

REF Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1631

2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental, Social and Governance Report 2020

INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

REF Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is an investment holding company and its subsidiaries are principally engaged in the provision of financial printing services in the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) including printing of listing documents, financial reports, debt offering circulars, compliance documents and other documents and ancillary services such as provision of conference room facilities.

This environmental, social and governance report (the “**ESG Report**”) summarises the environmental, social and governance (“**ESG**”) initiatives, plans, and performances of the Group and demonstrates its on-going commitment towards sustainable development.

THE ESG GOVERNANCE STRUCTURE

The Group conducts a top-down management approach concerning its ESG issues. The board of directors (the “**Board**”) oversees and sets out ESG strategy for the Group and holds the responsibility for ensuring the effectiveness of the Group’s risk management and internal controls.

With a view to having a systematic management of the ESG issues, the Group has arranged designated personnel from various departments to handle ESG management as a working group. The working group is responsible for collecting relevant ESG data and compiling the ESG report. It periodically reports to the Board, assists in the assessing and identifying the Group’s ESG risk, and evaluates the implementation and effectiveness of internal control system. It also reviews the Group’s ESG performance, including environmental, labour practices and other ESG aspects.

SCOPE OF REPORTING

The ESG Report generally covers the Group’s business activities in Hong Kong offices, which represent the Group’s major sources of revenue. The Group will continue to assess the major ESG aspects of different businesses and extend the scope of disclosures when and where applicable.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on pages 16 to 30 of the Company’s annual report 2020.

REPORTING PERIOD

The ESG Report describes the ESG activities, challenges, and measures taken by the Group from 1 January 2020 to 31 December 2020 (the “**Year**”).

Environmental, Social and Governance Report 2020

STAKEHOLDER ENGAGEMENT

The Group recognises its responsibility and accountability towards its stakeholders, thus, the Group values their feedback regarding its businesses and ESG aspects. In order to understand and address the key concerns of different stakeholders, close communication is maintained with key stakeholders, including but not limited to the Board and senior management, investors and shareholders, customers, suppliers and subcontractors, the Group's employees, as well as the community, non-governmental organisations ("NGOs") and media.

When formulating operational strategies and ESG measures, the Group takes account of the stakeholders' expectations and endeavours to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community by utilising diversified key communication channels. The Group's key communication channels with its stakeholders and their respective expectations and concerns are as follows:

Stakeholders	Key Communication Channels	Expectations and Concerns
The Board and senior management	<ul style="list-style-type: none">• Regular meetings• Trainings, seminars and briefing sessions	<ul style="list-style-type: none">• Complying with relevant laws and regulations• Protection of the Group's rights and interests• Economic performance• Corporate sustainability
Investors and shareholders	<ul style="list-style-type: none">• Annual general meeting and other shareholder meetings• Financial reports• Announcements and circulars	<ul style="list-style-type: none">• Complying with relevant laws and regulations• Disclosing latest information of the corporate in due course• Economic performance• Risk management
Customers	<ul style="list-style-type: none">• Company website• Project briefing• Customer service hotline	<ul style="list-style-type: none">• Product and service quality• Complaint handling mechanism• Timely response
Suppliers and subcontractors	<ul style="list-style-type: none">• Supplier and subcontractor management meetings• On-site review• Teleconference	<ul style="list-style-type: none">• Fair and open procurement• Supply chain management
The Group's employees	<ul style="list-style-type: none">• Regular management communications• Regular performance review or appraisal• Notification from Human Resources Department	<ul style="list-style-type: none">• Occupational health and safety• Equal opportunities• Remuneration and benefits• Career development
The community, NGOs and media	<ul style="list-style-type: none">• Community investment• Charity events• ESG reports	<ul style="list-style-type: none">• Involvement in the community environment• Environmental protection• Compliance operations

Environmental, Social and Governance Report 2020

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community continuously.

MATERIALITY ASSESSMENT

The Group's management and employees from respective major operations have participated in the preparation of the ESG Report to assist the Group in reviewing its operations, identifying relevant ESG issues, and assessing the importance of related matters to its businesses and stakeholders.

Considering the significance of impacts to the economy, environment and society outside the Group and influence on stakeholders' decisions, the Group has identified key ESG issues and compiled a survey to collect the information from relevant stakeholders in order to rank the materiality of the key ESG issues.

