



# Fulu Holdings Limited 福祿控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2101



# 2021

*Environmental, Social, and  
Governance Report*

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## 1. REPORT DESCRIPTION

### 1.1 ABOUT THE REPORT

Fulu Holdings Limited (the “**Company**”) and its subsidiaries (collectively known as the “**Group**” or “**we**”) publish this Environmental, Social and Governance (“**ESG**”) report (the “**ESG Report**” or “**this Report**”) to demonstrate our ESG responsibilities and our overall strategy, objectives and our regulatory effectiveness in achieving long-term value.

### 1.2 REPORTING STANDARD

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guidelines (the “**Guidelines**”) set out in Appendix 27 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This Report was prepared on the basis of the four reporting principles of materiality, quantitative, balance and consistency, and is in compliance with the “comply or explain” provision of the Guidelines.

“Materiality”: The Group communicates with stakeholders through a variety of channels and identifies issues of importance to the Group’s ESG based on it.

“Quantitative”: This Report contains all the key performance indicators (KPIs) required by the Guidelines and the corresponding calculation methods and criteria used have been disclosed.

“Balance”: This Report follows the principle of balance and presents a fair view of the Group’s current ESG position.

“Consistency”: This Report uses the consistent statistical and KPI disclosure methodology as previous years. Any changes to the statistical methodology or KPIs, or any other relevant factors affecting meaningful comparisons, will be clearly stated in the ESG Report.

Readers may refer to Appendix II: Index to the Stock Exchange’s Environmental, Social and Governance Reporting Guidelines of this Report for a quick reference. This Report should be read in conjunction with the “Corporate Governance Report” section of the published annual report 2021 of the Company for a full understanding of the Group’s ESG performance.

## 1. REPORT DESCRIPTION



### 1.3 SCOPE OF THE REPORT

Unless otherwise stated, this Report focuses on the performance of the Group's core business for the period from 1 January 2021 to 31 December 2021 (the "Year"). The environmental KPIs cover the Wuhan head office.

### 1.4 REPORTING LANGUAGE

This Report is published in Chinese and English, which may be downloaded from the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.fulu.com](http://www.fulu.com)). In the event of any inconsistency, the Chinese version shall prevail.

### 1.5 APPROVAL AND CONFIRMATION

The Board of Directors of the Company (the "Board") accepts full responsibility for the contents reported in this Report and has approved and confirmed the contents of this Report.

### 1.6 FEEDBACK MECHANISM

We value your comments and suggestions on this Report and please feel free to contact us by email ([IR@fulu.com](mailto:IR@fulu.com)).



## 2. ABOUT THE GROUP

The Group was established in 2009 and is a leading third-party digital goods and services platform operator in the PRC. We are committed to providing the most comprehensive and high-quality digital goods and services. In order to effectively connect with digital goods vendors, sales channels and consumers, the Group has established a Software as a Service (SaaS)<sup>1</sup> technology platform, Fulu Open Platform (福祿開放平台). We provide platform participants with a “one-stop” service. This innovative “Aggregation + Service” operation model has won the favor of thousands of partners. The Group’s platform connects digital goods vendors with digital goods sales channels and provides them with “business to business” (B2B) digital goods-related services and value-added services, including (i) facilitating digital goods transactions between digital goods vendors and digital goods sales channels; and (ii) providing value-added services in a wide variety of industries (including leisure and entertainment, games, telecommunications and lifestyle services-related industries), such as operating online stores for digital goods vendors. We also facilitate the sale of various types of digital goods, such as membership cards, in-app or in-game virtual currencies, virtual cards, e-vouchers, membership benefits, in-game consumables or functions and data usage packages, to help them achieve their commercial objectives, such as traffic acquisition and monetisation.

The Group has always adhered to the values of “Unity, Simplicity, Responsibility, Progressiveness, Deep Learning, and Innovation”. It pays attention to team goals, cooperates with integrity, provides professional and efficient services, and encourages personal development to become a dedicated and responsible professional. We also persevere in continuously breaking through the bottleneck, striving for perfection, and constantly creating value for customers. In addition, we provide a comfortable office environment and hold a variety of employee activities to attract and cultivate talents to achieve the corporate mission of “Establishing a virtual service ecosystem and providing the most comprehensive and high-quality services to the internet paying users”.

<sup>1</sup> Software as a Service (SaaS) is a software deployment model under which cloud providers licence software applications to users as a service

## 3. SUSTAINABLE DEVELOPMENT



### 3.1 BOARD STATEMENT

The Group believes that establishing sound ESG principles and strategies will help to enhance the investment value of an enterprise and provide long-term returns to its stakeholders. To ensure effective ESG risk management measures and internal control systems, the Board is responsible for reviewing and monitoring ESG-related matters in compliance with laws and regulations, such as rules and regulations issued by the Stock Exchange on ESG disclosure. Through close cooperation among departments, we aim to effectively lead the ESG development of the Group, adhering to the goals of compliant operation and bearing social responsibilities. The Board also improves ESG-related policies and measures, identifies related matters that have impacts on business operations at regular meetings held for ESG matters, and formulates ESG goals based on the most important ESG-related topics of the Group and stakeholders, coordinates and manages ESG matters. We also provide various communication channels with stakeholders to ensure that we can fully understand the wishes of various stakeholders, in order to review and adjust operating policies in a timely manner.

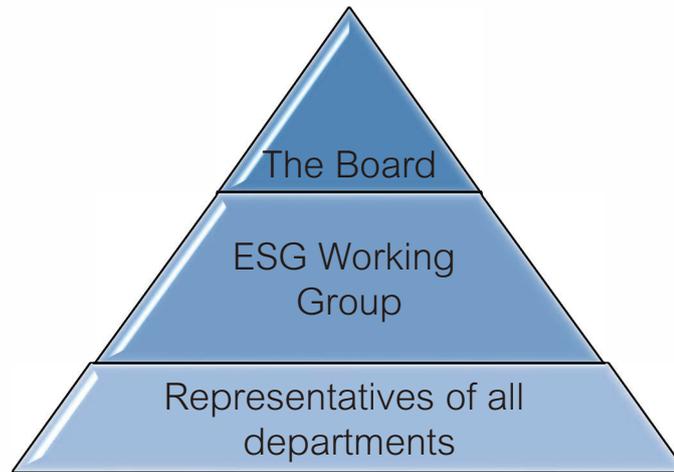
We have established an ESG governance framework to effectively leverage our sustainability governance. The Board assumes full responsibility for the Group's ESG governance and sustainable development, and is responsible for approving the Group's material topics, monitoring ESG performance, regularly assessing ESG-related risks and opportunities, and monitoring the coordination and management of ESG matters. Under the authority of the Board, the ESG Working Group considers and evaluates the concerns of various stakeholders through materiality assessment to determine the Group's ESG management approach, strategies, priorities and objectives. The Group has set relevant ESG goals. In the future, we will review progress against relevant goals to improve our sustainability performance.

