

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS ESG REPORT

### Objective

PC Partner Group Limited (“the Company” together with its subsidiaries shall be referred to as “the Group”, or “We”) is pleased to present the Environmental, Social and Governance (“ESG”) report (the “Report”), which summarized the ESG initiatives and accomplishments for the financial year ended 31 December 2021. The Report serves the following purposes:

- communicate to all stakeholders the Group’s achievement in practicing corporate social responsibility;
- promote sustainable development; and
- focus on the environmental and social issues that may have impacts on stakeholders’ interests.

This Report has been prepared with reference to the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEx”) and Global Reporting Initiative (“GRI”) Standards issued by Global Sustainability Standards Board (“GSSB”), for the purpose of identifying and making disclosure of the material matters and key performance indicators in relation to the Group’s environmental, social and governance and promoting the full implementation of sustainable development and social responsibilities by the Group.

### Participation of Board of Directors

The Group’s ESG philosophy is to create long-term value for its stakeholders that aligns with the strategic development and sustainability of its business. The Board of Directors (the “Board”) believes sound corporate governance is the foundation for promoting and safeguarding the interests of shareholders and other stakeholders. Hence, the Group is committed to maintaining a rigorous framework of corporate governance with an aim to create values for the environment, society and stakeholders.

The Board endeavours to support the Group’s commitment to incorporating sustainable development into the consideration of its corporate development strategies. The Board has overall responsibility for formulating strategies, monitoring and managing ESG-related risks as well as ensuring the effectiveness of ESG risk management and internal control systems.

We have established a two-tier governance structure, which consists of the Board and the ESG work team. The Board is responsible for the Group’s ESG strategy and reporting and ensuring the Group has effective ESG management and internal control systems in place. Led by our CFO, our working team assists the Board in handling ESG-related matters and reporting them to the Board, including: (i) identify and assess the Group’s ESG-related risks; (ii) evaluate the implementation and effectiveness of the Group’s policies and practices on corporate governance and ESG; (iii) review the Group’s compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report as required under the Listing Rules; (iv) examine and review the Group’s ESG performance against its ESG-related goals and targets and (v) make any other recommendations to the Board as it deems appropriate on any area within its scope of duties where action or improvement is needed.

The Board will continuously review its business strategies to ensure that environmental and social impacts are assessed and minimized.





# Environmental, Social and Governance Report

## Report scope and boundaries

This Report covers the environmental impacts brought by the Company’s manufacturing of computer electronic products located in the People’s Republic of China (“PRC”) (i.e. 東莞栢能電子科技有限公司 (“PC Partner Dongguan”), a wholly owned subsidiary of the Company) and the social impacts brought by the Group for the financial year ended 31 December 2021 (the “reporting period”). The source of data in preparing the ESG report is primarily based on the Group’s internal policies and documents as well as information provided by various key stakeholders.

The Group will continue to optimise our data collection and reporting system over the three aspects — environmental management, social responsibility and governance, and gradually expand the disclosure scope to improve the quality and comprehensiveness of the ESG report in the long term.

## Reporting Principles

In the course of the Report’s preparation, we have adhered to the following reporting principles set out in the ESG Reporting Guide:-

Principle	Context	Our Action
Materiality	The Report should contain issues that reflect material ESG impact or substantially affect stakeholders.	We communicated with our stakeholders to understand their concerns relating to issues that reflect material ESG impact and conducted materiality assessment to identify and prioritize the material sustainability topics.
Quantitative	The Report should disclose key performance indicators in ways that can be measured so that the effectiveness of ESG policies and management systems can be evaluated and validated.	We measured and presented key performance indicators, quantitative information and the methodologies in collecting the data, where applicable.
Balance	The Report should provide an unbiased picture of our performance. The Report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the Report reader.	We kept the ESG report balanced and made fair disclosures on key ESG aspects. We disclosed both achievements and challenges in this Report.

Principle	Context	Our Action
Consistency	The Report should use consistent methodologies of ESG data over time. Any changes to the methods used or any other relevant factors affecting the methodologies should be disclosed in the Report.	We reported with reference to the ESG Reporting Guide and GRI Standards. We adopted consistent methodologies in this Report and there are no material changes in the reporting approach and methodologies from those adopted by the Group in the previous reporting period, except for referencing to also the GRI Standards in this reporting period.

## STAKEHOLDER ENGAGEMENT

The Group believes understanding and taking actions to address key stakeholders' concerns and meet with their expectations are essential to achieve sustainable development. As part of the business strategy, the Group actively engages key stakeholders through a variety of communication channels to understand their concerns and expectations which in turn to improve the business strategies and positioning to create values for the environment, society and stakeholders. The following table shows the expectations and concerns of the major stakeholders as identified by the Group, and the corresponding management responses.

Stakeholders	Communication channels	Expectations and concerns	Management feedback
Board of Directors	<ul style="list-style-type: none"> <li>– Board meetings</li> <li>– Committee meetings</li> <li>– Annual general meeting</li> <li>– Emails</li> </ul>	<ul style="list-style-type: none"> <li>– Corporate governance</li> <li>– Regulatory compliance</li> <li>– Financial performance</li> <li>– Strategic development</li> </ul>	<ul style="list-style-type: none"> <li>– Report to the board of directors regularly on the financial performance and strategic plans and development through emails, board meetings and committee meetings; and</li> <li>– Monitor law and regulation updates, and strictly comply with all regulatory requirements.</li> </ul>



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Stakeholders	Communication channels	Expectations and concerns	Management feedback
Shareholders and Investors	<ul style="list-style-type: none"> <li>– Annual general meeting and other shareholders' meetings</li> <li>– Financial reports</li> <li>– Announcements and circulars</li> <li>– Company website and emails</li> <li>– Investor meetings</li> </ul>	<ul style="list-style-type: none"> <li>– Corporate governance</li> <li>– Business strategy and performance</li> <li>– Investment returns</li> </ul>	<ul style="list-style-type: none"> <li>– Release corporate governance information, operating data and financial results (annual report/interim report/announcement) in due course; and</li> <li>– Actively listen to the views and needs of shareholders and investors through conducting general meeting.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>– Site visits</li> <li>– After sales services</li> </ul>	<ul style="list-style-type: none"> <li>– Product quality</li> <li>– Delivery time</li> <li>– Financial performance</li> <li>– Service value</li> <li>– Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>– Enhance the quality of pre-sales, in-sales and after-sales services;</li> <li>– Maintain the production lead time;</li> <li>– Collect customer feedback through customer satisfaction survey;</li> <li>– Immediately follow-up and handle customer complaints;</li> <li>– Earnestly protect customer privacy; and</li> <li>– Ensure the materials used in products are in compliance with applicable laws and regulation.</li> </ul>

<b>Stakeholders</b>	<b>Communication channels</b>	<b>Expectations and concerns</b>	<b>Management feedback</b>
Employees	<ul style="list-style-type: none"> <li>– Training</li> <li>– Interviews for employees</li> <li>– Employee handbook</li> <li>– Internal notices</li> <li>– Emails</li> </ul>	<ul style="list-style-type: none"> <li>– Rights and benefits</li> <li>– Remuneration and compensation</li> <li>– Training and development</li> <li>– Career development</li> <li>– Health and safety</li> <li>– Working environment</li> </ul>	<ul style="list-style-type: none"> <li>– Formulate competitive remuneration package and provide fair career development path;</li> <li>– Provide regular trainings;</li> <li>– Listen to employees' voices through various channels; and</li> <li>– Strengthen safety management and ensure that the production processes comply with safety standards.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>– Selection assessment</li> <li>– Procurement process</li> <li>– Performance assessment</li> <li>– Regular communication</li> </ul>	<ul style="list-style-type: none"> <li>– Payment schedule</li> <li>– Stable demand</li> <li>– Fair and open tendering</li> <li>– Financial strength</li> </ul>	<ul style="list-style-type: none"> <li>– Maintain open and transparent tendering process, and provide equal competition opportunity to suppliers;</li> <li>– Closely communicate with suppliers in a proactive manner; and</li> <li>– Check on the qualification of suppliers regularly and monitor market supply and demand closely.</li> </ul>
Media, community and the public	<ul style="list-style-type: none"> <li>– Company website</li> <li>– Public relation through emails, phone calls and interviews</li> <li>– Participation in local community activities and volunteering work</li> <li>– Charitable donations</li> </ul>	<ul style="list-style-type: none"> <li>– Environmental protection</li> <li>– Employment and community development</li> <li>– Social contribution</li> <li>– Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>– Actively participate in charity activities and community donation;</li> <li>– Create job opportunities; and</li> <li>– Monitor law and regulation updates, and strictly comply with all regulatory requirements.</li> </ul>



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## MATERIALITY ASSESSMENT

The Group conducts materiality assessment on ESG-related topics annually based on the feedback from stakeholders. Factors such as the Group’s business strategies, objectives and internal policies, industry standards, legal and regulatory responsibilities, environmental protection, use of resources, employee protection, etc. were considered in order to identify the ESG issues and impacts that are of most concern to the Group’s business operations and stakeholders and determine the material ESG issues to be disclosed in this Report.

