



Lerado Financial Group Company Limited

(Incorporated in Bermuda with limited liability)
Stock Code : 1225

The background of the cover is a composite image. On the left, there is a low-angle shot of a modern glass skyscraper. On the right, there is a blue geometric shape containing the text. The bottom half of the cover features a stylized, glowing blue and green line graph with vertical bars, set against a background of blue and green geometric shapes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

Environmental, Social and Governance Report

ABOUT THE GROUP

Lerado Financial Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is an investment holding company. The Group is principally engaged in providing financial services including securities broking, margin financing and money lending etc., as well as manufacturing and distributing plastic toys for children and medical care products like mobility aid and other medical equipment.

ABOUT THIS REPORT

The Company is pleased to present its Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) in 2023. The Report provides an annual update of sustainability performance in respect of the material businesses and operations of the Company and its subsidiaries. It has been updated to reflect the interest of various stakeholders.

The Report details the ESG performances of the Company for the financial year, from 1 January 2023 to 31 December 2023 (the “**Reporting Period**” or “**2023**”). The Company applies the concept of materiality in the planning and development of the Report. Unless otherwise indicated, the Report covers the Company’s principal businesses in financial services in the operating location below, including securities broking, margin financing and money lending, etc.

Period	Office Address	Floor Area
1 Oct 2021 – Present	Flat F & G, 4/F, Golden Sun Centre, 59-67 Bonham Strand West, Sheung Wan	1,000 sq. feet

Reporting Principles

The preparation and presentation of related information in this ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company has prepared this Report to meet the “Comply or Explain” provisions, of which mandatory Key Performance Indicators (KPIs) are disclosed. As such, the Company has been able to produce a balanced report, focusing on the key material issues.

Environmental, Social and Governance Report

According to the guideline, the following principles are underpinned:

1. **Materiality:** ESG issues that have major impacts on investors and other stakeholders must be set out in this Report.
2. **Quantitative:** If the KPIs have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information.
3. **Balance:** This Report must provide an unbiased picture of the ESG performance of the Company. It should avoid selecting, omitting, or presenting formants that may inappropriately influence a decision or judgement by the reader.
4. **Consistency:** This Report should use consistent statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the Report.

Feedback

Stakeholders may send their enquiries and concerns to the board (the “**Board**”) of directors (the “**Directors**”) by addressing them to the principal place of business of the Company in Hong Kong:

Telephone number: (852) 3700 9600

Address: Flat F & G, 4/F, Golden Sun Centre, 59-67 Bonham Strand West, Sheung Wan, Hong Kong

Addressee: Investment Relationship Department

E-mail address: public@lerado.com.hk

Environmental, Social and Governance Report

ESG GOVERNANCE

The Board is committed to contributing to the sustainable development of the society and environment. Along with the commitment, the Board is responsible for evaluating and determining the risks in relation to the ESG areas at the Company level. Through adjusting and defining risks, the Board is enabled to formulate a clear vision, key strategies and monitoring management plan to ensure the proper ESG reporting measures and systems are in place.

The board collectively holds the responsibility for supervising the company's ESG strategy and reporting. A top-down culture fosters the integration of ESG considerations into the business decision-making process.

The Company's ESG philosophy is to create long-term value for its stakeholders and investors that aligns with the growth and sustainability of its business and the environment it is in. The Company aspires to be a responsible corporate citizen and believes that transparency and accountability are important foundations for building trust with its stakeholders.

Therefore, the Board is committed to contributing to the sustainable development of the society and environment. Along with the commitment, the Board is responsible for evaluating and determining the risks in relation to ESG areas at the Company level. Through adjusting and defining risks, the Board is able to formulate a clear vision and key strategies and monitor management to ensure the proper ESG reporting measures and systems are in place.

To maintain excellent ESG governance, the Board delegates authority to the ESG Working Group for the execution, assessment and management of ESG policies and measures on an operational level. The Working Group works with internal departments across the organisation to integrate sustainability into day-to-day operations. This Working Group regularly reports to the Board to ensure appropriate execution and risk management on sustainability. Through regular meetings and discussions with the Board, the Working Group plans and implements various policies, guidelines, measures and programmes which contribute to our sustainable development. This Working Group also identifies, evaluates and prioritises material ESG issues, through regular stakeholder engagement and materiality assessment, which are further reviewed and endorsed by the Board for disclosure. The Working Group will review the progress of these targets and report to the Board on the progress and feasible suggestions at least annually.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Company engages with key stakeholders such as board members, managers, supervisors, frontline workers, suppliers, and clients to understand their needs and concerns. The Company communicates with stakeholders via various communication channels, such as publication of the reports, regular meetings and interviews.