In addition, the Group has commissioned a third-party consulting firm to assist in identifying ESG matters and providing suggestions for the ESG performance of the Group. Prior to conducting a materiality assessment, the consulting firm will assist in the analysis of the comments on ESG matters from the stakeholders based on important ESG topics in the industry and peers and score the level of materiality for each ESG topic to identify the material topics according to the results. During the Year, the Board reviewed the assessment results and confirmed finally the material ESG topics of the Group.

### 3. SUSTAINABLE DEVELOPMENT

#### 3.2 STRUCTURE OF ESG GOVERNANCE

In order to integrate ESG concepts into the Group’s management approach, strategies, business plans and policies, and to actively fulfill corporate social responsibility, the Group has established an ESG governance structure, which covers all levels of the Group, including the decision-making level, the organisational level and the executive level, and clearly states the responsibilities of each level in the ESG governance structure. The Board decides and oversees the Group’s ESG management approach, strategies, objectives and overall work, and delegates the ESG Working Group led by the senior management to formulate the above ESG-related initiatives, promote and monitor the implementation of ESG-related policies and work by all relevant departments, so that these ESG-related initiatives are reflected in the daily operation and business of the Group. The following is the Group’s ESG governance structure and the roles and responsibilities at each level within the governance structure:



Role	Scope of responsibilities
The Board	<ul style="list-style-type: none"> <li>Resolve and approve the Group’s ESG management approach, strategies, objectives and annual work</li> <li>Identify potential risks in business development plan</li> <li>Regularly review and monitor ESG performance and progress towards goals</li> </ul>
ESG Working Group	<ul style="list-style-type: none"> <li>Identify, evaluate, review and manage significant ESG issues</li> <li>Coordinate and promote the implementation of ESG policies in various departments and monitor the ESG-related work of various functional departments, etc.</li> <li>Collect, understand and respond to stakeholders’ views on significant ESG issues through appropriate channels</li> </ul>

### 3. SUSTAINABLE DEVELOPMENT

Role	Scope of responsibilities
Representatives of all departments	<ul style="list-style-type: none"> <li>Abide by all ESG-related policies</li> <li>Organise and execute all ESG-related activities in accordance with the Group's ESG management approach, strategies, annual work and objectives</li> <li>Collect and regularly report ESG internal policies, systems and ESG-related information to the ESG Working Group</li> </ul>



### 3.3 STAKEHOLDER ENGAGEMENT

The Group believes that our long-term development is only achieved by the stakeholders' engagement and their continuous support. The Group is committed to maintaining close communication with various external and internal stakeholders, including governments and regulators, shareholders, partners, customers, environmental groups, industry peers, employees, community and the public. We communicate with our stakeholders through various channels to better understand their expectations and aspirations for the Group's sustainable development, with a view to refining our sustainability strategy and achieving our sustainability goals, thereby improving our ESG performance and future development strategy.

Stakeholder	Requirement and Expectation	Communication and Response
Governments and Regulators	<ul style="list-style-type: none"> <li>Compliance with national policies, laws and regulations</li> <li>Support for local economic growth</li> <li>Drive local employment</li> <li>Safe operation</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting</li> <li>Regular communication with regulators</li> <li>Examinations and inspections</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Returns</li> <li>Compliant operations</li> <li>Rise in company value</li> <li>Transparent information and efficient communication</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Company announcement</li> <li>Emails, telephone communication and company website</li> <li>On-site visit</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Operations with integrity</li> <li>Fair competition</li> <li>Performance of contracts by law</li> <li>Mutual benefits and win-win results</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and appraisal meetings</li> <li>Business communication</li> <li>Exchange and discussion</li> <li>Engagement and cooperation</li> </ul>



### 3. SUSTAINABLE DEVELOPMENT

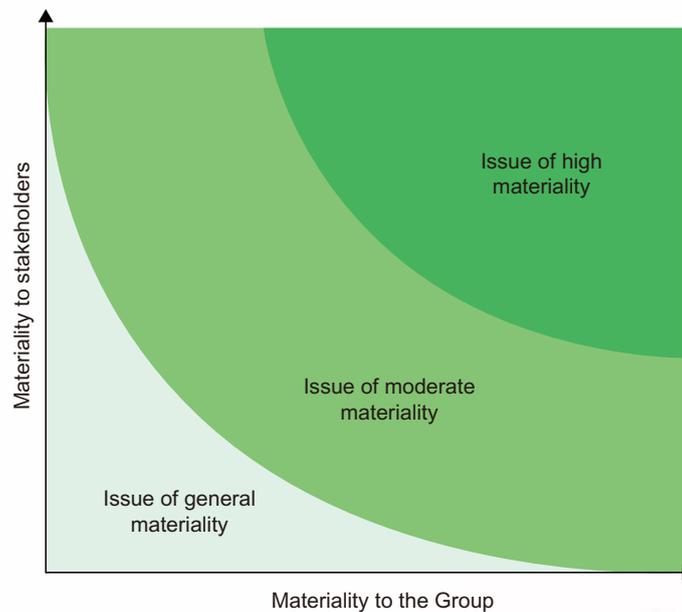
Stakeholder	Requirement and Expectation	Communication and Response
Customers	<ul style="list-style-type: none"> <li>Outstanding products and services</li> <li>Performance of contracts by law</li> <li>Operations with integrity</li> </ul>	<ul style="list-style-type: none"> <li>Customer service centre and hotline</li> <li>Customer opinion survey</li> <li>Social media platform</li> <li>Return visits</li> </ul>
Environmental Groups	<ul style="list-style-type: none"> <li>Compliance with emission standards</li> <li>Energy conservation and reduction of emissions</li> <li>Ecological protection</li> </ul>	<ul style="list-style-type: none"> <li>ESG information submission</li> </ul>
Industry Peers	<ul style="list-style-type: none"> <li>Promotion of industry development</li> </ul>	<ul style="list-style-type: none"> <li>Field visits and reciprocal visits</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Remunerations and benefits</li> <li>Career development</li> <li>Humanity cares</li> </ul>	<ul style="list-style-type: none"> <li>Employee communication meetings</li> <li>Company newsletter and intranet</li> <li>Promotion mechanism</li> <li>Staff training</li> <li>Employee activities</li> </ul>
Community and the Public	<ul style="list-style-type: none"> <li>Participate in public welfare</li> <li>Open and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>Company website</li> <li>Company announcement</li> <li>Media interview</li> <li>Social media platform</li> </ul>



#### 3.4 MATERIALITY ASSESSMENT

During the Year, the Group conducted the materiality assessment to identify ESG issues that are critical to the Group's business and stakeholders, so as to formulate ESG management policies more clearly and effectively. We developed such materiality assessment based on internal stakeholders' opinion, analysis of opinions from third-party professional advisors, and the materiality map issued by the Sustainability Accounting Standards Board (SASB). The Group will take the results of this assessment as a reference to strengthen the internal management of the Group, and will continue to enhance the engagement of different stakeholders in the future, so that stakeholders can provide us with their valuable and constructive opinions on the development of the Group.

