



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



2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Overview

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 present its Environmental, Social and Governance Report for the year ended 31 August 2023 (the “Report”). The Report is designed to explain the establishment and performance of the Group’s system in fulfilling its environmental and social responsibilities.

SCOPE OF THE REPORT AND THE REPORTING PERIOD

Unless otherwise stated, the information disclosed in the Report covers significant operating activities considered by the Group for the financial year from 1 September 2022 to 31 August 2023 (the “Reporting Period”), i.e. headquarters operations located in 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

In the preparation of the Report, the Group has adhered to the basic reporting principles of materiality, quantitative, balance and consistency as outlined in the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 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 2023 Annual Report.

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 and management of the Group for FY2023. 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 FY2022 and FY2023.



Overview (Continued)

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 Report presents an unbiased picture of the Group's performance for FY2023 to avoid the possibility of inappropriately influencing judgements or decisions of the Report readers.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	We adopt a consistent report framework and methodology to disclose the performance of various KPIs in different areas, and provide current and historical data for stakeholders to compare.

All stakeholders are welcome to give feedback on our ESG approach 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 lays out the Group's structure for managing ESG-related issues and risks. The Group's ESG governance structure is as follows:



THE BOARD

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

THE 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 developing action plans and performance indicators in line with the Group's ESG strategies.

Stakeholders' Participation

The Group values its stakeholders and their feedback on ESG. We communicate with stakeholders in an open and proactive way to understand their expectations and demands, thereby improving our sustainable development plan. The Group's major stakeholders are customers, staff, shareholders and investors, government agencies, peers or business partners and communities. The following table summarizes the issues that each stakeholder is concerned about and the relevant communication channels:

Stakeholder group	Key issues of concern	Communication channels
Customers	<ul style="list-style-type: none"> • High-quality products and services • Safe service environment 	<ul style="list-style-type: none"> • Survey on satisfaction • Daily face-to-face communication
Staff	<ul style="list-style-type: none"> • Good career development platform • Competitive remuneration packages • Comfortable working environment • Health and safety • Work-life balance • Protecting employees' rights 	<ul style="list-style-type: none"> • Training, seminars, and briefings • Intranet • E-mails • Work performance evaluation • Work meetings • Corporate celebrations and cultural events
Shareholders and investors	<ul style="list-style-type: none"> • Protecting shareholders' rights and equal treatment • Operating and managing in compliance with regulations 	<ul style="list-style-type: none"> • Corporate website • Corporate communications (interim/ annual reports, sustainability reports, shareholder circulars and announcements) • General meetings of shareholders
Government agencies	<ul style="list-style-type: none"> • Operating in compliance with laws and regulations • Promoting regional economic development and employment 	<ul style="list-style-type: none"> • Regular submission of documents
Peers or business partners	<ul style="list-style-type: none"> • Mutual benefit and win-win • Promoting industry development • Fair competition 	<ul style="list-style-type: none"> • Industry conferences • Exhibitions
Communities	<ul style="list-style-type: none"> • Community engagement • Charitable activities 	<ul style="list-style-type: none"> • 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 ESG issues with reference to ESG Reporting Guide, taking into account the nature of business operations, market development trends and stakeholders' concerns, and conducted a materiality assessment of the identified issues in two main dimensions, namely materiality to stakeholders and materiality to the Group's business operations. The detailed process is as follows:

Identifying key stakeholders and material ESG issues

- By analyzing business operations, development strategies and plans, we identify key stakeholders and 19 material ESG issues

Stakeholders' participation

- Understand stakeholders' ESG concerns and expectations of the Group by online survey

Prioritizing material issues

- By quantifying the results of stakeholder survey, ESG issues were analyzed and ranked, and set out in the following materiality analysis matrix



Assessment of Material Issues (Continued)

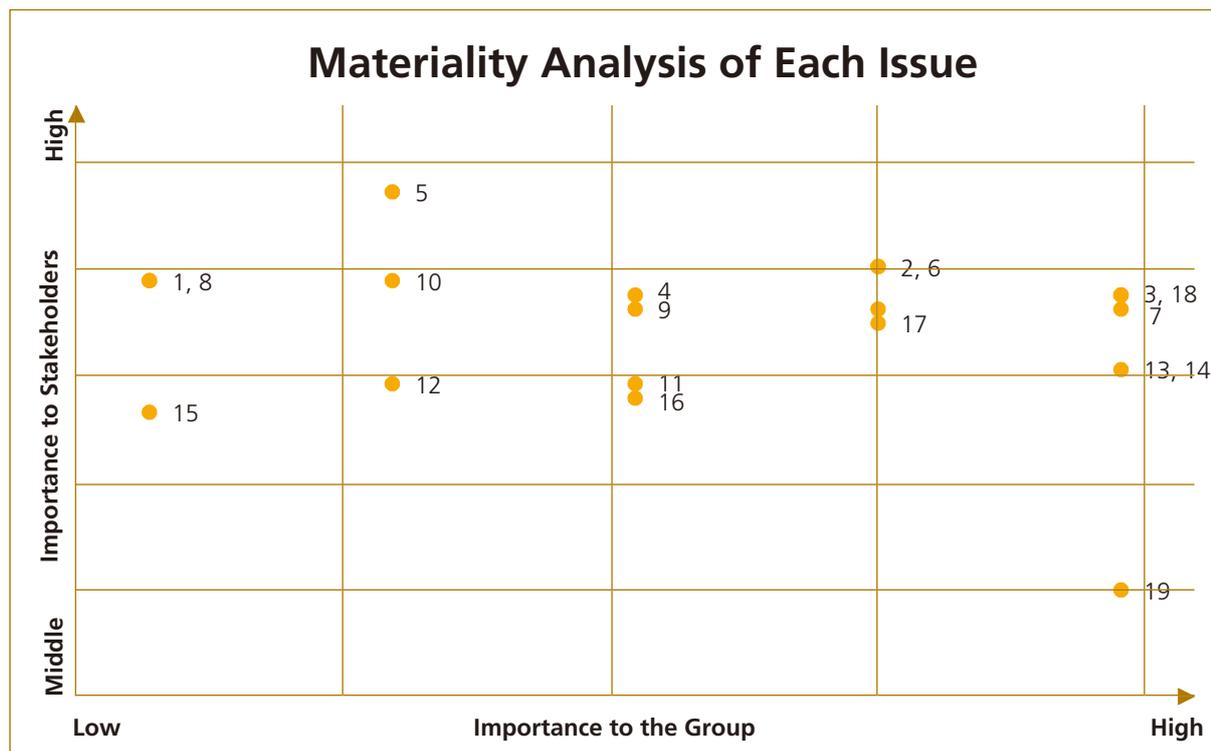
LIST OF ESG ISSUES

Classification of issue	Issue number
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 labor and forced labor)
	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. Utilization 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 laws and regulations
	19. Community investment and engagement

Assessment of Material Issues (Continued)

MATERIALITY MATRIX OF ESG ISSUES

In FY2023, 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 feedback from stakeholders is presented in the following matrix:



Note: Figures in the matrix represent the issues set out in the above table.

The top right-handed corner of the matrix represents sustainability issues that are more important to the Group and its stakeholders, namely occupational safety and health of employees, operating and managing in compliance with laws and regulations as well as satisfaction of customers. Through materiality assessments, we can gain valuable insight into the ESG risks and opportunities associated with our business operations. Such information helps us develop effective strategies to prioritize the most important sustainability issues and allocate resources accordingly. Furthermore, materiality assessment allows us to understand and meet the expectations of our stakeholders and increase their satisfaction with our business activities. In this regard, we identify the most important sustainability issues to our stakeholders and ensure that they are prioritized in our decision-making process.



Safe Service Environment

The Group considers the safety of customers and staff as its top priority. We ensure that, in formulating measures, 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 (《公安機關維護校園及周邊治安秩序八條措施》) to ensure that customers and staff participate in activities and work in a healthy and safe environment. In FY2023, we did not have any lost day (FY2022: 7 days) due to work injury, and there were no work-related serious injuries or fatalities in the past three years. We have also not been subject to any significant administrative penalties for breaches of laws or regulations relating to the provision of a safe working environment or the protection of employees.

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:

- Making sure that all emergency exits are kept unobstructed through regular checks;
- Posting safety warnings/signage in schools;
- Convening safety work meetings regularly to review various management measures and make improvements on a continuous basis;
- A traffic police room has been set up on campus to manage the traffic conditions near the schools and ensure customers and staff's road safety;
- Security guards on campus are regularly trained on fire prevention and security management to enhance their working knowledge and emergency capacity in handling any emergency on campus;
- To ensure that the fire service system is functioning properly, annual inspections and updates on fire service system are carried out annually according to the requirements of the local education bureau. In addition, trainings on fire fighting and fire drills are held regularly at schools to enhance the fire safety awareness and emergency escape and response ability.

In FY2023, no material violations of relevant laws and regulations regarding hygiene or safety were noted.



Exploring Elites and Providing All-round Quality Development

The Group is committed to offering a wide range of learning experiences for students, to unleashing their potentials through cooperating with schools in organization of different extra-curricular activities at schools and enrich their school life. In FY2023, we continued to actively provide a wide array of extra-curricular activities to students. By active participation in these activities, our students have achieved impressive results in academic, physical or artistic aspects, adding glamour to the school and the Group.

Our students have received numerous awards, including the following:

Title of the Award	Award Issuer
Bronze Award in Primary School Group for Music Competition of the 11 th Children's Arts Festival in Dongguan	Dongguan Education Bureau
Silver Award in Primary School Group for Dance Competition of the 11 th Children's Arts Festival in Dongguan	Dongguan Education Bureau
First Place in the 8 th Martial Arts Open Online Championship	Dongguan Culture, Radio and Television, Tourism and Sports Bureau
Third Class Award in the 2 nd Summer Holiday Online Rope Skipping Challenge in Guangdong	Guangdong Students Sports & Arts Federation
First Class Award in School Photography Exhibition for Primary and Secondary Teachers and Students in Dongguan	Dongguan Education Bureau
First Place in the team score of Primary School — Group C in the 2021 Martial Arts Routines Competition for Primary and Secondary Students in Dongguan	Dongguan Education Bureau
Second Class Award in 2022 "Chinese Poetry Conference" in Chashan Town	Chashan Education Office
First Class Award in 2022 "Passing the Torch, Charming Poems" in Chashan Town	Chashan Town Education Management Centre
Second Class Award in the 3 rd Science Investigation and Practice Competition in Chashan Town	Chashan Town Education Management Centre



Being a Good Listener to Ensure Service Quality

We treasure the comments and suggestions from our customers (e.g. parents and students). We collect their opinions from time to time to decide what activities should be organized, and invite feedback afterwards for evaluating the effectiveness and adjusting the arrangements of the activities 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. Upon receiving a complaint, we consolidate complaints and report them to the Board regularly for handling and improvement. We have not received any significant complaints in FY2022 and FY2023.



Building a High-quality Supply Chain

We firmly believe that close cooperation with our business partners (including suppliers, service providers and contractors) is a key factor to business success, which also enables us to continuously 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 meet our standards. Furthermore, in order to ensure the consistency in product quality, all items are procured by the Group through centralized bidding. New or existing suppliers are delicately chosen by a committee, composed of various management members, which 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. Environment is also a consideration in the selection of suppliers. Where prices are reasonable, preference is given to supplies or suppliers that cause 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 2023, the Group had a total of 126 (2022: 168) suppliers, all of which are in Mainland China.

Providing Equal Opportunities to Attract Talents

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, color, 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, commissioned head-hunters, and based on the principles such as suitability, two-way selection and merit when selecting suitable talents.

As of 31 August 2023, we had 151 full-time employees in total (2022: 171).

Staff Distribution

Financial year	By geographical region		By age				
	Hong Kong Special Administrative Region, PRC	Mainland China	21-30	31-40	41-50	51-60	Above 60
2023	6	145	7	58	70	16	–
2022	9	162	9	61	82	17	2

Financial year	By gender		By employee type		
	Male	Female	Senior management	Administrative staff	General staff
2023	33	118	21	6	124
2022	51	120	9	33	129

Providing Equal Opportunities to Attract Talents (Continued)

In case employees tender resignation, as required by our Human Resources Policy (《人力資源制度》), we will have a conversation with the resigned employees to understand their reasons for leaving and their suggestions for the Group, so that we can continuously refine our talent management strategy. For FY2022 and FY2023, the data of our employee turnover rate are as follow:

Financial year	By gender		Employee turnover rate (%) ¹					By geographical region	
			By age		By geographical region				
	Male	Female	21-30	31-40	41-50	51-60	61 or above	Hong Kong Special Administrative Region, PRC	Mainland China
2023	9%	4%	29%	–	4%	6%	–	50%	3%
2022	25%	14%	22%	10%	11%	76%	–	33%	17%

In FY2023, 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 programs, 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 provided trainings in relation to issues including the Listing Rules, accounting standards and corporate governance. During the Reporting Period, 79% (2022: 19%)² of our staff received trainings, and are categorized as follows:

Financial year	Employee training ratio (%)				
	By gender		By employee type		
	Male	Female	Senior management	Administrative staff	General staff
2023	10.40%	89.60%	0.80%	0.80%	98.40%
2022	31.84%	68.16%	4.48%	17.91%	77.61%

The Group's employees participated in a total of 1,002 (2022: 267) hours of training in FY2023, with an average of 6.30 (2022: 1.33) hours each.

Financial year	Average training hours for employees				
	By gender		By employee type		
	Male	Female	Senior management	Administrative staff	General staff
2023	3.56	7.11	1.50	6.00	7.21
2022	1.41	1.29	4.00	1.08	1.23

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 staffs 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 more fun to the 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 FY2022 and FY2023, 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

Sustainable environment is the foundation for long-term economic and social prosperity. The Group believes that sustainable development is not only a moral obligation, but also a pathway to business success. Thus, it 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 main pollutants generated by the Group 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 | <ul style="list-style-type: none">• 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 | <ul style="list-style-type: none">• Regularly cleaning windows to increase the utilization 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 | <ul style="list-style-type: none">• 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 | <ul style="list-style-type: none">• 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 | <ul style="list-style-type: none">• 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 |

Environmental Protection (Continued)

Greenhouse gases and air emissions were as follows:

Environmental KPI ^{3 & 4}	Unit	2023	2022
Total greenhouse gas emissions (Scopes 1 and 2)	Tons of carbon dioxide equivalent	21.60	22.24
Direct emissions (Scope 1)	Tons of carbon dioxide equivalent	0.43	0.50
Indirect emissions (Scope 2)	Tons of carbon dioxide equivalent	21.17	21.74
Greenhouse gas emission intensity (Scopes 1 and 2)	Tons of carbon dioxide/number of employees	0.14	0.13
Nitrogen oxides (NOx)	kg	0.16	0.19
Sulfur oxide (SOx)	kg	0.002	0.002
Particulate matters (PM)	kg	0.004	0.004

³ Our disclosure on air and greenhouse gases (GHG) emissions is mainly 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).

Environmental Protection (Continued)

The data on energy consumption were as follows:

Environmental KPI ⁵	Unit	2023	2022
Total energy consumption	MWh	35.23	35.85
Purchased power	MWh	33.07	33.40
Natural gas	MWh	2.16	2.45
Energy intensity	MWh/number of employees	0.23	0.21

SOLID WASTE MANAGEMENT

The solid waste of 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	2023	2022
Total amount of hazardous waste	Tonnes	–	–
Intensity of hazardous waste	Tonnes/number of employees	–	–
Total amount of non-hazardous waste	Tonnes	0.92	0.73
Intensity of non-hazardous waste	Tonnes/number of employees	0.006	0.004
Total amount and intensity of packaging materials	–	Not applicable	Not applicable

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.



Environmental Protection (Continued)

WATER CONSUMPTION

Our water consumption is mainly from domestic water used in our daily office operations. During the Reporting Period, as water consumed by the Group was supplied by the local water supply authorities and property management companies, the Group did not encounter any problems in sourcing suitable water.

The data on water consumption were as follows:

Environmental KPI	Unit	2023	2022
Total water consumption	Cubic meter	1,640	1,727
Water consumption intensity	Cubic meter/number of employees	10.86	10.10

COPING WITH CLIMATE CHANGE

As global temperatures continue to rise and extreme weather events become more frequent and severe, we recognise it is imminent to prioritize the preparatory work for climate change. 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 FY2023 and FY2022, we were not aware of any breach of relevant policy. In addition, we purchase and use authorized software for operational purposes to protect intellectual property owners. Looking back to FY2023, 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 our internal policy, we have 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 delivers anti-corruption videos to employees in order to facilitate their understandings of the basic knowledge of anti-corruption laws and maintain high-level integrity. In FY2022 and FY2023, 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 FY2023, 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.

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	Environmental Protection
Information on: <ul style="list-style-type: none"> (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 nonhazardous waste. 	
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 and Solid Waste Management



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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 the 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

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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.	Providing Equal Opportunities to Attract Talents
KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	Providing Equal Opportunities to Attract Talents
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Providing Equal Opportunities to Attract Talents



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Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect B2: Health and Safety		
General Disclosure	Information on: <ul style="list-style-type: none"> (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, 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

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Subject Areas, Aspects, General Disclosures and KPIs	Chapter/Statement
Aspect B4: Labour Standards	
<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (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 Labor and Forced Labor
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Eliminating the Employment of Child Labor and Forced Labor
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Eliminating the Employment of Child Labor and Forced Labor
Operating Practices	
Aspect B5: Supply Chain Management	
General Disclosure Policies on managing environmental and social risks of the supply chain.	Building a High-quality Supply Chain
KPI B5.1 Number of suppliers by geographical region.	Building a High-quality Supply Chain
KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Building a 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 a 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 a High-quality Supply Chain



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Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect B6: Product Responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> (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.	No case subject to recalls for health reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Being a Good Listener 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 a High-quality Supply Chain
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Personal Data Privacy

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Subject Areas, Aspects, General Disclosures and KPIs		Chapter/Statement
Aspect B7: Anti-corruption		
General Disclosure	Information on: <ul style="list-style-type: none"> (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, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of the 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