Identifying the material ESG issues that matter the most to the Group is a prerequisite for setting the framework for the ESG Report and formulation of ESG management strategies. As such, the Group regularly conducts internal materiality assessments to determine the sustainability issues that matter the most to the Group, which will become the main focus of our sustainability strategy and facilitate the implementation of relevant initiatives.

The Company has identified five ESG aspects as “relevant” and “material” – employment, health and safety, development and training, anti-corruption and use of resources. The ESG issues listed in the table below are considered to have a significant impact on the operations of our business and will be the focus of this Report.

Aspects	Material ESG Issues
A. Environmental Aspect	
A2. Use of Resources	<ul style="list-style-type: none">• Energy consumption• Energy efficiency
B. Social Aspect	
B1. Employment	<ul style="list-style-type: none">• Employee welfare• Inclusion and equal opportunities• Talent attraction and retention
B2. Health and Safety	<ul style="list-style-type: none">• Occupational health and safety
B3. Development and Training	<ul style="list-style-type: none">• Development and training
B4. Labour Standards	<ul style="list-style-type: none">• Prevention of child and forced labour
B7. Anti-corruption	<ul style="list-style-type: none">• Corporate governance• Anti-corruption

ENVIRONMENTAL ASPECTS

The Company understands that climate change is one of the greatest concerns of the world and governments. Therefore, the Company reviews the environmental factors related to business operations to develop effective energy and water conservation measures and reduce waste generation. The Company actively responds to the global trend of emission reduction and devotes resources to reducing the impact of daily operations on the environment.

Environmental, Social and Governance Report

EMISSIONS

As the Company is principally engaged in the provision of financial services, they do not emit significant discharges, for instance, nitrogen oxides, sulphur oxides and respiratory suspended particles into water, land and air. In addition, the Company does not produce a significant volume of hazardous and non-hazardous waste from businesses.

The Company's environmental impacts stem mainly from the energy usage associated with the office operation. The Company impacts the environment through its use of paper and non-hazardous waste generation. The Company places energy reduction and waste recycling as a few of its main key environmental strategies.

The Company was not aware of any incidents of non-compliance with laws and regulations that have a significant impact concerning air and greenhouse gas emissions, discharges into water or land, or generation of hazardous and non-hazardous waste during the Reporting Period.

Air and Greenhouse Gas Emissions

The major source of air and greenhouse gas emissions by the Company is energy consumption in regard to the purchased electricity used in office operations. The greenhouse gas emissions by the Company are mainly generated by the indirect emissions from the purchased electricity (Scope 2 emissions) and the paper waste disposed at landfills and water and sewage processing (Scope 3 emissions).

The total greenhouse gas emission generated by the Company during the Reporting Period was 14 tonnes of carbon dioxide equivalent (CO₂-e), with an intensity of 2.8 tonnes CO₂-e per employee, comprising electricity consumption. The Company has not set a direct reduction target for greenhouse gas but instead has set an electricity consumption target for our operation.

Greenhouse gas emissions:¹

Emissions	2023	2022	Unit
Scope 1 emissions	–	–	Tonnes CO ₂ -e
Scope 2 emissions	13.9	14.9	Tonnes CO ₂ -e
Scope 3 emissions	0.2	0.2	Tonnes CO ₂ -e
Total greenhouse gas emissions	14.0	15.1	Tonnes CO ₂ -e
Intensity (by employee)	2.8	3.0	Tonnes CO ₂ -e/employee

The Company proactively takes effective measures to reduce emissions of greenhouse gas and exhaust gas. In terms of reducing business travel, the Company encourages employees to use long-distance face-to-face meetings through telephone or video conferences, so as to reduce carbon emissions from air transportation. The Company also encourages employees to travel by public transport to reduce exhaust gas and greenhouse gas emissions from private cars.

¹ EPA's GHG Emission Factors Hub, HK electric emission factors has been used for the purpose of GHG Emissions calculations.

