



# HK Asia Holdings Limited 港亞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1723

Environmental, Social  
and Governance Report  
**2019**

**Overview**

**Material Areas and Aspects and Key Performance Indicators**

**A. Environmental Matters and Related KPIs**

- A1. Emissions and Wastes – Policies and Compliance with Relevant Laws
- A2. Use of Resources – Policies on Efficient Use of Resources
- A3. Environment and Natural Resources – Policies on Minimizing Significant Impacts

**B. Social Matters and Related KPIs**

- B1. Employment and Labour Practices
- B2. Health and Safety – Policies and Compliance with Relevant Laws
- B3. Development and Training – Policies on Improving Employees' Knowledge and Skills
- B4. Labour Standards – Policies and Compliance with Relevant Laws
- B5. Supply Chain Management – Policies on Managing Environmental and Social Risks
- B6. Product/Service Responsibility – Policies and Compliance with Relevant Laws
- B7. Anti-Corruption – Policies and Compliance with Relevant Laws
- B8. Community Investment

## Overview

### (I) PURPOSE

**HK Asia Holdings Limited** (the “**Company**”), together with its subsidiaries (referred to as the “**Group**” or “**We**”), successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 27 September 2018. This is the first Environmental, Social and Governance (“**ESG**”) report since the listing which mainly introduces the Group’s vision, policies and measures by establishing the Key Performance Indicators (“**KPIs**”), and reports its performance regarding environmental and social issues for internal assessment and management control, and communicating to the internal and external stakeholders.

### (II) SCOPE OF REPORT

The Group’s main business is the wholesale and retail sale of prepaid telecommunication products in Hong Kong, such as subscriber identification module (“**SIM**”) cards, top-up calling vouchers, prepaid local and international phone call and/or mobile data services in Hong Kong and overseas. The products are distributed through five self-managed retail shops in Hong Kong and through wholesalers and retailers within the Group’s sales networks.

### (III) BASIS OF PREPARATION

This report is prepared in accordance with the ESG Reporting Guide (the “**ESG Reporting Guide**”) outlined in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The content of this report includes two main subject areas as outlined and required by the ESG Reporting Guide, being Area A – ENVIRONMENTAL and Area B – SOCIAL.

This report, which has been reviewed and approved by the board of directors of the Group (the “**Board**”), both reviews and reports the core business operations of the Group and follows the principles of materiality, quantification, balance and consistency to disclose relevant statistics and information.

### (IV) REPORTING PERIOD

This report is for the period from 1 April 2018 to 31 March 2019 (the “**Reporting Period**”).

### (V) CORPORATE GOALS AND VISIONS

The Group’s vision is to be a leading provider of high quality and good value prepaid telecommunication products via our extensive sales network in Hong Kong. We are committed to providing these products and services while being a socially and environmentally responsible Group, with sustainable development being an integral part of the Group’s short-term and long-term business strategy. We are committed, at all times, to providing a safe, healthy and pleasant working environment to our employees, reasonable returns on investments to our investors, business partners and supporters, and sustainable development to society and the environment.

## (VI) ESG MANAGEMENT

Our ESG strategies are based on compliance with relevant legal and regulatory requirements, the principle of sustainability and opinions from our key stakeholders. As this is the first year since our successful listing, we are still developing and refining the KPIs and the information processes required to monitor and accurately report them. The Group has identified the following material aspects (and adopted relevant KPIs from them) and has monitored and managed them strictly in accordance with our policies and guidelines and in compliance with the relevant legal and regulatory standards:

- Environmental safety and pollution;
- Working conditions and employee development, health and safety;
- Adherence to high ethical standards and compliance with all legal and regulatory requirements;
- Public safety and security;
- Privacy information protection; and
- Anti-corruption.

The Board has overall responsibility for the ESG strategies and reporting as set out in the ESG Reporting Guide and determines and approves the ESG strategies, policies and guidelines for implementation by the General Manager. We have also introduced internal control systems across the Group to constantly manage, monitor, review and update, if necessary, and communicate them with our employees, clients, suppliers, regulators and the communities in which we operate.

## Material Areas and Aspects and Key Performance Indicators

### (A) ENVIRONMENTAL MATTERS AND RELATED KPIS

Environmental protection is one of the key focuses of the Group in fulfilling its social responsibilities. We have implemented policies and taken measures to minimize any adverse impacts on and to prevent pollution to the environment and excessive consumption of natural resources.

Given the Group's main business nature of wholesaling and retailing telecommunication products through its 5 self-managed retail shops in Hong Kong, the Group mainly uses electricity to operate the retail shops and head office, water for consumption and sanitary needs, packaging materials for product sales, and general office utensils and printing paper for retail shops and office use. The Group also does not own and operate any large transportation fleet. During the Reporting Period, minimal hazardous air emissions such as nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and particulate matter (PM) or toxic gases were generated, and only non-hazardous emissions being primarily greenhouse gases including carbon dioxide (CO<sub>2</sub>) generated indirectly from the use of electricity, polluted water discharge from employees' general hygiene use, packaging materials and paper from product sales and routine office work were generated.

As a socially responsible corporation, the Group abides to all the local environmental laws and regulations and continues with its responsibility and commitments to environmental sustainable development with its on-going operations and activities. Furthermore, the Group is engaged in protecting the environment, the prevention and minimization of pollution, and the conservation of energy, water and resources.

The Group has applied the 4R principle (Reduce, Reuse, Replace and Recycle) to implement a variety of resources usage and waste reduction measures across all our operations from the head office to retail operations. In order to reduce the packaging material usage and waste, packaging material including carton boxes used during transportation are re-used as storage boxes where possible, and products with less or eco-friendly packaging materials are procured. The Group also strives to reduce paper waste by working towards a paperless office. In this regard for our reporting and instructive documentations, where possible, we disseminate our general office and reporting documentation through electronic means and information is saved in electronic format. Whenever paper consumption is necessary, employees are encouraged to use double sides of paper to maximize the utilization of paper.

During the Reporting Period, there were no cases of material non-compliance issues in relation to any environmental laws.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (A) ENVIRONMENTAL MATTERS AND RELATED KPIS (Continued)

#### A1. Emissions and Wastes – Policies and Compliance with Relevant Laws

##### *Policies and Compliance*

During the normal course of operation and activities of our retail shops and the head office in Hong Kong, the types of emissions and wastes for the Reporting Period were mainly indirect greenhouse gases such as carbon dioxide (CO<sub>2</sub>), polluted water from employees' general hygiene usage, and non-hazardous packaging and paper wastes.

The Group has implemented policies and taken measures to minimize emissions and waste generation, and the adverse impacts on the environment and to be energy, water, and other resources usage efficient. Records of the relevant KPIS (mainly including greenhouse gases emissions, electricity and water usage, packaging and paper consumption) have been established, and the retail shops and office managers had been assigned the duties to monitor the Group's consumption, emissions and waste generation. Any adverse or abnormal results or warning alarms will be brought to the immediate attention of the management. The Group's dedication and diligence in compliance resulted in no breach of the relevant laws and regulations in relation to pollution control and emissions during the Reporting Period.

##### *(i) Air Emission*

###### *(a) Non-Hazardous Air Emissions*

The operations and activities of the Group do not generate any hazardous greenhouse gases emission, and only the non-hazardous gas emission of carbon dioxide (CO<sub>2</sub>) is generated indirectly from the use of electricity across all our operations.

During the Reporting Period, the Group generated 7.22 tonnes of carbon dioxide (CO<sub>2</sub>) indirectly from the use of electricity which was a reduction of 20.7% compared with the 9.11 tonnes generated during the previous corresponding period.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (A) ENVIRONMENTAL MATTERS AND RELATED KPIS (Continued)

#### A1. Emissions and Wastes – Policies and Compliance with Relevant Laws (Continued)

##### (i) Air Emission (Continued)

##### (b) Hazardous Air Emissions

The Group operates only one motor vehicle for director's use and all other transportation is outsourced and cannot be measured by the Group. Furthermore, the Group does not engage in the production of its products and only acts as a wholesaler. As such, during the Reporting Period, the generation of hazardous gas emissions, namely, nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and particulate matter (PM) were minimal and were not measured for ESG reporting purposes.

##### (c) Hazardous and Non-Hazardous Waste Emissions

The Group advocates natural and pollution-free philosophy in service delivery. For non-hazardous waste, domestic waste is the major non-hazardous waste generated from the Group's operations. The major hazardous wastes are obsolete paper, light bulbs, printer toner cartridges, batteries and obsolete computers and small machines. All these hazardous wastes are collected by qualified collectors for further handling.

Across all our operations, we proactively separate our wastes where possible into recyclable and non-recyclable materials. In our offices and retail stores, we only generate domestic waste from staff and recyclable wastes (including paper, packaging materials for goods sold and purchased) from daily operation, and at an insubstantial amount. All of them are non-hazardous and are collected by the property management offices' cleaning workers and discharged separately. As these amounts are relatively small and undertaken in the normal course of daily retail operations, and save for paper and packaging materials, we do not consider them material for the purposes of reporting the total amount of hazardous and non-hazardous waste produced.

During the Reporting Period, the Group did not receive any complaints or warning notices from the relevant government authorities on our wastes discharge and disposal.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (A) ENVIRONMENTAL MATTERS AND RELATED KPIS (Continued)

#### A1. Emissions and Wastes – Policies and Compliance with Relevant Laws (Continued)

##### (i) Air Emission (Continued)

##### (d) Mitigation Measures on Emission and Results

Given the nature of our business activities as a wholesaler as well as a retailer, the Group does not produce much hazardous and non-hazardous emissions.

As a responsible corporation, we are conscious of the effects our operations may have on the environment at all times and constantly strive to maximise energy efficiency and minimise waste by integrating eco-friendly measures to reduce the environmental impact of our daily operations. We encourage the economic and efficient use of resources, while enhancing our recycling efforts to prevent the waste of resources. We have taken the following special measures to reduce the emission of air and greenhouse gas, discharges into water and land, and generation of hazardous and non-hazardous wastes, as well as to save energy in our daily operations:

- Encourage the establishment of a waste-classification system and the practice of recycling used papers and double-sided printing in workplace;
- Reduce unnecessary business trips and promote the use of information technology such as video conference;
- Adjust the temperature of our offices and retail shops appropriately and switch all equipment to energy-saving mode, such as the automatically power down of printers, point of service (“POS”) devices and computers after a period of inactivity, to economize the use of electricity;
- Utilize temperature and lighting controls and efficient energy bulbs where possible in our offices and retail operations so as to reduce energy inefficiencies;
- Utilize recycled packaging and products wherever possible; and
- Encourage electricity, water and paper saving habits of our staff.

As a result, the Group did not receive any fines or warning notices from the relevant authorities in relation to air emissions and wastes discharge during the Reporting Period.



## Material Areas and Aspects and Key Performance Indicators (continued)

### (A) ENVIRONMENTAL MATTERS AND RELATED KPIS (Continued)

#### A2. Use of Resources – Policies on Efficient Use of Resources

The Group aims to promote the saving of resources and has implemented various energy and water saving measures in order to improve the resource saving performance and achieve operational optimization. The Group mainly uses electricity and fresh water and consumes a small amount of gasoline fuel for one transport vehicle.

Although the Group's activities and operations do not generate much environmental hazards, we are committed to acting environmentally-friendly and responsibly and aiming at minimizing the impact on the environment. We promote smart usage to reduce consumption of electricity, fresh water, fuel and paper through the introduction of various measures disclosed in this report.

##### *(i) Electricity and Fuel Consumption*

The major source of the Group's energy consumption is electricity with minimal fuel consumption. To reduce energy consumption, the Group regularly monitors its electricity consumption across all parts of its operations and advocates various energy conservation strategies. The Group has purchased low-power electrical appliances and energy-saving products such as light bulbs, in which less energy is consumed during their operations. Air-conditioning in office and retail operations operates only during business hours and is subjected to our internal control policies such as turning off air-conditioners during non-business hours and maintaining at an appropriate temperature (e.g. 26 degrees Celsius), to minimise electricity consumption. In order to strengthen energy saving awareness of our employees, energy saving slogans have been posted at the entrances and power control switches to encourage employees to save energy.

During the Reporting Period, the Group consumed an aggregate of 9,649 kWh of electricity of which 2,289 kWh was for our offices and 7,360 kWh was for the retail operations. This was a decrease of 21.4% compared with the previous corresponding period in which we consumed a total of 13,282 kWh of which 3,105 kWh was for our offices and 10,177 kWh was for our retail operations. Our energy saving policies saw a 27.4% reduction in electricity consumption across our office and retail operations. The Group will continue to implement energy efficient processes throughout its operations.

##### *(ii) Water Consumption*

Water is supplied from Hong Kong's central water system in the areas in which we operate across Hong Kong and there are no problems with the water supply. As the water usage is only for consumption and general hygiene usage, the total consumption amount is not significant, and is covered by the building management. The Group therefore considered this item immaterial. The Group is committed to ensuring effective conservation of water and promotes water saving awareness and best practices across all our operations. In order to motivate employees to save water, water-saving slogans have been posted around the water consuming areas.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (A) ENVIRONMENTAL MATTERS AND RELATED KPIs (Continued)

#### A2. Use of Resources – Policies on Efficient Use of Resources (Continued)

##### *(iii) Paper and Packaging Materials Consumption*

Given our retail business nature of selling a high volume of small pre-packaged goods, the Group's products consume a great amount of paper and packaging materials. Paper is mainly for printing and writing purposes in the offices and administration areas of our operations and receipts in our retail operations. All our products are packaged in standard paper and cardboard boxes with plastic wrapping to preserve the product as well as to ensure non-tampering requirements of the products. As we buy in bulk from our suppliers, our products are generally delivered to us in cardboard boxes. During the Reporting Period, we consumed a total of approximately 436,000 pieces of packaging and bags in our retail operations, and this number will be used as our benchmark to monitor future packaging and bags consumption. As a result of the "Plastic Shopping Bag Charging Scheme" introduced by the Hong Kong government, our customers are charged for packaging and bags. The Group has also been reviewing our packaging with a view to using less paper and plastic. These measures aim at reducing wastes, conserving resources and saving costs. We also consumed approximately 35,000 pieces of A4 and A3 paper and envelopes in our office operations and approximately 50,500 pieces of double-sided colour paper used by systems in our retail operations. These figures will also act as a benchmark for comparison purposes in future years. In order to minimise paper usage in our office and retail operations at all times, during normal operations, we have an internal policy to mandate and utilise electronic version of documents where possible.

#### A3. Environment and Natural Resources – Policies on Minimizing Significant Impacts

As a responsible corporation, the Group is committed to conserving resources in order to reduce its impact on the environment as well as saving operational costs. As discussed above, the Group's operations do not generate much environmental hazards nor utilise much natural resources. As we are a retailer and not an industrial producer, our operations mostly involve the discharge of general domestic non-hazardous waste used by employees such as water, which is discharged through Hong Kong's sewerage system, paper and packaging materials which are removed by general waste collectors, and a small amount of air pollution from one company vehicle. The amounts of these are relatively small and we believe immaterial at this time and do not result in any significant pollution to air, water or land nor any breach of relevant environmental laws and regulations in Hong Kong such as the Air Pollution Control Ordinance (Cap. 311), Waste Disposal Ordinance (Cap. 354) and the Water Pollution Control Ordinance (Cap. 358).

We continue to actively promote energy efficiency, conservation and environmental awareness to our employees and stakeholders. As set out in our internal control policies, staff are required to pay attention to the use of air-conditioning and electricity, and implement practices such as turning off lights, air-conditioning and computers when not in use. We encourage regular maintenance and prolonged use of our computers, printers, fax machines, photocopiers, POS machines and other common office and retail equipment to reduce the frequency of replacement. The Group has also implemented green purchasing practices and best practice technologies to conserve natural resources where applicable.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS

The Group strives to build mutually beneficial relationships with our stakeholders, including our employees, customers, suppliers, communities, as well as the public and government authorities. In formulating our ESG strategies and policies, we have taken into account our business development goals, considerations and our responsibility to our stakeholders.

#### B1. Employment and Labour Practices

During the Reporting Period, the Group had a total of 43 employees with a total remuneration and employee-related expenses of approximately HK\$11.246 million. The salaries of the employees are determined with reference to individual performance, work experience, qualification and current industry practices. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group provides training programs for new employees and regular on-the-job trainings to employees to enhance their sales and marketing skills.

##### *(i) Employment – Policies and Compliance with Relevant Laws*

The Group recognises its continued success with its key competitiveness depending highly on the skills and commitment of its employees. With low unemployment, Hong Kong has a very tight labour force and in the retail sector, it can be difficult to recruit and keep talented staff. In this environment, we are ever more mindful and committed to maintaining a safe and equal working environment for our employees, providing development opportunities and promoting employees' health and well-being. Our standard employment contract contains all the standard employment provisions required by law in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods, other benefits and welfare and we have adopted policies and procedures with regard to the above, and labour standards such as no forced or child labour, in our internal control policy and in the general operational procedures of our departments, which demonstrate the Group's compliance and commitment to fulfil its obligations towards the employees.

The Group strives to create a diverse and inclusive workplace where all its employees are treated with dignity and respect. We comply at all times with all relevant employment ordinances and codes including but not limited to the Code of Practice on Employment / the Race Discrimination Ordinance (Cap. 602) / the Sex Discrimination Ordinance (Cap. 480) / the Disability Discrimination Ordinance (Cap. 487) and promote fair competition and prohibit discrimination or harassment against any employee on his/her race, ethnicity, social class, nationality, religion, disability, gender, sexual orientation, marital status, age, membership in trade union, political party or any status protected by law.

We provide equal employment opportunities for all without discrimination in hiring, promotion, dismissal, remuneration, benefits, training and development. Our recruitment and selection process is based on merit, in respect of essential and desirable criteria of the job nature and in line with the policy of equal opportunity. Fair and impartial performance appraisals are conducted to rank and adjust job positions in accordance with the Group's rules and regulations.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS (CONTINUED)

#### B1. Employment and Labour Practices (Continued)

##### *(i) Employment – Policies and Compliance with Relevant Laws (Continued)*

The Group operates at all times in strict compliance with the Employment Ordinance (Cap. 57), Employees' Compensation Ordinance (Cap. 282), Minimum Wage Ordinance (Cap. 608), Mandatory Provident Fund Schemes Ordinance (Cap. 485), Occupational Safety and Health Ordinance (Cap. 509) and other applicable laws and regulations in Hong Kong.

The departmental heads regularly meet with employee representatives to discuss issues relating to work, employment and health and safety issues and any grievances and complaints received from any employee will be treated with the strictest confidentiality and will be handled independently by the senior management as laid down in our internal control policy.

During the Reporting Period, the Group did not have any disputes and litigations with the employees, nor did the Group receive any warnings or fines from the relevant trade unions or government employment agencies, and was in full compliance with the above laws and regulations and general codes of practice relating to employment.

##### *(ii) Employment Mix*

As at 31 March 2019, the Group's total head count was 43 across all operations in Hong Kong, which was an increase from the 40 employees as reported in our Interim Report as at 30 September 2018. This consisted of a total of 17 employees (including two part-time) (39.5%) in our offices and 26 employees (60.5%) in our retail operations.

A total of 6 employees (14.0%) were managerial grade and all the remaining 37 employees (86.0%) were operational or general grade with 41 employees (95.3%) being full time and only 2 employees (4.7%) being part time. In terms of diversity, 11 employees (25.6%) were male and 32 employees (74.4%) were female as the majority of our retail operational staff are female. In terms of age mix, 1 employees (2.3%) was under 30 years of age, 8 employees (18.6%) were between 31-40 years old, 15 employees (34.9%) were 41-50 years old, 13 employees (30.2%) were 51-60 years old and 6 employees (14.0%) were over 60 years of age.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS (CONTINUED)

#### B1. Employment and Labour Practices (Continued)

##### *(iii) Employee Compensation and Benefits – Policies and Compliance with Relevant Laws*

We are in strict compliance, at all times, with relevant laws and regulations including the Employment Ordinance (Cap. 57), Employees' Compensation Ordinance (Cap. 282), Minimum Wage Ordinance (Cap. 608) and Mandatory Provident Fund Schemes Ordinance (Cap. 485) to provide remuneration not less than the applicable statutory minimum wage, overtime compensation and mandatory provident payments to employees. Employees are also entitled to various fringe benefits such as statutory holidays, paid annual and maternity leaves, etc.

The Group has created a fair and non-discriminatory atmosphere, where male and female staff are equally entitled to employment and promotion opportunities, with the prevention of child labour and forced labour.

All employees are required to sign a contract with the Group, which contains terms and conditions in accordance with the Employment Ordinance (Cap. 57). We have developed and outlined in our Internal Control Policy, our employment contracts and in our general operating procedures clear rules and regulations to provide provisions on remuneration, dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity and other benefits as well as welfare for employees.

All remuneration packages are linked to individual performance and the Group's business performance, and take into consideration industry practices and market conditions, and are reviewed on an ongoing basis with management regularly meeting with staff to understand their concerns and assist with their daily roles.

During the Reporting Period, the Group did not have any employment related legal disputes on record.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS (Continued)

#### B2. Health and Safety – Policies and Compliance with Relevant Laws

The Group is committed to providing a safe, healthy and pleasant working environment to the employees and to protecting them from work-related injuries by implementing occupational health and safety policies and safety training. We have equipped all our office and retail operations with adequate equipment and facilities to ensure safety and convenience to employees.

##### *(i) Safety, Fire and Hygiene*

The Group places great emphasis on the quality of the products and services and the safety of our employees in delivering those products and services. All our operations are in compliance with relevant regulatory requirements including those under the Occupational Safety and Health Ordinance (Cap. 509) and during the Reporting Period, no cases were reported of any breach of any relevant regulatory requirements involving our products or services or where our retail operations were carried out.

Risk of fire is minimised by installing equipment in all facilities such as emergency lights, fire extinguishers, fire alarms and fire hydrants that have been tested and approved by the fire service authority. All our employees also undergo training with regard to safety risks and emergency procedures.

##### *(ii) Security*

During the Reporting Period, no cases resulting in serious life threatening events and accidents to our employees and customers were reported.

##### *(iii) Insurance and Third Party Liability*

The Group maintains at all times relevant employees' compensation for injuries or death in the course of employment and relevant third party insurance for all our operations.

There were no fatalities, work injury, occupational health and safety hazard cases recorded during the Reporting Period.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS (Continued)

#### B3. Development and Training – Policies on Improving Employees’ Knowledge and Skills

As previously mentioned, the Hong Kong labour market is extremely tight and it can be difficult to hire and maintain employees in the retail sector. We are proud of our achievements in attaining low employee turnover rates and we believe our success lies in our awareness of the value and contribution of our employees, and our willingness to invest and to offer training and development courses for them to enhance their capabilities. We have implemented a system that links our employees’ remuneration and promotion to their work experience, capabilities and performance, which incentivizes their proactiveness and eagerness of advancement through continuous learning.

The Human Resources Department is responsible for employee training and the Group has introductory and continuous training programs, and the relevant policies and guidelines in respect of their respective posts are being enforced, for our employees to ensure the consistency of our high-quality customer services across all of our operations.

The Group has continued to offer training programs and job rotation based on employees’ willingness, potential competence and business development needs. The training programs include in-house and external training courses, seminars, workshops and conferences, regular sharing sessions, peer learning, on-the-job coaching and the self-study of training materials compiled by the Group’s management. Work safety trainings are also provided to our operational staff. We review our training programs based on market trends and updates as well as changes in compliance and regulatory environment. Employees are also encouraged to attain relevant examination and obtain relevant certificates to enhance personal performance.

During the Reporting Period, we provided a total of 988 hours of in-house training to 13 employees, mostly at the operational level, to familiarize their works and to improve their sales and marketing skills. In addition, 8 directors attended external training programs for a total of 459 hours, mostly to develop their understanding and abilities with regard to the public listed status of the Group and corporate governance. In terms of gender mix, female employees were provided with a total of 832 hours of training and male employees including directors received a total of 615 hours of training.

#### B4. Labour Standards – Policies and Compliance with Relevant Laws

During the Reporting Period, there were no cases of non-compliance with regard to labour practices as outlined in the relevant laws and regulations in Hong Kong, including but not limited to the Code of Practice on Employment and the Employment Ordinance (Cap. 57).

The Group strictly forbids child labour and forced labour and has outlined clearly in the Internal Control Policy and instructed the Human Resources Department and all relevant departmental heads to keep track and to review every employment to ensure employment contracts are properly signed with relevant supporting documents such as ID and passport copies, address proof, education and skill certificates and reference letters in place.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS (Continued)

#### B5. Supply Chain Management – Policies on Managing Environmental and Social Risks

Supply chain management in the ESG Reporting Guide mainly refers to management of sourcing and procurement. The Group has established a material and supplier management system, covering the process and procedure for procurement and integrating sustainability into our supply chain by evaluating environmental performance, such as requesting minimal and recyclable packaging where possible. Our internal control policies manage and mitigate the environmental and social risks in the supply chain and we maintain a stable relationship with qualified suppliers through strict selection criteria and supplier assessment.

Our suppliers are selected carefully based on a set of selection criteria, which includes (i) ability to meet specification and standards; (ii) product and service quality; (iii) pricing of the products and services; (iv) quality control methods and practices, and reliable delivery method; (v) past performance; and (vi) environmental standards considerations including energy efficiency.

In the selection of office and retail equipment, the Group has emphasized green procurement and put its priority in purchasing environmentally friendly equipment such as low-power and energy-saving electrical appliances, in order to reduce energy consumption and minimize the impacts on the environment.

Regarding procurement of our main saleable products – prepaid telecommunications products, such as SIM cards, top-up calling vouchers, prepaid local and international phone call and/or mobile data services in Hong Kong and overseas, we only source from 2 local major telecommunication companies. During the Reporting Period, we did not experience any significant problems with the products provided by our suppliers, any material limitations in the supply nor any shortage of any products.

#### B6. Product/Service Responsibility – Policies and Compliance with Relevant Laws

##### *(i) Product/Service Quality*

The Group regards services and product quality as key competitive advantages of its business. All of our service personnel are provided with comprehensive and professional training to ensure they clearly understand the products and legal and regulatory requirements in which retailers in this sector operate.

Our staff conduct day-to-day operations in line with internal policies and guidelines and are fully compliant with the Sale of Goods Ordinance (Cap. 26) and the Trade Descriptions Ordinance (Cap. 362). As a result, we had no case of material non-compliance during the Reporting Period relating to product or service responsibility.



## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS (Continued)

#### B6. Product/Service Responsibility – Policies and Compliance with Relevant Laws (Continued)

##### *(i) Product/Service Quality (Continued)*

Regarding the quality of our saleable products – prepaid telecommunications products, such as SIM cards, top-up calling vouchers, prepaid local and international phone call and/or mobile data services in Hong Kong and overseas, it depends entirely on the technical and services capability of the telecommunication service providers. If the saleable products have quality problems, we can arrange replacement or refund for and on behalf of the ultimate suppliers.

##### *(ii) Customer Service and Complaints*

The Group is committed to delivering high quality and professional services to our customers and we have implemented various procedures to deal with both customer opinion feedback as well as complaint handling and follow up. The retail shops managers will personally handle any direct or face-to-face complaints to ensure immediate solutions are provided. The Group also has a hotline for customers to lodge their complaints in case they fail to have satisfactory solutions from our retail stores. A manager in the head office will be responsible for following up the lodged complaints and providing final remedial actions to ensure customers satisfaction. However, if the complaints are on the quality of the saleable products, we will arrange a guarantee replacement or refund.

During the Reporting Period, there were no cases of customer complaint claiming material compensation, or any investigation by any government authorities in relation to such complaint, that could have a material adverse impact on our business.

##### *(iii) Privacy*

During the course of our sales and operations, the Group receive a substantial amount of confidential information including especially the privacy data of our clients, and the commercial information of our suppliers. The Group fully understands our obligation to keep this type of information confidential. The Group fully complies with the Personal Data (Privacy) Ordinance (Cap.486) of Hong Kong, and other statutory requirements in privacy law. Employees are prohibited from accessing information without approval and from leaking private and confidential information to third parties. Our employees are trained to handle and use customer information privately and confidentially. Legal action will be taken against any violation.

During the Reporting Period, there were no cases initiated against us, nor any complaints received, regarding any breach of relevant privacy laws, regulations and policies in any area in which we operate.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS (Continued)

#### B6. Product/Service Responsibility – Policies and Compliance with Relevant Laws (Continued)

##### *(iv) Intellectual Property*

We primarily rely on trademark and intellectual property laws, and confidentiality agreements with our senior employees, to protect all our intellectual property relating to the Group and operations. We also respect the intellectual property rights of our suppliers in their products and strictly prohibit copying and illegal usage in whatever forms by our employees. We also purchase and utilise fully licensed software in our operations.

During the Reporting Period, there were no cases of any infringement nor any legal proceedings initiated against the Group in relation to, intellectual property rights which had or could have a material adverse effect on our business.

#### B7. Anti-corruption – Policies and Compliance with Relevant Laws

The Group has adopted a zero tolerance policy towards corruption, bribery, extortion, fraud and money laundering. At all times, all employees must adhere to ethical considerations as embodied in our internal control policies when engaging in the Group's business activities. We have adopted and implemented clear policies and procedures with regards to procurement, sales, operational management and finance, which also encourage and enable our employees to confidently and anonymously report on observed and suspected non-compliance and questionable practices through telephone or email.

There were no complaints of corruption against the Group or its staff during the Reporting Period.

#### B8. Community Investment

The Group strives to be a socially responsible corporate citizen making contributions to the general communities within which we operate by addressing local community environmental, employment and cultural concerns and issues. By recruiting employees from local communities, we are more familiar with the local environment, concerns and issues. The Group also supports the employees to provide voluntary services and to participate in charity works as means to contribute to the community in which we operate.