The summary of the Group's material ESG issues as set out in the ESG Report is shown as below:

The ESG Reporting Guide	Material ESG aspects of the Group	Materiality to the Group
A. Environmental		
A1. Emissions	Greenhouse Gas ("GHG") Emissions	Low
	Waste Management	Medium
A2. Use of Resources	Energy Consumption	Medium
A3. The Environment and Natural Resources	Indoor Air Quality	Low
B. Social		
B1. Employment	Employment and Labour Practices	High
	Diversity and Equal Opportunities	Medium
B2. Health and Safety	Workplace Health and Safety	Medium
B3. Development and Training	Employee Development and Training	High
B4. Labour Standards	Prevention of Child Labour and Forced Labour	Medium
B5. Supply Chain Management	Supply Chain Management	High
B6. Product Responsibility	Quality Management	High
	Privacy Protection	High
B7. Anti-corruption	Whistle-blowing Mechanism	High
B8. Community Investment	Corporate Social Responsibility	Medium

During the Year, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues, and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

CONTACT US

Comments and suggestions are welcome from all stakeholders. You may provide comments on the ESG Report or towards the Group's performance in respect of sustainable development via the methods below:

Address: Units 5906–5912, 59/F., The Center, 99 Queen's Road Central, Hong Kong
Email: investor@ref.com.hk
Hotline: (852) 3757 8877

Environmental, Social and Governance Report 2020

A. ENVIRONMENTAL

A1. EMISSIONS

The Group is committed to the long-term sustainability of the environment and community where it operates. The Group recognises its responsibilities towards the potential indirect negative environmental impacts associated with its business operations, and also focus on nurturing and strengthening its employees' awareness of environmental protection in their daily work processes.

The Group has integrated environmental consideration into its decision-making process and embraced the responsibilities to create an environmentally sustainable business. Due to its business nature, the Group recognises that its day-to-day operations can impact both, directly and indirectly, the environment. To enhance its environmental governance practice and mitigate the environmental impacts produced by its operations, it has implemented relevant environmental protection policies and strived to maintain a green environment.

The Group's main task is to measure and report the efforts in reducing carbon footprints, promote waste reduction at source, enhance its waste disposal management and set targets on environmental performance. With aims to minimise the environmental impacts concerning its activities, products and services, the Group is committed to:

- Complying with applicable legal and other requirements which relate to the Group's environmental aspects, and to which the Group subscribes;
- Identifying environmental impacts associated with the operations and setting the targets to reduce stress on the environment in consideration of social expectations;
- Preventing pollution, reducing waste and minimising the consumption of resources from all daily operations and actively promoting recycling, reuse and replacement; and
- Educating, training and motivating employees to develop a social viewpoint that enables them to conduct business activities in an environmentally responsible manner.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Air Pollution Control Ordinance and the Waste Disposal Ordinance that would have a significant impact on the Group.

Exhaust Gas Emissions

Since the Group's major business is providing financial printing services, the Group does not generate significant exhaust gas emissions. Thus, this aspect is considered as immaterial to the Group.

GHG Emissions

The Group did not generate significant amount of direct GHG emissions (Scope 1) since the Group's operation does not involve any combustion of fuels. The major sources of GHG emissions were generated from purchases electricity (Scope 2) and wastepaper disposal (Scope 3). Regarding this, the Group has formulated relevant policies and internal control system to reduce electricity consumption and wastepaper disposal. The Group has implemented electricity conservation measures which are described in the section headed "Energy Consumption" under Aspect A2 and office paper reduction measures which are described in the section headed "Waste Management" under this Aspect.

Environmental, Social and Governance Report 2020

With the above measures implemented, employees' awareness on carbon reduction has been enhanced. The Group's total GHG emissions have decreased by about 27% from approximately 409 tCO₂e in 2019 to approximately 298 tCO₂e in 2020. This reflects that the employees of the Group have increased their awareness of power and energy savings.