Environmental, Social and Governance Report

Waste Management

The Company upholds the principles of waste management and is committed to reducing the impact of waste from business activities on the environment. Due to the business nature, the generation of hazardous and non-hazardous waste is not material to us. Thus, its related information is not disclosed and no reduction target has been established in this Report.

The Company advocates the culture of “Use Less; Waste Less” by promoting the effective use of resources in daily operations to reduce waste generation. The following initiatives are adopted:

- Converting to a paperless office by storing files and documents online;
- Distribute promotions, monthly reports and other information through telecommunication channels to reduce the use of paper;
- Place various paper recycling boxes in the office areas;
- Encourage employees to reuse paper and printing on both sides;
- Designate recycling spots for recyclable waste, such as waste paper;
- Prohibit the use of disposable tableware and containers; and
- Co-operate with property management companies and service providers to recycle glass, aluminium pots, and ink cartridges.

USE OF RESOURCES

The Company is committed to implementing environmental policy to reduce the use and make good use of resources, including saving energy and reducing waste. Through promoting environmental and operating efficiency, the Company and its employees work together to reduce the environmental impact of the Company’s business. To pursue the environmental commitment, the Company has implemented multiple measures in enhancing energy efficiency, reducing water consumption, encouraging the replacement of business travels with video conferences, and driving behavioural changes in employees. In hopes of minimizing the use of paper, scanning documents is adopted to reduce the need for photocopying.

Given the Company is principally engaged in financial investment, the operation does not involve a significant amount of packaging materials for finished products. Nevertheless, for other resources consumed from the business activities, the Company upholds the principle of resources management and is committed to the proper use of all resources. Details of energy and water consumption and reduction methods will be discussed in the following sessions.

Environmental, Social and Governance Report

Energy Consumption

The Company's electricity consumption mainly stemmed from office operations. During the Reporting Period, the total electricity consumption was 73.44 Giga Joules (GJ) with an intensity of 14.69 GJ per employee.

Direct and/or indirect energy consumption by type:²

Use of resources	2023	2022	Unit
Direct energy consumption	–	–	GJ
Indirect energy consumption	73.44	75.60	GJ
Total energy consumption	73.44	75.60	GJ
Intensity (by employee)	14.69	15.12	GJ/employee

The Company strives to conserve energy by setting a new target to achieve a 15% reduction in energy consumption by 2027, using 2022 as the baseline year.

Aspect	Reduction Target	Baseline	Year Baseline Data	Status
Energy	Reduce 15% of the energy intensity by 2025	2020	20.16 GJ per employee	Achieved
Energy	Reduce 15% of the energy intensity by 2027	2022	15.12 GJ per employee	In-progress

In order to reduce the use of electricity, the Company has adopted various initiatives in its operations as follows:

- give priority to products with high energy efficiency;
- replace traditional lamps with LED lights for energy saving;
- raise the target temperature for the air-conditioning system from 20°C to 25°C;
- increase equipment's operating efficiency through regular cleaning and maintenance;
- formulate codes to ensure reasonable use of the air-conditioning, lighting system and office equipment;
- avoid excessive lighting by following the principle of daylight illumination and classifying light areas according to actual operation;
- adjust office equipment to auto standby/sleep mode if not in use; and
- assign dedicated personnel to conduct regular energy-saving inspections.

² The unit of energy consumption has been changed from megawatt-hour (MWh) to gigajoules (GJ).s

Environmental, Social and Governance Report

Water Consumption

The Company understands the importance of precious water sources to the earth and the environment. The daily water consumption is supplied from the municipal water network, and there is no difficulty in sourcing water. Due to the Company's business nature, the use of water is not material to our operations. The water consumed is mainly drinking water and the business operation did not involve water usage. While the Company has not set any targets for water consumption reduction due to its minimal impacts, the Company nonetheless promotes reasonable water use initiatives and water-saving measures among its employees.

Water consumption in total and intensity:

Water consumption	2023	2022	Unit
Total water consumption	0.32	0.9	M ³
Intensity (by employee)	0.06	0.17	M ³ /employee

The Company actively promotes water-saving practices and encourages the staff to save water and use water efficiently. For instance, the Company has posted water-saving slogans in conspicuous places and assigned dedicated personnel to regularly examine tap dripping or leaking and repairment.

Packaging materials

Given our business nature, the Company does not have manufacturing facilities and does not consume a significant amount of packaging materials.

