

World-link

LOGISTICS

WORLD-LINK LOGISTICS (ASIA) HOLDING LIMITED

環宇物流(亞洲)控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 6083



2021

Environmental,
Social and
Governance Report



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Message From the Chairman

I am pleased to present the Environmental, Social and Governance (“ESG”) Report (“ESG Report”) of World-Link Logistics (Asia) Holding Limited (the “Company”), together with its subsidiaries (the “Group” or “we”) for the year ended 31 December 2021 (the “Reporting Period” or “2021”), which contains our achievements in 2021 and our commitment for improvement of sustainability performance.

In addition to upholding the principle of “Service-driven, Customer-oriented and Quality-first”, we incorporate the concept of sustainability into our business operation and development. We are committed to providing each customer with quality services and generating maximum value for customers through standardised work procedures, and provision of customised comprehensive logistics solutions and exclusive supporting services to our customers.

In addition to providing business to business (“B2B”) services, the Group has started to provide business to customers (“B2C”) services i.e. home delivery services. The Group has in the past specialised in providing total supply chain service to business customers, home delivery is a new area for the Group, the number of delivery orders has largely increased during the Coronavirus Disease 2019 (“COVID-19”) epidemic period. This marked a milestone for the Group to expand from B2B services to B2C services as well. The Group has acquired a Macau company and acquired a non-wholly owned subsidiary in Hong Kong to move from a third party logistics (“3PL”) service provider into a fourth party logistics (“4PL”) service provider with distribution business.

Although the core business of the Group has a limited impact on the environment, the Group strives to reduce its impact on the environment to safeguard its sustainable business growth. The Group believes setting ESG-related targets can enhance the Group’s commitment to sustainability development and allow the Group’s stakeholders to better understand the ESG performance of the Group. During the Reporting Period, the Group sets its first ESG targets on topics that are material to the Group in compliance with the latest laws and regulations. The Group has been adopting measures to reduce its environmental impacts on different areas, and the progress of target implementation and the performance of targets are reviewed regularly by the board of directors (“Board”).

The Group believes that talents are the cornerstone of the corporation. We are committed to creating a safe and fair workplace, so that staff are motivated to thrive with the Group. We also adhere to the “people-oriented” human resource management strategy and value the opportunities for our employees to reach full potential via trainings and development. As a responsible corporation, we also highly value business ethics and integrity, striving our best to comply with laws and regulations, and preventing corruption in our operations. To improve efficiency in the use of resources, the Group has introduced high-performance equipment to streamline the operational procedures, thereby reducing resource consumption.

In the future, we will continue to implement and enhance the management and performance of our ESG practices, while expanding our businesses and making contributions to the employees, shareholders, environment and society.

WORLD-LINK LOGISTICS (ASIA) HOLDING LIMITED

Yeung Kwong Fat

Chairman and Chief Executive Officer

Environmental, Social and Governance Report

Introduction, ESG Policies

As one of the well-established logistics services providers in Hong Kong, we believe sustainability is the key to achieve continuous success, and we have integrated it into our business strategies. This ESG Report summarises the ESG initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

ESG governance structure

The Board assumes full responsibility for overseeing the Group's corporate governance as well as the overall ESG management approach, strategy, priorities and targets. In order to better manage the Group's ESG performance, related issues and potential risks, the Board regularly evaluates and determines ESG-related risks and opportunities of the Group, as well as reviews its performance against ESG-related targets. The Group has set up an ESG working taskforce (the "Taskforce"), composed of staff from relevant departments, in which, full-time staff has been assigned to collect ESG data and to compile this ESG Report. The Taskforce would periodically report to the Board, assist in the assessment and identification of risk management of the Group on ESG aspects and whether its internal control system is appropriate and effective. The Taskforce reviews the ESG performance of the Group, keeps track and reviews the progress made against the Group's ESG related targets. The Board sets the tone at the top for its ESG strategies, and is responsible for ensuring effective risk management and internal controls.

Scope of Reporting

This ESG Report generally covers the business and operating activities in Hong Kong and Macau, i.e., one office and two warehouses in Hong Kong, one office and one warehouse in Macau, which are the main source of the Group's revenue (the "Reporting Scope"), accounting for approximately 94.5% of the revenue. Part of the warehouses are utilised by the cold chain business segment, covering a total area of approximately 358,000 square feet located in the Allied Cargo Centre and the Leader Industrial Centre at Tsuen Wan, Hong Kong and a total area of approximately 5,000 square feet located in Industrial Nam Leng at Macau. The ESG key performance indicators ("KPIs") data are also obtained from these operations. The Group will extend the scope of disclosures when and where applicable.

Reporting Framework

This ESG Report has been prepared in compliance with all applicable provisions set out in the "Environmental, Social and Governance Reporting Guide" (the "ESG Reporting Guide") contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX").

During the preparation for this ESG Report, the Group has applied the reporting principles in the ESG Reporting Guide as follow:

Materiality: Materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the Board and the Taskforce. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The standards, methodologies and applicable assumptions used in the calculation of KPIs data were supplemented by explanatory notes.

Consistency: Unless otherwise stated, the preparation approach of this ESG Report is consistent with the previous year for comparison. If there are any other changes in the scope of disclosure and calculation methodologies that may affect comparison with previous reports, explanations will be provided to the corresponding data.

Stakeholder Engagement

The stakeholder¹ engagement plays a crucial role in our business administration, which helps us to identify any potential risks and opportunities. Communicating and understanding the insights of stakeholders allow the Group’s business practices to be in line with their needs and expectations, and enable proper handling of feedbacks from different stakeholders. Regular communication with key stakeholders within or outside the Group has been conducted through various channels, which provide the opportunity for stakeholders to understand our development and operational approach on one hand, and on the other hand for us to heed their opinions, so as to prioritise different issues by the importance and to formulate corresponding policies.

Relevant Stakeholders	Communication Channels	Expectations
Investors and shareholders	<ul style="list-style-type: none"> • Annual general meeting and other shareholder meetings • Financial reports • Announcements and circulars • Company website 	<ul style="list-style-type: none"> • Disclose the latest information in due course • Risk management • Corporate governance
Government and regulatory institutes	<ul style="list-style-type: none"> • Regular performance reports 	<ul style="list-style-type: none"> • Comply with relevant laws and regulations • Business ethics • Sustainable economic development
Suppliers and contractors	<ul style="list-style-type: none"> • Supplier management meetings and events 	<ul style="list-style-type: none"> • Fair competition • Cooperation with mutual benefits • Anti-corruption
Employees	<ul style="list-style-type: none"> • Regular performance reviews • Trainings, seminars and briefing sections 	<ul style="list-style-type: none"> • Health and safety • Career development and training • Remuneration and benefits • Equal opportunities
Customers and business partners	<ul style="list-style-type: none"> • Customer service team • Customer service manager 	<ul style="list-style-type: none"> • Quality service • Safe delivery • Privacy protection and customer information
Media, non-governmental organisations (“NGOs”) and the public	<ul style="list-style-type: none"> • External marketing campaign • ESG reports 	<ul style="list-style-type: none"> • Give back to society • Compliant operation

Note:

1. Stakeholders, also refers to as “interested parties”, “equity holders” or “parties involved”, means any group or individual who have significant impact on or under significant impact of the business of the Group.

Environmental, Social and Governance Report

Materiality Assessment

With reference to the Group's business development strategy and industry practices, the Group identified and determined a list of material ESG issues. We have compiled a survey in accordance with the identified material ESG issues to collect information from relevant departments, business units and stakeholders of the Group. The following matrix is a summary of the Group's material ESG issues:

Material ESG Issues	Importance to the Group		
	Low	Medium	High
Greenhouse Gas ("GHG") Emissions	x		
Waste Management	x		
Energy Efficiency	x		
Water Consumption	x		
Climate Change Mitigation and Adaptation	x		
	Low	Medium	High
Employment	x		
Health and Safety		x	
Development and Training	x		
Prevention of Child Labour and Forced Labour		x	
Supply Chain Management		x	
Product Responsibility			x
Customer Privacy Protection			x
Anti-corruption	x		
Community Investment	x		

As at the year ended 31 December 2021, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the contents of this ESG Report have complied with the requirements of the ESG Reporting Guide.

Contact US

We welcome stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of this ESG Report or our performances in sustainable development by the following means:

Address: 3/F, Allied Cargo Centre, 150-164 Texaco Road, Tsuen Wan, Hong Kong
Email: info@world-link.com.hk

A. Environmental

To fulfil the Group’s commitment to corporate social responsibility and allow the Group’s stakeholders to better understand the Group’s progress in improving ESG performance, the Group has set environmental targets to align with the national vision of carbon neutrality and enhance corporate reputation. To achieve these targets, the Group actively implements the principles of sustainable development and adopts relevant measures at operational levels.

Aspect	Target
Carbon emission	In the next five years, the Group will reduce GHG emission intensity (kg CO ₂ e/square feet) gradually compared with 2021 baseline (approximately 2.21 kg CO ₂ e/square feet, which is equivalent to approximately 0.002 tCO ₂ e/square feet).
Waste reduction	In the next five years, the Group will reduce the non-hazardous waste intensity (kg/square feet) gradually compared with 2021 baseline (approximately 0.022 kg/square feet, which is equivalent to 0.00002 tonnes/square feet).
Energy conservation	In the next five years, the Group will reduce the energy consumption intensity (kWh/square feet) gradually compared with 2021 baseline (approximately 5.83 kWh/square feet).
Water saving	In the next five years, the Group will reduce the water consumption intensity (cubic metres/square feet) gradually compared with 2021 baseline (approximately 0.032 cubic metres/square feet).

Environmental, Social and Governance Report

A. Environmental (Continued)

A1. Emissions

Given the close relationship between GHG emissions, climate change and global warming, entities from all countries have set measures and goals for carbon reduction. We also recognise our responsibilities towards the potential direct and indirect negative environmental impacts associated with our business operations.

By integrating environmental protection into our business strategy, we embrace our responsibilities to create an environmentally sustainable business. This is achieved through implementing measures that promote energy conservation, waste reduction and any other green initiatives across the life cycle of our products and services. We are also committed to educating our employees to raise their awareness on environmental consideration and compliance with the relevant environmental laws and regulations.

As a corporation providing logistics services, the Group's daily operation has limited impacts on the environments while its emissions are limited to exhaust gas, GHG, domestic waste water, hazardous and non-hazardous wastes, which mainly come from the use of resources in our warehouses and the cold chain segment in Hong Kong. Nevertheless, the Group still focuses on nurturing and strengthening employees' awareness of environmental protection in their daily work processes, and actively implements the Group's environmental protection measures, with an aim to lower the emission of GHG and reduce the generation of non-hazardous wastes.

In order to enhance our environmental governance practice and mitigate the adverse environmental impact produced by the Group's operations, we have adopted and implemented an "Environmental and Natural Resources Policy" and have communicated such policy to our employees. Within our policy framework, we continually look for different opportunities to pursue environmentally friendly initiatives, enhance our environmental performance by reducing consumption of energy and use of other resources.

In the long run, the Group will continuously enhance its energy saving management to minimise the usage of lighting, air-conditioning and electronic appliances and to track its energy consumption regularly in the coming years.

During the Reporting Period, the Group has not identified any material non-compliance with the relevant environmental laws and regulations, including but not limited to the "Waste Disposal Ordinance of Hong Kong", "Motor Vehicle Idling (Fixed Penalty) Ordinance of Hong Kong" and "Environmental Law" of Macau.

Exhaust gas emissions

In line with the development approach for the global development of low-carbon economy, we have formulated an "Emissions Policy" to address our main sources of emissions, i.e. emissions from company vehicles and forklift trucks. Currently, most forklifts in our warehouses are electric-driven, which allow minimisation of air pollutant discharge.

There is an increase in the Group's exhaust gas emissions due to the increase in business activities during 2021. During the Reporting Period, the Group's exhaust gas emissions were as follows:

Types of exhaust gas	Unit	2021	2020
Sulphur Oxides (SOx)	kg	0.49	0.37
Nitrogen Oxides (NOx)	kg	345.04	270.01
Particulate Matter (PM)	kg	33.82	26.63

A. Environmental (continued)

A1. Emissions (continued)

Exhaust gas emissions (continued)

Details of measures we have adopted are as follow:

- Controlled the selection of vehicles;
- Phased out diesel vehicles and replaced them with less polluted vehicles, whenever possible;
- Strengthened the regular examination of exhaust gases from business vehicles;
- Monitored vehicles with heavy emissions; and
- Promoted the importance of vehicle maintenance and environmentally friendly driving habits.

GHG emissions

The principal GHG emissions of the Group are generated from petrol and diesel consumed by vehicles (Scope 1) and purchased electricity (Scope 2). The Group will continue to evaluate, record and disclose its data of GHG emissions on an annual basis.

There is an increase in the Group's total GHG emissions by about 15.90%, from approximately 693.54 tCO₂e in 2020 to approximately 803.81 tCO₂e in 2021. This is due to the increase in business activities during 2021, leading to an increase in direct GHG emissions (Scope 1). The increased business activities also lead to an increase in purchased electricity consumption, resulting an increased in energy indirect GHG emissions (Scope 2). During the Reporting Period, the Group's GHG emissions and its intensity were as follows:

Indicator ²	Unit	2021	2020
Direct GHG emissions (Scope 1) – petrol and diesel consumption	tCO ₂ e	83.10	65.96
Energy indirect GHG emissions (Scope 2) – purchased electricity	tCO ₂ e	720.71	625.59
Other indirect GHG emissions (Scope 3) – business air travel	tCO ₂ e	–	1.99
Total GHG emissions (Scope 1, 2 and 3)	tCO ₂ e	803.81	693.54
Intensity ³	tCO ₂ e/square feet	0.002	0.002

Notes:

2. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Greenhouse Gas Inventory Guidance Direct Emissions from Mobile Combustion Sources" issued by the United States Environmental Protection Agency, latest released emission factors of the "2021 Sustainability Report" published by the CLP Power Hong Kong Limited, the "Sustainability Report 2020" of Companhia de Electricidade de Macau, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX, "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5).
3. As at 31 December 2021, the Group's total floor area was approximately 363,000 (2020: 394,000) square feet. The data is also used for calculating other intensity data.

Environmental, Social and Governance Report

A. Environmental (continued)

A1. Emissions (continued)

GHG emissions (continued)

The measures we have adopted in minimising GHG emissions from transportation are mainly covered in the section "Exhaust gas emissions". Due to COVID-19, the Group did not have any business air travel during the Reporting Period, therefore, there was no other indirect GHG emissions (Scope 3) in 2021. In the future, we will continue to reduce air and carbon emissions related to transportation need for meetings by adopting other measures such as encouraging our staff to utilise teleconferences and video conferences

The Group actively adopts electricity conservation and energy saving measures as well as other initiatives to reduce GHG emissions, which include:

- Actively adopt measures for environmental protection, energy conservation, and water saving. Relevant measures are described in the sections "Energy efficiency" and "Water consumption" under Aspect A2; and
- Actively adopt waste sorting and recycling. Relevant measures are described in the section "Waste management".

Sewage discharge

We do not consume significant volume of water in our business activities, and therefore our business activities did not generate material portion of sewage discharge. The majority of the water supply and discharge facilities are provided and managed by the property management company.

Waste management

Hazardous wastes handling method

Due to its business nature, the Group does not directly generate significant amount of hazardous waste during daily operation. We have established clear guidelines governing the management and disposal of hazardous wastes. Whenever hazardous wastes are produced, they will be temporarily stored and treated separately with the general or other non-hazardous wastes to prevent contamination.

During the Reporting Period, the majority of the hazardous wastes handled by the Group were customers expired products. The Group has appointed a qualified chemical waste collector to handle such waste to comply with relevant laws and regulations. The Group assisted in handling of a total of approximately 834.00 CBM of customers expired products, the intensity of which is approximately 0.0023 CBM/square feet.

A. Environmental (continued)

A1. Emissions (continued)

Waste management (continued)

Non-hazardous wastes handling method

Realising the rising importance of proper waste disposal, the Group sets out procedures for waste disposal. We have revised our “Environmental and Natural Resources Policy” and related measures to focus on waste reduction with the principle of 4Rs, namely “Reduce, Reuse, Recycle and Replace”, to promote better utilisation of environmental resources. We are committed to promoting an environmentally friendly mindset among our employees.

The total amount of non-hazardous wastes being disposed decreased by about 15.58% from approximately 9.63 tonnes in 2020 to approximately 8.13 tonnes in 2021. This is mainly due to the implementation of effective environmentally friendly initiatives and employees awareness of environmentally friendly initiatives has been increased. During the Reporting Period, the Group’s major non-hazardous wastes disposal performance and its intensity are as follows:

Non-hazardous wastes category	Unit	2021	2020
General waste	tonnes	5.00	5.06
Paper	tonnes	3.13	4.57
Total non-hazardous waste	tonnes	8.13	9.63
Intensity	tonnes/square feet	0.00002	0.00002

With the aim of minimising the adverse environmental impacts from non-hazardous wastes generated from our business operation, the Group has implemented measures to handle such wastes and launched different reduction initiatives.

Our employees share the responsibilities for waste management in our business operations with reference to the established environmental policies and waste management approaches, including but not limited to the following:

- Utilise electronic communication such as e-cards for festival greetings and e-brochures for distribution to customers;
- Promote upcycling, recycling and the use of recycled paper or other environmentally friendly materials;
- Install waste sorting and recycling facilities at source to raise the rate of waste recovery; and
- Reduce the number of printed versions of interim and annual reports.

Employees’ waste management awareness has been raised with the implementation of the related initiatives.

Environmental, Social and Governance Report

A. Environmental (continued)

A2. Use of Resources

The Group upholds and promotes the principle of effective use of resources, and evaluates the potential environmental impacts by real-time monitoring our business operations. Through the 4Rs principles, namely, “Reduce, Reuse, Recycle and Replace”, we promote green office and operation environment to minimise the adverse environmental impacts. The employees of the Group have followed these principles, and have reduced the consumption of electricity, paper and water resources. For example, the Group’s employees implemented a paperless office by sending documents in electronic form whenever possible, in order to reduce the amount of paper consumption.

The Group has established an “Environmental and Natural Resources Policy” to give the employee a general direction on the efficient use of resources. We will continue to introduce resource efficiency and eco-friendly measures to the Group’s operations, and are committed to optimising the use of resources in all of its business operations.

During our operations, fuel, electricity and water are frequently consumed. We have recorded in details and conducted statistical analysis on the use of these resources. Making reference to these data, we plan to establish policies for use of resources and set a quantitative goal for electricity and water savings so as to optimise the efficiency of use of resources in our daily operation.

Energy efficiency

The Group always aims at minimising the adverse environmental impacts in our operations by identifying and adopting appropriate production processes in each stage with technology. The policies and measures on energy conservation are part of our approaches in resource utilisation. All employees must implement the adopted measures, including the utilisation of high-performance equipment and streamlining of operational procedures. We regularly review our energy objectives and target to enhance the Group’s energy performance continuously. During the Reporting Period, the Group has completed an energy saving project of auto press to save the electricity cost of air-conditioning in its warehouses. The Group has also largely replaced the old lightings with LED in its warehouses.

Under our “Environmental and Natural Resources Policy”, we regularly monitor and review our environmental performances on electricity and water usage as well as other materials consumption. Unexpected high consumption of electricity will be investigated to find out the root cause and take preventive measures. During the Reporting Period, the Group has adopted the following measures to reduce emissions:

- Streamlined the operational procedures;
- Utilised higher energy-efficiency equipment in our operations;
- Switched off lightings and electrical appliances when not in use; and
- Replaced energy-inefficient light bulbs with energy efficient LED lighting in the warehouses.

As a result, the employees’ awareness of energy conservation has been increased through these energy-saving measures.

A. Environmental (continued)

A2. Use of Resources (continued)

Energy efficiency (continued)

There is an increase in the Group's total energy consumption by about 11.46% from approximately 1,897,313.40 kWh in 2020 to approximately 2,114,701.17 kWh in 2021. This is due to the increased in business activities during 2021 leading to an increase in direct energy consumption by company cars. The increased business activities also, lead to an increase in purchased electricity consumption, resulting an increase in indirect energy consumption. During the Reporting Period, the energy consumption of the Group and its intensity were as follows:

Type of energy ⁴	Unit	2021	2020
Direct energy consumption	kWh	328,353.17	244,886.40
– Diesel	kWh	253,923.54	180,884.67
– Petrol	kWh	74,429.63	64,001.73
Indirect energy consumption	kWh	1,786,348.00	1,652,427.00
–Electricity	kWh	1,786,348.00	1,652,427.00
Total energy consumed	kWh	2,114,701.17	1,897,313.40
Intensity	kWh/square feet	5.83	4.82

Note:

- The unit conversion method of energy consumption data is based on the "Energy Statistics Manual" issued by the International Energy Agency.

Water consumption

Water consumption of the Group is mainly for basic business operation, cleaning and sanitation. We encourage all employees to develop the habit of water conservation. High efficiency equipment and streamlined procedures have been introduced to our operations to reduce water consumption and to increase the efficiency in use of resources. We have strengthened our water-saving promotion, posted water saving notice "Treasure every drop", and guided the employees to use water reasonably.

The total amount of water consumption has increased by about 12.20% from approximately 10,497.00 cubic meters in 2020 to approximately 11,778.00 cubic meters in 2021. This is due to the increase in cleaning as a result of COVID-19. During the Reporting Period, the water consumption of the Group and its intensity were as follows:

Water Consumption	Unit	2021	2020
Water consumed	cubic meters	11,778.00	10,497.00
Intensity	cubic meters/square feet	0.03	0.03

Due to the Group's operational location, there is no material issues in sourcing water that is fit for its purpose.

Use of packaging materials

Due to the Group's business nature, it is unavoidable to consume packaging materials. The Group realises the potential adverse environmental impacts brought by the packaging materials consumed and thus strived to make the best use of the packaging materials consumed and minimise the potential impacts brought by its consumption. The use of packaging materials of the Group has significantly increased from approximately 1,324.00 CBM in 2020 to approximately 5,432.00 CBM in 2021. The increase in volume is due to the change in the product mix handled by the Group.

Environmental, Social and Governance Report

A. Environmental (continued)

A3. The Environment and Natural Resources

As an ongoing commitment to good corporate social responsibility, we recognise our responsibilities in minimising the negative environmental impacts of our business operations, in order to achieve sustainable development for generating long-term values to our stakeholders and community as a whole.

The Group works tirelessly to mitigate the adverse environmental impacts of our activities through adopting industry best practices targeted at reducing natural resources consumption and effective emission management. We regularly assess the environmental risks of our businesses, and adopt preventive measures as necessary to reduce the risks and ensure the compliance with relevant laws and regulations.

Our "Environmental and Natural Resources Policy" incorporates the guidelines and general directions of the Group's approaches in environmental and natural resources management.

Environmental education

Other than the measures mentioned in the previous sections, we have also implemented the following initiatives to minimise our impacts on the environment and natural resources:

- Regularly publicise environmental protection messages and green tips to our staff on the message board, staff newsletters or emails;
- Encourage our staff to participate in campaign and activities relating to the promotion of green environment; and
- Post green messages on the message board to show appreciation of our colleagues' continued support in energy conservation.

Indoor air quality

Indoor air quality at our workplace is regularly monitored and measured. By adopting air purifying equipment in the workplace as well as conducting regular cleaning of the air conditioning system, these measures resulted in good indoor air quality and help to filter pollutants and dust particles.

A4. Climate Change

Climate change mitigation and adaptation

Climate change poses escalating risks and challenges to the global economy, and such risks may negatively impact the Group's business. As a result, the Group formulates Climate Change Policy to identify climate change related risks and opportunities and thus make corresponding mitigation plans. By reference to risk classification of the Task Force on Climate-Related Financial Disclosures ("TCFD") as set up by the Financial Stability Board, the Group's identified climate-related risks and the corresponding management measures are as follows:

In terms of physical risks, the increasing frequency and severity of extreme weather events such as extreme cold or extreme heat, storms, rainstorms and typhoons, could lead to an increased risk of power shortages, interrupt the supply chain and damage the Group's assets, disrupting the operation of the Group's offices and resulting in reduced revenue, as well as increasing the cost of repairing or restoring damaged sites. These events could also disrupt the work of employees and even cause casualties. As a countermeasure, the Group maintains a comprehensive insurance coverage on assets that are prone to damage by extreme weather conditions. In addition, the Group monitors weather conditions and has developed the practice of communicating the arrangements under bad weather conditions to employees in advance.

A. Environmental (continued)

A4. Climate Change (continued)

Climate change mitigation and adaptation (continued)

In terms of transition risks, HKEX has required listed companies to enhance climate-related disclosures in their ESG reports, which may result in increased compliance costs. Failure to meet the climate change compliance requirements may expose the Group to risks of claims and lawsuits, which may also cause a negative impact on its reputation. The Group will regularly monitor existing and emerging climate-related trends, policies and regulations to avoid reputational risks due to delayed response. In addition, in order to reduce the Group's environmental impact and to comply with the requirements of HKEX, the Group has set targets to reduce energy consumption and GHG emissions. The Group will continue to assess the effectiveness of the Group's actions to address climate change and enhance its resilience against climate-related issues.

B. Social

B1. Employment

Employees are the core of our business and our brand. The Group has devoted itself to providing employees with a work environment which enables full capitalisation of their talents, creating value, enhancing self-quality and attaining comprehensive development. The "Employee Handbook" enables our staff to understand their rights and responsibilities, including the working hours, remunerations, allowances, bonuses, leaves and other benefits etc. We have also established a "Human Resources Policy", which is in line with our people-oriented management, to communicate values and expectations of the Group and document best practices that are appropriate to us. We review, and if necessary revise, the above documentations and our employment practices at least annually to ensure continuous improvements of our employment standards.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations including but not limited to the "Employment Ordinance" of Hong Kong and "Labour Relations Law" of Macau, that would have a significant impact on the Group.

As at 31 December 2021, the Group had 195 full-time employees (2020: 221 full-time employees). Among them, 189 full-time employees (2020: 215 full-time employees) fell under the Reporting Scope of the ESG Report. More data on employee compositions and employee turnover details are available in the section "ESG Data Summary".

Recruitment and remuneration

We apply robust and transparent recruitment processes based on merit selection against the job criteria. For instance, we have joined the Recruitment Day of the Labour Department of Hong Kong and launched a Referral Program. Recruitment of individuals is based on their suitability for the position and potential to fulfil the Group's current and future needs. Applicants have to undergo series of selection procedures and assessment methods at various levels to secure the hiring of the right person.

Our basis for remuneration and promotion are job-related skills, qualifications and performances, ensuring that we evaluate employees and applicants in a fair way. Remuneration packages include annual leave, medical scheme, maternity leave, paternity leave, group insurance, mandatory provident fund, and other benefits. We also remunerate employees comparable to the industrial standards and local labour market.

B. Social (continued)

B1. Employment (continued)

Compensation and dismissal

In accordance with the provisions of individual employment contracts and the requirements of the Employment Ordinance, parties who decide to terminate the employment contract should notify the counterparty. Otherwise, either party intends to terminate the employment contract without giving the required notice in advance period is subject to compensation of money in lieu of notice.

Unreasonable dismissal under any circumstances is forbidden in the Group. Dismissal process will only be proceeded with a reasonable basis and sufficient communication on the problems is ensured prior to the official dismissal.

Promotion and career development

The promotion of the Group's employees is subject to review regularly. All employees are required to participate in the appraisal process. This is not only for salary adjustment, but also to provide support and assistance to employees on areas of unsatisfactory performance. The Group has established objective performance indicators for annual performance evaluation. Based on the evaluation result, we will offer rewards to employees to encourage continuous improvement.

Communication channels

We recognise the importance of open communication and joint consultation between management and staff. We encourage exchange of information, ideas and views about matters of mutual interest and concern through both formal and informal channels. We regularly update notices on our notice boards in the workplace to ensure our employees are being informed of the latest information. Employees are welcome to express any comments and feedbacks to the Human Resources and Administration Department ("HRA") or Department Head.

Diversity, equal opportunity and anti-discrimination

The Group has zero tolerance to sexual harassment and discriminatory behaviour. We are dedicated to providing equal opportunity in all aspects of our employment and to maintain a workplace that are free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation.

We strive to ensure that complaints, grievances and concerns, including whistleblowing, are dealt with promptly and are treated in the strictest confidence. The HRA will conduct investigations once a complaint has been received, and will make decisions upon the approval from the Board to make sure that the complainant get replies as soon as possible. With the aim of ensuring fair and equal protection for all employees, we have zero tolerance to sexual harassment or abuse in the workplace in any form.

B. Social (continued)

B2. Health and Safety

The Group places high emphasis on the safety and health of our staff. Setting our target such as “zero-work injury”, we are committed to maintaining a healthy and safe workplace so as to prevent work injuries and occupational diseases. The formulation of guidelines for a clear operational workflow that specify operational risk factors and key notes on safety shows our emphasis on the safety risk preventions for hazardous job positions. The relevant operational guidelines include the “Operation Safety on Forklifts Guidelines”, “Safe Stack of Cargo Guidelines” and “Operation Safety on Physical Handling Guidelines”. A “Health and Safety Policy” has been established for the prevention and remediation of work-related accidents, and the detection on potential safety hazards in the workplace. We review, and if necessary revise, these policies and our health and safety practices at least annually to ensure continuous improvements of our health and safety standards. Data on health and safety are available in the section “ESG Data Summary”.

During the Reporting Period, the Group is not aware of any material non-compliance with health and safety-related laws and regulations including but not limited to “Occupational Safety and Health Ordinance” of Hong Kong and “General Regulations on Health and Safety on Industrial Work Environment” of Macau, that would have a significant impact on the Group.

Safety measures

The HRA of the Group is responsible for monitoring and reviewing the safety and security measures periodically, and performing regular checking in both the office and the warehouse to ensure that the furniture, fixtures and fittings are maintained in good conditions.

Proper lighting and ventilation help to safeguard the health and safety of our employees. Moreover, first aid boxes are available at easily accessible locations in the offices, the warehouses and other operation sites. The HRA is responsible to ensure the supplies inside the first aid boxes are not outdated and remain functional.

Occupational safety and health training programs

The Group follows the occupational health and safety guidelines recommended by the Labour Department and the Occupational Safety and Health Council, and encourages the employees to attend relevant workshops or training courses.

Our year-round Safety and Health Training Program covers safety and health trainings for different areas, which can be broken down into “General Knowledge of Safety and Health” and “General Knowledge of Professional Skills”. The HRA also takes responsibilities for occupational health and safety and promotions and monitoring.

All employees are required to attend a training programme on “General Knowledge of Safety and Health” organised by the Group. Training topics included but not limited to workspace stretching exercises, physical processing procedures, prevention on slipping and falling, prevention of heat stroke working in hot environment, safety procedures for using ladder, simple processing procedures for accidents, and instructions on the use of fire extinguisher. Emergency and evacuation procedures have been laid down to response timely and orderly to work related accidents.

“General Knowledge of Professional Skills” training is applicable to designated departments. Training topics included but not limited to forklift application and safety guidelines, safe stacking of goods, and prevention of injury upon tail lift usage.

Environmental, Social and Governance Report

B. Social (continued)

B2. Health and Safety (continued)

Occupational safety and health training programs (continued)

Moreover, the Group fosters employee involvement through the HRA to maintain a safe work environment. Employees are free to provide feedbacks to workplace safety and to report any potential hazards that may lead to injury or danger.

Preventative measures of COVID-19

In view of the outbreak of COVID-19, the Group has taken various measures to safeguard its employees and customers to ensure their health and safety. Apart from complying with public health and safety measures followed by the local government in preventing the spread of the virus, the Group has also required the employees and customers to wear surgical masks wherever in its premises. The Group has also strengthened the sanitation in its operations by putting in place precautionary measures such as temperature screening before entering office, shops and warehouse, and ensuring sufficient disinfection supplies like face masks and hand sanitisers in its premises are implemented.

B3. Development and Training

The Group regards its staff as the most important asset and resource. We recognise the valuable contribution of our talents for our continued success. We are committed to inspiring our human capital towards delivering excellence. This is achieved through the development of training strategy that focuses on creating values and serving the needs of our customers and society. Data on development and training are available in the section “ESG Data Summary”.

Training and development policies

The Group understands that training and development is indispensable for our staff to keep abreast of the latest trend in the logistics industry and the dynamic pace in the domestic market. In light of this, the Group provides regular trainings, development programmes and training sponsorship.

To ensure the effectiveness of our training programmes, the Group has laid down a “Development and Training Policy” to administer and control the training related procedures. A training plan is developed by the Quality Assurance Department based on the requirements from various departments and employees. We review, and if necessary, revise these policies and our training and staff development activities at least once a year to continuously improve the relevant provision. Training contents are regularly updated to ensure that the contents are relevant to stakeholders’ changing needs such as laws and regulations, technological changes, market trends, product trends and customer behaviour changes.

Under the “Learning Management” section of the “Human Resources Policy”, we aim to create a learning environment by providing subsidies for staff to enhance skills. With the implementation of “Policy on Study and Training Allowance”, the Group provides subsidies to employees to enrol for job-related training courses based on actual needs. During each financial year, each employee can receive a maximum of HK\$20,000 and HK\$5,000 as an allowance for professional qualification training and external training respectively.

Training programmes

The Quality Assurance Department and department managers are responsible for conducting training and development as well as keeping the records. Internal trainings include but not limited to company policies and operational procedures, such as warehouse security, temperature and environmental requirements for storage, health and safety trainings, mitigation of emergencies, waste disposal and loadings.

B. Social (continued)

B3. Development and Training (continued)

Training programmes (continued)

We also offer professional trainings for staff on technical skills in trainings on “General Knowledge of Professional Skills”. Employees have the chance to polish their professional skills on topics including but not limited to computer usage guidelines and professional phone answering skills.

B4. Labour Standards

The Group strictly complies with the related laws and regulations in the prevention of child and forced labour. During the Reporting Period, the Group is not aware of any material non-compliance with child and forced labour-related laws and regulations, including but not limited to the “Employment Ordinance” of Hong Kong and “Labour Relations Law” of Macau that would have a significant impact on the Group.

Prevention of child labour and forced labour

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and conducts recruitment based on the Hong Kong’s “Employment Ordinance” and Macau’s “Labour Relations Law”. We have laid down an “Employment Policy” and a “Prohibition of Child Labour Policy” in preventing child labour and ensuring freedom in occupation selection to prevent forced labour. We have also extended the application to our supply chain management. Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates’ personal data. The HRA also ensures identity documents are carefully checked.

For overtime work, the Group has set out in the “Employee Handbook” relevant regulations for claiming overtime allowance and compensation leave. In response to the need of our customers, the Group offers Sunday delivery services and also provides logistics services on statutory holidays. The Group offers compensation leave for working on Sunday and during statutory holidays as set out in the “Employee Handbook” to protect employees’ rights. The Group has communicated with the employees in respect of the arrangements of working on Sunday and statutory holidays. Employees have agreed to such arrangements and understand their rights to refuse to work on Sunday and statutory holidays.

If any violation of the child or forced labour is involved, it will be dealt with in the light of the circumstances as clearly stated in the Group’s “Employee Handbook”.

B5. Supply Chain Management

The Group highly values our relationships with suppliers and regards them as important business partners. It is expected that a stable supply chain can be established in the long run through cooperation. During the Reporting Period, the Group had a total of 196 (2020: 133) suppliers, which are including 162 suppliers in Hong Kong and 34 suppliers in Macau. All suppliers are evaluated carefully and are subjected to regular monitoring and assessment. We have formulated related policies to manage our suppliers and policies are reviewed at least annually.

Environmental and social responsibility of suppliers

With increasing environmental concerns in society, the Group is aware of the importance of managing environmental and social risks of our supply chain. The Group has embedded environmental and social consideration in the procurement process and supplier communication. The Group will continue to monitor its supply chain regarding the environmental and social standards. Additionally, the Group endeavours to support local economies and prioritises the procurement from local and regional suppliers to lower the carbon footprint during transportation. The Group also gives priority to suppliers that use environmentally preferable products and services in the selection process, and strives to minimise potential environmental and social risks in the supply chain. Any material violation of laws and regulations may lead to the termination of supplier contracts.

B. Social (continued)

B5. Supply Chain Management (continued)

Environmental and social responsibility of suppliers (continued)

We have sent out letters to suppliers indicating that the Group reserves the rights not to do business with suppliers which employ child workers. Looking forward, the Group will continue to require business partners to attach more importance to sustainable development performances, so as to promote the sustainable development of the industry as a whole.

During the Reporting Period, the Group was not aware of any key suppliers that had any actions or practices which have a significant negative impact on business ethics, environmental protection, human rights and labour practices.

Fair and open procurement

We have also formulated rules to ensure that the suppliers could participate in competitions in an open and fair way. The Group will not apply differentiated or discriminated treatment on suppliers. We will strictly monitor and prevent all kinds of business bribery. Employees or personnel having any interest relationship with the supplier should not be involved in the related business activity.

B6. Product Responsibility

The Group always upholds the principles of “Service-driven, Customer-oriented and Quality-first” and endeavours to create the maximum value for our customers. Therefore, we strive to optimise and improve the quality of our products and services according to the requirements of the customers.

The quality management system and Food Safety Management System of the Group applies to all operation-related departments and has attained ISO9001:2015 Quality Management Systems and ISO22000:2018 Food Safety Management System standards respectively. Regular internal audit on the effectiveness and level of compliance of quality and food safety management systems are carried out on an annual basis. Moreover, to ensure the stability adequacy and effectiveness of the quality and food safety management systems, a management review meeting is conducted at least once a year.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations, including but not limited to the “Personal Data (Privacy) Ordinance” of Hong Kong, the “Supply of Services (Implied Terms) Ordinance” of Hong Kong, the “Trade Descriptions Ordinance” of Hong Kong, “Macau Advertising Law” and “General Contract Clauses” of Macau, that have a significant impact on the Group, concerning advertising, labelling and privacy matters relating to products and services provided.

Standard procedures for warehouse operation

The Group adopts an Enterprise Resource Planning (“ERP”) system to assist its warehousing management and a detailed standard procedure has also been established for warehouse operation to regulate every stage of the operation (the “Standard Procedure”). The Group will measure and exercise control on temperature and humidity of its warehouses. It will conduct daily inspections and take records with the Standard Procedures and remedial actions will be taken when the parameters deviate from the prescribed ranges to prevent the stock from deterioration because of the humidity. Regular warehouse cleaning and pest control will also be carried out. Weekly cleaning is conducted in various areas of the warehouses. Besides, inspection on the general pest control facilities is conducted on daily basis and pest control is conducted monthly by professional parties to prevent pest in the warehouse.

The Group also values the security of its warehouses. It has set up a 24-hour CCTV and burglar alarm system and arrange regular security patrols. Unauthorised person is strictly prohibited to enter the material and packaging areas. Staff must accompany customers who wish to check the related records at the authorised areas. Risk assessment and emergency response have been prepared by the Group to deal with unexpected incidents. The Group will conduct risk assessment on its operation and quality related aspects and formulate respective corrective and preventive action (“CAPA”), control measures or remedial measures within the designated time in case of emergency and unexpected circumstances.

B. Social (continued)

B6. Product Responsibility (continued)

Standard procedures for warehouse operation (continued)

Our stock is administered and managed by adopting a well-planned procedure to ensure that the stock would be delivered in an organised manner. We will collect the goods with sealed trucks and transport them to our warehouses. We will confirm the receipts, carry out inspections and records the goods into our system. Standard shipment arrangements and requirement of placement of goods and delivery process have been set up which will make sure our staff will follow up to protect the stocks which are being delivered to the customers. After the shipment, we will inform our customers as soon as possible and make written records within 24 hours. We will record related goods or raw materials in our system and place labels to prevent misuse.

Once the goods are being found to be unsatisfactory, we will arrange immediate transportation for returning them to the warehouses and label the returned goods clearly to prevent misuse. We will then modify condition of the returned goods after reaching consensus with the customers.

If there is any complaint, we will notify our customers as soon as possible and keep records of the complaint. The Customer Service Department will then handle the complaint and review the complaint to see if there is any area for improvement. During the Reporting Period, the Group did not receive any cases of product or services related complaints, nor was it subjected to any product recalls due to health and safety reasons.

Customer privacy protection

The Group recognises the value and the importance of customers' information. In the processes of providing products and services, we will strictly comply with the customers' information security management systems and standards. We are determined to strengthen the protection of customers' privacy while providing high quality services. Our employees are professionally trained to maintain the confidentiality of our customers' information. The Group adheres to the "Personal Data (Privacy) Ordinance" of Hong Kong and expressly reiterates confidentiality obligations in its "Code of Conduct". The Group has stipulated in the "Employee Handbook" the requirements in respect of handling of confidential information by staff as well as their responsibility of keeping confidentiality thereof. Upon joining the Group, employees are also required to sign an agreement for keeping confidentiality and protecting intellectual property rights.

We have also implemented firewall, anti-virus and anti-spam softwares for our IT systems which are updated constantly to prevent leakage of confidential information.

Since product advertising and labelling is not involved in the operation of the Group's logistics service business at present, we do not regard it is a material issue to the Group.

B7. Anti-corruption

The Group does not tolerate any corruptions, frauds and all other behaviours violating work ethics. The Group values and upholds integrity, honesty and fairness in running its business.

During the Reporting Period, the Group did not notice any material non-compliance with the "Prevention of Bribery Ordinance" of Hong Kong, "Prevention and Suppression of Bribery in the Private Sector" of Macau, and laws and regulations on bribery, extortion, fraud and money laundering. During the Reporting Period, there are no concluded legal cases regarding corrupt practices brought against the Group or its employees.

B. Social (continued)

B7. Anti-corruption (continued)

Internal control

The Group has in place the “Code of Conduct” which contains relevant regulations as set out under the “Prevention of Bribery Ordinance of Hong Kong”. The “Code of Conduct” defines appropriate methods in handling conflict of interests, accepting advantages, leakage of confidential information, embezzlement of the Group’s assets, fraudulent financial statements, etc.. All employees should decline an offer of advantage if acceptance of it could affect their objectivity in conducting the Group’s business. The definition of “advantage” is also clarified in the “Code of Conduct”. Employees must report on any incidence that may have conflict of interest with the Group. Employees will be subjected to disciplinary actions if they are found violating the “Code of Conduct” after an investigation. Disciplinary actions include verbal or written warnings, demotion and dismissal, and the case may be reported to law-enforcement authorities for possible prosecution. We have taken measures to ensure that the employees understand the requirements of the “Code of Conduct” through signage and daily communication.

To further mitigate risks of business frauds, the Audit Committee of the Company will conduct periodic evaluation of the Group’s internal control effectiveness, detecting potential deficiency, and identifying areas of improvement. The Board and the Audit Committee will supervise and review the implementation and effectiveness of the related whistleblowing policy and the “Code of Conduct” on a regular basis. In addition, the Group provides anti-corruption training periodically to directors and employees to familiarise them with their corresponding roles and responsibilities in anti-corruption and business ethics and to ensure compliance with applicable laws and regulations. During the Reporting Period, the Group’s 6 directors and 191 employees have received a total of approximately 6 and 191 hours of anti-corruption training respectively.

B8. Community Investment

The Group is committed to inspiring and supporting the public by means of social participation and contribution, and to nurturing the corporate culture and practices of corporate citizen in the daily work life of the Group. Under our “Community Investment Policy”, we focuses on social health. We aim to promote sustainability, and support the underprivileged on rehabilitation to improve quality of life. We also focus to inspire our employees towards social welfare concerns. We will embrace the human capital into the social management strategies to sustain our corporate social responsibility as a part of the Group’s strategic development.

Community participation

We participated in various community activities, for example, donations and sponsorships etc. With the active participation in community events to help the needy, we also regularly communicate with local charities to understand the community’s needs. We believe these activities help to connect us with the local community, and maintain a mutually beneficial relationship to society as a whole. We have also encouraged our employees to participate in community activities and suggest areas of contribution based on their personal experiences in the community. Affected by the COVID-19, the Group did not arrange any social activity during the Reporting Period in order to support the government’s social distancing regulation. Subject to the ease of the COVID-19 in the future, the Group will continue to spare no effort to realise our own social value through various means to enhance social well-being and promote sustainable social development.

ESG Data Summary

Environmental	Unit	2021	2020	2019
Exhaust gas emissions				
SOx	kg	0.49	0.37	0.50
NOx	kg	345.04	270.01	405.98
PM	kg	33.82	26.63	40.05
GHG emissions				
Direct GHG emissions (Scope 1)	tCO ₂ e	83.10	65.96	87.78
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	720.71	625.59	886.80
Other indirect GHG emissions (Scope 3)	tCO ₂ e	–	1.99	3.12
Total GHG emissions	tCO ₂ e	803.81	693.54	977.70
Intensity	tCO ₂ e/square feet	0.002	0.002	0.002
Non-hazardous waste				
Total non-hazardous waste	tonnes	8.13	9.63	8.19
Intensity	tonnes/square feet	0.00002	0.00002	0.00002
Energy consumption				
Total energy consumption	kWh	2,114,701.17	1,897,313.40	2,104,205.33
Intensity	kWh/square feet	5.83	4.82	4.94
Water consumption				
Total water consumption	cubic metres	11,778.00	10,497.00	6,691.00
Intensity	cubic metres/square feet	0.03	0.03	0.02
Use of packaging materials				
Packaging material	CBM	5,432.00	1,324.00	2,350.00

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ESG Data Summary (continued)

Social ⁵	Unit	2021	2020	2019
Employees data (as at year ended)				
Female	person	107	156	43
Male	person	90	114	92
Full time	person	189	215	125
Part time	person	8	55	10
Under 30 years old	person	16	19	16
30-50 years old	person	86	142	83
Over 50 years old	person	95	109	36
Hong Kong ⁶	person	177	N/A	N/A
Macau ⁶	person	20	N/A	N/A
Number of resigned employees and turnover rate				
Female	person	51	17	12
	percentage ⁷	47.66	10.90	27.91
Male	person	29	21	32
	percentage ⁷	32.22	18.42	34.78
Under 30 years old	person	17	4	10
	percentage ⁷	106.25	21.05	62.50
30-50 years old	person	45	25	27
	percentage ⁷	52.33	17.61	32.53
Over 50 years old	person	18	9	7
	percentage ⁷	18.95	8.26	19.44
Hong Kong ⁶	person	76	N/A	N/A
	percentage ⁷	42.94	N/A	N/A
Macau ⁶	person	4	N/A	N/A
	percentage ⁷	20.00	N/A	N/A
Health and Safety				
No. of work-related fatalities	person	–	–	–
No. of work injury cases	cases	1	–	2
No. of working day lost due to work injury	days	26.0	–	7.5
Rate of work injury (per thousand employee)	–	0.001	–	0.002
Development and Training				
Average training hours ⁸ for female employees	hours	11	15	20
Average training hours ⁸ for male employees	hours	11	16	22
Average training hours ⁸ for management officers	hours	20	40	40
Average training hours ⁸ for managerial officers	hours	15	20	24
Average training hours ⁸ for general staff	hours	10	16	16
Average total training hours ⁸	hours	11	16	21
Percentage of female employees trained ⁹	percentage	90	100	100
Percentage of male employees trained ⁹	percentage	90	100	100
Percentage of management trained ⁹	percentage	80	100	100
Percentage of managerial officers trained ⁹	percentage	94	100	100
Percentage of general staff trained ⁹	percentage	92	100	100

Notes:

⁵ As of 31 December 2021, the total number of full-time and part-time employees of the Group was 197. Social KPI of 2021 was calculated based on this figure; social data disclosed in 2019 did not include the operation in Macau.

⁶ The Group will start disclosing employees data, number of resigned employees and employee turnover rate by geographical region from 2021.

⁷ The percentage represents employee turnover rate. Employee turnover rate = total number of employees left by category during 2021/total number of employees by category as of the end of 2021*100%.

⁸ Average training hours = total training hours by category during 2021/total trained employees by category during 2021.

⁹ Percentage trained = total trained employees by category during 2021/total employees by category during 2021*100%.

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Mandatory Disclosure Requirements	Sections
Governance Structure	ESG governance structure
Reporting Principles	Reporting Framework
Reporting Boundary	Scope of Reporting

“Comply or explain” Provision

Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect 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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Exhaust gas emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and intensity.	Emissions – GHG emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Waste management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental, Emissions – GHG emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental, Emissions – Waste management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy efficiency
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental, Use of Resources – Energy efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental, Use of Resources – Water consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of packaging materials

Environmental, Social and Governance Report

“Comply or explain” Provision (continued)

Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer’s significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Environmental education, Indoor air quality
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate change mitigation and adaptation
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate change mitigation and adaptation
Aspect 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.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Data Summary
Aspect 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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety, ESG Data Summary
KPI B2.2	Lost days due to work injury.	ESG Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

“Comply or explain” Provision (continued)

Aspects, General

Disclosures and KPIs	Description	Sections/Remarks
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG Data Summary
Aspect 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.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Environmental, Social and Governance Report

“Comply or explain” Provision (continued)

Aspects, General

Disclosures and KPIs	Description	Sections/Remarks
Aspect 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.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
Aspect 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.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect 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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment