used for finished products	The Group did not use packaging material.
<b>A3 Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	22
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	23
<b>B. Social</b>		
<b>B1 Employment</b>		
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.	8
B1.1 (Partial)	Total workforce by gender and age group	9
B1.2 (Partial)	Employee turnover rate by gender and age group	10
<b>B2 Health and Safety</b>		
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.	11
B2.1	Number and rate of work-related fatalities	12
B2.2	Lost days due to work-related injury	12
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	12



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

Material Aspect	Content	Page Number / Remark
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	
B3.1	The percentage of employees trained by gender and employee category	11
B3.2	The average training hours completed per employee by gender and employee category	11
<b>B4 Labour Standards</b>		
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	12
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	13
<b>B6 Product Responsibility</b>		
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	13
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	13
<b>B7 Anticorruption</b>		
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	15
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	15

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2020

Material Aspect	Content	Page Number / Remark
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	15
<b>B8 Community Investment</b>		
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	16
B8.2	Resources contributed	16