THE ENVIRONMENT AND NATURAL RESOURCES

Given the Company's business nature and activities, the impact of the Company on the environment and natural resources is limited. Consumption of energy mainly stemmed from the general use of electricity in the office. During the Reporting Period, the Company stipulated a number of measures to reduce the use of resources and waste disposal (see the section headed "Use of Resources" above).

Although the Company's business model does not involve any high energy consumption activities, the Company is still committed to maintaining a balance between industry and the ecological environment, and pursues long-term sustainable development. While reviewing the business strategy and planning for future industrial development, the Company would take into account the importance of protecting the environment and cherishing natural resources. The Company will also promote the overall awareness of environmental protection and the awareness of customers and supply chains through education, training and awareness advocacy, thereby shouldering corporate social responsibility.

In addition, the Company will continue to assess the environmental risks of the business, review the environmental practices and adopt preventive measures as necessary to reduce the risks and ensure compliance with relevant laws and regulations that applies to the Company's emissions and the use of resources.

Environmental, Social and Governance Report

CLIMATE CHANGE

The world is currently encountering the challenge of climate change. The Company is highly concerned about climate-related issues and their potential impacts on the business operation. The Company is also committed to reducing its greenhouse gas emissions. Since the major business nature of the Company is providing financial services in Hong Kong, no climate-related risks were identified with significant impacts on the operation.

Still, the Company realizes that emergency measures and risk management plans should be prepared as there are acute physical risks affecting Hong Kong. The increased frequency and severity of extreme weather, such as typhoons, storms and heavy rains, can disrupt business operations by damaging the power grid and communication infrastructures, hampering and injuring our employees during their work or commuting, leading to reduced capacity and decreased productivity. In response, the Company will carry out specific precautionary measures and review existing emergency plans for extreme weather.

SOCIAL ASPECT

Employment and Labour Practices

Employment

The Company's business is built on the efforts of its employees. Therefore, the Company strives to create a safe, healthy, fair, just and non-discriminatory working environment, enabling employees to achieve their full potential. The Company is also committed to maintaining harmonious labour relations and pooling the wisdom of the employees to promote the long-term and sustainable development of the Company's industries.

During the Reporting Period, the Company has an aggregate of 5 employees. In order to cooperate with the continuously growing business scale, the Company acquires talents from different countries and backgrounds to join the local team.

Environmental, Social and Governance Report

The table below demonstrates the breakdown of employees during the Reporting Period by gender, age group, type of employment and employee category in 2023 and 2022:

Total workforce:

Employment		2023	2022	Unit
Total number of employees		5	5	Employee
By Gender	Male	2	2	Employee
	Female	3	3	Employee
By employment type	Full-time	5	5	Employee
	Part-time	0	0	Employee
By age group	<=30	0	0	Employee
	31-40	3	3	Employee
	41-50	1	1	Employee
	>50	1	1	Employee
By employment category	Senior management	1	1	Employee
	Middle management	4	3	Employee
	Supervisor	0	1	Employee
	General employee	0	0	Employee
By function	Executive	1	1	Employee
	Technical	0	0	Employee
	Administrative	4	4	Employee
	Production	0	0	Employee
By geographical region	China	0	0	Employee
	Hong Kong	5	5	Employee
Service Period	Less than 5 Years	4	4	Employee
	5 to 10 Years	1	1	Employee
	Over 10 Years	0	0	Employee

Environmental, Social and Governance Report

Employee turnover rate:

Employment		2023	2022	Unit
Total employee turnover rate		0	20	%
By Gender	Male	0	50	%
	Female	0	0	%
By employment type	Full-time	0	20	%
	Part-time	0	0	%
By age group	<=30	0	0	%
	31-40	0	0	%
	41-50	0	0	%
	>50	0	0	%
By employment category	Senior management	0	0	%
	Middle management	0	0	%
	Supervisor	200	0	%
	General employee	0	0	%
By geographical region	China	0	0	%
	Hong Kong	0	20	%
Service period	Less than 5 Years	0	0	%
	5 to 10 Years	0	0	%
	Over 10 Years	0	0	%

Employee Welfare:

The Company attaches great importance to talents, adheres to the philosophy of being people-oriented, and abides by the personnel management principles of fairness, openness and justness. In order to attract and retain excellent talents, the Company provides employees with lawful and reasonable remuneration, for instance, basic salary, various allowances and bonuses.

