Wisdom Education International Holdings Company Limited

光正教育國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 6068

2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About the Report

Wisdom Education International Holdings Company Limited (the "Company") (stock code: 6068) together with its subsidiaries (collectively referred as the "Group" or "we", "us", "our") are pleased to release its Environmental, Social and Governance ("ESG") Report for the year ended 31 August 2024 (the "Report"), aiming to provide an overview of its sustainability management approaches, policies, measures and performance.

SCOPE OF THE REPORT AND THE REPORTING PERIOD

Unless otherwise stated, the information disclosed in the Report covers significant operating activities as considered by the Group for the financial year from 1 September 2023 to 31 August 2024 (the "Reporting Period"), i.e. covering the operations at headquarters in the Hong Kong Special Administrative Region of the PRC as well as the provision of ancillary services to students in primary, middle and high schools and other customers in Mainland China.

REPORTING PRINCIPLES

The related information in the Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). For details of our corporate governance, please refer to the section headed "Corporate Governance Report" in the Company's 2024 Annual Report.

The Report has been prepared based on the following four reporting principles:

Reporting principles	The Stock Exchange's explanations on reporting principles	Response from the Group
Materiality	The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported.	The Report focuses on the material issues identified and assessed by the board of directors (the "Board") and management of the Group for FY2024. Please refer to the section headed "Assessment of Material Issues" for the detailed procedures of determining material issues.
Quantitative	Key performance indicators ("KPIs") in respect of historical data need to be measurable. The issuer should set targets to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The Report discloses quantitative KPIs, where practicable. At the same time, the Report assesses the effectiveness of ESG-related policies and management systems effectively by disclosing performance data for FY2023 and FY2024.

| Reporting principles	The Stock Exchange's explanations on reporting principles	Response from the Group
Balance	The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Group has presented its environmental, social and governance performance in an objective manner to ensure unbiased and comprehensive disclosure.
Consistency	Consistent methodologies should be used in disclosure and statistics to allow for meaningful comparisons of relevant data.	We adopt consistent report framework and methodologies to disclose the performance of various KPIs in different areas, and provide current and historical data for ease of comparison by stakeholders.

All stakeholders are welcome to give feedback on our environmental, social and governance approaches and performance. Please share your opinions with us via:

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ESG Governance Structure

The Group attaches great importance to the environmental, social and governance management, and understands that sound corporate governance and risk management processes play an important role in managing ESG matters and responding to stakeholders' expectations. To this end, the Group has developed the ESG Governance Policy, which expressly sets out the Group's structure for managing ESG-related issues and risks. The Group's ESG governance structure is as follows:

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                    │          The Board          │
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                    │  Environmental, Social and  │
                    │   Governance Working Group  │
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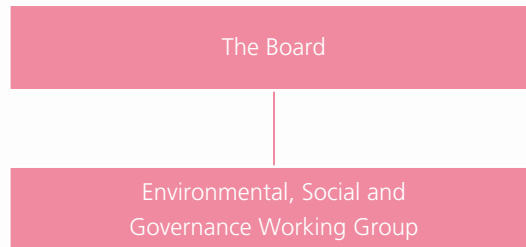
THE BOARD

The Board assumes full responsibilities for the sustainability of the Group, including formulating strategies, monitoring the Company's environmental, social and governance performance and related risks, and approving the Report. The Board has delegated an ESG Working Group (the "Working Group") to develop and implement ESG-related implementation plans. To assess ESG potential impact on operations as well as the risks and opportunities arising therefrom and to evaluate the competence of the management of the environmental, social and governance Working Group, the Board shall conduct ESG assessment on a regular basis and at least annually.

ESG WORKING GROUP

The Working Group is led by the Group's internal audit department, together with the heads of Administration and Human Resources and General Management departments. Its responsibilities include assisting the Board in identifying, assessing and managing ESG-related issues and risks, and setting action plans and performance indicators in line with the Group's environmental, social and governance strategies.

Stakeholders Engagement

The Group acknowledges the success of the Group's business is underpinned by the support from its key stakeholders. We communicate with stakeholders in an open and proactive way to understand their expectations and demands on the Group and improve our sustainable development plan. The following table summarizes the issues that stakeholders are concerned about and the relevant communication channels:

Stakeholder group	Key issues of concern	Communication channels
Customers	• High-quality products and services • Safe service environment	• Survey on satisfaction • Daily face-to-face communication
Staff	• Good career development platform • Competitive remuneration packages • Comfortable working environment • Health and safety • Work-life balance • Protecting employees' rights	• Training, seminars and briefings • Intranet • Emails • Work performance evaluation • Work meetings • Corporate celebrations and cultural events
Shareholders and investors	• Protecting shareholders' rights and equal treatment • Operating and managing in compliance with regulations	• Corporate website • Corporate communications (interim/ annual reports, sustainability reports, shareholder circulars and announcements) • General meetings of shareholders
Government agencies	• Operating in compliance with laws and regulations • Promoting regional economic development and employment	• Regular submission of documents
Peers or business partners	• Mutual benefit and win-win cooperation • Promoting industry development • Fair competition	• Industry conferences • Exhibitions
Community	• Community engagement • Charitable activities	• Public welfare and charitable activities • Voluntary activities

Assessment of Material Issues

Materiality is defined as any area in which the Group's business has the greatest impact and influence on our operations and stakeholders. In the preparation of the Report, we have identified a list of relevant environmental, social and governance issues with reference to the ESG Reporting Guide, taking into account the nature of our business operations, market development trends and stakeholders' concerns, and conducted a materiality assessment of the identified issues in two major dimensions, namely materiality to stakeholders and materiality to the Group's business operations. The detailed process is as follows:

Identifying key stakeholders and material environmental, social and governance issues

- By analysing our business operations, development strategies and plans, we identify key stakeholders and 19 material environmental, social and governance issues

Stakeholder engagement

- Through online survey, we understand stakeholders' concerns and expectations in respect of the Group's environmental, social and governance aspects

Prioritizing material issues

- By quantifying the results of stakeholder survey, we analyze and rank the environmental, social and governance issues, and present the issues in the following materiality analysis matrix

LIST OF ESG ISSUES

Classification of issue	No. for issue
Society (Staff and corporate management)	1. Employment policies (e.g. recruitment and termination procedures)
	2. Employee rights protection and standards (e.g. equal employment and promotion opportunities, anti-discrimination, prevention of child labour and forced labour)
	3. Occupational safety and health of employees
	4. Staff training and development
	5. Employee remunerations and benefits
	6. Quality of products and services
	7. Satisfaction of customers
	8. Handling of complaints
	9. Safety and accidents contingency management
	10. Personal privacy and data protection
Environmental protection and green operations	11. Greenhouse gases and air emission management
	12. Utilisation and efficiency of energy (e.g. electricity and water, etc.)
	13. Green operations
	14. Hazardous and non-hazardous waste management
	15. Coping with climate change
	16. Supply chain management
Corporate operating practices and contributions	17. Anti-corruption
	18. Operating and managing in compliance with regulations
	19. Community investment and engagement

MATERIALITY MATRIX OF ESG ISSUES

In FY2024, 19 sustainability issues were identified and included in a stakeholder survey. The survey allows the Group to review its business objectives and development approach to ensure that they meet the expectations and requirements of stakeholders. The management of the Group has reviewed the ranking of materiality of the environmental, social and governance issues and disclosed the results in the following matrix.

Materiality Analysis Matrix

Materiality to stakeholders (y-axis)
Materiality to the management (x-axis)

Data points: 5, 4, 2, 3, 8, 14, 6, 7, 17, 10, 13, 9, 12, 18, 1, 16, 19, 15, 11
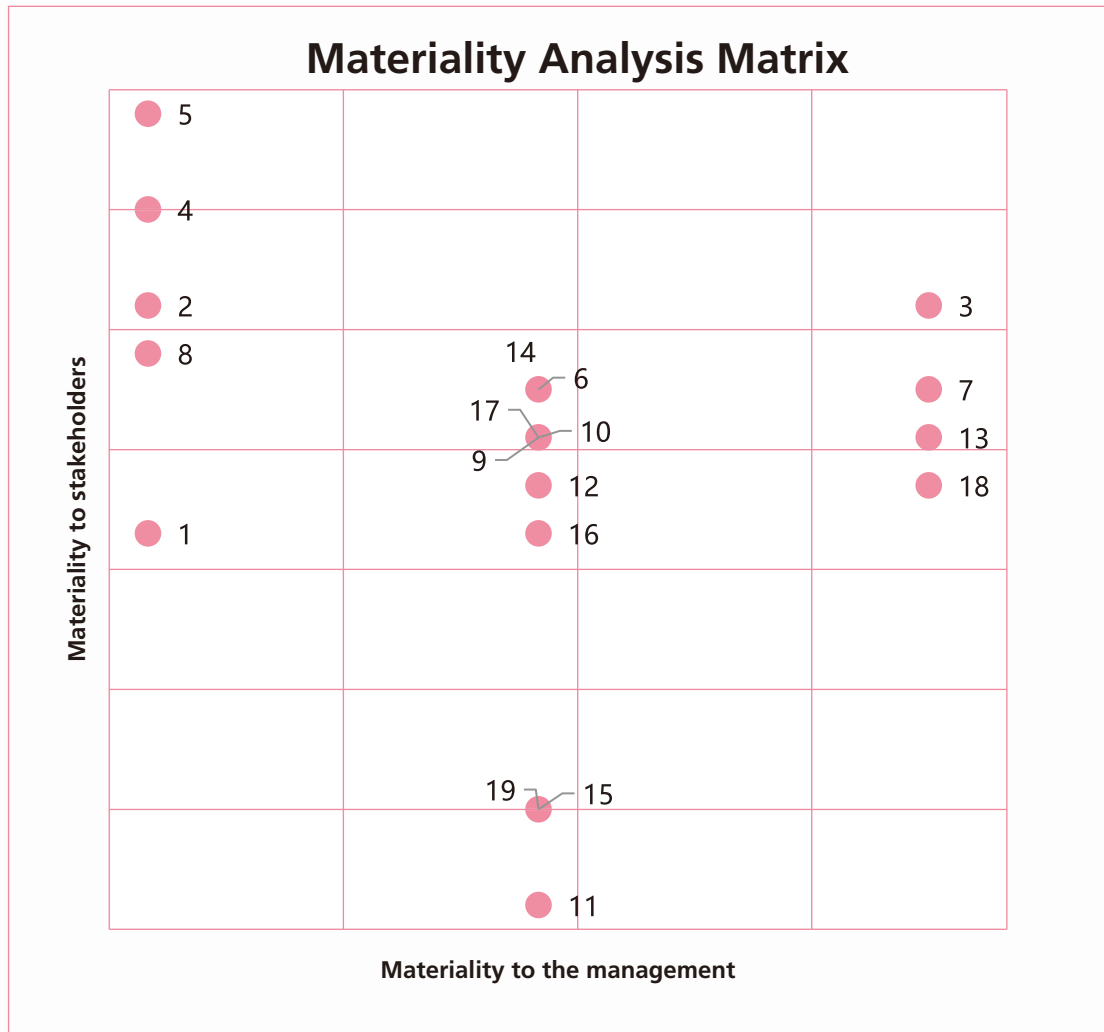
Note: Figures in the matrix represent the issues set out in the table above.

The top right-hand corner of the matrix represents sustainability issues that are more important to the Group and its stakeholders, which are occupational safety and health of employees as well as satisfaction of customers. Through materiality assessments, we can gain valuable insight into the environmental, social and governance risks and opportunities associated with our business operations. Such information helps us develop effective strategies to prioritize the most important sustainability issues and allocate our resources accordingly.

Safe Service Environment

The Group considers the safety of customers and staff as its top priority. We ensure that the environment where we provide our services has strictly followed the Administrative Measures of Safety of Kindergartens, Primary and Secondary Schools 《中小學幼稚園安全管理辦法》, the Law on the Protection of Minors of the PRC 《中華人民共和國未成年人保護法》 and the Eight Measures for Public Security Organs to Maintain Security Order in School and Surrounding Areas 《公安機構維護校園及周邊治安秩序八條措施》 when formulating measures, so as to allow our customers and staff to participate in activities and work under a healthy and safe environment. In FY2024, the Group did not have any lost day due to work injury (2023: 0 day). Besides, during the past three years, the Group did not record any work-related fatalities. In FY2024, there was no confirmed case of non-compliance with relevant laws and regulations relating to occupational safety and health that had a significant impact on the Group.

ENSURING SERVICE SAFETY AND ENVIRONMENTAL SANITATION

As most of our services are provided on campus, we require our schools to take the following measures to safeguard the health of our customers and staff:

- To make sure that all emergency exits are kept clear and unobstructed through regular checks;

- To post safety warnings/signages in schools;

- To convene safety work meetings regularly in order to review various management measures and make corresponding improvements over time;

- To set up a traffic police room on campus to manage the traffic conditions near the schools and ensure the road safety for customers and staff;

- To arrange regular training on fire safety and security management for security guards on campus to enhance their work knowledge and emergency management capability for effective handling of any emergencies on campus;

- To conduct annual inspections and updates on fire safety systems at schools every year as required by the local education bureau, ensuring the proper functioning of the systems, and to organize periodic training on fire safety and fire drills, enhancing the fire safety awareness and emergency escape and response ability.

In FY2024, we were not aware of any material violations of relevant laws and regulations regarding hygiene or safety.

Discovering Elites and Providing All-round Quality Development

The Group is committed to offering a wide range of learning experiences for students. Through cooperating with schools to organize various on-campus extra-curricular activities, we aim to unleash potentials of the students and enrich their school life. In FY2024, we continued to actively provide a wide array of extra-curricular activities to students. With active participation of our students, we achieved impressive results in academic, physical and artistic activities, which not only brought glory for the school but also shared the honour with the Group.

Our students have received numerous awards, including the following:

Title of the award	Award issuer
Gold Award in the Guangdong Youth Calligraphy and Painting Activity of "Passing the Torch, Building Dreams for the Future"	The Working Committee of the Care for the Next Generation of Guangdong Education System
First Class Award in the 2023 "Joint-School Event for Hundred Colleges • Rope Skipping Together for Million Times" Summer Holiday Online Rope Skipping Challenge in Guangdong	Guangdong Sports & Arts Federation
First Class Award in the 3rd Winter Holiday Online Rope Skipping Challenge in Guangdong in 2023	Guangdong Students Sports & Arts Federation
Second Class Award in the 2024 Guangdong-Macao Student Information Technology Innovation Competition	Department of Education of Guangdong Province
Third Class Award in "The Best Summer Holiday Reads" Family Reading Video Competition in Guangdong	Department of Education of Guangdong Province
Excellent Published Works and Excellence Award in the Provincial-level Publication *The Little Writer Newspaper* (《小作家報》) of Guangdong	Department of Education of Guangdong Province
First Class Award in the 2024 Maker Carnival for Primary and Secondary Students in Dongguan	Dongguan Education Bureau
First Class Award in the 2023 Technology Innovation Competition for Youth in Dongguan	Dongguan Education Bureau
First Class Award in the 2024 Art Exhibition and Performance for Primary and Secondary Students in Dongguan	Dongguan Education Bureau

Being Responsive to Feedback to Ensure Service Quality

We always treasure the comments and suggestions from our customers (e.g. parents and students). We collect their opinions from time to time before deciding the next activities, and invite their feedback after the events to evaluate the effectiveness and make corresponding adjustments for the arrangements on an ongoing basis.

Our Complaint Handling Policy also provides channels, such as emails, P.O. boxes, telephone calls and drop-in sessions, for filing complaints. In case of complaint, we consolidate the cases and report them to the Board regularly for handling and improvement. We did not receive any significant complaints in FY2023 and FY2024.

Building High-Quality Supply Chain

We firmly believe that close cooperation with our business partners (including suppliers, service providers and contractors) is a key to business success, which also enables us to constantly provide quality services. Currently, our suppliers are mainly from industries such as food, stationery products and materials. Tendering and procurement of the Group are in strict compliance with policies such as the Tendering Management Policy (《招標管理規定》), Procurement Management Policy (《採購管理制度》) and Acceptance Management Policy (《驗收管理制度》) to ensure the quality of procured items is up to our standards. Furthermore, in order to maintain product quality, all items are procured by the Group through centralised bidding. New or existing suppliers are selected by a committee comprising of various management members after due consideration. The Group conducts assessments in areas such as quality, cost, delivery, safety of the procured items in accordance with the Performance Evaluation Form for Suppliers (《供應商履約評核表》) and regularly updates the List of Qualified Suppliers (《合格供應商名單》) to eliminate unqualified suppliers. Environmental factors are also taken into consideration during the selection of suppliers. Where prices are reasonable, preference is given to supplies or suppliers with less impact on the environment (e.g. using more energy-efficient appliances or more environmentally friendly materials) and suppliers who are in closer proximity. As of 31 August 2024, the Group had a total of 175 (2023: 126) suppliers, all of which are in Mainland China.

Attracting Talents with Equal Opportunities

The Group places emphasis on professional ethics when recruiting staff, thus staff's morality is one of the key selection criteria. The Group is committed to creating a fair, harmonious and diversified working environment with equal opportunities. Discrimination against nationality, race, colour, gender, age, marital status, disability, religious belief or sexual orientation is prohibited.

Staff are recruited through various channels such as mass media, job fairs, campus recruitments, staff referrals and commissioned head-hunters, and suitable candidates are selected based on such objective evaluation criteria as personal capabilities and qualifications. As of 31 August 2024, we had 139 full-time employees in total (2023: 151).

Staff Distribution

FY	By geographical region Hong Kong Special Administrative Region, PRC	Mainland China	By age 21-30	31-40	41-50	51-60	Above 60
2024	2	137	10	47	58	22	2
2023	6	145	7	58	70	16	–

FY	By gender Male	Female	By employee type Senior management	Executives	General staff
2024	23	116	16	4	119
2023	33	118	21	6	124

In case of staff resignation, as required by our Human Resources Policy (《人力資源制度》), we will meet the departing employee to look into their reasons for departure and their advice to the Group, such that we can constantly refine our talent management strategy. For FY2023 and FY2024, the data of our employee turnover rate are as follows:

FY	By gender Male	Female	By age 21-30	31-40	41-50	51-60	61 or above	By geographical region Hong Kong Special Administrative Region, PRC	Mainland China
2024	39%	11%	20%	17%	21%	–	–	200%	13%
2023	9%	4%	29%	–	4%	6%	–	50%	3%

Employee turnover rate (%)[1]

In FY2024, the Group was not aware of any non-compliance with any laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversification, anti-discrimination and other benefits, which would have material impacts on the Group, including but not limited to the Labour Law of the PRC (《中華人民共和國勞動法》), the Prohibition of Using Child Labour (《禁止使用童工規定》), the Employment Promotion Law of the PRC (《中華人民共和國就業促進法》) and the Law on the Prevention and Control of Occupational Diseases of the PRC (《中華人民共和國職業病防治法》).

[1]   Employee turnover rate is calculated based on the number of employees at the end of the Reporting Period.

Providing Training to Maintain Quality Services

The Group is fully aware that employees are our most crucial treasure and the foundation for us to deliver quality services continuously. We encourage employees to enhance their working skills and knowledge level, learn persistently during work and unlock their potentials. The Group offers every new employee induction programmes, the contents of which cover corporate development history, business philosophy, management model, internal management system, human resource system, and understanding about the general work overview of their respective departments and the working standards of their respective positions, allowing them adapt to the working environment swiftly. In addition, during the Reporting Period, we also provided trainings in relation to fire drill and internal system process. During the Reporting Period, 75% (2023: 79%)[2] of our staff received trainings, and are categorized as follows:

Employee training ratio (%)

| | By gender | | By employee type | | |
FY	Male	Female	Senior management	Administrative staff	General staff
2024	10.00%	90.00%	0.83%	1.67%	97.50%
2023	10.40%	89.60%	0.80%	0.80%	98.40%

The Group's employees participated in a total of 567 (2023: 1,002) hours of training in FY2024, with an average of 3.52 (2023: 6.30) hours each.

Average training hours for employees

| | By gender | | By employee type | | |
FY	Male	Female	Senior management	Administrative staff	General staff
2024	5.25	3.09	0.91	1.14	4.08
2023	3.56	7.11	1.50	6.00	7.21

[2]   Employee training data includes employees who resigned during the Reporting Period.

Offering Competitive Package and Attractive Benefits

To attract and retain talents, the Group provides staff with comprehensive protection of rights and benefits as well as attractive remuneration package. All staff are entitled to annual leave, statutory holiday, marriage leave, maternity leave, paternity leave, sick leave and compassionate leave as stipulated by the State. We also make contributions to social insurance (i.e. pension insurance, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing fund) administered by the local government for our staff. We adjust remunerations and grades based on performance appraisals to ensure a fair and open promotion process.

We also pay attention to our staff's physical and mental health to promote work-life balance. We have stipulated working hours per day of not more than 8 hours and encourage staff for efficient work during normal working hours instead of overtime to ensure they have sufficient rest. In Mainland China, we also provide staff with holiday allowance for certain statutory holidays to support their needs and enhance their sense of belonging to the Group. In addition, we regularly organize different kinds of recreational activities and add some zest for life of our staff.

Eliminating the Employment of Child Labor and Forced Labor

The Group considers the health and safety of staff and students as the fundamentals for its operation. We strictly comply with the Labor Law (《勞動法》), the Protection of Minors Law (《未成年人保護法》), the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) of the PRC, and strive to prevent any forms of child labor and forced labor. During the recruitment process, the Group arranges its human resources department to check the identity of candidates by verifying the valid identification documents provided by them. To avoid forced labor, successful candidates will sign a labor contract on a fair and voluntary basis. They can also proceed with the resignation procedure under the arrangement of the human resources department. The Group also encourages staff to report cases of violation of their rights to the management. In FY2023 and FY2024, we were not aware of any material non-compliance with the laws and regulations governing the employment of forced labor or child labor.

Environmental Protection

The Group is committed to minimizing any negative impact on the environment, and continues to make contributions to sustainable development. During the Reporting Period, the Group was not aware of any non-compliance with any local laws and regulations related to air, greenhouse gas emissions and waste emissions, including the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》).

GREENHOUSE GASES AND AIR EMISSIONS

The Group is mainly engaged in the school-related supply chain business and provision of comprehensive educational services to students of primary, middle and high schools and other customers in the PRC. The Group's operations will not generate large amounts of emissions as there is no industrial production activity in its daily operations.

The main pollutants generated include greenhouse gases and domestic waste during its operations. The greenhouse gases are mainly from electricity usage in offices of the schools and campuses operated by our Group. Under the ESG Governance Policy, the Group aims to reduce emissions, energy and water consumption, and waste through various measures and policies while maintaining similar level of operations. Specific measures are as follows:

Emission reduction
- When replacing air-conditioners with another model, those with better energy efficiency will be prioritized
- Encouraging staff to commute by public transport
- Utilizing video or audio equipment for meetings as much as possible to reduce carbon footprint from traveling by air
- Installing more energy-saving lighting systems
- Maintaining the indoor temperatures of offices at or over 26°C as possible
- Switching off electronic equipment not in use, particularly computers and printers, to avoid unnecessary power consumption

Energy saving
- Regularly cleaning windows to increase the utilisation of daylighting in schools, thereby reduce power consumption
- Turning off lights that are not in use during lunch break
- Regularly checking and repairing equipment to lower the possibility of increased water and electricity usage due to damage
- Posting energy saving notices on campus to promote eco-friendly habits

Water conservation
- Posting water conservation notices in the Company to enhance environmental awareness among staff, and remind them to turn off water tap after use
- Regularly checking and repairing water equipment to reduce waste of water due to leakage

Paper reduction
- Using multimedia tools in teaching to reduce paper consumption
- Setting printers to duplex printing mode
- Encouraging staff to reuse single-sided paper and other paper products, such as envelopes and cartons

Waste reduction
- Seeking possibilities for repair before replacing equipment to avoid wasting resources
- Encouraging the practice of "bring your own cup" and placing water dispensers to reduce the use of plastic water bottles
- Encouraging students to use their own cutleries to reduce the use of disposables

Greenhouse gases and air emissions were as follows:

Environmental KPI[3 & 4]	Unit	2024	2023
Total greenhouse gas emissions (Scopes 1 and 2)	Tonnes of carbon dioxide equivalent	19.54	21.60
Direct emissions (Scope 1)	Tonnes of carbon dioxide equivalent	0.49	0.43
Indirect emissions (Scope 2)	Tonnes of carbon dioxide equivalent	19.05	21.17
Greenhouse gas emission intensity (Scopes 1 and 2)	Tonnes of carbon dioxide/number of employees	0.14	0.14
Nitrogen oxides (NO_x)	kg	0.18	0.16
Sulfur oxide (SO_x)	kg	0.002	0.002
Particulate matters (PM)	kg	0.004	0.004

The data on energy consumption were as follows:

Environmental KPI[5]	Unit	2024	2023
Total energy consumption	MWh	32.86	35.23
Purchased power	MWh	30.41	33.07
Natural gas	MWh	2.45	2.16
Energy intensity	MWh/number of employees	0.24	0.23

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[3]   Our disclosure on air and greenhouse gases (GHG) emissions is based on the requirements in "How to prepare an ESG report" published by the Hong Kong Stock Exchange and "GHG Protocol Corporate Accounting and Reporting Standard (revised edition)" published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) and is calculated based on the latest emission factors in relevant guidelines.

[4]   Greenhouse gas emissions data are presented by carbon dioxide equivalent. Scope 1 (direct emissions) calculates greenhouse gas emissions from operations directly controlled or managed by the Group. Scope 2 (indirect emissions) calculates indirect electricity consumed by the Group (purchased or outsourced).

[5]   The total energy consumption data involves use of both purchased electricity and fuel (renewable and nonrenewable). The relevant conversion factors are calculated with reference to the Technical Note: Conversion of fuel data to MWh published by CDP.

SOLID WASTE MANAGEMENT

The Group does not generate any hazardous waste in its daily operations. The non-hazardous waste generated by the Group is mainly domestic waste in office (such as waste paper and electronic waste). For e-waste disposal, to prevent leakage of confidential information, all data are formatted or deleted before the machines are passed to recyclers. We also engage a third party to collect and dispose other domestic waste every day.

The data on waste were as follows:

Environmental KPI	Unit	2024	2023
Total amount of hazardous waste	tonnes	–	–
Intensity of hazardous waste	tonnes/number of employees	–	–
Total amount of non-hazardous waste	tonnes	0.55	0.92
Intensity of non-hazardous waste	tonnes/number of employees	0.004	0.006
Total amount and intensity of packaging materials	–	Not applicable	Not applicable

WATER CONSUMPTION

Our water consumption is mainly from domestic water used in our daily office operations. As water consumed by the Group was supplied by the local water supply authorities, the Group did not encounter any problems in sourcing suitable water.

The data on water consumption were as follows:

Environmental KPI	Unit	2024	2023
Total water consumption	m^3	1,613	1,640
Water consumption intensity	m^3/number of employees	11.61	10.86

COPING WITH CLIMATE CHANGE

Climate change is a global issue that poses a serious threat to the earth and human society, which requires joint responses from all parties. We understand that we are exposing to various physical risks (such as typhoons and floods) as well as transition risks (such as changes in relevant environmental regulations) from climate change. Thus, the Group continues to reduce energy consumption and control greenhouse gas emissions from our operations through various environmental protection measures, for example, by adding green spaces and installing energy-saving lighting systems.

In addition, the Group has actively taken appropriate mitigation measures to cope with the risk of extreme weather events which are becoming frequent, including typhoons and floods. In order to lower the risk of typhoon, we have formulated the "Typhoon Emergency Plan" (《防颱風應急預案》) to determine the responsibilities and division of work of employees in the event of unusual weather events including typhoons and rainstorms, to ensure that the Group is able to respond in an orderly manner and protect the safety of customers and employees. The Group will continue to monitor the potential impact of climate change on our business and strengthen our efforts to cope with climate change.

Personal Data Privacy

The Group attaches great importance to the protection of customers, employees and business information. In accordance with relevant laws and regulations, we have the Documents and Archives Management Policy (《文書檔案管理制度》) in place, which expressly states the processing procedures and steps for managing personal data to ensure that personal information of all stakeholders is protected. Furthermore, we have assigned a dedicated staff being responsible for managing this confidential information and only authorized personnel may access and process such information. In FY2024 and FY2023, we were not aware of any breaches of relevant policy. In addition, we purchase and use authorized software for operational purposes to protect intellectual property owners. Looking back to FY2024, we are not aware of any breaches of the intellectual property regulations under the Tort Law of the People's Republic of China (《中華人民共和國侵權責任法》).

Anti-corruption

The Group strictly prohibits any form of bribery, fraud and corruption. The Group strictly complies with applicable laws and regulations, such as the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Law of the PRC on Anti-Corruption and Anti-Bribery (《中華人民共和國反貪污賄賂法》), the Criminal Law of the PRC (《中華人民共和國刑法》) and the Law of the PRC on Anti-Money Laundering (《中華人民共和國反洗錢法》). In order to standardize the professional behavior of all employees, the Group has formulated Integrity and Self-discipline Management Policy (《廉潔自律責任管理制度》), which clearly stipulates the importance of integrity. We also have a whistleblowing channel for reporting any suspected misconduct and undertake to keep the identity of the whistleblowers confidential. During the Reporting Period, the Group delivered anti-corruption videos to the Directors and relevant employees in order to facilitate their understandings of the basic knowledge of anti-corruption laws and maintain high-level integrity. In FY2023 and FY2024, we were not aware of any bribery, fraud and money laundering which would violate the relevant regulations or have any impact on the Group.

Giving Back to Society

The Group is well aware that the development of an enterprise is closely related to the support of all sectors of society. We proactively listen to the voices and opinions from the communities and strive to work with all sectors of society to promote community development. We also encourage our employees to take part in voluntary and charitable activities in their spare time, support society, the local community and people in need, strengthen the relationship with the community and support the community in creating more value. In FY2024, we did not carry out any public welfare and charitable activities. We will invest resources to participate in public welfare activities according to the local conditions of our business, so as to build a better and harmonious society together.

Content Index of the Hong Kong Stock Exchange's ESG Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection
KPI A1.1	The types of emissions and respective emissions data.	Greenhouse Gases and Air Emissions
KPI 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).	Greenhouse Gases and Air Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Solid Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Solid Waste Management
KPI A1.5	Description of the emissions target(s) set and steps taken to achieve them.	Greenhouse Gases and Air Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Greenhouse Gases and Air Emissions

Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Greenhouse Gases and Air Emissions
KPI 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).	Greenhouse Gases and Air Emissions
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Greenhouse Gases and Air Emissions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption and Greenhouse Gases and Air Emissions
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	No relevant data is disclosed since the nature of the Group's business does not involve packaging materials.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Greenhouse Gases and Air Emissions
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Greenhouse Gases and Air Emissions

Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Coping With Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Coping With Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Attracting Talents with Equal Opportunities
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Attracting Talents with Equal Opportunities
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Attracting Talents with Equal Opportunities

Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safe Service Environment
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safe Service Environment
KPI B2.2	Lost days due to work injury.	Safe Service Environment
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safe Service Environment
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Providing Training to Maintain Quality Services
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Providing Training to Maintain Quality Services
KPI B3.2	The average training hours completed per employee by gender and employee category.	Providing Training to Maintain Quality Services

Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Eliminating the Employment of Child Labour and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Eliminating the Employment of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Eliminating the Employment of Child Labour and Forced Labour
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Building High-quality Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Building High-quality Supply Chain
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Building High-quality Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Building High-quality Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Building High-quality Supply Chain

Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	It is not applicable since the business does not involve advertising labels.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group did not have any cases of product recalls for health reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Being Responsive to Feedback to Ensure Service Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Personal Data Privacy
KPI B6.4	Description of quality assurance process and recall procedures.	Building High-quality Supply Chain
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Personal Data Privacy

Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to Society