After detailed analysis, we finally identified 24 material issues covering ESG aspects applicable to the Group's business, including 10 issues of high materiality, 13 issues of moderate materiality and 1 issue of general materiality. Based on the materiality of these issues, we made key disclosures to different extents in this Report, and took them as important considerations in formulating ESG policies and strategies.



### 3. SUSTAINABLE DEVELOPMENT

Materiality of ESG Issues	Material Issues
<b>High materiality</b>	<ul style="list-style-type: none"> <li>Customer service management</li> <li>Information and privacy security</li> <li>Intellectual property rights protection</li> <li>Research and development</li> <li>Anti-corruption</li> <li>Operational compliance</li> <li>Training and education</li> <li>Employment compliance</li> <li>Employment diversity and equal opportunities</li> <li>Talent attraction and retention</li> </ul>
<b>Moderate materiality</b>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Product quality</li> <li>Responsible marketing</li> <li>Healthy and safe products</li> <li>Remuneration and benefit</li> <li>Employee interest</li> <li>Employee engagement</li> <li>Occupational safety and health</li> <li>Energy management</li> <li>Water management</li> <li>Waste management</li> <li>Greenhouse gas management</li> <li>Social contribution</li> </ul>
<b>General materiality</b>	<ul style="list-style-type: none"> <li>Response to climate change</li> </ul>

## 4. ADHERE TO BUSINESS ETHICS



### 4.1 ANTI-CORRUPTION

The Group adheres to business ethics and actively promotes integrity, honesty and trustworthiness in the workplace. We strictly abide by the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations. We have also formulated the *Anti-corruption Business Conduct Codes* to provide guidelines and rules for directors and all employees. It clearly stipulates integrity, diligence and fairness as our professional ethics, so as to prevent any misconduct that harms the interests of the Company. Employees are required to comply with relevant regulations and make reports in the case of conflict of interest. They are not allowed to obtain money or personal gain from others in any form by abusing their power or taking advantage of their work. We encourage employees to make reports for the purpose of anti-corruption. Employees can also report through the specialized hotline in the case that they discover any suspicious behavior or situation. To protect the whistleblower, the whole process is strictly confidential.

In addition, we have strict requirements on the integrity of the management. All managements are required to sign the *Letter of Responsibility for Integrity*, which prohibits any form of commercial bribery or corruption and regulates the behavior of both parties. If any conflict of interest is identified between the management and partner during the process of project cooperation with our partner, report should be made to the Group immediately and the management should promise not to damage the interests of both parties in any way. In the case of any violation, we reserve the right to initiate legal actions. During the Year, we regularly held anti-corruption trainings for directors and employees and regularly disseminated anti-corruption related materials to them by mail to keep them abreast of the latest anti-corruption and integrity information. Moreover, employees are required to attend the trainings, so as to enhance their integrity awareness. During the Year, the Group did not involve in or discover any violations of anti-bribery or anti-corruption laws and regulations.

### 4.2 INFORMATION SECURITY AND PRIVACY PROTECTION

The Group highly values the information security and privacy protection, and strictly abides by the *Network Security Law of the PRC*, the *Regulations on the Protection of Computer Information System Security of the PRC* and the *Regulations for the Protection of Personal Information of Telecommunication and Internet Users of the PRC* and other relevant laws and regulations. The Group has obtained the ISO27001:2013 information security management system certification. Customers can only use our related products or services after confirming that they have read, fully understand and agree to the content of the *Legal Disclaimer and Privacy Policy* of the Group before they launch the Fulu Open Platform. In order to ensure the authenticity of customer identities and provide better security, we will require customers to provide identity information such as ID cards, corporate business licences, facial features and other biometric information before real-name authentication. If any customer fails to provide the above information, the Group will refuse he/she/it in using relevant services such as transaction, account management and order management, to ensure that customer information is not infringed. Besides, we use encryption technology and trusted protection mechanisms and access control mechanisms under deployment to improve the security of customer information and prevent malicious attacks on users' information, and to ensure that only authorised personnel can access customer information.





## 4. ADHERE TO BUSINESS ETHICS

Adherence to business ethics is crucial for the Group and all employees at all times, and all employees are obliged to keep business secrets and forbidden to disclose or use any customer data without the consent of customers in order to protect the rights and interests of customers. The Group will organize security and privacy protection training courses to strengthen employees' awareness of the importance of protecting users' information. We collect and use customer information in a legal manner and according to the privacy policy, and only retain customer information for the required period.

In order to ensure the data security of the Group and the customers, the Group has established a complete data management system and IT management standards. The big data department under the R&D center is responsible for the unified maintenance of the daily operation data collected by each department and classifies the data according to the importance. Each department shall submit an application for data access and explaining its purpose, the business scenarios used and the scale, and the responsible persons at corresponding levels shall complete the entire approval process according to the data level. Employees are also advised to log out their computer accounts when leaving their seats, and make sure that the anti-virus software has been installed on all computers. In addition, we have established database development specifications and standardised database naming and coding styles to maintain efficient and stable database operation and reduce the risk of information leakage. During the Year, the Group was not involved in or aware of any incident of violation of laws and regulations related to information security and privacy protection.

### 4.3 RESPECT FOR INTELLECTUAL PROPERTY RIGHTS

The Group genuinely understands the importance of protecting and enforcing our intellectual property rights. For the purpose of respecting others' and protecting our intellectual property rights, the Group has developed a sound *Intellectual Property Management System* and strictly abides by the *Patent Law of the PRC*, the *Copyright Law of the PRC* and the *Anti-Unfair Competition Law of the PRC* and other laws and regulations. The Group has been actively registering intellectual property rights and applying for patents in a timely manner for inventions and creations that meet the requirements, so as to obtain legal protection. When conducting the cooperative research or development with third parties, we will enter into relevant contracts in accordance with the *Civil Code of the PRC*, whereby specifying the terms of protecting intellectual property rights. Employees are required to sign the *Confidentiality Agreements* and the *Non-competition Agreements* when joining us, under which they shall undertake to keep all data of the Group's resources, operations and technical achievements confidential to protect the Group's intellectual property rights. In addition, the Fulu Open Platform is also under the protection of legal statement and privacy agreement. Without the permission of the platform service provider and/or its affiliates, no one shall use any content on the Fulu Open Platform, otherwise it shall bear legal liabilities. As of 31 December 2021, the Group obtained a total of 105 software copyrights.



### 5.1 QUALITY SERVICE AND R&D

The Group has been providing customers with high-quality digital rights products and services to facilitate users' daily life and work. One of the Group's strengths is its diverse clientele. With our advanced business model and technology, customers can enjoy high-quality products and a full range of services, regardless of the amount of customer funds. Given the business nature of the Group as a third-party digital goods and service platform operator, we do not have any products that must be recalled for safety or health reasons.

#### **Customers Service Management**

The Group believes that “continuously creating value for customers and shareholders” is crucial, and we are committed to serving the society and our customers through good reputation and quality. We formulate bilateral cooperation agreements on product purchase and sale, mall entry, agency operation, marketing promotion and product agency services in accordance with the laws and regulations such as the *E-commerce Law of the PRC*, the *Regulation on the Protection of the Right to Communicate Works to the Public over Information Networks*, and the *Telecommunication Service Rules*. The agreements specify the content of cooperation, process of cooperation, service fees and payment procedures, rights and obligations of both parties, confidentiality, clean operation and intellectual property terms and liabilities for breach of contract to restrict and protect the rights and interests of both parties. During the Year, the number of inbound consultation services by the Group totalled nearly 9 million.

We attach great importance to the wishes of our customers and provide a full range of services. In order to increase mutual trust, we increase the transparency of the pricing of goods and services, so that customers can fully understand the service and the amount of returns. In addition, the Group continues to consolidate its position in the third-party digital goods market through continuous research and development, and further accelerates the launch of new SaaS applications on Fulu Open Platform and the increase in the number of its users, enabling customers to enjoy our more convenient and outstanding services. During the Year, we also won the honor of “Best SaaS Company” in the 6th Golden Hong Kong Stock organised by Zhitong Caijing (智通财经). In addition, we also received awards and honors from various well-known customers and institutions during the Year.



Tmall — Best Cooperation Award



Zhitong Caijing — Best SaaS Company & Best IR Team in the 6th Golden Hong Kong Stock



## 5. EXCELLENT QUALITY



Tencent Video — Best Team Award & Best Sales Award & Most Valuable Partner



JD — User Growth Star & CPS Dark Horse & Sales Growth Award



Tmall — Five-Star Service Provider



Ping An Bank — Excellent Ecological Partner in 2021



Wuhan Software Industry Association — 2021-2022 Excellent Software Enterprise



moka — 2021 GHRC Best HR Management Team

### **Complaint Handling**

In addition, the Group has always been committed to protecting the legitimate rights and interests of its customers. We strictly comply with relevant laws and regulations such as the *Protection of Consumer Rights and Interests Law of the PRC*, and have formulated a complete *Customer Complaint Handling Process*. For any customer complaint, we will hand it over to the corresponding responsible team for handling according to its type. The customer service team will immediately investigate and find out the reason for the complaint, so as to quickly take remedial and preventive measures. In the process of complaint handling, we will require the service team to continue to pay attention to the customer's emotional changes and demand progress, and to adjust and formulate appropriate solutions in a timely manner to improve the customer's experience. The quality control team then needs to evaluate the overall processing flow and processing efficiency of the complained order, and collect customer satisfaction levels. At the same time, in order to continuously improve and enhance service quality, we attach great importance to customer satisfaction with service quality, and conduct regular surveys to obtain customer feedback. Our customers mainly complain through external channels, and the complaints are mainly about dissatisfaction with the products and services we provide. During the Year, the customer service rating of the Group was 93.93%, and a total of 1,029 complaints from external channels were received, with a handling rate of 100%. And these complaints were mainly attributable to the distinctive nature of digital right goods not applicable to the return and exchange policy.

### **Research and Development**

The Group is committed to the research and development of new technologies to continue to meet the needs of the growing number of customers. During the Year, the Group also achieved a number of results through diversified research and development approaches. We have improved support services of the platform SaaS application to provide better quality services to our customers. In addition, we have been committed to building intelligent supply chains to solve multiple technical problems in the supply chain and improve the quality of the supply chain. On the other hand, we have mature basic technical components, and we continue to improve and update Fulu Open Platform to meet the ever-changing technology development, enhance R&D efficiency, and flexibly respond to business development. We update the core services of the business middle office to identify potential risks in the Group's R&D process and to enhance our resilience. As of 31 December 2021, the number of staff in the Group's research and development function has increased by 129 compared to the same period last year.



## 5. EXCELLENT QUALITY

### 5.2 SUPPLY CHAIN MANAGEMENT

In order to establish long-term and mutually beneficial cooperative relations with suppliers, optimize supply chain management, and ensure the quality of goods and services, the Group internally formulated relevant systems for supply chain management and procurement in strict accordance with the relevant laws and regulations such as the *Contract Law of the PRC*, and followed the principles of openness, fairness and impartiality in procurement. We will screen suppliers based on a number of factors, including but not limited to market share, qualifications, delivery capability, service attitude, product safety, price advantages, and product quality. Suppliers are required to go through multiple rigorous evaluation procedures before being added to the new supplier evaluation list. For the entrusted suppliers, we will sign contracts with them, specifying the name, category, specification, model, place of production, etc. and track and monitor their performance and progress on a regular basis. We will conduct an annual review on suppliers, and those suppliers or their affiliated companies that fail to meet the standards specified by the Group or have trust-breaking records will be listed as prohibited suppliers and temporarily denied.

The suppliers of the Group mainly include the suppliers of digital goods sales channels and data storage and server host that charge commissions from us. When selecting and appointing service unit, the Group will also consider its environment and social risks such as strictly reviewing suppliers' performance and compliance with environmental, health and safety, anti-corruption, product liability, etc. We will give priority to suppliers with internationally recognized standards or certifications related to environmental and social risk management, and preferably select local suppliers or suppliers which are geographically closer to reduce carbon footprint. In addition, we promote green procurement and avoid unsalable inventory through reasonable procurement.

During the Year, the Group's 1,289 suppliers were mostly digital goods suppliers and were all from the Mainland China, and the number of suppliers by geographic areas is as follows:

<b>Geographical areas</b>	<b>Number of suppliers</b>
Eastern China	423
Northern China	288
Central China	246
Southern China	254
Northwestern China	31
Northeastern China	47
<b>Total</b>	<b>1,289</b>



## 6.1 EMPLOYMENT AND LABOR PRACTICES MANAGEMENT

The Group values the talent of employees as precious assets. In order to promote their professional development, we have been striving to provide suitable platform and working environment for our employees to ensure their well-being. We strictly comply with laws and regulations related to employment, including the *Labor Law of the PRC* and the *Labor Contract Law of the PRC*, the *Social Security Law of the PRC* and the *Provisions on Prohibition of Child Labor*. We provide equal opportunities and create harmony to ensure that potential candidates or incumbent employees are not limited in such aspects as promotion and development, recruitment and entry, assessment and evaluation, etc. on the basis of factors including gender, ethnic, background, religion, colour, age, marital status, family status, retirement, physical conditions, pregnancy. As a responsible employer, we are committed to implementing good employment practices, and advocate ethics and human rights at the workplace.

As of 31 December 2021, the Group had a total of approximately 702 employees, of which 391 were male and 311 were female. The Group as a whole is full of vitality. The composition of the employees of the Group is as follows:

Employment indicators	2021 Number of employees
<b>By gender</b>	
Male	391
Female	311
<b>By age</b>	
Under aged 30	299
Aged 30–50	400
Over aged 50	3
<b>By geographical region</b>	
Northern China	3
Eastern China	23
Central China	676
<b>By employment category</b>	
Short-term contract/part-time employees	23
Full-time junior employees	304
Full-time mid-level management	333
Full-time senior management	42





## 6. PEOPLE-ORIENTED

### ***Practices on Recruitment Process***

The Group upholds and adheres to the principles of fair competition and merit-based admissions for open recruitment. The *Recruitment Management Measures* have been in place to specify the responsibilities and functions of the human administrative centre and relevant departments. We mainly recruit employees through campus recruitment, internal recommendation, personal recommendation (also through an open recruitment process) and online recruitment platform. At the same time, we have established an internal reward recommendation system to encourage our employees in the admiration and recruitment of talents by recommending candidates, and match them with the right posts. In recruiting, the result of recruitment will not be affected by age, gender, physical and mental health, ethnicity, religion and other factors. We appraise the educational background, work experience, professional skills, and satisfaction of job requirements of job applicants. The Group also prohibits the employment of child labor. Applicants' identification documents, relevant certificates and work experience would be checked and reviewed strictly during the recruitment process to verify their age. If child labor is found, we will stop his/her work immediately and carry out investigation to identify the loophole, implementing remedial measures, preventing the event from happening again. The employment contract entered with employees explicitly specifies the terms for employees in various aspects, so as to safeguard the freedom and interests of employees, and avoid forced labor. We avoid overtime work and it is not encouraged. If overtime is due to workload, we will compensate our employees in accordance with relevant laws and regulations as well as internal systems. We have also formulated an *Employee Withdrawal Management System* listing out proper resignation procedures. When an employee submits a resignation, we will manage to retain him/her, and arrange an interview to understand the reasons of resignation. During the Year, the Group was not involved in or discovered any violation of employment and labor practices, prevention of child labor and forced labor related laws and regulations.

## 6. PEOPLE-ORIENTED

As of December 31, 2021, the turnover rate of the Group is 17.80%, mainly due to the relatively higher turnover rate of customer service staff. The employee turnover rate of the Group by different categories is as follows:

<b>Turnover rate indicators (Note 1)</b>	<b>2021 (%)</b>
<b>By gender</b>	
Male	19.55
Female	15.49
<b>By age</b>	
Under aged 30	24.30
Aged 30–50	12.28
Over aged 50	0
<b>By geographical region</b>	
Northern China	0
Eastern China	0
Central China	18.36

Note:

1. Compared with the previous year, the calculation of turnover rate for the current year has been revised to  $\text{Employee turnover rate} = \frac{\text{Number of departed employees during the Year under the category}}{(\text{Number of departed employees during the Year under the category} + \text{Number of departed employees at the end of the Year under the category})} \times 100\%$ . Moreover, the turnover rate does not include employees who leave during the probationary period.

### **Practices on Remuneration and Promotion**

In order to motivate employees to improve themselves, the Group offers competitive remuneration and promotion packages, such as basic fixed wages, performance bonuses and other welfare allowance packages. We review and adjust remuneration annually based on the results of the employees' annual performance appraisal and rank evaluation, and operating performance. The Group has established the *Personal Performance Management System*, the *Professional Grade Promotion Management System* and related internal systems to regulate the promotion, internal transfer and career development of employees, provide clear views and directions for employees' career development and improve human resource management. We conduct comprehensive evaluations of employees regularly every year based on their general work performance in the past, and objectively and comprehensively evaluate the work performance of each employee. The Group also provides suitable development path for employees based on position vacancies, employees' appraisal performance and occupational development planning. We give priority to internal promotion, and then consider external recruitment.

## 6. PEOPLE-ORIENTED

### ***Employees' Rights and Interests and Benefits***

The Group provides multiple employees' benefits to show concern and motivate employees. We strictly ensure that the working hours, salaries and benefits of all the employees comply with standards. We make social security insurance contributions for employees, including work injury insurance, basic medical insurance, maternity insurance, basic pension insurance, unemployment insurance and housing provident fund scheme. We would make corresponding contributions for employees according to employees' remuneration. According to relevant regulations, the Group has standard working hours. We have five working days with no more than eight hours per day, providing enough time for employees to rest. Employees are also entitled to various holidays such as statutory holiday, annual leave, marriage leave, maternity leave and paternity leave.

Meanwhile, we provide employee benefits such as free physical examinations, consolation money, marital cash gifts, birthday and festival benefits, reflecting the people-oriented management concept and concern for employees. Employees' physical and mental health and the balance between work and life are of vital importance. We insisted on online activities during the outbreak of the novel coronavirus (the "COVID-19") pandemic every month such as online birthday parties, festival celebration parties and sharing meetings to promote communication among employees. In addition, after the pandemic was under control, we also held the basketball and soccer games, traditional festival activities, staff skill competition activities and handicraft workshops in compliance with anti-pandemic regulations. Employees' opinions are conducive to the healthy development of employees. Therefore, we have established various channels for employees' communication to promptly listen to employees' opinions. We also have the open feedback mechanism.



Basketball games activities



Customer Service Center Skills Competition

## 6.2 OCCUPATIONAL TRAINING AND DEVELOPMENT

The Group firmly believes that employees are the key to the sustainable business development and efficient operation of the enterprise, and therefore, we provide trainings for employees to cultivate outstanding talents. We have set up the *Employee Training Management System*, offering internal training and external training in various forms to help employees absorb new knowledge and concepts. We will arrange suitable mentors and orientation trainings for new employees to help them understand the Company, their responsibilities, jobs and goals and learn the Group's standard operational procedures and system as well as staff ordinance. Employees at different levels and positions will go through the corresponding trainings when necessary, including cadre training and occupational training. Meanwhile, we also offer training funds and encourage them to participate in externally organised seminars and sharing sessions to enrich their professional knowledge. In order to continuously improve the training quality, we conduct satisfaction survey to make adjustments and improvements according to employees' feedback. In addition, we have established the *Internal Trainer Management System*. Internal trainers will obtain points or cash bonus upon completion of course development, participation of course review and teaching of courses. After evaluation of internal trainers, the internal trainer with the highest point will be granted with the award of "Annual Chief Lecturer". During the Year, the Group carried out three types of internal trainings in respect of industrial knowledge, general capabilities and professional knowledge and skills, as well as 8 external trainings, including data security legal training, comprehensive business etiquette training and training required by Hong Kong Listing Rules.

## 6. PEOPLE-ORIENTED

During the Year, the training-related data of the Group is as follows:

Training indicators	2021 Average Training Hours per Employee (Hour)	Percentage of Trained Employee (%)
<b>By gender</b>		
Male	17	100%
Female	17	100%
<b>By employment category</b>		
Short-term contact/part-time employees	5	100%
Full-time junior employees	18	100%
Full-time mid-level management	18	100%
Full-time senior management	10	100%

### 6.3 HEALTH AND SAFETY

The Group fulfills its responsibility to protect the safety and health of its employees, strives to provide a safe working environment for its employees, and strictly complies with the *Prevention and Control of Occupational Diseases Law of the PRC* and other relevant laws and regulations. We assign management personnel to be responsible for establishing and consolidating a clear and effective safety system, notifying accidents promptly, and reminding employees of safety inspections and other matters. When an accident happens unfortunately, we promptly investigate and find out the cause of the accident, find out whether human negligence is involved, and impose penalties. We also remind our employees of safety at all times when they are working. We regularly check the safety of electricity use in the office, such as whether there is debris piled up near electrical equipment and whether the voltage exceeds the load to avoid accidental fire alarms. We require our employees to turn off all electrical equipments after work; otherwise, there will be corresponding fines, so as to develop the safe use habit of electricity among employees. At the same time, we prohibit smoking in the working area and clean up all liquids and debris in time to reduce the risk of fire accidents. In the past three years (including this Year), the Group did not have the mentioned potential risks of occupational diseases, no major health and safety incidents, and no work-related fatalities. During the Year, the Group had no lost working days due to work-related injuries.

## 6. PEOPLE-ORIENTED

In order to fight against COVID-19 pandemic, the Group protects the health of its employees by formulating epidemic prevention and control plans and work guidelines, so as to continue its work in preventing and fighting against the epidemic. Since the outbreak of COVID-19 pandemic, the uncertain environment poses a huge challenge to companies. During this period, our work could be completed on the cloud, and the digital products didn't need offline logistics distribution. Therefore, COVID-19 pandemic had less direct impacts on the operation of the Company.

During the epidemic, we took a number of measures to prevent the outbreak, including providing anti-epidemic materials to employees in the office, disseminating anti-epidemic safety control notices to employees to raise their awareness, closely monitoring employees' body temperature, daily movements and health conditions, and replacing business travels with video conferencing whenever possible. In addition, we have set up an emergency response team to handle emergencies, cleaning and sanitation for more effective planning, coordination, and distribution of work on epidemic prevention.





## 7. GREEN OFFICE

The Group has always been committed to fulfilling its responsibilities in environmental protection and resource conservation and continues to reduce impact on the environment in our daily operations. We have raised awareness of environmental protection and resource conservation among employees in daily operations to achieve sustainable development. As the Group's operating facilities are mainly in the PRC, we strictly comply with the laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*. In order to fulfill our responsibilities and obligations to protect the environment, we closely monitor and grasp the impact of our daily operations on the surrounding environment. During the Year, the Group was not aware of any environmental-related violations. During the Year, the Group formulated relevant goals in the environmental field, and intended to maintain or gradually reduce the energy consumption intensity, water consumption intensity, greenhouse gas emission intensity and waste generation intensity within the scope of this Report on the basis of 2021.

### 7.1 EMISSIONS MANAGEMENT

The Group continues to protect the environment by reducing emissions and waste in the course of its operations through the management and control of resource use. As our business is primarily day-to-day office operation, exhaust gas mainly comes from vehicle use emissions and does not involve any emissions from the combustion of related fuels. The Group expects to reduce exhaust emissions and maintain vehicle performance by regularly checking vehicles, inflating tires, and maintaining proper tire pressure to ensure no idling engine.

In the future, we will continue to review the Group's energy-saving measures to achieve our goals. During the Year, the summary of air pollutant emissions from the Wuhan headquarters office is as follows:

Air pollutant emissions (Note 2)	Unit	2021
Nitrogen oxides	kg	4.18
Sulphuric oxides	kg	0.11
Particulates	kg	0.31

Note:

2. It is calculated based on Appendix 2 "Reporting Guidance on Environmental KPIs", published by the Stock Exchange.

Our greenhouse gas emissions can be classified as direct emissions (Scope 1) and energy indirect emissions (Scope 2) from the Group's vehicle use and purchased electricity, respectively. We encourage our employees to make more use of telephone or video conferencing, reduce unnecessary business travel and choose direct flights if business travel is necessary. The Group is committed to reducing its carbon footprint by adopting a number of measures to conserve electricity. The relevant measures are further elaborated in the section headed "Use of Resources" in this Report to reduce carbon emissions and achieve the goal of carbon neutrality in our country. For example, we encourage employees to take public transportation to work and to hold company events in close proximity to public transportation.

During the Year, we conducted a greenhouse gas inventory in the Wuhan headquarters office. The summary of greenhouse gas emissions is as follows:

Greenhouse gas emissions (Note 3)	Unit	2021
Total greenhouse gas emissions	tCO <sub>2</sub> e	186.26
Scope 1 — direct emissions	tCO <sub>2</sub> e	20.11
Scope 2 — energy indirect emissions	tCO <sub>2</sub> e	166.15
Intensity of greenhouse gas emissions	tCO <sub>2</sub> e/employee	0.27

Note:

- We only calculated GHG emissions for Scope 1 (direct emissions) and Scope 2 (indirect energy emissions) based on the requirements of KPI A1.2 in Appendix 27 "Environmental, Social and Governance Reporting Guidelines", published by the Stock Exchange.

## 7.2 WASTE MANAGEMENT

The non-hazardous wastes of the Group are mainly daily office wastes such as office paper and general waste, which are collected and disposed of centrally by the property management company. The Group's hazardous waste includes scrapped electronic products, which are collected and recycled by the corresponding suppliers. The Group will continue to improve the existing waste management policy, collect and dispose of waste appropriately and legally, and provide employees with publicity and education on waste classification and waste reduction to enhance their awareness of environmental protection and reduce the impact of waste generation on the environment.

In addition, we avoid using disposable and non-recyclable products as much as possible, use recyclable ink cartridges, and work with electronics companies to recycle old computers and other electronic equipment. We also reuse envelopes, binders, file cards and other stationery, and use replacement refills to reuse pen holders. We also regularly evaluate our material usage to avoid overstocking and waste.



## 7. GREEN OFFICE

During the Year, the non-hazardous waste and hazardous waste of the Group in the Wuhan headquarters office are as follows:

Waste	Unit	2021
<b>Non-hazardous waste (Note 4)</b>		
Total office and domestic waste generated	metric ton	36.00
Intensity of office and domestic waste generated	metric ton/employee	0.05
<b>Hazardous waste (Note 5)</b>		
Total host generated	Set	86
Total display generated	Set	88
Total notebook generated	Set	17
Total projector generated	Piece	1

Notes:

4. The non-hazardous waste generated by the Group is estimated based on daily operations.
5. The hazardous waste generated by the Group is calculated based on actual weight.

### 7.3 USE OF RESOURCES

The Group attaches great importance to effective resource utilization. While actively developing its business, the Group has not forgotten the importance of green operations. By streamlining operating procedures, the Group saves energy and reduces consumption, allowing more efficient use of resources. We actively promote the importance of environmental protection to employees, so as to raise their awareness of environmental protection and practice the philosophies of energy conservation and consumption reduction, waste reduction at the source, effective use of resources and green office. Therefore, we have adopted different measures to integrate environmental protection concepts into daily operations and build a comprehensive enterprise that takes economic, environmental and social aspects into account.

The resource consumption of the Group is mainly the use of electricity, vehicle fuel, water and paper for its daily office operation. Due to the Group's business nature as a third-party digital goods and services platform operator, our business does not involve the use of packaging materials.

**Energy conservation**

The Group is committed to optimizing the operation process to save energy, and therefore implements energy saving measures in the office as follows:

- Set up independently controllable lighting switches in different areas of the office;
- Use high-energy-efficient lamps;
- Turn off lighting, energy power, etc. in corresponding areas after work;
- Select air-conditioning equipment that has obtained an energy efficiency label;
- Put energy saving signs in different areas to remind employees to save energy as far as possible;
- Regular cleaning, inspection and maintenance of air conditioners to avoid serious refrigerant leakage and improve energy efficiency.

During the Year, the energy consumption of the Group's headquarters in Wuhan is as follows:

Energy use	Unit	Year 2021
Total energy consumption	MWh	340.74
Direct energy consumption — vehicle fuel (Note 6)	MWh	68.41
Indirect energy consumption — purchased electricity (Note 7)	MWh	272.33
Intensity of energy consumption	MWh/employee	0.49

*Notes:*

6. The vehicle fuel consumption data is calculated based on the "Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.
7. Electricity data is based on the actual electricity usage of the Group.



## 7. GREEN OFFICE

### **Water conservation**

The Group does not generate or discharge any industrial wastewater due to its business nature which involves no manufacturing process. Water used is mainly for daily office operations, and the generated domestic wastewater will be discharged into the municipal sewage pipe network for treatment. During the Year, the area where the Group is located did not have any problems in obtaining water for use, and there was a stable water supply system. The Group understands the importance of water conservation. We have various water-saving measures to save water as follows:

- Put up water conservation signs in the restrooms to improve employees' awareness of water conservation; and
- Conduct leakage tests on a regular basis. We will immediately arrange maintenance and inspection if we discover there is any leakage in the water supply facilities.

During the Year, the water consumption of the Group's headquarters in Wuhan is as follows:

<b>Water consumption (Note 8)</b>	<b>Unit</b>	<b>Year 2021</b>
Total water consumption	m <sup>3</sup>	2,073.73
Intensity of water consumption	m <sup>3</sup> /employee	2.95

*Note:*

8. The water consumption data is based on the actual water consumption of the Group.

### **Paper conservation**

The Group attaches great importance to saving paper and reducing unnecessary waste. By encouraging the use of electronic communication systems to disseminate information internally as far as possible, the Group reduces the use of fax and photocopying documents. In order to reduce paper usage, we use electronic office system to replace the office administration system which mainly uses paper for record, as well as encourage employees to print in black and white, copy and print on both sides, and besides to reuse paper that has been printed on one side and use wastepaper for note-taking. When purchasing paper, we choose the printing paper that contains recycled materials and conduct regular paper volume measurements to monitor the use of paper and make timely improvements when necessary.

### 7.4 CLIMATE CHANGE

Response to climate change and managing carbon emissions is one of the most urgent global environmental problems. Different sectors of the community also bear the responsibility for the problems. The Group will continue to implement and strengthen measures to reduce greenhouse gas emissions to make a greater contribution to the green environment and climate change. The Group closely monitors the impact of climate change on the Group's business and operations. During the Year, the Group identified and assessed climate change risks such as physical risks, transition risks and regulatory risks, etc. We have developed relevant countermeasures, such as strictly adhering to the relevant extreme weather guidelines issued by the government, backing up or uploading important documents of the Company to the cloud and developing safety measures to protect employees, so as to cope with the extreme weather risks caused by climate change and reduce losses to the Company. On the other hand, in the face of transition risks such as changing policies, laws and regulations, technological development and market trends, we have established a legal team to monitor and identify changes in policies, laws and regulations in a timely manner to avoid climate-related litigation and legal risks for the Group, as well as regularly identify, evaluate and manage climate-related risks that may have financial impacts on the Group's business, and formulate corresponding measures. We will also promote the importance of reducing carbon emissions to our stakeholders and work with them to combat climate change.



## 8. CONTRIBUTING TO THE COMMUNITY

The Group fulfills its commitment to sustainable development and social responsibility and regards the prosperity and stability of society as the cornerstone of its development. To this end, the Group actively supports charitable projects and public welfare activities and provides job opportunities for people with disabilities. We also encourage employees to participate in volunteer activities and make charitable donations to comprehensively enhance employees' sense of social responsibility, with a view to making greater contributions to social welfare and promoting common development and benefit sharing. During the Year, the Group donated a total of over RMB70,000.

## Appendix I: Summary of Sustainable Development Data



The following is a summary of sustainability information of the environmental scope for this Year:

Environmental	Unit	2021
<b>Air emissions</b>		
Nitrogen oxides (NO <sub>x</sub> )	kg	4.18
Sulfur oxides (SO <sub>x</sub> )	kg	0.11
Particulates (PM)	kg	0.31
<b>Greenhouse gas (GHG) emissions</b>		
Direct GHG emissions (scope 1)	tCO <sub>2</sub> e	20.11
Indirect GHG emissions (scope 2)	tCO <sub>2</sub> e	166.15
GHG emissions in total (scope 1 and 2)	tCO <sub>2</sub> e	186.26
GHG emissions per employee (scope 1 and 2)	tCO <sub>2</sub> e/employee	0.27
GHG emissions per square meter (scope 1 and 2)	tCO <sub>2</sub> e/square meter	0.05
<b>Waste generated</b>		
<b>Hazardous waste generated</b>		
Total hosts generated	Unit	86
Total displays generated	Unit	88
Total laptops generated	Unit	17
Total projectors generated	Piece	1
Hosts generated per capita	Unit/employee	0.12
Laptops generated per capita	Unit/employee	0.13
Hosts generated per capita	Unit/employee	0.02
Projectors generated per capita	Piece/employee	0.00
<b>Hazardous waste recycled</b>	%	100.00
<b>Non-hazardous waste generated</b>		
Total office and domestic waste generated	Tonne	36.00
Total office and domestic waste generated per capita	Tonne/employee	0.05
<b>Paper consumption</b>		
Paper consumption	kg	641.00
Paper consumption per capita	kg/employee	0.91
<b>Energy consumption</b>		
Total energy consumption	MWh	340.74
Vehicle fuel consumption	MWh	68.41
Purchased electricity consumption	MWh	272.33
Intensity of energy consumption	MWh/employee	0.49
<b>Water consumption</b>		
Total water consumption	m <sup>3</sup>	2,073.73
Water consumption density per capita	m <sup>3</sup> /employee	2.95



## Appendix I: Summary of Sustainable Development Data

The following table sets out the Group's sustainability data summary in the social subject area of the year:

Social	Unit	2021
<b>Number of employees</b>		
Total workforce	no. of people	702
<b>Number of employees by gender</b>		
Female	no. of people	311
Male	no. of people	391
<b>Number of employees by employment category</b>		
Short-term contract/part-time employees	no. of people	23
Full-time junior employees	no. of people	304
Full-time mid-level management	no. of people	333
Full-time senior management	no. of people	42
<b>Number of employees by age group</b>		
Aged below 30	no. of people	299
Aged 30–50	no. of people	400
Aged above 50	no. of people	3
<b>Number of employees by geographical region</b>		
Northern China	no. of people	3
Eastern China	no. of people	23
Central China	no. of people	676
<b>Employee turnover rate</b>		
Total employee turnover rate	%	17.80
<b>Employee turnover rate by gender</b>		
Female	%	15.49
Male	%	19.55
<b>Employee turnover rate age group</b>		
Aged below 30	%	24.30
Aged 30–50	%	12.28
Aged above 50	%	0
<b>Employee turnover rate by geographical region</b>		
Northern China	%	0
Eastern China	%	0
Central China	%	18.36

## Appendix I: Summary of Sustainable Development Data



Social	Unit	2021
<b>Occupational health and safety</b>		
Number of work-related fatalities (2019, 2020 and 2021)	no. of people	0
Rate of work-related fatalities (2019, 2020 and 2021)	%	0
Lost days due to work injury	Day	0
<b>Development and Training</b>		
<b>The percentage of employees trained by gender</b>		
Female	%	100
Male	%	100
<b>The percentage of employees trained by employment category</b>		
Short-term contact/part-time employees	%	100
Full-time junior employees	%	100
Full-time mid-level management	%	100
Full-time senior management	%	100
<b>The average training hours completed per employee by gender</b>		
Female	Hour	17
Male	Hour	17
<b>The average training hours completed per employee by employment category</b>		
Average Training Hours per short-term contact/part-time employee	Hour	5
Average Training Hours per full-time junior employees	Hour	18
Average Training Hours per full-time mid-level management	Hour	18
Average Training Hours per full-time senior management	Hour	10



## Appendix II: Index to the Stock Exchange's Environmental, Social and Governance Reporting Guidelines

Indicators		Sections
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
	A1.1	The types of emissions and respective emissions data.
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	A1.5	Description of emission target(s) set and steps taken to achieve them.
	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
		7. Green development
		7.1 Emissions Management Appendix I: Summary of Sustainable Development Data
		7.1 Emissions Management Appendix I: Summary of Sustainable Development Data
		7.2 Waste Management Appendix I: Summary of Sustainable Development Data
		7.2 Waste Management Appendix I: Summary of Sustainable Development Data
		7. Green development 7.1 Emissions Management
		7. Green development 7.2 Waste Management

## Appendix II: Index to the Stock Exchange's Environmental, Social and Governance Reporting Guidelines



Indicators		Sections	
<b>A2: Use of Resources</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.2 Waste Management 7.3 Use of Resources
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	7.3 Use of Resources Appendix I: Summary of Sustainable Development Data
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.3 Use of Resources Appendix I: Summary of Sustainable Development Data
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7. Green Office 7.3 Use of Resources
	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.	7. Green Office 7.3 Use of Resources
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve packaging material
<b>A3: The Environment and Natural Resources</b>	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The impact of the Group's business on the environment and natural resources is remote
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The impact of the Group's business on the environment and natural resources is remote
<b>A4: Climate Change</b>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.4 Climate Change
	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.	7.4 Climate Change



## Appendix II: Index to the Stock Exchange's Environmental, Social and Governance Reporting Guidelines

Indicators		Sections	
<b>B. Social</b>			
<b>B1: Employment</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.1 Employment and Labor Practices Management
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	6.1 Employment and Labor Practices Management Appendix I: Summary of Sustainable Development Data
	B1.2	Employee turnover rate by gender, age group and geographical region.	6.1 Employment and Labor Practices Management Appendix I: Summary of Sustainable Development Data
<b>B2: Health and Safety</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.3 Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6.3 Health and Safety Appendix I: Summary of Sustainable Development Data
	B2.2	Lost days due to work injury.	6.3 Health and Safety Appendix I: Summary of Sustainable Development Data
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.3 Health and Safety

## Appendix II: Index to the Stock Exchange's Environmental, Social and Governance Reporting Guidelines



Indicators		Sections	
<b>B3: Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.2 Occupational Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.2 Occupational Training and Development Appendix I: Summary of Sustainable Development Data
	B3.2	The average training hours completed per employee by gender and employee category.	6.2 Occupational Training and Development Appendix I: Summary of Sustainable Development Data
<b>B4: Labor Standards</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	6.1 Employment and Labor Practices Management
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	6.1 Employment and Labor Practices Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Employment and Labor Practices Management
<b>B5: Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.2 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	5.2 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.2 Supply Chain Management



## Appendix II: Index to the Stock Exchange's Environmental, Social and Governance Reporting Guidelines

Indicators		Sections	
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.2 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.2 Supply Chain Management
<b>B6: Product Responsibility</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	5.1 Quality Services and R&D
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group does not involve in products sold or shipped during the course of business
	B6.2	Number of products and service related complaints received and how they are dealt with.	5.1 Quality Services and R&D
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.3 Respect for Intellectual Property Rights
	B6.4	Description of quality assurance process and products recall procedures.	The Group does not involve in quality assurance process and products recall procedures during the course of business
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Information Security and Privacy Protection

## Appendix II: Index to the Stock Exchange's Environmental, Social and Governance Reporting Guidelines



Indicators		Sections	
<b>B7: Anti-corruption</b>	General	Information on:	4.1 Anti-corruption
	Disclosure	(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.	
	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.	
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	
B7.3	Description of anti-corruption training provided to directors and staff.	4.1 Anti-corruption	
<b>B8:Community Investment</b>	General	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.	8. Contribution to the Community
	Disclosure		
	B8.1	Focus areas of (e.g. education, environmental concerns, labor needs, health, culture, sport) contribution.	
B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Contribution to the Community	