The Company reviews the employees' remuneration on an annual basis through performance assessment. The salary adjustment shall be decided by the remuneration committee after considering the contribution, experience and ability of the employees, in addition to the business performance and operation status of the Company and other market statistics. The Company also applies for the Mandatory Provident Fund Plan for all eligible employees in Hong Kong.

Equal Opportunity and Harmonious Pluralism

The Company actively promotes fair competition to ensure no discrimination or dismissal of employees based on race, gender, age, marital status or religion. In view of this, the Company has formulated internal policies to regulate the Company's principles of equal opportunity, diversity and anti-discrimination. The equality principles

Environmental, Social and Governance Report

of the Company include recruitment, training, promotion, transfer and benefit, etc., regardless of gender, religion, pregnancy, family status, marital status, race and disability. In selecting suitable applicants for a job, all employees are treated fairly. Selection criteria are built on their qualifications, abilities and experience. Similarly, the Company shall only dismiss its employees on reasonable grounds and shall compensate them with legal remuneration.

Working Hours and Rest Periods

The Company attaches great importance to the physical and psychological health of the employees. Acknowledging a good work-life balance can improve employees' work performance, the Company regularly organizes entertainment activities, for instance, birthday parties and Spring Banquets.

To further achieve work-life balance, employees are provided with flexible working hours. In addition to the legal holidays, the Company also provides employees with extra annual leave, sick leave, marriage leave, and bereavement leave. In addition, the Company provides medical, accident and life insurance for employees, of which they are entitled to medical services at a relatively low cost. If any employee, unfortunately, suffers any work accident that results in accidental death, permanent incapacity or serious injury, he and his family shall receive financial aid.

In Hong Kong, the Company complied with the Labour Law of Hong Kong and relevant employment laws and regulations throughout the Reporting Period, including the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) by participating in the Mandatory Provident Fund retirement benefit scheme for our eligible employees, Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong).

During the Reporting Period, the Company was not aware of any material non-compliance with laws and regulations in the employment and labour process, such as recruitment, dismissal, promotion and remuneration of employees, regardless of where the Company operates. The legitimate rights and interests of employees are protected in accordance with laws and regulations.

Health and Safety

For the Company, employees with good health are the guarantee of productivity. To provide a healthy and safe working environment for employees, the Company complies with the laws, regulations and standards of the state on safe production, laying a foundation for safe operation. Furthermore, the Company has conducted practical safety management to effectively eliminate potential safety risks.

In 2023, there were no work-related fatalities and zero lost days due to work injury, maintaining a consistently safe and healthy work environment.

As the principal business of the Company is related to the financial sector, it does not involve substantial safety hazards within the workplace. However, the Company has spared no effort to advocate occupational health and safety. For instance, ensuring sufficient lighting and air circulation in the workplace, regularly cleaning water dispensers, carpets and air conditioners, as well as exterminating insects in the workplace. The Company also forbids employees and visitors from smoking within the office environment.

Environmental, Social and Governance Report

The Company conducts risk management and implements emergency plans and preparation. Exit roadmaps are placed within the workplace while proper fire-fighting apparatuses are appropriately installed. The Company also ensures that the fire escape route is unimpeded and has prepared necessary first-aid kits in accordance with the law.

Our company prioritizes the well-being of our staff by promoting work-life balance initiatives, such as organizing annual Sports Day and Hiking Day events facilitated by management. Safety measures are not elaborated upon due to the nature of our operations primarily being office-based within a commercial building, where tasks predominantly involve paperwork.

The Company encourages employees to report any potential health and safety risks in their work. Various sharing sessions are also organized to strengthen employees' safety knowledge and awareness.

The Company did not identify any casualties and accidents that resulted in death or serious physical injury during the past three years, nor did the Company identify any material non-compliance with the laws and regulations in relation to workplace health and safety, such as the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), during the Reporting Period.

Development and Training

To support employees to leverage their talents and develop their skills and competencies, the Company provides development programs that focus on broadening professional knowledge and technical skills and ultimately enhancing productivity. Our company delivers guidelines, directives, and training programs accessible to all personnel for adherence.

As such, the Company offers employees opportunities to develop their knowledge and skills. Not only those employees who are involved in the financial business should receive the enterprise training and anti-money laundering training provided by the Company, but employees may also attend industry conferences to receive the latest market information. It is believed that through these opportunities, the employees' knowledge and capability can be enriched thus providing a better service to the clients.