During the Year, the Group's GHG emissions performance is as follows:

Indicator ¹	Unit	2020	2019
Direct GHG emissions (Scope 1)	tCO ₂ e	—	—
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	169.07	183.48
— Electricity consumption	tCO ₂ e	128.49	225.85
Other indirect GHG emissions (Scope 3)	tCO ₂ e	297.56	409.33
— Wastepaper disposal	tCO ₂ e/square feet	0.01	0.02
Total GHG emissions	tCO ₂ e		
Intensity ²	tCO ₂ e/square feet		

Note:

1. GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by The Hong Kong Stock Exchange of Hong Kong Limited, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 ("AR5") and the 2019 Sustainability Report published by the HK Electric Investments.
2. The total floor area of the Group as at 31 December 2020 and 31 December 2019 were both approximately 20,000 square feet. This number would also be used for calculating other intensity data in the ESG Report.

Sewage Discharge

The Group does not consume a significant volume of water through its business activities, therefore its business activities did not generate a material portion of discharge into water. As the sewage discharged by the Group is treated by the Drainage Services Department, the amount of sewage discharge is considered as the water consumed. The amount of water consumed and corresponding water-saving initiatives will be described in the section headed "Water Consumption" of aspect A2.

Waste Management

The Group abides by the waste management principle and strives to properly manage and dispose of wastes produced by its business activities. The Group maintains high standard in waste reduction, educates its employees the significance of sustainable development and provides relevant support in order to enhance their skills and knowledge in sustainable development.

Hazardous Wastes

Given its business nature, the Group did not generate significant amount of hazardous wastes during the Year. Nevertheless, the Group complies with the relevant environmental laws and regulations. In case there are any hazardous wastes produced, the Group must engage a qualified chemical waste collector to handle such wastes.

Environmental, Social and Governance Report 2020

Non-hazardous Wastes

The non-hazardous wastes generated by the Group's operations mainly consist of paper, which involves paper used at the office and printing paper for its customers. As a responsible corporate, the Group values paper saving and regularly monitor the effectiveness of policies implemented in relation to office paper. A paperless office is promoted to employees, customers and other stakeholders by encouraging the application of e-files and e-documents via on-screen reviewing and checking. For unavoidable paper printing, the Group encourages employees to use double-sided printing instead of single-sided printing and collect all printed single-sided paper next to each printer for reuse. Reminders about paper reusing are posted around the office. The Group has also been encouraging customers to use Forest Stewardship Council recycled papers to print their financial reports and other documents, extending green practices to its value chain.

Besides, the Group has hired qualified recyclers to collect and recycle non-confidential waste paper to avoid waste paper being sent to landfill. The Group has been participating in a "zero landfill" program organised by its suppliers, which includes returning multi-function devices and consumables such as used toner cartridges to the suppliers for proper recycling.

From these efforts, employees' awareness of reducing wastes, in particular office paper, has been increased. This is shown by a decrease of approximately 43% of the office paper usage from approximately 47.05 tonnes in 2019 to approximately 26.76 tonnes in 2020.

During the Year, the summary of the non-hazardous waste generated by the Group is shown as follows:

Types of non-hazardous wastes	Unit	2020	2019
Office paper ³	tonnes	26.76	47.05
Intensity	tonnes/square feet	0.001	0.002

Note:

3. Actual paper consumption was approximately 5,357,500 sheets in 2020 and approximately 9,417,500 sheets in 2019.

Environmental, Social and Governance Report 2020

A2. USE OF RESOURCES

The Group is committed to becoming a resource-saving and environmentally friendly enterprise to promote environmental protection. The Group has established relevant policies and procedures governing the use of energy and water to achieve higher efficiency and reduce unnecessary use of resources.

During daily operation, electricity, water and paper are the major resources consumed. The Group has established relevant policies and procedures in governing the efficient use of these resources, with reference to the objective of achieving higher energy efficiency and reducing the use of unnecessary materials.

Energy Consumption

The Group aims to minimise the environmental impacts that resulted from its operations by identifying and adopting appropriate measures. Energy policies, measures, and practices have been developed to show its commitment to energy efficiency. The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Switching off lights and electronic appliances before leaving the office;
- Maintaining indoor temperature at 25.5°C during working hours; and
- Leasing energy-efficient high-speed printers for daily operation.

Moreover, the Group has adopted the energy saving measures recommended by The Hong Kong Electric Company Limited, including:

- Using a variety of lamps and equipment;
- Expediting the replacement and repair processes to avoid possible unnecessary use of energy;
- Labelling all multiple switches to facilitate the energy-saving operation;
- Turning off the lights in office rooms when the users are out of office during lunch hours; and
- Posting “Lighting Zoning Plans” with the switches labelled correspondingly for identification.