The procedures for the materiality assessment are as follow:

**Step 1: Identification** – With reference to the sustainability topics listed in the ESG Reporting Guide and GRI Standards and the issues of concern to industry peers, 28 ESG issues were identified based on their impact on the decision-making of stakeholders and our business operations:

ESG Aspects		No.	ESG Issues	
A. Environmental	A1: Emissions	1	Greenhouse gas emission	
		2	Waste management	
		3	Water and effluent handling	
	A2: Use of Resources	4	Energy efficiency	
		5	Use of materials	
	A3: The Environment and Natural Resources	6	Environmental compliance	
		7	Natural resources consumption	
	A4: Climate Change	8	Climate change	
B. Social	Employment and Labour Practices	B1: Employment	9	Labour rights
			10	Labour-management relations
			11	Employee retention
			12	Diversity and equal opportunity
			13	Discrimination
	B2: Health and Safety	14	Occupational health and safety	

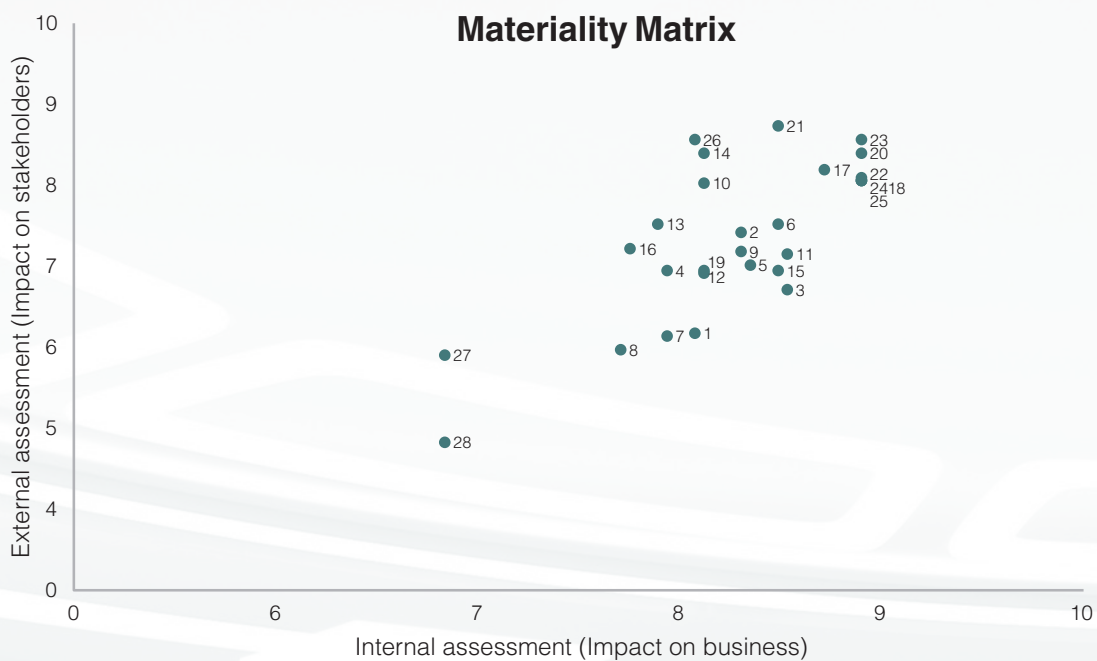
ESG Aspects			No.	ESG Issues
B. Social (continued)	Employment and Labour Practices (continued)	B3: Development and Training	15	Employee training
			16	Employee development and career advancement
		B4: Labour Standards	17	Prevention of child labour and forced labour
	Operating Practices	B5: Supply Chain Management	18	Supplier's quality and compliance
			19	Supplier assessment
		B6: Product Responsibility	20	Customer satisfaction
			21	Product and service quality assurance
			22	Customer complaints handling
			23	Product liability and compliance with regulations
			24	Protect intellectual property
	25	Consumer privacy and data protection		
	B7: Anti-corruption	26	Corruption and business ethics	
	Community	B8: Community Investment	27	Community support
28			Charity donation	





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**Step 2: Prioritisation** – To determine the materiality of the ESG issues, we have assessed and scored the relevance/importance of each of the ESG issues based on the survey conducted in previous reporting period by our senior management and key stakeholders on a scale of 0 to 10 (0 is irrelevant and 10 is crucial). The 28 ESG issues were prioritized and plotted on the following materiality matrix according to their relative degree of importance in order to assess the materiality. Vertical axis of the below materiality matrix shows the result of external assessment (impact on stakeholders) and horizontal axis presents the internal assessment result (impact on business). The ESG issues that fall within top right-hand quadrant are of greatest importance.



No.	ESG issues	No.	ESG issues
23	Product liability and compliance with regulations	9	Labour rights
20	Customer satisfaction	15	Employee training
21	Product and service quality assurance	13	Discrimination
22	Customer complaints handling	5	Use of materials
24	Protect intellectual property	3	Water and effluent handling
25	Consumer privacy and data protection	19	Supplier assessment
18	Supplier's quality and compliance	12	Diversity and equal opportunity
17	Prevention of child labour and forced labour	16	Employee development and career advancement
26	Corruption and business ethics	4	Energy efficiency
14	Occupational health and safety	1	Greenhouse gas emission
10	Labour-management relations	7	Natural resources consumption
6	Environmental compliance	8	Climate change
2	Waste management	27	Community support
11	Employee retention	28	Charity donation



**Step 3: Application** — According to the materiality matrix, “Product liability and compliance with regulations”, “Customer satisfaction”, “Product and service quality assurance”, “Customer complaints handling”, “Protect intellectual property”, “Consumer privacy and data protection”, and “Supplier’s quality and compliance” were identified as issues of higher importance. The results of this material assessment were used to guide our disclosure alignment, as well as strategic planning and risk management. The Group’s responses to these important issues have been elaborated in more details in the following sections of this Report. Looking forward, the Group will continue to enhance its ESG governance and performance in response to stakeholders’ expectations on the Group.

## A. ENVIRONMENTAL

PC Partner Dongguan’s business operations are manufacturing-based, in which significant emissions are mainly related to its electricity consumptions. Despite the inevitable but insignificant environmental impact the PC Partner Dongguan’s operations has made to the environment, PC Partner Dongguan actively integrates green protection concepts and implements a series of environmental protection measures into its daily manufacturing operations to achieve the goal of alleviating adverse impacts on the environment. PC Partner Dongguan has spent significant effort in reducing its energy and water consumption, carbon emission and waste disposal, and has taken initiatives to achieve long-term sustainability in business and environment.

### A1. Emissions GRI 103, 305, 306, 307

As PC Partner Dongguan is principally engaged in manufacturing business, there is a certain level of air pollutant, such as nitrogen oxides, sulphur oxides and particulate matter generated, as well as an insignificant volume of hazardous waste produced during the manufacturing operations. Although there are significant increases of emission of air pollutant in 2021 as compared to 2020, the volume of emissions is relatively insignificant when compared to the emission of greenhouse gas and solid wastes. The reason of such significant increases was the increased uses of generators due to the energy rationing implemented by the PRC government in 2021. The major emissions of PC Partner Dongguan are greenhouse gas emissions and solid wastes generated from its daily operations.

In strict compliance with the laws and regulations, such as the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), the Air Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國大氣污染防治法》), the Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法》), the Emission Standard for Air Pollutants from Boilers (《鍋爐大氣污染物排放標準》), PC Partner Dongguan has formulated GHG Management Guideline (《溫室氣體管理指引》), Exhaust Gas Control Procedure (《廢氣控制程序》), Waste Effluent Control Procedure (《廢水廢液控制程序》), Litter Control Procedure (《廢棄物管理程序》), and Litter Management Guideline (《廢棄物管理工作指引》) to provide guidance for its staff on managing the emissions and wastes produced from the manufacturing operations. During the reporting period, there was no non-compliance regarding emissions that has brought against the Group or PC Partner Dongguan.



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## **Greenhouse Gas (GHG) emissions**

Electricity is the key source of energy of PC Partner Dongguan’s business and its major source of GHG emissions. This is attributed to the uses of tin furnaces and soldering furnaces, kitchen exhaust systems and generators during the daily operations. Other minor sources of emissions include the paper waste disposed at landfills and the fuel consumed by the business air travels by our employees.

PC Partner Dongguan has set an emissions target for 2021, which was reducing the GHG emissions per million HK\$ of cost of production output by 1%, compared to that of 2020. To achieve its emissions target, PC Partner Dongguan has made enormous efforts by implementing the following measures to (1) reduce discharges and emissions and (2) enhance energy efficiency:

<b>Measures for reducing discharges and emissions</b>	<b>Measures for enhancing energy efficiency</b>
1. Improving operation schedules to reduce the number of operating hours and hence emissions;	1. Continuously enhancing the usage of production equipment to reduce electricity consumption;
2. Streamlining production plans to boost production efficiency and shorten production time;	2. Continuously enhancing the layout of workshops and production lines according to the capacity needs to improve energy efficiency;
3. Installing emission reduction facilities (e.g. emission filters installed in generators and kitchen, air filters are installed in tin furnaces and soldering furnaces) to cut down emissions;	3. Enhancing modification and maintenance of equipment with heavy energy consumption, such as air conditioners and air compressors; and
4. Carrying our regular maintenance and repair for the environmental equipment to ensure proper functioning;	4. Retiring of old machinery and equipment and replace by new equipment with a great energy efficiency.
5. Applying nitrogen welding technology to reduce tin oxidization in order to reduce tin wastage significantly; recasting scrap tin into tin bars (recovery rate: 90% above) for reuse to reduce waste;	
6. Shortening the kitchen time with better arrangement on cooking; and	

Measures for reducing discharges and emissions	Measures for enhancing energy efficiency
7. Reducing the number of business air travels and using alternative means of communication by teleconference or video conference to replace meetings and trainings which requires long travelling.	

With the implementation of the above measures together with the increase of production output during the reporting period, PC Partner Dongguan's total GHG emissions per million HK\$ of cost of production output decreased by 35.14% from 2.6153 tonnes of CO<sup>2</sup> per million HK\$ of cost of production output in 2020 to 1.6964 tonnes of CO<sup>2</sup> per million HK\$ of cost of production output in 2021.

Meanwhile, PC Partner Dongguan's atmospheric emissions from tin furnaces, soldering furnaces and kitchens successfully passed the annual compliance tests undertaken by the third-party professional organisations on the standards in China (e.g. Emission Limits of Air Pollutants (DB44/27-2001), Integrated Emission Standard of Air Pollutants (GB16297-1996), Emission Standard of Cooking Fume (GB18483-2001). Looking forward, PC Partner Dongguan will continue to implement necessary measures to reduce the GHG emissions.

## **Wastes**

### *Non-hazardous waste*

Waste paper, scrap metals and waste plastic are PC Partner Dongguan's major source of non-hazardous waste, which are often produced during its production process and from its household garbage. Employees' daily activities also generate a small amount of non-hazardous domestic wastewater. Guided by our Litter Control Procedure (《廢棄物管理程序》) and Litter Management Guideline (《廢棄物管理工作指引》), non-hazardous waste generated from the production process is sorted and sold to respective recyclers, and any improper disposal of recyclable and reusable non-hazardous waste is strictly prohibited. Household garbage is brought to a central collection point and transported to municipal refuse treatment organisations for further processing. PC Partner Dongguan has also made considerable efforts in controlling the consumption and production of non-hazardous waste by implementing the measures below:

1. Employees are reminded to adopt two-sided printing, reuse single-side used paper, adopt electronic means of communications (such as email, mobile and website) and use e-version of documents;
2. Recyclable and reusable waste is collected and transported to green service providers for recycling and reuse;



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3. Waste paper and waste plastic that cannot be recycled directly are sold to respective recyclers for processing into reusable materials;
4. Household solid waste is collected and transported to municipal environmental service providers for neutralisation treatment; and
5. Household wastewater is discharged to the municipal sewer system for treatment and tested every year to ensure compliance with discharge standards.

PC Partner Dongguan has set a non-hazardous waste reduction target for 2021, which was reducing the non-hazardous waste per million HK\$ of cost of production output by 1%, compared to that of 2020. However, customers gradually requested PC Partner Dongguan to improve the cleanliness of its products' surface. Therefore, PC Partner Dongguan has changed its cleansing process since the third quarter of 2021, by replacing chemical detergent with water for cleansing purpose, which contributed to the significant increase of non-hazardous waste in 2021. During the reporting period, PC Partner Dongguan produced 0.0145 tonnes of non-hazardous waste per million HK\$ of cost of production output, representing an increase of 55.91% as compared to 2020. The wastewater generated from cleansing was collected and transported to qualified service provider for neutralisation treatment. To effectively reduce the production of wastewater in the future, PC Partner Dongguan planned to install sewage treatment facilities in its premises in 2022, so that the wastewater could be reused and utilised through the purification process. These sewage treatment facilities are expected to start operating in March 2022.

### *Hazardous waste*

Except for non-hazardous waste, the manufacturing process of PC Partner Dongguan also generates a small amount of hazardous waste, which are mainly the liquid waste, discarded cloths, PCB trims and scraps and scrap tin. A tracking and treatment process was established by PC Partner Dongguan to handle the hazardous waste, all of which is delivered to green service providers for neutralization treatment in accordance with laws and regulations in China. Apart from verifying the qualifications of the green service providers, audits were also performed to ensure they meet the selection criteria, and continue working towards the target to minimize and ultimately eliminate all wastes.

PC Partner Dongguan has set a hazardous waste reduction target for 2021, which was reducing the hazardous waste per million HK\$ of cost of production output by 1%, compared to that of 2020. During the reporting period, PC Partner Dongguan generated 0.0008 tonnes of hazardous waste per million HK\$ of cost of production output, representing a decrease of 33.33% as compared to 2020.

### *General waste reduction measures*

In additions to the above measures specifically for non-hazardous waste and hazardous waste, PC Partner Dongguan has also implemented the general waste reduction measures for both non-hazardous waste and hazardous waste, including:

1. Continuous reducing waste through the improvement of production techniques. For example, introducing cleaning-free technique to minimise the use of chemicals, and using nitrogen welding technology to reduce tin waste;
2. Using improved techniques and pollution-free chemicals to replace heavy-polluting ones for waste reduction;
3. Adoption of simple packaging on packaging design with less raw materials and reduced packaging waste for finished products;
4. Promotion of office automation operations/working environments through the development of various office automation software to reduce the use of paper;
5. Providing trainings to employees to increase their environmental awareness. For example, staff are encouraged to use less disposable goods and containers; and
6. Undertaking management initiatives to encourage the reduction in water use so as to reduce the amount of household wastewater.

## **A2. Use of Resources GRI 103, 301, 302, 303**

PC Partner Dongguan strives to “reduce consumption, optimise efficiency and protect the environment”. PC Partner Dongguan proactively responds to the call for saving energy and reducing emission by the State and complies with laws and regulations such as Energy Conservation Law of the People’s Republic of China (《中華人民共和國節約能源法》) and Clean Production Promotion Law of the People’s Republic of China (《中華人民共和國清潔生產促進法》). In response to these laws and regulations, PC Partner Dongguan has formulated the Energy Management Procedure (《能源管理程序》) to provide guidance to optimize the use of resources. PC Partner Dongguan actively encourages saving resources and energy and cultivates a green office concept among employees. Furthermore, PC Partner Dongguan reviews and assesses the efficiency, effectiveness and result of its energy management system over its production process from time to time to help striking a good balance between environmental protection and business growth.



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### ***Energy consumption***

PC Partner Dongguan's direct energy consumption is mainly from the use of natural gas and petrol by canteens and company vehicles respectively, while indirect energy consumption during daily operations is mainly from purchased electricity. PC Partner Dongguan takes a series of energy-saving measures to achieve efficient use of resources, such as using solar panel for electricity in factory dormitory, investigating the use of electricity of each premise and activity to optimize the use of electricity through upgrades and better scheduling of production, lighting, air-conditioning and so forth.

PC Partner Dongguan has set an energy consumption target for 2021, which was reducing the energy consumption per million HK\$ of cost of production output by 1%, compared to that of 2020. During the reporting period, PC Partner Dongguan consumed 0.2782 tonnes of standard coal equivalent per million HK\$ of cost of production output, representing a decrease of 32.39% as compared to 2020. PC Partner Dongguan will continue to take various energy saving and optimisation measures such as reviewing the electricity using practice of employees in its premise and activity, advocating the employees to save energy, and replacing the aged manufacturing equipment with energy efficient equipment, in an effort to further reduce and optimize energy consumption in the next year.

### ***Water consumption***

Owing to the business and operation nature, water is rarely being used for production of products in the manufacturing operations. Meanwhile, it is mainly used by employees on their daily living activities in the premises which comes from local municipal water supply. Therefore, the water policy focuses on encouraging the employees to save water through setting water consumption target for each premise, and keep upgrading the facilities to reduce the water wastage and consumption. As the water consumption was relatively low, and the local municipal water supply was stable, no issue was noted in terms of sourcing water in 2021.

The water efficiency target for 2021 set by PC Partner Dongguan was to reduce the water consumption per million HK\$ of cost of production output by 1%, compared to that of 2020. To achieve this target, PC Partner Dongguan formulated comprehensive yearly water efficiency initiatives, such as improving water consumption facilities and reusing the water for cooling down the air-conditioners in the premises. Such initiatives improve water efficiency principally through better water-saving management and water consumption facilities. During the reporting period, PC Partner Dongguan consumed 22.4921 cubic metres of water per million HK\$ of cost of production output, representing a decrease of 33.32% as compared to 2020. Looking forward, PC Partner Dongguan has planned to install sewage treatment facilities in the premises in 2022 for reusing water and will continue to dedicate resources to improve the water consumption efficiency as one of the sustainable growth target.

### ***Packaging material consumption***

PC Partner Dongguan uses various kinds of packaging materials and components in its production process. Designers consider environmental-friendliness when designing the packaging in order to minimize the use of materials as long as the packaging serves its purpose, and putting the best efforts to choose recyclable or environmental friendly materials to reduce the impact on the environment. Materials have been chosen carefully since all materials used to conform with all relevant laws and regulations and customers' requirements, such as the Restriction of Hazardous Substances (RoHS) directive and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations, in order to reduce the impact to the environment.

During the reporting period, 0.2411 tonnes of packaging material per million HK\$ of cost of production output were used for finished goods.

### **A3. The Environment and Natural Resources GRI 103, 303, 304, 306**

As disclosed above, the environmental impacts brought by PC Partner Dongguan include the emissions of GHG associated with business air travels, usage of electricity and the consumption of paper during our office operations, thus PC Partner Dongguan's impacts on the environment and natural resources are limited. PC Partner Dongguan will continue to assess the environmental risks of its business, review its environmental practices, adopt more resource-saving and environmentally-friendly measures to minimise its impacts on the natural environment as well as to comply with the laws and regulations applicable to PC Partner Dongguan's emissions and use of resources. Policies such as the GHG Management Guideline (《溫室氣體管理指引》), the Exhaust Gas Control Procedure (《廢氣控制程序》), the Waste Effluent Control Procedure (《廢水廢液控制程序》), the Litter Control Procedure (《廢棄物管理程序》), the Litter Management Guideline (《廢棄物管理工作指引》) and the Energy Management Procedure (《能源管理程序》) were formulated to ensure PC Partner Dongguan's impacts on the natural environment and resources can be minimized.

PC Partner Dongguan has taken actions to minimise reliance on natural resources such as oil and natural gas, and place more reliance on environmental-friendly energy such as solar energy, by setting up roof-top solar panels to generate heat for hot water consumption in the factory dormitory. PC Partner Dongguan keeps reducing paper consumption in daily business and operation by upgrading the office automation system to reduce paper consumption. PC Partner Dongguan has started to adopt more environmental friendly packaging materials with less paper applied on finished products packaging of the brand products. Packaging has been redesigned for a more compact size in order to consume less paper and plastic. All these actions to reduce consumption of natural resources have been embedded in the daily business and operation.





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### A4. Climate Change GRI 102, 103, 201

Climate change is gradually being concerned as it not only rising average temperatures but also extreme weather events, shifting wildlife populations and habitats, rising seas, and a range of other impacts. The climate crisis is undeniable and GHG, which trapped heat on earth and caused global warming, could be one of the major contributor to climate change. Although the business operations of PC Partner Dongguan generate limited GHG, it is understood that the issue of climate change could only be sufficiently addressed with wide participation from each entity and individual. Thus, PC Partner Dongguan and its employees are committed to mitigating the effects of climate change by further reducing the GHG emission and power consumption in daily business and operation.

Recently, the PRC government has issued an action plan for the country to peak carbon emissions before 2030, in which it restated the country's climate goals for 2025 and 2030. The PRC government has also launched a new regulation namely Carbon Emission Rights Trading Management Guideline (《碳排放權交易管理辦法(試行)》) in 2020, which became effective in February 2021. Although PC Partner Dongguan has not received any instruction from the government on these matters, there is possibility that the government would place instructions or restrictions on GHG emission in the near future. In this regard, PC Partner Dongguan will continue to monitor its environmental performance in accordance with the applicable laws and regulations, assess the risk of climate change, and implement necessary measures to mitigate the effects of climate change.

## B. SOCIAL

In order to maintain competitiveness in the industry in the long run, the Group has been making every effort to protect employee interests and rights, and guarantee a working environment that allow employees to manifest their values, share their knowledge and innovate. At the same time, the Group aims to fulfil its corporate social responsibility by constantly giving back to our employees and showing compassion to the society.

### B1. Employment GRI 102, 103, 401, 405, 406, 419

**Recruitment, promotion and dismissal:** The Group recognises that its success depends on the contribution and performance of every employee, therefore, the Group pays attention to the diversified composition of employees and cares about the employees' career development. In accordance with the Employment Ordinance of Hong Kong, the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Group has formulated the human resources policy and employee handbook to regulate the recruitment process and standards, promotion system and termination procedures to ensure all employees are treated as equals and discriminated treatments based on gender, age, ethnicity or religion are opposed.



The Group rationalises its recruitment requirements based on the development needs of its strategic businesses. Its recruitment procedures are standardized to specify selection criteria and job qualifications of each position, which specifically request the integrity, academic achievements, expertise and relevant experience for the respective positions and potential for further development. Interview assessment criteria have also been developed based on different levels so as to ensure all candidates are treated fairly.

The Group has also set up a sound appraisal policy to appropriately remunerate and recognize the efforts devoted by performing staffs. Remuneration packages are reviewed annually and adjusted with reference to the trends of labour market in different countries and staff individual appraisal review. The management of the Group conducts regular appraisal with employees individually with reciprocal discussion on expectation and results about the performance. The remuneration increment reflects each employee appraisal result respectively with reference to the market standard. Promotion reviews are conducted upon performance appraisal by management on a regular basis.

To achieve and maintain standards of conduct and ensure consistent and fair treatment, the Group highlights education and takes punishment as a complementary measure to employees who are not discipline. Formal verbal warnings would be given for unsatisfactory performance or breach of company rules and improvement is expected to occur in a specified period of time. If a further offence occurs, a formal written warning would be issued, which specifies the reason of warning and improvement required. In cases of serious misconduct or recurring failure to meet the standards of performance, prior notices or payment in lieu of notice would be given to the employees involved concerning the termination of their employment contracts.

**Working hours and rest periods, compensation, benefits and welfare:** The Group encourages employees to maintain work-life balance and ensure employees adequate rest and maintain their well-being and health, therefore, the Group allocates its employees' responsibilities properly so that they can fulfil their duties within pre-defined working hours. The manufacturing plant in PRC also runs on a shift system approved by local labour department, so that the working hours of labour can be arranged flexibly based on the work needed. When overtime work is needed, employees are provided with compensatory rest or overtime pay in accordance with the local laws and regulations, including the Minimum Wage Ordinance and Employment Ordinance of Hong Kong, and the Provisions on Employee Annual Paid Vacations (《職工帶薪年休假條例》).

Apart from the statutory welfare and holidays, maternity/paternity leave and annual leave the Group offers to its employees in accordance with the employee handbook and the local laws and regulations, the Group's employees are also entitled to a comprehensive set of medical insurance benefits together with compassionate leave. Besides, the Group makes various compensation and social insurance contributions for its employees in accordance with the Employees' Compensation Ordinance and Mandatory Provident Fund Scheme Ordinance of Hong Kong, and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》). Employees can also enjoy employee purchase discounts for the Company's products, and a comprehensive set of insurance benefit, including medical, employee compensation, business travel and personal accident insurance.



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To strengthen the linkage between remuneration and performance and to ensure the employees' remuneration grows with the Group's performance, the Group offers discretionary annual allowances or year-end with an aim to recognize and reward eligible employees for their excellent performance and contributions for the year. The Group also grants share option so that outstanding employees may have chance to be awarded with shares of the Group to share the growth of the Group.

**Equal opportunity, diversity and anti-discrimination:** The Group advocates diversity among employees and complies with applicable ordinances in Hong Kong and PRC regarding equal employment opportunities including the Discrimination Ordinances of Hong Kong, the Hong Kong Bill of Rights Ordinance, and the Employment Promotion Law (《就業促進法》) to ensure discriminations against employees owing to their race, colour, religion, marital status, national origin, sex, physical disability or age are prohibited. The Group has policies in place to eliminate any discrimination in the workplace as well as governing the recruitment process to ensure equal employment, and also strive to aid employees who are disadvantaged in competition to enjoy alternative development opportunities. As stipulated in the Group's employee handbook, harassment or any form of conduct that may cause employees embarrassed or uncomfortable at work are strictly prohibited. During the reporting period, there was no incident reported from staff related to workplace discriminations.

As at 31 December 2021, the total number of employees of the Group reached 3,029 where 187, 2,735 and 107 employees were situated in Hong Kong, PRC and rest of the world respectively.

### **B2. Health and Safety GRI 103, 403, 419**

The Group cares about the well-being of our employees and considers occupational health and safety as the utmost priority for successful corporate operation. The Group fully abides by the Occupational Safety and Health Ordinance of Hong Kong, the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》), the Provisions on Work-Related Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》), the Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》) and the Provisions on Production Safety Accident Reporting and Investigation (《生產安全事故報告和調查處理條例》), and has fulfilled the requirements of the Responsible Business Alliance ("RBA") (《負責任商業聯盟》) standards in PRC on top of the local labour laws and regulations. In the manufacturing plant, annual internal audit would be conducted on occupational safety, hygiene, labour interests, ethics and other social responsibilities in accordance with the requirements of the ISO45001 and RBA standards.

The Group has put in place the occupational health and safety policy and procedures, which are certified by ISO45001 to provide guidance on handling accidents, work injuries, fire evacuations and emergencies. Employees are expected to exercise reasonable care and attention and avoid taking any undue risk that might lead to an accident or injury. Any work injury or accident cases would be investigated and improvement measures would be implemented in order to prevent future occurrences. The Group has also implemented assessment procedures in terms of occupational hygiene, safety, labour rights and ethical risks to assure that such risks are well identified and mitigated. Besides, safety leaflets are always available in the offices to provide employees information and advice on occupational safety. In order to align with the requirements of the ISO45001 and RBA standards, the Group strived to integrate the requirements of the ISO45001 and RBA standards into the current health and safety policies. The Group continues to evaluate the compliance level to ensure that business operations and activities meet the requirements of all relevant laws, regulations and standards, and to assure a consistent implementation of all health and safety policies with clear guidelines and procedures, division of responsibilities and broad staff training. The Group will update policies, practices, training materials and internal audit documents and tools in the related areas in an ongoing basis.

The Group has been highly concerned about the health and safety of its employees since the outbreak of the COVID-19 pandemic. In order to protect the employees from a possible virus infection in the workplaces, the employees are encouraged to pay attention to their personal hygiene and follow the guidelines issued by the local governments. Special arrangements are offered to the employees who worked in different overseas offices based on the COVID-19 pandemic infection rates in different countries. The Group has cancelled most of the overseas business trips, trade shows and exhibitions, and encouraged employees to carry their business activities through phone calls or video conferences instead of physical meetings. The Group has actively sourced surgical masks for employees and provided alcohol-based hand sanitizers in working areas. Employees and visitors are required to check their body temperatures when they arrive at the offices or working areas. Any of the employees who has fever or other respiratory symptoms are required to seek for medical advice and be refrained from entering the workplaces. The Group also arranges flexible working hours and implements work from home measures to avoid travelling during peak hours. Separate meals with seats and tables maintaining social distance are also arranged in the factory canteen. The Group strives to take good care of the employees while maintaining business operations to the largest extent to uphold professional service.

During the reporting period, the Group achieved zero work-related fatalities. However, 2 work-related injuries with 79 lost days due to work-related injuries were recorded.





### **B3. Development and Training GRI 103, 404**

To cope with the Group's pace of growth, the Group has formulated training policies and continued to conduct various internal trainings for its employees which enables the employees to attain the necessary skills and knowledge, flexibly and quickly adapt to the ever-changing environment and achieve career development. For example, trainings on quality and occupational safety and health are provided to quality management officers and technicians. The Group also continued to roll out an internal education certification project targeting at frontline staff in 2021 to increase their comprehensive knowledge in factory management and expertise, thereby facilitating their career development. After years of efforts, an effective staff development and training programme has been established and is well-received by staff. Besides, new employees are also required to attend an introduction training session in order to gain a certain understanding of the company policies, procedures and operating systems.

The Group also offers financial support to employees to encourage the staff to participate external training programme, such as cultural and technical certification programmes that will support their career aspirations in their leisure time. All these years, many employees have obtained their certifications through such support.

During the reporting period, the Group organized several training events (excluded the induction training for new employees). Over 98% of our employees in PC Partner Dongguan have been provided with training and an average of approximately 21.48 hours of training has been completed by each employee in PC Partner Dongguan. The Group will continuously invest resources in providing various types of training to our employees in order to improve their professional competencies.

### **B4. Labour Standards GRI 103, 407, 408, 409, 419**

The Group places great emphasis on fairness and strictly prohibits child and forced labour in the Group in accordance with the applicable laws and regulations such as Employment Ordinance of Hong Kong, the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law of the People's Republic of China on the Protection of the Minors (《中華人民共和國未成年人保護法》) and the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》). In compliance with these laws and regulations, the Group's employee handbook requires the human resources department to verify the identification of job seekers during the recruitment process to ensure the authenticity of the documents and that they have reached the legal working age. To avoid forced labour, the Group also set out provisions in the employee handbook on working hours, overtime work arrangements, leaves entitlement and remuneration policies.

Whistle-blowing channels are in place to allow employees to give comments and express feelings about their work or any abnormality in workplaces, such as child or forced labour. The Group will terminate the employment contract with child labour right away in case discovered, then a detailed review of the recruitment procedures will be conducted to avoid wrongful recruitment of child labour in future. The Group respects employees, ensures labour interests are protected, and prohibits any forced labour practice. The Group will investigate any discovered forced labour case and take corrective action to protect the best interests of employees in accordance with laws and regulations.

Every employee is entitled to the freedom of assembly and right of collective bargaining without the Group' interference, irrespective of his or her ethnicity, sex, position, religious belief, education background, age and so on. They are allowed to organise and join labour unions and will not be punished or discriminated against for joining labour unions, such as being rejected for employment, being threatened with dismissal, being restricted in promotion or pay raise, being forced to work overtime excessively, or being re-designated to an inferior position. During the reporting period, the Group was not aware of any violation or jeopardy of employee's rights to exercise freedom of association or collective bargaining.

#### **B5. Supply Chain Management GRI 102, 103, 303, 308, 414**

The Group strictly controls the fairness of the process of selecting suppliers and promotes standardization of procurement to ensure a transparent and fair procurement process. Thus, a rigorous set of supplier selection criteria and procurement procedures has been established to select vendors that uphold the highest quality in order to minimize impacts on the environment and society. The Group also follows the industrial requirements closely to ensure all of the materials and components are fully complied with Restriction of Hazardous Substances ("RoHS") directive and Registration, Evaluation, Authorization and Restriction on Chemicals ("REACH") regulations.

The Group performs strict selection and assessment procedures in accordance with its procurement policies before engaging in business with our suppliers and service providers, such as requiring suppliers to provide certification, documents and samples for laboratory testing to prove of the compliance with RoHS directive and REACH regulations. In addition to those aforementioned as well as financial and quality aspects, suppliers' and service providers' attitude towards the environment and society will also be a part of the assessment criteria. Due diligence assessment procedures will be conducted on site or in written form for the environmental and social matters include but not limit to environment protection, occupational health and safety, labour interests, human rights and ethics. The Group does not consider suppliers or service providers who have been in bribery cases or have incurred material safety or environmental incidents. The Group also conducts periodic reviews on the performance of our suppliers and service providers with the objective of better control and assurance on our products quality.

To ensure the Group's products and services meet environmentally-friendly requirements, QC080000 Hazardous Substance Process Management System has been established and implemented through the production processes. The Group also engages a third-party agency to conduct annual internal audit to assess the ongoing effectiveness of such management system.



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The Group will continue to strengthen its communication and cooperation with the suppliers and service providers in order to maintain a long term strategic relationship and promote sustainable development of the industry chain. To ensure the suppliers fulfill the Group's environmental and social responsibility requirements and are in line with the Group's sustainable development, the Group also offers relevant guidance to let suppliers understand the requirements and requires suppliers to give written undertakings to comply with the Group's social responsibility policies.

During the reporting period, the Group worked with 606 suppliers in total, including distributors and contractors, around the world.

### **B6. Product Responsibility GRI 102, 103, 416, 417, 418, 419**

Comprehensive product safety and quality management mechanism is in place, covering quality management and control, customer services, data confidentiality and customer privacy, and research and innovation, with an aim to ensure continuous improvement in the Group's product quality and service standard and establishing a reliable image to earn the long-term trust of customers on the Group's brands.

**Quality control and customer complaint:** The Group understands that the high level of standard of product quality and services must be adhered to maintain long-term customer relationship and earn customers' trust. For this reason, the Group has established a certified quality management system in accordance with the requirements of ISO9001 to regulate the quality management process of production, research and development, strictly control the quality and safety of our products and ensure that customers can use our products with concern. Under the quality management system, the Group carries out quality tests on the products and raw materials in accordance with industry standards, and monitors key parameters of the process to ensure its stability and thus safeguard its quality.

The Group strictly follows its complaint handling policy to handle after sale product servicing requests on a daily basis, and has setup in-house regional or countrywide service centers and 24 hours outsourced service centers to respond to the technical questions and product return requests in case there are quality issues of the products sold under own brands. For Original Design Manufacturer/Original Equipment Manufacturer ("ODM/OEM") products, the Group has teams in the manufacturing plant and in-house sales coordinators to take care of customer requests directly. The above measures ensure the complaints will be investigated and handled with due care. Employees and outsourced staff are well trained to handle client complaints in a prompt and courteous manner. During the reporting period, the Group did not receive any products or services related complaints and identify any incident of non-compliance with laws and regulations concerning the provision and use of products/services in relation to the Group.

**Product recall and return:** The Group strictly controls the quality of products, and keeps an eye on the impact of products to consumers. To safeguard consumers against any possible safety hazard during the use of products, the Group makes sure that these products are safe for use through various safety and reliability tests.

The Group also makes every effort to understand the substances of the materials. Engineering and purchasing teams co-operate with suppliers to obtain comprehensive information of each material and component. Such information allows the team to ensure whether the materials contain the relevant prohibited substances that affect the environment and the health of consumers. The Group requests the suppliers to provide laboratory report of materials issued by third-party laboratories and gives warranty to confirm the materials does not contain restricted substances.

In addition, as guided by the Group's product recall procedures, in case any product on sale in the market is found to be substandard and has potential safety hazard, the management will take immediate action to initiate recall. The Group has also adopted a product return policy and promises consumers to exchange defective products after sale and provide after sale repair service. In 2021, none of the products has been returned by customers or subject to recalls for safety and health reasons. All returned products are returned for general quality issues.

**Data protection and privacy:** The Group's data protection and privacy policy requires all the employees to protect clients' information in a professional and ethical manner in order to preserve the integrity of our relationships with clients and comply with relevant laws and regulation such as Personal Data (Privacy) Ordinance of Hong Kong, the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) and the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》). Confidential information that are subject to disclosure requirements according to the applicable laws and regulations shall be exchanged internally and exclusively on a "need-to-know" basis. On the other hand, employees are required to participate in trainings in relation to the privacy policy and enter into a privacy agreement upon joining the Group to safeguard the company's confidential information. The Group classifies confidential information and manages such information according to the respective classification. The Group arranges internal audit of the implementation of these duties each year to ensure the effective execution of the relevant privacy requirements. During the reporting period, there were no complaints received concerning breaches of customer privacy and loss of data.

**Intellectual property rights:** The Group respects all intellectual property rights and actively encourages research and innovation. Any plagiarism, violation of intellectual property rights, pirate any third-parties' know-how and designs in the design and development is strictly prohibited as stated in our intellectual property policy.



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The Group is also committed to protect its own intellectual properties. Any inventions used or created by employees while carrying out their duties or using the Group's resources to invent, innovate, design, compose or create shall be deemed as intellectual properties of the Group. All staff of the Group shall report their inventions, innovations, designs, compositions or other creations to the Group for a decision on whether to apply for patents or copyrights. The staff are obligated to surrender all files, drafts, designs and other information on their creations to the Group and assist the Group to apply for patents or copyrights for their creations. The Group implements a project management system for the sake to enhance the security of engineering designs on both the ODM/OEM projects and the projects for brand business sector. Data and information would only be able to access with proper authorization engineering personnel who have assigned to work on the particular projects.

### **B7. Anti-corruption GRI 102, 103, 205, 415, 419**

**Anti-corruption:** The Group attaches great importance to conducting business with the highest level of business ethics and integrity. In order to enhance employees' integrity awareness continuously and comply with applicable laws and regulations including Prevention of Bribery Ordinance of Hong Kong, Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) and Anti-Money-laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), the Group has established business ethics policy to provide sufficient internal guidelines on preventing potential corruption, bribery and other illegal actions during business transactions amongst stakeholders, such as its employees, customers and suppliers. The Group always upholds the principles of honesty, integrity, uprightness and fairness, and requests all employees to act impartially and fairly and not to abuse their positions for their own or someone else's interests or benefits gain while dealing with customers, suppliers and other third parties. The Group also prohibits its employees or agents from soliciting or receiving any benefits from any party having business transactions with the Group (e.g. customers, suppliers, contractors and so on). During the reporting period, there was no financial and in-kind political contributions made directly and indirectly by the Group.

The Group requires all employees in Hong Kong and overseas to sign an annual declaration to confirm the compliance of the business ethics policy. Relevant employees are required to enter into an anti-corruption warranty in order to acknowledge the possible consequences of corruption. The Group also provides training to the employees regularly with necessary and updated knowledge to deal with anti-corruption. In addition, The Group also invites Independent Commission Against Corruption to conduct seminars in Hong Kong office every year to strengthen employees' awareness of corruption, but due to the pandemic outbreak of COVID-19, no seminars was held in Hong Kong office during the reporting period. The Group will continue to promote ethical value and culture in workplace.



**Whistle-blowing:** To enable early identification and handling of corrupt practices with supervision by all employees and related parties, the Group has set up designated whistle-blowing channels to receive complaints from stakeholders. Employees are encouraged to disclose information relevant to misconduct, malpractices or irregularities through the whistle-blowing channels. The personal information and content of the whistleblower will be kept confidential in order to prevent revenge, while the relevant complaints will be investigated and evaluated in a fair and proper manner. Solutions will be determined for each case, which may include punishment and legal action against any corruption in breach of the relevant laws and company policies.

During the reporting period, there was neither complaint received related to misconduct, malpractices or irregularities nor legal case regarding corrupt practices that has been brought against the Group or its employees.

#### **B8. Community Investment GRI 103, 201, 203**

In active fulfilment of corporate social responsibility, the Group takes into consideration the impact of its business activities might have on the neighbourhood. The Group places great emphasis on cultivating social responsibility awareness among the staff and encourages them to better serve the community at work and during their personal time.

PC Partner Dongguan operates a balanced community participation programme, under which it conducts collaborative projects with different stakeholders (such as employees, members of local communities, non-profit partners, citizens, schools and governments) in PRC. Such projects include co-operating with schools to nurture local talents, supporting stricken community members by donations, serving underprivileged groups by volunteering events and protecting the environment. Unfortunately, such programme was not conducted in 2021 due to the COVID-19 pandemic outbreak.

The Group will continuously support community and environmental programmes that align with the Group's missions and values in the coming year.



# Environmental, Social and Governance Report



## PERFORMANCE DATA SUMMARY

### Environmental<sup>1</sup>

KPIs		Unit	2021	2020
A1.1: Emissions of air pollutants GRI 305	Nitrogen oxides (“NOx”)	Kilogram (“kg”)	<b>503.81</b>	5.10
	Sulphur oxides (“SOx”)	Kilogram (“kg”)	<b>435.14</b>	3.18
	Particulate matter (“PM”)	Kilogram (“kg”)	<b>125.71</b>	1.45
A1.2: Greenhouse gas (“GHG”) emissions GRI 305	<b>Scope 1 – Direct emissions</b>			
	<b>Total direct GHG emissions</b>	<b>Carbon dioxide equivalent emission (in tonnes)</b>	<b>516.16</b>	101.51
	<b>Intensity<sup>2</sup> of direct GHG emissions</b>	<b>Carbon dioxide equivalent emission (in tonnes)/million HK\$ of cost of production output</b>	<b>0.0577</b>	0.0204
	<b>Scope 2 – Energy indirect emissions</b>			
	Purchased electricity	Carbon dioxide equivalent emission (in tonnes)	<b>14,190.34</b>	12,730.05
	<b>Total energy indirect GHG emissions</b>	<b>Carbon dioxide equivalent emission (in tonnes)</b>	<b>14,190.34</b>	12,730.05
	<b>Intensity<sup>2</sup> of energy indirect GHG emissions</b>	<b>Carbon dioxide equivalent emission (in tonnes)/million HK\$ of cost of production output</b>	<b>1.5873</b>	2.5528

<sup>1</sup> Calculation of emission factors for environmental KPIs is based on the “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEx, unless otherwise specified in this Report.

<sup>2</sup> The factor used for calculating the intensity for relevant environmental KPI is replaced by “per million HK\$ cost of production output” starting from 2021 as the management considered that “per million HK\$ cost of production output” would be a more representative factor to reflect the actual performance of relevant environmental KPI, therefore the factor “per thousand unit of production output” that was used in 2020 would be no longer in use.

<sup>3</sup> Formula used for calculation of paper waste disposed at landfills: paper waste in kg x 4.8 kg CO<sup>2</sup> equivalent/kg.

<sup>4</sup> To facilitate conversion between different energy sources, all energy consumptions are converted into standard coal equivalent using a consistent conversion factor.

<sup>5</sup> Only applicable for PC Partner Dongguan.

KPIs	Unit	2021	2020	
A1.2: Greenhouse gas ("GHG") emissions GRI 305 (continued)	<b>Scope 3 – Other indirect emissions</b>			
	Paper waste disposed at landfills <sup>3</sup>	Carbon dioxide equivalent emission (in tonnes)	<b>457.97</b>	210.29
	Business air travel by employees	Carbon dioxide equivalent emission (in tonnes)	<b>0.98</b>	0.32
	<b>Total other indirect GHG emissions</b>	<b>Carbon dioxide equivalent emission (in tonnes)</b>	<b>458.95</b>	210.61
	<b>Intensity<sup>2</sup> of other indirect GHG emissions</b>	<b>Carbon dioxide equivalent emission (in tonnes)/million HK\$ of cost of production output</b>	<b>0.0513</b>	0.0422
	<b>Total GHG emissions</b>			
	<b>Total GHG emissions</b>	<b>Carbon dioxide equivalent emission (in tonnes)</b>	<b>15,165.45</b>	13,042.17
	<b>Intensity<sup>2</sup> of GHG emissions</b>	<b>Carbon dioxide equivalent emission (in tonnes)/million HK\$ of cost of production output</b>	<b>1.6964</b>	2.6153
A1.3: Hazardous waste GRI 306	<b>Total hazardous waste produced</b>	<b>Tonnes</b>	<b>7.28</b>	5.80
	<b>Intensity<sup>2</sup> of hazardous waste produced</b>	<b>Tonnes/million HK\$ of cost of production output</b>	<b>0.0008</b>	0.0012

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KPIs		Unit	2021	2020
A1.4: Non-hazardous waste GRI 306	Papers	Tonnes	<b>95.41</b>	43.81
	Packaging material	Tonnes	<b>34.22</b>	2.41
	<b>Total non-hazardous waste produced</b>	<b>Tonnes</b>	<b>129.63</b>	46.22
	<b>Intensity<sup>2</sup> of non-hazardous waste produced</b>	<b>Tonnes/million HK\$ of cost of production output</b>	<b>0.0145</b>	0.0093
A2.1: Energy consumption GRI 302	<b>Direct energy consumption</b>			
	Purchased electricity	kWh	<b>16,375,600</b>	14,739,700
	Diesel	Tonnes	<b>141.70</b>	Nil
	Natural Gas	Cubic meter	<b>Nil</b>	Nil
	Petrol	Tonnes	<b>Nil</b>	Nil
	<b>Total direct energy consumption</b>	<b>Tonnes of standard coal equivalent<sup>4</sup></b>	<b>2,219.03</b>	1,811.51
	<b>Intensity<sup>2</sup> of direct energy consumption</b>	<b>Tonnes of standard coal equivalent<sup>4</sup>/million HK\$ of cost of production output</b>	<b>0.2482</b>	0.3633

KPIs	Unit	2021	2020	
A2.1: Energy consumption GRI 302 (continued)	<b>Indirect energy consumption</b>			
	Purchased electricity	kWh	<b>1,625,600</b>	1,409,100
	Diesel	Tonnes	<b>Nil</b>	1.47
	Natural Gas	Cubic meter	<b>43,800</b>	41,100
	Petrol	Tonnes	<b>7.05</b>	7.29
	<b>Total indirect energy consumption</b>	<b>Tonnes of standard coal equivalent<sup>4</sup></b>	<b>268.41</b>	240.71
	<b>Intensity<sup>2</sup> of indirect energy consumption</b>	<b>Tonnes of standard coal equivalent<sup>4</sup>/million HK\$ of cost of production output</b>	<b>0.0300</b>	0.0483
	<b>Total energy consumption</b>			
	Purchased electricity	kWh	<b>18,001,200</b>	16,148,800
	Diesel	Tonnes	<b>141.70</b>	1.47
	Natural Gas	Cubic meter	<b>43,800</b>	41,100
	Petrol	Tonnes	<b>7.05</b>	7.29
	<b>Total energy consumption</b>	<b>Tonnes of standard coal equivalent<sup>4</sup></b>	<b>2,487.44</b>	2,052.22
<b>Intensity<sup>2</sup> of energy consumption</b>	<b>Tonnes of standard coal equivalent<sup>4</sup>/million HK\$ of cost of production output</b>	<b>0.2782</b>	0.4115	
A2.2: Water consumption GRI 303	<b>Total water consumption</b>	<b>Cubic metre</b>	<b>201,076</b>	168,208
	<b>Intensity<sup>2</sup> of water consumption</b>	<b>Cubic metre/million HK\$ of cost of production output</b>	<b>22.4921</b>	33.7307
A2.5: Packaging material GRI 301	<b>Total packaging material used for finished goods</b>	<b>Tonnes</b>	<b>2,155.63</b>	1,677.01
	<b>Intensity<sup>2</sup> of packaging material used for finished goods</b>	<b>Tonnes/million HK\$ of cost of production output</b>	<b>0.2411</b>	0.3363

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## Social

KPIs		Unit	2021	2020
B1.1: Total workforce GRI 102, 405	Total workforce	Number of employees	<b>3,029</b>	3,140
	<b>By employment type</b>			
	Full time	Number of employees	<b>3,024</b>	3,128
	Part time	Number of employees	<b>5</b>	12
	<b>By geographical region</b>			
	Hong Kong	Number of employees	<b>187</b>	141
	PRC	Number of employees	<b>2,735</b>	2,896
	Rest of the world	Number of employees	<b>107</b>	103
	<b>By gender</b>			
	Male	Number of employees	<b>1,756</b>	1,853
	Female	Number of employees	<b>1,273</b>	1,287
	<b>By age</b>			
	Below 30	Number of employees	<b>1,211</b>	1,256
	31–50	Number of employees	<b>1,544</b>	1,633
Over 50	Number of employees	<b>274</b>	251	
B1.2: Employee turnover rate GRI 401	Employee turnover rate	%	<b>41.99</b>	40.00
	<b>By geographical region</b>			
	Hong Kong	%	<b>12.30</b>	16.31
	PRC	%	<b>45.23</b>	42.06
	Rest of the world	%	<b>11.21</b>	14.56
	<b>By gender</b>			
	Male	%	<b>45.56</b>	42.69
	Female	%	<b>37.08</b>	36.13
	<b>By age</b>			
	Below 30	%	<b>52.52</b>	50.00
	31–50	%	<b>37.89</b>	36.13
	Over 50	%	<b>18.61</b>	15.14

<b>KPIs</b>		<b>Unit</b>	<b>2021</b>	2020
B2.1: Number and rate of work-related fatalities GRI 403	Number of work-related fatalities occurred in 2019–2021	Number of employees	<b>Nil</b>	Nil
	Rate of work-related fatalities occurred in 2019–2021	%	<b>Nil</b>	Nil
B2.2: Lost days due to work injury	Lost days due to work injury	Days	<b>79</b>	Nil
B3.1: <sup>5</sup> Percentage of employees trained	Percentage of employees trained	%	<b>98.19</b>	90.90
	<b>By gender</b>			
	Male	%	<b>98.89</b>	93.00
	Female	%	<b>96.88</b>	87.00
	<b>By employee category</b>			
	Management	%	<b>96.54</b>	90.08
	General staff	%	<b>98.95</b>	91.28
B3.2: <sup>5</sup> Average training hours completed GRI 404	Average training hours completed per employee	Hours	<b>21.48</b>	22.84
	<b>By gender</b>			
	Male	Hours	<b>20.06</b>	23.06
	Female	Hours	<b>19.06</b>	18.90
	<b>By employee category</b>			
	Management	Hours	<b>22.55</b>	19.95
	General staff	Hours	<b>20.90</b>	24.25
B5.1: Number of suppliers GRI 102	Number of suppliers	Number of suppliers	<b>606</b>	576
	<b>By geographical region</b>			
	Asia Pacific	Number of suppliers	<b>443</b>	424
	PRC	Number of suppliers	<b>102</b>	111
	North and Latin America	Number of suppliers	<b>43</b>	24
	Europe, Middle East, Africa and India	Number of suppliers	<b>18</b>	17

## Environmental, Social and Governance Report



KPIs		Unit	2021	2020
B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons	Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	<b>Nil</b>	Nil
B6.2: Number of products and service related complaints received GRI 102, 103, 418	Number of products and service related complaints received	Number of complaints	<b>Nil</b>	Nil
B7.1: Number of concluded legal cases regarding corrupt practices GRI 205	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees	Number of cases	<b>Nil</b>	Nil
B8.2: Resources contributed to the focus areas of contribution GRI 201	Resources contributed to focus areas of contribution	Hong Kong Dollars	<b>8,000</b>	8,000



## HKEx ESG REPORTING GUIDE CONTENT INDEX

Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section	Corresponding GRI Standards
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	A1. Emissions	GRI 103: Management Approach GRI 305: Emissions GRI 307: Environmental Compliance
	A1.1	The types of emissions and respective emissions data.	Disclosed	Performance Data Summary	GRI 305: Emissions
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity.	Disclosed	Performance Data Summary	GRI 305: Emissions
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Disclosed	Performance Data Summary	GRI 306: Waste
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Disclosed	Performance Data Summary	GRI 306: Waste
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Disclosed	A1. Emissions	GRI 103: Management Approach GRI 305: Emissions
	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.	Disclosed	A1. Emissions	GRI 103: Management Approach GRI 306: Waste

# Environmental, Social and Governance Report



Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section	Corresponding GRI Standards
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	A2. Use of Resources	GRI 103: Management Approach
	A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Disclosed	Performance Data Summary	GRI 302: Energy
	A2.2	Water consumption in total and intensity.	Disclosed	Performance Data Summary	GRI 303: Water and Effluents
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	A2. Use of Resources	GRI 103: Management Approach GRI 302: Energy
	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.	Disclosed	A2. Use of Resources	GRI 103: Management Approach GRI 303: Water and Effluents
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosed	A2. Use of Resources, Performance Data Summary	GRI 301: Materials
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the Group's significant impacts on the environment and natural resources.	Disclosed	A3. The Environment and Natural Resources	GRI 103: Management Approach
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	A3. The Environment and Natural Resources	GRI 103: Management Approach GRI 303: Water and Effluents GRI 304: Biodiversity GRI 306: Waste

<b>Aspects</b>	<b>General disclosures and KPIs</b>	<b>Description</b>	<b>Disclosure situation</b>	<b>Corresponding section</b>	<b>Corresponding GRI Standards</b>
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the Group.	Disclosed	A4. Climate Change	GRI 102: General Disclosures GRI 103: Management Approach
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the Group, and the actions taken to manage them.	Disclosed	A4. Climate Change	GRI 201: Economic Performance
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	B1: Employment	GRI 103: Management Approach GRI 406: Non-discrimination GRI 419: Socioeconomic Compliance
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Disclosed	Performance Data Summary	GRI 102: General Disclosures GRI 405: Diversity and Equal Opportunity
	B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Performance Data Summary	GRI 401: Employment

# Environmental, Social and Governance Report



Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section	Corresponding GRI Standards
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	B2: Health and Safety	GRI 103: Management Approach GRI 403: Occupational Health and Safety GRI 419: Socioeconomic Compliance
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Performance Data Summary	GRI 403: Occupational Health and Safety
	B2.2	Lost days due to work injury.	Disclosed	Performance Data Summary	Not directly covered by the GRI Standards
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	B2: Health and Safety	GRI 103: Management Approach GRI 403: Occupational Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	B3: Development and Training	GRI 103: Management Approach GRI 404: Training and Education
	B3.1	The percentage of employees trained by gender and employee category.	Disclosed	Performance Data Summary	Not directly covered by the GRI Standards
	B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Performance Data Summary	GRI 404: Training and Education

<b>Aspects</b>	<b>General disclosures and KPIs</b>	<b>Description</b>	<b>Disclosure situation</b>	<b>Corresponding section</b>	<b>Corresponding GRI Standards</b>
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.	Disclosed	B4. Labour Standards	GRI 103: Management Approach GRI 407: Freedom of Association and Collective Bargaining GRI 419: Socioeconomic Compliance
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	B4. Labour Standards	GRI 103: Management Approach GRI 408: Child Labor GRI 409: Forced or Compulsory Labor
	B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	B4. Labour Standards	GRI 103: Management Approach GRI 408: Child Labor GRI 409: Forced or Compulsory Labor
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	B5. Supply Chain Management	GRI 103: Management Approach
	B5.1	Number of suppliers by geographical region.	Disclosed	Performance Data Summary	GRI 102: General Disclosures

# Environmental, Social and Governance Report



Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section	Corresponding GRI Standards
B5: Supply Chain Management (continued)	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	B5. Supply Chain Management	GRI 102: General Disclosures GRI 103: Management Approach GRI 303: Water and Effluents GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	B5. Supply Chain Management	GRI 102: General Disclosures GRI 103: Management Approach GRI 303: Water and Effluents GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	B5. Supply Chain Management	GRI 103: Management Approach

<b>Aspects</b>	<b>General disclosures and KPIs</b>	<b>Description</b>	<b>Disclosure situation</b>	<b>Corresponding section</b>	<b>Corresponding GRI Standards</b>
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	B6. Product Responsibility	GRI 103: Management Approach GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling GRI 418: Customer Privacy GRI 419: Socioeconomic Compliance
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	B6. Product Responsibility, Performance Data Summary	Not covered by the GRI Standards
	B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	B6. Product Responsibility, Performance Data Summary	GRI 102: General Disclosures GRI 103: Management Approach GRI 418: Customer Privacy
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	B6. Product Responsibility	Not covered by the GRI Standards
	B6.4	Description of quality assurance process and recall procedures.	Disclosed	B6. Product Responsibility	Not covered by the GRI Standards
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Disclosed	B6. Product Responsibility	GRI 103: Management Approach

## Environmental, Social and Governance Report



Aspects	General disclosures and KPIs	Description	Disclosure situation	Corresponding section	Corresponding GRI Standards
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.	Disclosed	B7. Anti-corruption	GRI 103: Management Approach GRI 205: Anti-corruption GRI 415: Public Policy GRI 419: Socioeconomic Compliance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period and the outcomes of the cases.	Disclosed	Performance Data Summary	GRI 205: Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	B7. Anti-corruption	GRI 102: General Disclosures GRI 103: Management Approach GRI 205: Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	B7. Anti-corruption	GRI 205: Anti-corruption
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the Group operates and to ensure its activities take into consideration the communities' interests.	Disclosed	B8. Community Investment	GRI 103: Management Approach
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	B8. Community Investment	GRI 203: Indirect Economic Impacts
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	Performance Data Summary	GRI 201: Economic Performance