Environmental, Social and Governance Report

During the Reporting Period, employees received a total of 15 training hours distributed in all employee categories. 100% of the employees were trained and the average training hour was 3 hours per employee, regardless the gender, function and employee category. Training rates during the Reporting Period by gender, function and employee category are as follows:

Percentage of trained employees:

Development and Training		2023	2022	Unit
Total percentage of trained employees		100	100	%
By Gender	Male	100	40	%
	Female	100	60	%
By employee category	Senior management	100	20	%
	Middle management	100	60	%
	Supervisor	0	20	%
	General employee	0	0	%
By Function	Executive	100	60	%
	Technical	0	0	%
	Administrative	100	40	%
	Production	0	0	%

Average training hours completed:

Development and Training		2023	2022	Unit
Average training hours per employee		3	3	Hour/employee
By Gender	Male	3	3	Hour/employee
	Female	3	3	Hour/employee
By employee category	Senior management	3	3	Hour/employee
	Middle management	3	3	Hour/employee
	Supervisor	3	3	Hour/employee
	General employee	3	3	Hour/employee
By function	Executive	3	3	Hour/employee
	Technical	0	0	Hour/employee
	Administrative	3	3	Hour/employee
	Production	0	0	Hour/employee

Environmental, Social and Governance Report

Labour Standards

During the Reporting Period, the Company fully complies with laws and regulations related to the prevention of child labour and forced labour. The Company has a strict recruitment policy, of which only applicants aged 18 or above are employed. In addition, the Company is committed to zero forced work and guarantees that every employee shall voluntarily engage in their work.

There were no significant non-compliance cases noted in relation to labour standards laws and regulations during the Reporting Period, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

Operating Practices and Social Investment

Supply Chain Management

The Company believes that building a sustainable supply chain can create positive values for the clients, employees, suppliers, service providers and communities. The Company applies the principles of openness, fairness and transparency to select suitable underwriters and placing agencies that are in line with the established procedures are selected. Precise considerations are imposed on the selection process. For instance, appraising their institution's background, history, achievements, performance, and all these procedures must comply with the Securities and Futures Ordinance. The Company regularly monitors its partner's service qualities and conducts an annual appraisal to ensure that they are meeting the Company's requirements as well as seeking improvement. Since the major business nature of the Company is investment-oriented, the Company did not have major supplier during the Reporting Period.

Product Responsibility

The Company strictly abides by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and requires all employees to conduct the relevant business operations in accordance with the Company's "Operation and Compliance Manual of Securities Industry". Only licensed employees are allowed to provide particular financial services. We adhere to the recommendations set forth by the SFC regarding the protection and privacy of client data. We also adhere to SFC guidelines to ensure our clients are informed about potential product risks. In addition, the Company is committed to ensuring the information provided to clients is reliable without any misleading elements.

During the Reporting Period, there were no incidents of non-compliance with laws and regulations concerning breaches of customer privacy and loss of data.

Environmental, Social and Governance Report

Anti-Corruption

The Company advocates business integrity and fair competition and requires its employees to observe the code of professional ethics at all times. The Company expects all employees to adhere to the highest ethical, personal, and professional behaviour and standards. We adhere to the recommendations provided by the Sustainable Finance Committee (SFC) and the International Compliance Association (ICAC) concerning anti-money laundering (AML) measures and efforts to combat corruption.

Every employee should abide by the rules stipulated in the Company's "Operation and Compliance Manual of Securities Industry". All employees should keep a high level of personal honesty and integrity when handling various businesses and operations, in addition to declaring any potential conflicts of interest with the Company. Moreover, with regard to the confidentiality of the client's data, all employees have signed confidentiality agreements and are forbidden from providing the information to any third parties.

Anti-Corruption:

Anti-Corruption	2023	2022	Unit
Number of concluded legal cases regarding corruption	0	0	No.
Anti-corruption training			
Number of anti-corruption training sessions	1	1	No.
Total number of training hours related to anti-corruption	3	3	Hour
Percentage of employees with anti-corruption training			
Directors	100	100	%
General employees	100	60	%

Authorized by the Board, there is the audit committee, remuneration committee and nomination committee. The Board Members from different committees jointly monitor the governance of the Company. All reported actual or potential frauds, as well as other ethical issues, are independently followed up, investigated and reported by the audit committee, where proper measures shall also be adapted to correct the problems.

To strengthen the supervision, service contracts with different quotas must be examined and approved by the corresponding authorized officers, and all procedures should follow the policies of the Company.

The Company conducts risk management, carries out annual risk appraisal to recognize any potential risks in the operating process, for instance, liquidity risk, credit risk and market risk, and formulates corresponding management countermeasures. In addition, the Company has also employed independent accountants to carry out third-party verification to ensure a fair and complete account of the Company, thus protecting the shareholders' interests.

Environmental, Social and Governance Report

Striving to reduce the risk of corruption, the Company provided the employees with one training session with an average of 3 hours of training per employee on anti-corruption. 100% of the employee received the training, including the Company's senior management, middle-level management, supervisors and general employees. The Company provides a series of internal training programs on anti-money laundering and counter-terrorist financing policies. The Company has actively strengthened the culture of integrity and consistently incorporated anti-corruption in its governance at all business levels.

During the Reporting Period, no legal case regarding corrupt practices and material non-compliance with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) was brought against the Company or its employees.

Community Investment

The Company believes that running a successful business is about achieving economic viability and fulfilling social responsibility. The Company, therefore, encourages employees to participate in volunteer work, nurturing a culture of care and mutual support. The Company will continue to regularly review and supervise its objectives for community investment, sponsorship and donation activities and the relevant approval policies.

The Company believes that the current environmental protection and social responsibility measures in place are adequate to comply with relevant laws and regulations. However, the Company will continue to review its measures from time to time according to the latest requirements, striving to enhance environmental protection and social responsibility measures.

Environmental, Social and Governance Report

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs	Disclosure Requirements	Sections
1	<p>Governance Structure disclosure of the board's oversight of ESG issues;</p> <p>board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues)(including risks to the issuer's businesses;</p> <p>how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	<p>ESG Governance</p> <p>ESG Governance</p> <p>ESG Governance</p>
	Reporting Principles	About This Report
	Reporting Boundary	About This Report
	Environmental	
	Aspect A1: Emissions	
A1	<p>General Disclosure Policies</p> <p>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.</p>	<p>Emissions</p> <p>Emissions</p>
A1.1	The types of emissions and respective emissions data.	Emissions
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions

Environmental, Social and Governance Report

KPIs	Disclosure Requirements	Sections	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	
A1.5	Description of emission target(s) set and steps taken to achieve them.	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.	Waste Management	
A2	Use of Resource		
A2	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Material	

Environmental, Social and Governance Report

KPIs	Disclosure Requirements	Sections	
A3	The Environment and Natural Resources		
A3	General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Environment and Natural Resource
A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resource
A4	Climate Change		
A4	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1		Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
	Social		
B1	Employment		
B1	General Disclosure	Policies	Employment
		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, antidiscrimination, and other benefits and welfare.	Employment
B1.1		Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
B1.2		Employee turnover rate by gender, age group and geographical region.	Employment

Environmental, Social and Governance Report

KPIs	Disclosure Requirements	Sections
B2	Health and Safety	
B2	General Disclosure	Policies
	compliance with relevant laws and regulations that have a significant impact on the issuer.	Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
B2.2	Lost days due to work injury.	Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3	Development and Training	
B3	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4	Labour standards	
B4	General Disclosure	Policies
	compliance with relevant laws and regulations that have a significant impact on the issuer.	Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Environmental, Social and Governance Report

KPIs	Disclosure Requirements	Sections
B5	Supply chain management	
B5	General Disclosure	Policies on managing environmental and social risks of the supply chain.
B5.1		Number of suppliers by geographical region.
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.
B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.
B6	Product Responsibility	
B6	General Disclosure	Policies
		compliance with relevant laws and regulations that have a significant impact on the issuer.
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.
B6.2		Number of products and service related complaints received and how they are dealt with.
B6.3		Description of practices relating to observing and protecting intellectual property rights.
B6.4		Description of quality assurance process and recall procedures.

Environmental, Social and Governance Report

KPIs	Disclosure Requirements	Sections
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
B7	Anti-corruption	
B7	General Disclosure	
	Policies	Anti-Corruption
	compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-Corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption
B8	Community investment	
B8	General Disclosure	
	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment