



DIGITAL DOMAIN HOLDINGS LIMITED

數字王國集團有限公司

(Incorporated in Bermuda with limited liability)  
(Stock Code : 547)

ENTERTAIN  
INFORM INSPIRE

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT  
2020

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## ABOUT THE REPORT

Digital Domain Holdings Limited (the “**Company**”) is pleased to present its Environmental, Social and Governance Report (the “**ESG Report**”). The report concerns environmental and social impacts, policies and initiatives of the Company and its major subsidiaries (collectively the “**Group**” or “**we**”) to demonstrate our long-term commitment to ensure that our activities, at all levels, are economically, socially and environmentally sustainable. Additional information in relation to the Group’s corporate governance and financial performance can be referred to the Company’s Annual Report for the year ended 31 December 2020.

### 1.1. SCOPE AND REPORTING BOUNDARY

The scope of the ESG Report covers the environmental and social performances of the Group’s principal business which includes visual effects production and post-production, virtual reality, virtual humans and co-production of featured films and episodes series across different geographic locations in Asia such as Hong Kong, Mainland of China, India and Taiwan. The “**Reporting Period**” is spanning over the period from 1 January 2020 to 31 December 2020.

While we seek to establish a consistent boundary for reporting ESG aspects across the Group’s structure, the reporting boundary of the ESG Report is hence established based on the criteria that all operations and entities reported in Asia are substantially owned by the Group and are under our management. As a result, we do not report entities which are outside of the Group’s structure, where we do not own the assets and do not directly engage or employ the workforce, and where we do not operate the asset under a contractual obligation.

Part of the content may look back upon the performance of the Group in past years with a view to presenting the report in a more informative and comparable manner. The reporting boundary includes the operation entities in the regions mentioned above.

### 1.2. REPORTING GUIDELINES

The “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) which is set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HKEX**”) serves as the reporting guidelines of this report.

### 1.3. REPORTING PRINCIPLES

The reporting principles of this ESG Report are governed by “materiality” and “quantitative”. With respect to “materiality”, we ensure that ESG issues discussed in this report are sufficiently important and material to investors and stakeholders including customers, communities, employees, institutions, governments, non-governmental organizations, shareholders, subcontractors, suppliers and industry associations. With respect to “quantitative”, Key Performance Indicators (“**KPI**”) required by the ESG Reporting Guide are measurable such that the effectiveness of our ESG policies and management systems can be evaluated and validated continuously.

The Group is determined to be a responsible enterprise and is committed to perfecting its business and improving the local community. In order to determine what issues are relevant and material to our business with respect to sustainability, the Group is aware that the key is to understand what issues that our stakeholders concerned most. We define our stakeholders as people who affect our business or who are affected by our business. In our daily business, we actively exchange information with our stakeholders through our transparent platform while we are devoted to continuous improvement of our communication system. In addition, we are committed to maintaining a long-term partnership with our stakeholders and are actively engaged in addressing their concerns with timely follow-up actions. The Group is working to create a sustainable growth for the benefit of all our stakeholders.

## ABOUT THE REPORT

### 1.4. REPORTING FRAMEWORK

With reference to the ESG Reporting Guide and the Group's business operation, the presentation of our ESG Report divides the relevant aspects and KPI, which are considered to be relevant and material to the Group, into four subject areas: Protecting the Environment, People, Operating Responsibly and Contributing to Our Community.

A complete index in compliance with the ESG Reporting Guide is also available at the end of this report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this report is compliant with all the "comply or explain" provisions set out in the ESG Reporting Guide.

### 1.5. DATA COLLECTION

Data in this report are extracted from the Group's internal management system and statistics, and part of the data collected in previous years. Unless otherwise stated, Hong Kong dollars (HKD) is used in this report as its functional currency.

### 1.6. REPORT AVAILABILITY

This report is accessible in electronic version from the Company's website (<https://www.digitaldomain.com>).

### 1.7. CONTACT

We welcome comments and suggestions from our stakeholders. You may provide your comments on the ESG Report or towards our performance in respect of sustainability via email to [ir@ddhl.com](mailto:ir@ddhl.com).

## FOCUSING ON WELLNESS

In early 2020, the outbreak of the novel coronavirus epidemic (“**COVID-19**”) has brought exceptional challenges to the world. The pandemic has resulted in unprecedented public health measures across all geographies, with business shutdowns and stay-at-home policies disrupting the global economy at a scale never seen in our lifetime. The effects of the COVID-19 crisis on the various industries are far-reaching and complex: the crisis has limited the operations of many businesses and has had implications for employees, supply chains, cash flows and investor return. We were no exception and were strongly impacted by the pandemic. It has brought exceptional challenges to Mainland of China, Hong Kong and subsequently many other cities where we operate.

While multiple industries are preparing to adapt to the slumps in demand and production, as part of the “new normal”, the health and well-being of all our customers and employees, as well as their families and friends, is our utmost priority in these challenging times. We successfully navigated through disturbances together with our employees, suppliers, customers, and local communities by putting people first, and contributing to communities, nation, and humanity. Capitalizing on our knowledge, experience and strengths, we will continue to ensure the safety and well-being of our employees, suppliers and support our consumers, stakeholders and communities in the battle to overcome the COVID-19 pandemic. On the other hand, we are dedicating human and financial resources to help those in need and help us, as a society, emerge stronger on the other side.

In order to combat the spread of COVID-19 together with the community, the Group has been strictly following the latest health advice and regulations issued by the Hong Kong government and has undertaken prompt actions and adopted various preventive and hygiene measures for employees since early January 2020.

### 2.1. EMPLOYEE HEALTH AND SAFETY

The Group remains obligated to provide our employees with a safe and healthy working environment during the COVID-19 pandemic, maintaining a firm grasp of all applicable obligations (whether mandated or voluntary). The Group has taken the following precautionary measures at our workplaces to minimize the risk of transmission of COVID-19.

- We establish a designated working team to enhance implementation of hygienic measures in all offices and provide guidance to strengthen employees care for the employees;
- Body temperature checks were also conducted on all persons entering our workplaces;
- We provide adequate amount of surgical mask in all offices, while advising all staff members to maintain good personal hygiene and to avoid touching eyes, mouth and nose before cleaning hands;
- We provide 70-80% alcohol-based sanitizer in all offices for hand sanitization;
- Employees are recommended to rub hands with liquid soap for at least 20 seconds when washing;
- Any person who has symptoms of fever, or other respiratory symptoms would be advised to seek medical advice and would be refrained from entering the workplace;
- Commonly touched areas such as lift buttons and handrails of office’s entrance are disinfected regularly during day time;

## FOCUSING ON WELLNESS

### 2.1. EMPLOYEE HEALTH AND SAFETY (CONTINUED)

- Friendly message of upkeeping personal and environmental hygiene, health and safety as individual's own responsibility are posted in the workplaces;
- We provide special leave arrangement to those employees who are required for compulsory quarantine ordered by the governments during the COVID-19 pandemic;
- Maintain a register of staff-members who are on duty and their mandatory travel and health declaration, for possible public health action in case the employee is confirmed to be infected with COVID-19; and
- In order to encourage employees to receive COVID-19 vaccination and allow employees to recuperate after vaccination, we offer employees two paid days as vaccination leave.

### 2.2. ADAPTED MANAGEMENT

- We review, update and modify crisis management plans, as needed, and ensure that employees follow these plans during the pandemic;
- We implement shift duty to reduce workplace density so as to minimize the risk of spreading COVID-19;
- We ensure that we comply with operational and monitoring requirements imposed by law, permit conditions and consent orders;
- We communicate regularly and frequently with key compliance personnel;
- We ensure that key employees have access to and/or knowledge about critical records and recordkeeping requirements; and
- We ensure that emergency and security protocols remain in place for shuttered facilities or those operating with reduced staff to ensure the health and safety of employees remaining on site and the nearby community.

### 2.3. MIGRATING TO A REMOTE WORKFORCE

Nonetheless, the Group was able to respond quickly by applying preventive and mitigation measures, protecting the safety and health of staff while maintaining uninterrupted production and adequate operating capital. Employees were also spared from taking no-pay leave or pay cuts. Through active management and resources planning, the Group encouraged its administration and supporting personnel to work-from-home to form the remote workforce, whenever feasible and appropriate, in order to minimize workplace density and reduce employees' exposure to travelling and crowded public transport.

We continue to monitor and assess the situation, keeping all employees and customers posted. The resolve, dedication, commitment and hard work of the Group and its all employees to fight this unprecedented threat to mankind is strong and undeterred. We will remain resilient and responsive during these exceptionally challenging times, ensuring our ability to maintain our operations as smoothly and efficiently as possible.

# ESG MANAGEMENT AND STRATEGY

## 3.1. ESG POLICY STATEMENT

The global media entertainment industry is complex and multi-faceted, operating across multiple jurisdictions and responding to an array of different stakeholders. The industry faces a broad spectrum of sustainability and ESG challenges, including data privacy, diversity and inclusion, equality, anti-discrimination, competition, fraud and corruption. Social and governance issues are particularly prevalent in the sector, although, increasing attention is turning to environmental issues, such as carbon footprint, waste, and climate change concerns. The Group understands that a slow response to these issues may risk erosion of the market position, access to capital and brand value ultimately.

Our ambition is to be a promising industry player, while shaping a sustainable future together with the communities and creating long-term value for all our stakeholders. Our philosophy is to deliver quality services and products that meet our management objective of integrating ESG policy in the business operation. The ESG policy, summarized below, guides the behavior of all employees of the Group to ensure our ESG practices are implemented effectively.

Environmental	Social	Community Investment	Governance
<p>The Group commits to integrating environmental protection measures into its business operation and promoting environmental awareness for the well-being of the society.</p>	<p>The Group is determined to set ourself in a good position to maintain a robust business performance and growth together with our employees, with an objective to uphold an open, fair, just and reasonable human resource policy.</p> <p>The Group is committed to a holistic approach to health and wellness, through a healthy, comfortable and safe working environment that support health and wellness for our employees.</p>	<p>The Group encourages giving back and strengthening the community through volunteerism and philanthropy.</p> <p>The Group encourages employees to contribute their time and talent to a variety of community organizations.</p>	<p>Maintaining high standards of business ethics and corporate governance practices has always been one of the Group's core vision.</p> <p>The Group believes that conducting business in an open and a responsible manner serves its long-term interests and those of the stakeholders.</p>

## ESG MANAGEMENT AND STRATEGY

### 3.2. ALIGNING OUR “GREENER” OPERATION WITH GLOBAL SUSTAINABILITY ISSUES

The global sustainability agenda encourages corporates to take positive action in areas such as health and well-being, environmental protection, climate change, plastic pollution, ethical footprints and community development. The Group acknowledges and supports the international sustainable development agenda.

We are aware that consumers are gradually becoming more sensitive to those issues which start to influence the purchasing decisions of average consumers. Where once customer would rarely question how a product was made or what it was made of, corporates are now expected to clearly state where products come from and how the ESG policies inform their choice of processes, materials and deployment of human resources. The change of consumer mentality is progressively transforming the purchasing decisions.

As such, it has never been more important for the Group to implement good ESG practices into our business model. We are committed to instilling the consciousness of resources conservation, deeply indoctrinated the low-carbon concept and environmental protection into the work and life of every employee. We continue to seek business partners who share our philosophy, commitment to environment conservation and compliance with the applicable environmental laws and regulations. We firmly believe that our commitment to environmental protection will become a part of our competitiveness, leading the Group to a greater success in the future and fulfil our responsibilities as a member of the community we all live in.



## ESG MANAGEMENT AND STRATEGY

### 3.3. OUR RECENT KEY ACHIEVEMENTS

The Group contemplates that ESG is an integral part of our principal business and also our ability to succeed in a relentlessly competitive market. As such, the Group continuously spends remarkable efforts to address various aspects of ESG, including greenhouse gas reduction, development and training opportunities for employees, environmental compliance, health and safe work environment for employees.



# PROTECTING THE ENVIRONMENT

## 4.1. CORPORATE ENVIRONMENTAL POLICY AND COMPLIANCE

In recent years, numerous governments and corporates across the globe has put tremendous efforts to fight climate change through constructing a green and low carbon environment and ecological civilisation for the community. As such, the Group, as a member of this global community, is committed to upholding high environmental standards and to disseminating the concept of sustainable and green development via reducing waste discharge, carbon footprint and resource consumption, devoting human and financial resources for environmental conservation and promoting a harmonious and sustainable development among people, society and the environment.

To achieve environmental sustainability, the Group formulated relevant rules and regulations for an effective management of energy consumption, greenhouse gas (“**GHG**”) emission, as well as discharge of domestic waste and sewage and other pollutants, highlighted as below:

- Promote a culture of environmental sustainability among customers, workforce, and supplier, encouraging their participation in green initiatives;
- Comply with applicable environmental protection laws and regulations; and
- Define appropriate goals, objectives and targets for our management approach.

During the Reporting Period, the Group complied with environmental protection laws and regulations in relation to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.

## PROTECTING THE ENVIRONMENT

### 4.2. CLIMATE CHANGE MITIGATION

The Group recognizes the significant impacts of climate change. While business activities lead to carbon emissions, temperature rise and ultimately climate change, they in turn threaten business operations and result in possible financial loss. We have initiated a series of carbon reduction measures focusing on enhancing energy efficiency as electricity generation has long been the largest contributor to carbon emission. Waste reduction measures were also implemented to minimize our carbon footprint. We are aware of the potential risks that extreme weather events, such as tropical cyclone, severe rainstorm and thunderstorm pose to our core business. Terrestrial media transmission might also be disrupted due to power outage and facility damage.

Given the Group's business, by nature, we do not generate a significant amount of exhaust gas and greenhouse gas directly throughout its operation. However, our daily operation and office administration inevitably involve consumption of fossil fuel directly or indirectly, which releases Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Carbon Dioxide (CO<sub>2</sub>) into the air. The Group is highly aware that such GHG emission is one of the major sources of global warming. Therefore, we strive to reduce our carbon and ecological footprint and adopt practices that are sustainable to the environment. The Group incorporated sustainable energy measures in its daily operations to properly manage our GHG emissions and address various environmental issues, including:

- Maintaining indoor temperature at an optimal level for comfort;
- Providing on-off and zoning control of lighting and ventilation system in the workplace according to the operation schedule;
- Encouraging employees to switch off machines and devices, such as computers and monitors when not in use;
- Procuring energy efficient electrical appliances (such as those with Grade 1 energy labels, fridge with door and LED lighting systems whenever practical);
- Use LED lighting to reduce generator use; fixtures can run off battery packs or plug directly into walls.
- Retrofitting lights to more energy efficient lights, such as LED lamp in our offices;
- Placing "Green Message" reminders on office equipment and workplace to further enhance employees' environmental awareness;
- Installing telephone and/or video conferencing systems; and
- Encouraging employees to make the best use of modern telecommunication system to avoid unnecessary travel arrangement.

The Group believes that the adoption of the above mitigation measures will help change the behaviour of the use of energy in the workplace and finally achieve the goal of reducing the GHG emission and protecting our environment.

## PROTECTING THE ENVIRONMENT

### 4.3. EXHAUST GAS AND GHG EMISSIONS

Our Group's business inevitably involves consumption of fossil fuel, which directly or indirectly, releases Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Carbon Dioxide (CO<sub>2</sub>) into the air. The Group is highly aware that such GHG emission is one of the major sources of global warming. In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of "Emissions" during the Reporting Period is tabulated below.

**Table 1 – Emissions**

	Unit	FY2019	FY2019 Intensity (per employee)	FY2020	FY2020 Intensity (per employee)
<b>GHG Emissions*</b>	CO <sub>2</sub> e (t)	1,032	2.03	1,767	4.5
<b>Nitrogen Oxides</b>	g	36,240	71.20	195	0.5
<b>Sulphur Oxides</b>	g	77	0.15	4.6	0.01
<b>Particulate Matter</b>	g	3,473	6.82	14.4	0.04

\* The increase in GHG emissions was mainly attributable to the increased consumption of electricity by our operation during the Reporting Period.

### 4.4. WASTE MANAGEMENT

#### Waste Management Policy

Waste reduction is the focus of our emission control efforts. The Group's principal waste management policy endeavours to achieve a green and paperless operation and a minimal generation of waste during our operation wherever possible and practical. The Group, through the following measures and objectives, strives to achieve the target of reducing the amount of waste generated and aims at waste management from the source:

- We encourage all employees to reduce paper usage through duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents;
- We encourage increased use of double-sided printing, A5 format for printing scripts, and reusable product, such as envelopes, and better separation of waste streams for recycling;
- We maintain 100% recycling of used toner cartridges by collecting and returning all used cartridge to recycling agents;
- We encourage minimal consumption of paper towels;
- We adopted e-communication system to enable the Group's shareholders and non-registered shareholders to have an easy and quick access to the corporate information published while reducing paper consumption;
- We strengthen our employee's awareness in environmental management, waste reduction and waste recycle, encourage them to be equipped with appropriate skills and knowledge with respect to the practice of sustainable development; and
- We closely keep up with the latest government's initiatives and policies in relation to waste management, waste reduction and recycle campaigns in order to allocate resources and formulate strategy in a timely manner.

## PROTECTING THE ENVIRONMENT

### 4.4. WASTE MANAGEMENT (CONTINUED)

#### Hazardous Waste

Given our business nature, the Group does not directly produce hazardous waste throughout the operation. The Group endeavors to recycle electronic waste throughout our operation wherever practical, ultimately reducing both the monetary and environmental costs incurred by the disposal of these electrical parts that would otherwise be scrapped and treated as hazardous waste.

#### Non-hazardous Waste

The non-hazardous wastes generated by the Group are mainly general office waste including stationery, packaging materials, paper from our operations, product sample and food wastes, among which, recyclable wastes will be recycled for reuse.

#### Wastewater Discharge

The Group's operations do not consume a significant amount of water. Our main use of water is for sanitary purposes. Similarly, most of the wastewater discharged from our facilities is sanitary wastewater. The Group ensures all domestic sewage is properly discharged into the urban sewage pipe network for subsequent sewage treatment.

**Table 2 – Waste Discharge**

	Unit	FY2020
<b>Non-hazardous Waste</b>	t	85.48

In the aspect of waste management, the Group constantly strives to maintain a high standard of requirement of waste reduction, actively encouraging our employees to appreciate the significance of sustainable development through continuous development in skills and knowledge.

### 4.5. USE OF RESOURCES

In light of finite earth's resources, the Group considers the conservation of natural resources as an indispensable component of our sustainable business. Through actively promoting various environmental-friendly measures, we encourage an efficient use of resources, including energy, paper and water. As such, the Group has initiated policies to raise the awareness of electricity conservation and taken energy saving measures throughout our daily operation as elaborated in the section of "Exhaust Gas and GHG Emissions".

#### Water Consumption

Water is not considered as a material aspect to our core operation. The Group takes a cautious approach to water stewardship, seeking to maximize efficiency and reduce water consumption. We strive to engage all employees to develop a habit of conserving water consciously. Pantry and washrooms are posted with environmental messages to remind employee the importance and urgency of water conservation. The utility facilities are maintained regularly for service to ensure that water seepage or leaking pipelines are replaced or repaired on a timely basis. The Group also seeks to reduce water usage, reuse water and improve the quality of wastewater discharged from our working stations wherever possible.

## PROTECTING THE ENVIRONMENT

### 4.5. USE OF RESOURCES (CONTINUED)

#### Water Consumption (Continued)

Yet, it is worthwhile to note that there was an increase in water consumption during the year as staff exercised heightened personal hygiene including frequent hand washing, and the Group's enhanced disinfection actions amidst the COVID-19 pandemic. We strive to protect the health of our staff and minimize the risk of spread of virus.

#### Packaging Material

Given our business nature, the Group does not have manufacturing facilities and does not consume significant amount of packaging materials by our operation. However, we encourage our suppliers to use less packaging material.

#### Environmental Performance

In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of "Energy and Resources Use" during the Reporting Period are tabulated below.

**Table 3 – Energy and Resources Use**

	Unit	FY2019	FY2019 Intensity (per employee)	FY2020	FY2020 Intensity (per employee)
<b>Electricity</b>	kWh	1,073,760	2,110.55	2,201,340	5,601.37
<b>Purchased Gas</b>	Unit	n/a	n/a	n/a	n/a
<b>Unleaded Petrol</b>	L	5,235	10.28	313	0.8
<b>Diesel</b>	L	n/a	n/a	n/a	n/a
<b>Paper</b>	kg	1,113	2.19	1,027	2.61
<b>Water</b>	m <sup>3</sup>	5,368	10.55	5,581	14.2

## PEOPLE

### 5.1. RECRUITMENT AND PROMOTION

Considering that every employee has unique talents, competencies and the potential to become a driving force for our corporate development and long-term growth, the Group supports the development of competencies of our employees while proactively managing our talent pipeline and career development for them. The Group is determined to uphold an open, fair, just and reasonable recruitment and human resource policy, with respect to equal opportunities, diversity and anti-discrimination. We are committed to nurturing skills and capabilities in order to unlock the best in our employees, and therefore drive creativity and innovation that will contribute to our long-term sustainable growth.

The Group has formulated the recruitment policy with respect to equal opportunities, diversity and anti-discrimination. We encourage differences and individuality in employees, with the philosophy that diversity can bring new ideas, dynamics and challenges to our operations. We discourage all forms of discrimination on gender, age, family status, sexual orientation, disability, race and religion. Our employment policy encourages hiring of talented people with physical or mental disabilities. We are committed to supporting our employees to maintain a family-friendly work environment because we respect their roles and responsibilities in their families. We strive to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in employment. We bring in new recruits and equip them with necessary skill sets to develop a long-term rewarding career with us.

During the Reporting Period, we strictly observed the applicable laws and regulations and follow our policies relating to recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, by providing competitive remuneration package, including internal promotion opportunities and performance-based bonus, so as to recruit and retain experienced employees.

### 5.2. EMPLOYMENT

In order to attract and retain our employees, which are our most valuable assets, the Group offers competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees. The Group decides the remunerations payable to its staff based on their duties, work experience and the prevailing market practices. Apart from basic remuneration, share options may be granted to eligible employees by reference to the performance of the Group and individual employees.

#### Hong Kong Region

In Hong Kong, the Group complied with the Labour Law of Hong Kong and relevant employment laws and regulations during the Reporting Period, including the Mandatory Provident Fund Schemes Ordinance by participating in the Mandatory Provident Fund retirement benefit scheme for our eligible employees, Minimum Wage Ordinance, Employment Ordinance and Employees' Compensation Ordinance by offering competitive wages, medical insurance, maternity leave and other compensation to our employees.

#### The People's Republic of China ("PRC") Region

In the PRC, we, during the Reporting Period, participated in welfare schemes concerning pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance in accordance with the local regulations including the "Labour Law of the PRC", the "Labour Contract Law of the PRC", "Law of the People's Republic of China on Employment Promotion", "Regulations on the Administration of Housing Provident Funds" and the "Social Insurance Law".

## PEOPLE

### 5.2. EMPLOYMENT (CONTINUED)

#### Taiwan Region

In Taiwan, the Group, on a monthly basis during the Reporting Period, contributed labour pension to individual accounts of labour pension at the Bureau of Labour Insurance, Ministry of Labour for employees pursuant to the Labour Standard Act and Labour Pension Act.

#### India Region

In India, we, during the Reporting Period, participated in welfare schemes concerning provident fund and pension, life insurance, accident insurance and medical insurance in accordance with the local regulations including Employee Provident Fund and Miscellaneous Provision Act 1952 and Factories Act 1948.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in respect of human resources. We strictly prohibit discrimination, harassment and bullying at all workplaces. In accordance with the ESG Reporting Guide set out by HKEX, details of the Group's workforce during the Reporting Period are tabulated as well as presented in charts below.

**Table 4 – Our Workforce**

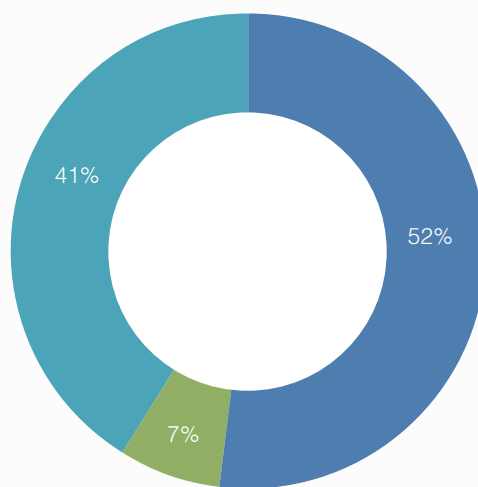
	<b>FY2020</b>
Total Number of Full-Time Employees	393*
<b>Turnover Rate by Gender</b>	
Male	56.4%
Female	67.2%
<b>Turnover Rate by Age</b>	
Under 30 Years Old	66.7%
Between 30 and 50 Years Old	54.8%
Over 50 Years Old	35.3%

\* The figure only covers employees hired by the headquarters in Hong Kong and by the subsidiaries in Beijing, Shanghai, Shenzhen, Taipei and Hyderabad.

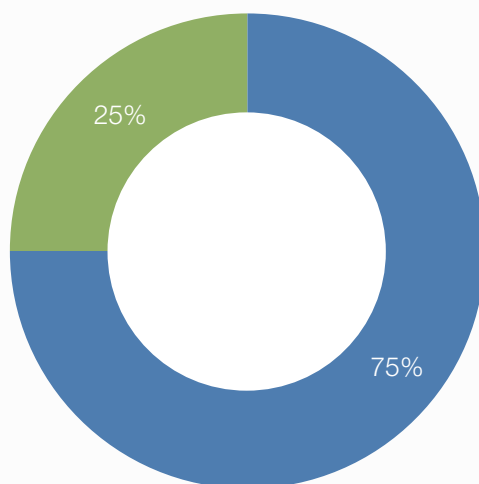


## PEOPLE

## 5.2. EMPLOYMENT (CONTINUED)

**Workforce by Geographical Region  
as of 31 December 2020**

■ HK and PRC   ■ Taiwan   ■ India

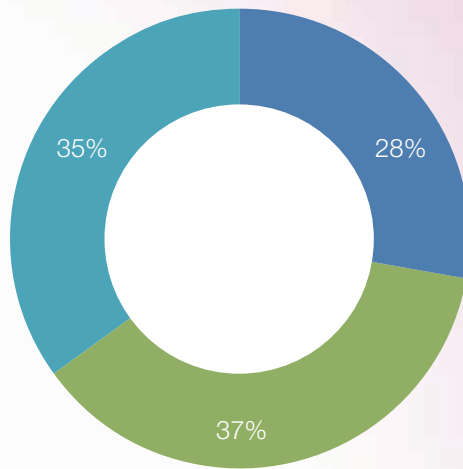
**Workforce by Gender  
as of 31 December 2020**

■ Male   ■ Female

PEOPLE

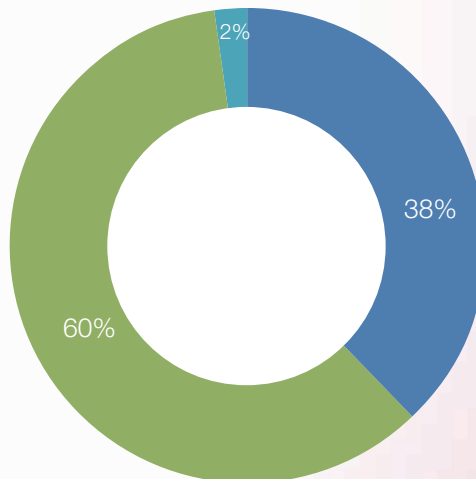
5.2. EMPLOYMENT (CONTINUED)

**Workforce by Employment Level  
as of 31 December 2020**



■ Senior   ■ Middle   ■ Junior

**Workforce by Age Group  
as of 31 December 2020**



■ Aged below 30 years old   ■ Aged between 30 and 50 years old   ■ Aged above 50 years old

## PEOPLE

### 5.3. LABOUR STANDARDS

Being fully aware that exploitation of child and forced labour violates human rights and international labour conventions, the Group strictly prohibits the employment of any child labour and forced labour. New employees are required to provide true and accurate personal data when they are on board. Recruiters should strictly review the entry documents including academic certificates and identification documents.

During the Reporting Period, the Group strictly complied with the laws and regulations in relation to prevention of child and forced labour, including the Employment Ordinance of Hong Kong and Labour Law, Prohibition of Child Labour Provisions, Underage Workers Special Protection Provisions, Prohibition of Forced Labour and Prisoners Labour Policy and Procedures of the PRC as well as relevant legislations in the countries where we operate. No material non-compliance with the laws and regulations related to the prevention of child labour or forced labour have been found by the Group.

### 5.4. OCCUPATIONAL SAFETY AND HEALTH

Employees' health and safety is of paramount importance to our operation and therefore, the Group is determined to attaching great importance to a healthy, comfortable and safe working environment for our employees. The goals of our Occupational Safety and Health ("OSH") policy are highlighted as below:

- Pursuit of a healthy, comfortable and safe working environment for our employees;
- Commitment of appropriate resources and leadership to the OSH management system;
- The OSH management system aims at identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries;
- Zero tolerance of accidents and injuries;
- Promotion of a positive safety culture among employees;
- Review of the performance of various OSH measures, so that their effectiveness and reliability can be maintained; and
- Compliance with applicable laws and regulations in relation to occupational safety and health.

To achieve the goals of our OSH policy, the following measures are adopted:

- Formulation of emergency response plans, risk assessment and accident investigation mechanism so as to ensure legal compliance with OSH;
- Organization of fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency;
- Promotion of safety culture among employees;

## PEOPLE

### 5.4. OCCUPATIONAL SAFETY AND HEALTH (CONTINUED)

- Organization of induction programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can;
- Provision of OSH training sessions to employees to ensure awareness of job hazards and conformity to safety practices with respect to OSH;
- Provision of job-related training to existing staff-members to strengthen their professional knowledge and skills in daily operations and safety matters;
- Provision of first aid kits and fire extinguishers in workplace;
- Prohibition of smoking and abuse of alcohol and drugs in the workplace;
- Provision of clean and tidy rest area; and
- Provision of adjustable chairs and monitors for eye protection.

During the Reporting Period, the Group complied with the laws and regulations in relation to occupational safety and health in multiple regions, such as the Occupational Safety and Health Ordinance, Labour Law, Regulations on Period of Medical Treatment of Diseases or Non-work-related Injuries of Employees and Regulation on Work-Related Injury Insurance of the PRC. During the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury. and did not identify any material non-compliance with laws and regulations relevant to health and safety of employees. The summary of work-related fatalities and injuries during the Reporting Period are shown in the table below.

**Table 5 – Health and Safety**

	<b>FY2020</b>
No. of Work-Related Fatalities	nil
Rate of Work-Related Fatalities	nil
No. of Injuries at Work	nil
Lost Days due to Injury at Work	nil

## PEOPLE

### 5.5. DEVELOPMENT AND TRAINING

The Group envisions that empowering its people through development and training is the cornerstone of our success in the long-run. The Group listens and responds to our people. Our training programmes are designed not only to meet our business vision and to provide skillset required for the operation, but also for the benefit of society as a whole wherever possible. Continuous training is committed by the Group in different ways including internal training programs, comprehensive training for specific skill development, and courses for continuous professional development for relevant employees so as to ensure that they possess the appropriate qualities and skill-sets.

During the Reporting Period, the Group organized a total of 29 hours of development and training with topics generally including occupational health and safety, the relevant rules and regulations, corporate governance, anti-corruption, business development and strategy, in order for our staff-members to develop and refresh their knowledge and skills. In addition, we ensure that every new joiner receives proper orientation training and mentoring in order to help them adapt to the new working environment affirmatively and quickly.

### 5.6. HARMONIOUS CORPORATE CULTURE

The Group is strongly convinced that a harmonious corporate culture among the employees and management are always the key drivers to the Group's healthy and prosperous growth. To achieve this, we utilize a variety of channels, including:

- All-staff meetings or gatherings to update on business performance and the development of key projects;
- Employee engagement such as annual employee survey which provides a confidential route for employee feedback. Follow up actions ensure that employees' voices are heard and responded to at both corporate and team levels; and
- Festive foods, such as moon cakes and fruit, were delivered to employees during certain traditional festivals (such as Lunar New Year and Mid-Autumn Festival) in recognition of their contributions and dedicated work to the Group. Regular and festival gatherings were organized during the Reporting Period to enhance the harmonious spirit of different levels of staff members throughout the Group.

The Group believes that such a corporate culture and harmonic working environment will naturally achieve a synergistic result to facilitate employee retention and to improve productivity.

## OPERATING RESPONSIBLY

We take a holistic approach to ensure that we operate responsibly in the Asia-Pacific region through dissemination of pursuing sustainability into our core business. It is essential for us to encourage all business partners to incorporate those sustainability practices and policies into their operation thoroughly in order to work together in our pursuit of sustainable development.

### 6.1. INNOVATION-DRIVEN DEVELOPMENT

Innovation and technology strategies have been playing a crucial role in our long-term business development. As such, the Group is determined to set ourselves in a good position to continuously and proactively introduce products, services and processes derived from high-tech oriented research and development, into our operation and business model wherever commercially feasible and appropriate.

### 6.2. SUPPLY CHAIN MANAGEMENT

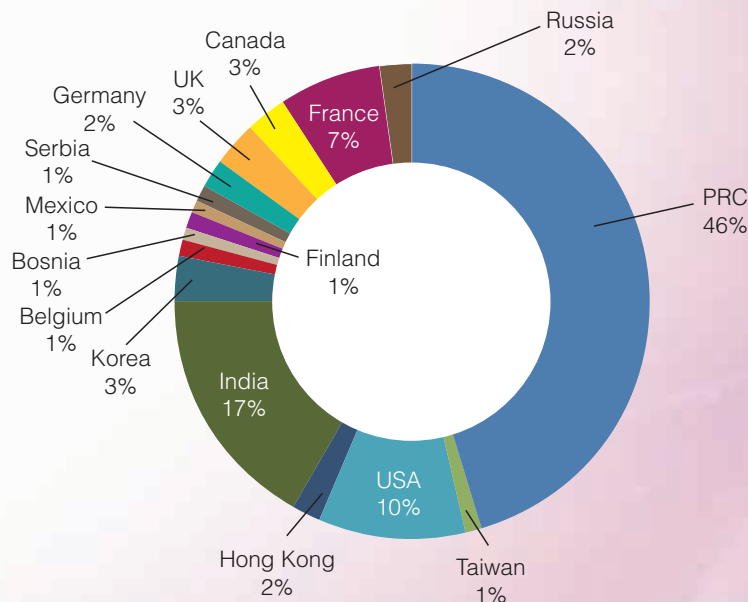
The Group understands that the supply chain management has always been one of the key aspects of the Group's operation. Our management team not only considers economic and commercial benefits during the tendering processes, but it also evaluates the suppliers' and contractors' track record with respect to legal and regulatory compliance which include environmental, social and governance aspects.

We developed a supplier selection framework in relation to the applicable laws and regulations for the safety, environment and other social aspects. We may perform on-site inspection and assessments if deemed necessary. Every supplier is required to comply with our code of practice, which prohibits offering of gifts, certificates, loans, hospitality, service or favor in an improper manner.

We believe that, through the above review process, we can minimize the potential environmental and social risks associated with the supply chain management. In 2020, we saw no environmental or social non-compliance cases in our suppliers.

During the Reporting Period, the Group had in total 169 suppliers which were located close to the region where we operated. The geographical regions of our suppliers are summarized as below:

**Suppliers by Geographic Location  
as of 31 December 2020**



## OPERATING RESPONSIBLY

### 6.3. PRODUCT RESPONSIBILITY

To be a successful business, we are committed to the highest standards of service or product we deliver, maintaining continuous communication with our customers to ensure that we understand and fulfil their needs and expectations. While maintaining strict product quality, we keep track of emerging trends and continue to develop and optimize products that offer the best solutions to our customers.

The Group undertakes the defined quality assurance protocol to ensure products constantly meet customer requirements and legal and safety standards for its intended use and for circumstances of reasonably foreseeable misuse. We carry out regular assessment for each product type with respect to the aspects of environmental impact, health impact, safety and hazards. We perform continuous and regular assessments of the product quality and review of opportunities for improvements and changes. With respect to advertising, the Group respects our customers' rights and is committed to providing accurate product and service information for customer in connection with their purchase or consumption decision. The Group carefully reviewed advertising material to protect customers' interest. With respect to labelling, the Group also requires that labelling is accurate, clear, legitimate without misleading messages.

#### PRC Region

Our operation in the PRC, during the Reporting Period, complied with relevant laws and regulations in relation to advertising, labelling and consumer protection, such as "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", the "Advertising Law of the People's Republic of China", and "Product Quality Law of the People's Republic of China", by ensuring that there are no false and misleading messages in our advertisements and promotion activities.

#### Hong Kong Region

In Hong Kong, the Group, during the Reporting Period, complied with relevant laws and regulations, for instances, the Trade Description Ordinance.

#### Other Regions

In other regions, the Group, during the Reporting Period, complied with relevant laws and regulations wherever appropriate and applicable. We also carried out continuous assessment of the service quality and product quality and review of opportunities for improvements and changes.

## OPERATING RESPONSIBLY

### 6.4. CUSTOMER FEEDBACK AND HANDLING

Realizing that our customer needs and expectations should be well addressed, the Group pays attention to the level of satisfaction of customers and their feedback. Regular communication channels and feedback systems, such as telephone hotlines, emails, social media and website, are in place to gather information on satisfaction and suggestions for improvement from our diverse portfolio of customers.

The Group consolidated and comprehensively analysed the customers' feedback in order to identify the issues. Follow-up actions, including internal evaluation and modification of training programs for employees, will be taken to address the issues identified and to continuously improve our service delivered. Feedback will additionally be provided to the customers in a timely manner.

During the Reporting Period, the Group did not identify any material non-compliance of the laws and regulations related to the quality of products and services. There were no cases of product recall nor complaints received against our products due to health and safety issues during the Reporting Period.

**Table 6 – Product Recalls and Complaints**

	FY2020
Percentage of sold/shipped products recalled due to safety and health reasons	nil
Percentage of complaints received about the products related to health and safety issues	nil

### 6.5. PRIVACY PROTECTION

The Group undertakes to strictly comply with relevant laws and regulations in relation to privacy that have an impact on the Group, to ensure that all data are securely kept in our internal system with access control. The Group sets out data privacy requirements in our corporate policies, under which customer data would be used exclusively for matters relating to the Group's operation only. We strive to ensure all collected data kept is free of unauthorized or accidental access, processing, erasure or other use.

Being involved in the innovative business, confidentiality agreement must be signed before business engagement with contractors. We require our employees to strictly observe the procedure on handling the Group's confidential information set out in the policy.

### 6.6. ANTI-CORRUPTION

The Group makes every effort to uphold a high standard of business ethics and prohibition of any forms of bribery and corrupt practices. The Group has developed a series of policies and compiled code-of-conduct with respect to anti-fraud and anti-bribery, which apply to all staff-members. In general, we require our employees to declare any conflict of interest, to avoid any possible such conflict with sub-contractors or suppliers. We also encouraged our employees to attend seminars in relation to anti-corruption.

During the Reporting Period, the Group observed with laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Prevention of Bribery Ordinance and Criminal Law and the Regulations for Suppression of Corruption of the PRC. No cases of anti-corruption were concluded and the audit committee of the Company identified no complaint from employees during the Reporting Period.



## OPERATING RESPONSIBLY

### 6.7. WHISTLE-BLOWING

In order to encourage our employees to report illegality, irregularity, malpractice, unethical acts or behaviors, inappropriate conducts or actions, which may damage the Group's interests, we established whistle-blowing policy and implement procedures for our employees to report improprieties including accounting controls and audit matters via a confidential reporting channel to the extent that is made possible to all employees.

The Group is committed to addressing the "whistle-blowers" concerns in a fair and reasonable manner and to handling the reports with due care and conducting a comprehensive and independent investigation for each reasonably established report. The Group protects whistle-blowers by prohibiting any form of discrimination or retaliation or hindrance, interference or antagonism against employees participating in the investigation. All "whistle-blowers" who report in good faith are reasonably protected from retaliation or adverse consequence of their employment regardless of whether the allegation is substantiated.

The whistle-blowing policy and its procedures, which apply to all levels of the members of the Group, have been documented in the employee handbook and have been circulated among employees for their reference.

### 6.8. PROTECTING INTELLECTUAL PROPERTY RIGHTS

The Group is committed to compliance with relevant laws and regulations in relation to intellectual property right ("**IP rights**") by valuing and protecting its intellectual properties through patent fees and periodic trademark renewals.

In order to ensure that the customer's IP rights of products is properly protected during the outsourcing processes to suppliers, a confidentiality agreement regarding IP rights must be signed before engagement. Internally, we enter into standard employment contracts with our employees which contain provisions on intellectual property rights and confidentiality. Relevant employees of the Group have signed a written confirmation to (i) confirm that all intellectual property rights created or made during their employment with the Group shall belong to us; and (ii) agree not to use or disclose the confidential information relating to the product designs without authorization of the Group. During the Reporting Period, no incident of intellectual property breach was reported.

## CONTRIBUTING TO OUR COMMUNITY

We believe the Group benefits from the overall social development and should give back to the society in return. We are actively committed to making a better society through our active involvement in the community and partnership with local non-profit organizations, putting the best effort in helping the local communities and people in needs through community services and engagement, social support and sponsorship programs.

Our engagement with local and regional communities covers key considerations as below:

- Investment in community affairs and functions;
- Traditional and cultural heritages of communities where we operate; and
- Recognition of the values of indigenous people and ethnic minorities.

During the Reporting Period, we purchased moon cakes through the charity program of “Mid-Autumn Charity Sales” organized by Partners Education Foundation Limited (“**Partners**”) in 2020, as part of our effort of community-care. Partners is a non-profit organization committed to quality education for underprivileged children to improve their cultural and educational level through exchange programs, summer camps, scholarship funding and education funds.

Going forward, the Group will continue to foster the culture of active participation in community services, encouraging our staff members to be actively engaged in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect A1: Emissions</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Protecting the Environment	
KPI A1.1	Types of emissions and respective emissions data	Protecting the Environment	
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Protecting the Environment	
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	n/a	Defined to be irrelevant to the Group's operation
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Protecting the Environment	
KPI A1.5	Description of measures to mitigate emissions and results achieved	Protecting the Environment	
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved	Protecting the Environment	

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials	Protecting the Environment	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Protecting the Environment	
KPI A2.2	Water consumption in total and intensity	Protecting the Environment	
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Protecting the Environment	
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	n/a	Defined to be irrelevant to the Group's operation
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	n/a	Defined to be irrelevant to the Group's operation
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Protecting the Environment	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Protecting the Environment	

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect B1: Employment</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	People	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	People	
KPI B1.2	Employee turnover rate by gender, age group and geographical region	People	
<b>Aspect B2: Health and Safety</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	People	
KPI B2.1	Number and rate of work-related fatalities	People	
KPI B2.2	Lost days due to work injury	People	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People	

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	People	
KPI B3.1	The percentage of employees trained by gender and employee category	n/a	
KPI B3.2	The average training hours completed per employee by gender and employee category	n/a	
<b>Aspect B4: Labour Standards</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	People	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	People	
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	n/a	No such incidents were reported during the Reporting Period
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Operating Responsibly	
KPI B5.1	Number of suppliers by geographical region	n/a	
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	Operating Responsibly	

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Operating Responsibly	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	n/a	Defined to be irrelevant to the Group's operation
KPI B6.2	Number of products and service related complaints received and how they are dealt with	n/a	No products and service related complaints received during the Reporting Period
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Operating Responsibly	
KPI B6.4	Description of quality assurance process and recall procedures	Operating Responsibly	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Operating Responsibly	

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect B7: Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Operating Responsibly	
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	Operating Responsibly	No concluded legal cases regarding corrupt practices during the Reporting Period
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Operating Responsibly	
<b>Aspect B8: Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	Contributing to our Community	
KPI B8.1	Focus areas of contribution	Contributing to our Community	
KPI B8.2	Resources contributed to the focus areas	Contributing to our Community	