During the Year, the Group’s electricity consumption decreased by approximately 8%, from 226,521 kWh in 2019 to 208,724 kWh in 2020, due to the application of energy saving measures that mentioned above which demonstrate the effectiveness of energy conservation measures.

The summary of the energy consumption of the Group is shown as follows:

Energy	Unit	2020	2019
Electricity	kWh	208,724.00	226,521.00
Electricity intensity	kWh/square feet	10.44	11.33

Environmental, Social and Governance Report 2020

Water Consumption

As the Group's principal businesses are providing financial printing services, it does not consume a significant amount of water during operation. The Group's water consumption was mainly water consumed in office. Despite water consumption is insignificant due to business nature, the Group is dedicated to promoting behavioural changes in water usage at offices and encouraging water conservation. Environmental signage on water-saving messages are posted in prominent places to remind employees to conserve water. Due to operating locations, the Group does not encounter any significant issue in sourcing water that is fit for purpose. With the above measures implemented, employees' awareness on water conservation has been enhanced.

An approximately 5% increase in water consumption from 252.67 m³ in 2019 to 265.47 m³ in 2020 has been recorded, and this is mainly due to daily intensive cleaning of workplace and employees' self protection of washing hands frequently as to prevent Coronavirus Disease 2019 pandemic.

During the Year, the summary of the Group's water consumption is shown as follows:

Water	Unit	2020	2019
Water consumption	m ³	265.47	252.67
Intensity	m ³ /square feet	0.01	0.01

Use of Packaging Materials

As the Group does not involve in any production processes, packaging materials are not consumed, hence this topic is considered as irrelevant.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group focuses on its business impact on the environment and natural resources and pursues the best practice with the environmental protection. Aside from abiding by the relevant environmental laws and regulations and international standards to properly protect the natural environment, the Group endeavours to find ways to integrate environmental considerations into its business decisions and services it provides, so as to achieve environmental sustainability.

Indoor Air Quality

The Group is committed to providing employees with a pleasing working environment to enhance work efficiency. Due to the nature of the Group's business, its employees spend most of their working time in the office, implying that indoor air quality in the workplace is of paramount importance. Therefore, indoor air quality is constantly monitored and improved with several methods. Such measures include installing air purifiers, cleaning air-conditioning systems regularly, choosing products with low or zero volatile organic compounds where applicable. By adopting these measures, indoor air quality of office was maintained.

Environmental, Social and Governance Report 2020

B. SOCIAL

B1. EMPLOYMENT

Human resources are the foundation for supporting the development of the Group, therefore it has adopted a people-oriented management approach through implementing relevant employment policies with a view to realising the full potential of employees. These employment policies are formally documented, incorporating recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunities, etc. These employment policies and practices are reviewed regularly to ensure continuous improvements in its employment standards.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to employment, including but not limited to the Employment Ordinance, Minimum Wage Ordinance and Mandatory Provident Fund Schemes Ordinance that would have a significant impact on the Group.

Employment and Labour Practices

Recruitment, Promotion and Dismissal

As a company providing financial printing services, the Group believes that hiring and retaining qualified employees is the key to its success. Staff Manual and Corporate Social Responsibility Policy are formulated to regulate and standardise employment related procedures for the Human Resources Department. In line with the need of business development and the principles of fairness and justice, the Group selects the best and suitable qualified candidates through open recruitment or internal promotion process. The Group applies robust and transparent recruitment processes based on merit selection against the job criteria, and recruits individuals based on their suitability for the position and potential to fulfil the Group's current and future needs.

The Group carries out staff evaluations to assess performance of all employees on an annual basis. The Group gives priority to internal promotion and encourages employees to compete for internal job vacancies. With effective two-way communication channel, we will discuss with employees on their performances to better understand the employees' expectations.

The termination of employment contract is governed by internal policies including the "Staff Manual" and is based on reasonable and lawful grounds. The Group strictly prohibits any kind of unfair or illegitimate dismissals. For those who have unsatisfactory working performance or repeatedly make mistakes, the Group will give verbal warning before issuing a warning letter. For those who show no improvement, the Group will consider dismissing the employees according to relevant laws in Hong Kong.

Environmental, Social and Governance Report 2020

As at 31 December 2020, the Group had employed a total of 129 employees, including divisions of operational, sales and marketing, and back office. All employees are situated in Hong Kong. The composition is shown as below:

	2020				2019			
Gender and age group distribution	Male		Female		Male		Female	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
16 – 18	–	–	–	–	1	1%	–	–
19 – 30	12	9%	22	17%	15	12%	28	22%
31 – 45	29	22%	35	27%	31	24%	19	15%
46 – 60	11	9%	18	14%	9	7%	21	17%
>60	1	1%	1	1%	1	1%	1	1%
Total	53	41%	76	59%	57	45%	69	55%

During the Year, there were 26 employees who left the Group. The turnover rate in percentage by age group and gender is shown as below:

Gender and age group distribution	2020		2019	
	Male	Female	Male	Female
16 – 18	–	1%	–	–
19 – 30	1%	4%	5%	8%
31 – 45	3%	3%	4%	4%
46 – 60	1%	3%	1%	2%
>60	0%	1%	1%	–

Gender	2020		2019	
	Male	Female	Male	Female
Resigned employee	27%	73%	42%	58%

The Group will continue to provide a well-structured and caring environment to its employees so as to raise their sense of belonging and work efficiency in the Group.

Remuneration and Benefits

The Group understands that a competitive remuneration package together with good benefits and welfare encourage retention and foster a sense of belonging. The Group offers a comprehensive remuneration package for all its employees, and employees are remunerated fairly according to their contributions with reference to the market practice. The Group regularly reviews the remuneration policy to ensure its market competitiveness. Employees are recognised and rewarded according to their individual performances, working experience, respective responsibilities, merits, qualifications, competences and time commitments. The remuneration package includes holidays, annual leave, sick leave, marriage leave, maternity leave, paternity leave, compassionate leave, jury leave, medical scheme, group life insurance scheme, mandatory provident fund and discretionary bonus.

Environmental, Social and Governance Report 2020

Diversity and Equal Opportunities

The Group is committed to fostering a cooperative and collaborative workplace culture since a diversified workforce is critical for its business. The Group is dedicated to providing equal opportunities in all aspects of employment and maintaining a workplace that is 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. Employees are strongly encouraged to report any suspected cases to protect the rights and interests of each employee. Any forms of sexual harassment or abuse in the workplace are in no way tolerated.

B2. HEALTH AND SAFETY

Being a corporation principally engaged in financial printing services, the Group's businesses do not pose a significant threat to the health and safety of employees. Nonetheless, the Group recognises that the operational efficiency of an enterprise is closely related to the maintenance of a healthy and safe working environment for all employees, thus the Group endeavours to safeguard the health and safety of its employees and expect all employees to strictly observe its health and safety policies. The Group will continue to maintain a healthy and safe working environment for its employees.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to health and safety, including but not limited to the Occupational Safety and Health Ordinance and the Employees' Compensation Ordinance that would have a significant impact on the Group.

Workplace Health and Safety

There has been no high-risk or safety-sensitive type of work identified at the Group's workplace. During the Year, there was no work-related fatalities and lost days due to work injury.

However, the Group understands that employees need to work at a computer for a long period of time everyday due to the nature of its operation. Hence, the Group provides employees with occupational health education by circulating office safety guidance which covers the safe use of display screen equipment and correct working postures and encourages workplace stretching exercises to minimise the risk of work-related injuries and strains. Moreover, the Group has posted reminders for its employees to develop healthy working habits in office such as appropriate body working postures, regular exercises in office and appropriate setting of computer monitors.

In response to the outbreak of the Coronavirus Disease 2019 ("COVID-19") pandemic, the Group has implemented infectious disease measures which allow employees to take isolation leave when they are subject to compulsory quarantine. Apart from the isolation leave, the Group also fully subsidises employees to take the COVID-19 test with a view to reducing the transmission of the virus in the community and in the workplace. The Group strictly enforces social distancing to prevent congregating in the operations during breaks or lunch times. In addition, the Group reminds its employees of the importance of staying home when feeling sick, frequently washing hands with soap and avoiding exposure to public places.

Environmental, Social and Governance Report 2020

B3. DEVELOPMENT AND TRAINING

Employee Development and Training

The Group aims to bring out the best in employees which drives the growth of the Group as it believes that talents build the future of the Group. The endeavour and growth of each employee are indispensable for the growth and development of the Group. Thus, the Group is committed to nurturing its talents by providing diversified learning channels. Guidelines on education and training management are clearly provided for the sake of fully empowering its employees with the knowledge and skills required to excel in their professional fields as well as motivating employees to further self-learning, thereby creating a talent pool which can contribute to the continuous success of the Group.

Aiming to help employees in continuously developing their capacity through further education, the Group has invested resources and formulated relevant policies to regulate employee training management. Employees are provided with on-the-job training relevant to their current roles. With such policies, the Group commits to increasing job satisfaction and morale among employees.

B4. LABOUR STANDARDS

Prevention of Child Labour and Forced Labour

The Group is fully aware that child labour and forced labour violate fundamental human rights and the International Labour Conventions and Recommendations, and pose a threat to sustainable social and economic development. Therefore, the Group has strictly complied with relevant laws and regulations.

The Group prohibits the use of child labour by reviewing the actual age of the interviewee during the recruitment process, including the examination of identity documents and detailed records. The Group only carries out the requirements of standard labour contract and does not use any means to unfairly restrict the employment relationship between employee and the enterprise by, for example, withholding a deposit or identity documents.

Furthermore, employees of the Group work overtime on a voluntary basis to prevent any breaches of labour standards. Any punishments, management methods and behaviours involving verbal abuse, physical punishment, physical abuse, oppression, sexual harassment against its employees are prohibited for any reason.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to child and forced labour, including but not limited to the Employment of Children Regulations and the Employment Ordinance that would have a significant impact on the Group.

B5. SUPPLY CHAIN MANAGEMENT

The Group highly values our relationship with suppliers as they are the key to sustainable development of the Group. To ensure suppliers have met its standards and requirements regarding quality, environment, and safety, the Group has established a stringent and standardised procurement system that all suppliers are evaluated carefully and subject to regular monitoring and assessments.

Supply Chain Management

The Group has approximately 99% suppliers based in Hong Kong and the remaining suppliers are from the People's Republic of China. The Group's major suppliers are its subcontractors which mainly comprise printing factories and translation companies. In order to maintain high quality of services, the Group selects and maintains a list of approved subcontractors, which is reviewed and updated on a continuous basis. Site visits are arranged by the Group where necessary to ensure the manpower and facilities of the suppliers and thus the overall quality of the printed documents.

Environmental, Social and Governance Report 2020

In addition to factors such as technical capabilities, delivery times and price competitiveness of subcontractors, the Group also considers extending environmental and safety requirements and focuses along the supply chain, and requires its subcontractors to focus more on sustainability performance. As a provider of financial printing services, the Group is aware that in its supply chain, high-speed printers emit high concentrations of suspended particulates into the air. The Group will continually review the environmental impact along its supply chain and explore environmental-friendly options in its operations. The Group aims to cooperate more with companies which share the common sustainability goals together.

B6. PRODUCT RESPONSIBILITY

Under the competitive environment nowadays, expectation on the quality of products and services continues to raise. The Group understands that it can only gain, maintain and enhance its customers' trust and support by creating the most value to its customers in a responsible manner.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, including but not limited to the Trade Descriptions Ordinance and Personal Data (Privacy) Ordinance that would have a significant impact on the Group. Given the Group's business nature, the Group was not involved in the sale of products, therefore disclosure on product recall procedures and number of products recalled are not applicable. Meanwhile, the Group did not receive any complaint from its customers in relation to the quality of its service during the Year.

Quality Management

In the financial printing service sector, responding time and quality of services are critical. The Group commits to fulfilling its customers' satisfaction with timely response and high-quality service. The Group has implemented a quality control system through a thorough proofreading service to ensure the accuracy of the typesetting of documents. Production process is continuously reviewed to enhance the quality of its financial printing services. To further enhance its competitive edge, the Group has also acquired new facilities and equipment to react to the changing needs of its customers.

Privacy Protection

The Group has routinely handled important, confidential and price-sensitive information related to its customers. Securing customers' information is the most essential element for maintaining good corporate governance and building long-term trust with its customers. As a responsible service provider, the Group adheres to the Personal Data (Privacy) Ordinance in Hong Kong and expressly reiterates confidentiality obligations in its Staff Manual. Employees are required to sign a confidentiality agreement and are trained to maintain the confidentiality of customers' information. The Group has engaged a confidential material destruction service provider to collect and handle used papers that could possibly contain customers' confidential information.

Advertising and Labelling

As a company providing financial printing services, the Group has limited issue on advertising and labelling. In the Group's dealings with its clients, information provided should be complete, true, accurate, clear, and comply with all relevant laws and regulations regarding the proper advertising, including but not limited to the Trade Descriptions Ordinance.

Environmental, Social and Governance Report 2020

B7. ANTI-CORRUPTION

The Group believes that the integrity of business is the foundation of corporate social responsibility, as well as a fundamental element for a business competitive advantage and sustainability. The Group is committed to the highest possible standards of openness, probity and accountability. Through communication and notification, the Group has provided its employees with Business Conduct and Conflict of Interest policy and related instruction.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong relating to bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance that would have a significant impact on the Group. In the meantime, there were no concluded legal cases regarding corrupt practices during the Year.

Whistle-blowing Mechanism

A Whistle-blowing Policy was put into effect for all levels and operations in the Group to show zero tolerance towards corruption and assist individual employees to disclose malpractice or impropriety within the Group. All employees must fully comply with relevant local laws and regulations as well as the Group's own policies on the prevention of corruption. All employees have a responsibility to raise concerns, confidence, about possible improprieties such as misconduct and malpractice in any matter related to the Group and report any suspected violations to a supervisor or senior management. Such policy also aims at protecting whistle-blowers from unfair dismissal, victimisation and unwarranted disciplinary actions.

B8. COMMUNITY INVESTMENT

Corporate Social Responsibility

As part of strategic development, the Group aims to promote the stability of society and inspire its employees towards social welfare awareness. The focuses of the Group's community investment are education, social welfare and environmental protection. The Group believes that it can act effectively to help alleviate social problems and respond positively to charitable programs and volunteering services.

During the year, the Group has encouraged its employees to participating in charitable activities in order to practice the corporate spirit of repaying society. Through various efforts, the Group hopes to establish a corporate image of sunshine and responsibility, and encourage employees and other stakeholders to give back to society.

Environmental, Social and Governance Report 2020

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1 (comply or explain)	The types of emissions and respective emissions data.	Emissions — GHG Emissions, Waste Management
KPI A1.2 (comply or explain)	GHG emissions in total (in tonnes) and intensity.	Emissions — GHG Emissions
KPI A1.3 (comply or explain)	Total hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management (not applicable — explained)
KPI A1.4 (comply or explain)	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management
KPI A1.5 (comply or explain)	Description of reduction initiatives and results achieved.	Emissions — GHG Emissions, Waste Management
KPI A1.6 (comply or explain)	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions — Waste Management

Environmental, Social and Governance Report 2020

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 (comply or explain)	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources — Energy Consumption
KPI A2.2 (comply or explain)	Water consumption in total and intensity.	Use of Resources — Water Consumption
KPI A2.3 (comply or explain)	Description of energy use efficiency initiatives and results achieved.	Use of Resources — Energy Consumption
KPI A2.4 (comply or explain)	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources — Water Consumption
KPI A2.5 (comply or explain)	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources — Use of Packaging Materials (not applicable — explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1 (comply or explain)	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 — Indoor Air Quality

Environmental, Social and Governance Report 2020

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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, antidiscrimination, and other benefits and welfare.	Employment
KPI B1.1 (recommended disclosure)	Total workforce by gender, employment type, age group and geographical region	Employment — Recruitment, Promotion and Dismissal
KPI B1.2 (recommended disclosure)	Employee turnover rate by gender, age group and geographical region	Employment — Recruitment, Promotion and Dismissal
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 (recommended disclosure)	Number and rate of work-related fatalities.	Health and Safety — Workplace Health and Safety
KPI B2.2 (recommended disclosure)	Lost days due to work injury.	Health and Safety — Workplace Health and Safety
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

Environmental, Social and Governance Report 2020

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1 (recommended disclosure)	Number of suppliers by geographical region.	Supply Chain Management
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 (recommended disclosure)	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Product Responsibility
KPI B6.2 (recommended disclosure)	Number of products and service related complaints received and how they are dealt with	Product Responsibility
KPI B6.5 (recommended disclosure)	Description of consumer data protection and privacy policies, how they are implemented and monitored	Product Responsibility — Privacy Protection

Environmental, Social and Governance Report 2020

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 (recommended disclosure)	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
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 — Corporate Social Responsibility