



EXPERT

EXPERT SYSTEMS HOLDINGS LIMITED

思博系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8319

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

2021





Environmental, Social and Governance Report 2021

INTRODUCTION

Expert Systems Holdings Limited (the “Company”, together with its subsidiaries, the “Group”, or “we”) is one of the Hong Kong’s leading information technology (“IT”) infrastructure solutions providers. The Group is principally engaged in the provision of IT infrastructure solutions whereby the Group assesses, designs and implements IT infrastructure solutions for the Group’s customers by integrating different hardware and software sourced from third party suppliers to satisfy various IT requirements and needs of the Group’s customers. This Environmental, Social and Governance Report (the “ESG Report”) summarises the Group’s environmental, social, and governance (“ESG”) initiatives, plans, and performances, and demonstrates its commitment to sustainable development.

The Group adheres to the ESG management principles of sustainable development and is committed to effectively and responsibly handling the ESG affairs of the Group. We take this as the core part of our business strategy because we believe this is the key to our continued success in the future.

ESG Governance Structure

To develop systematic management of the ESG issues, the Group has established an ESG Taskforce (the “Taskforce”). The Taskforce comprises core members from different departments of the Group and is responsible to collect relevant information on the ESG aspects for the preparation of the ESG Report. The Taskforce assists in assessing and identifying the Group’s ESG risks, and evaluates the implementation and the effectiveness of the internal control mechanism. The Taskforce also examines and reviews the Group’s performances in different aspects such as environment, labour practices, and product responsibilities from the ESG perspective. The board of directors (the “Board”) sets the general direction of the Group’s ESG strategy and ensures the effectiveness of ESG risk management and internal control mechanism.

ABOUT THIS REPORT

Reporting Scope

This ESG Report generally covers the Group’s business and operational activities in Hong Kong, including a warehouse in Chai Wan and an office in Kwun Tong. The Group will continue to assess the major ESG aspects of different businesses and extend the scope of disclosure when and where applicable.

Reporting Framework

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 20 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on pages 18 to 27 of the Company’s 2021 annual report.

Reporting Period

This ESG Report describes the ESG activities, challenges, and measures being taken during the financial year ended 31 March 2021 (the “Reporting Period” or “2021”).

Environmental, Social and Governance Report 2021

OUR SUSTAINABILITY GOALS

The announcement of the United Nations Sustainable Development Goals (SDGs) in 2015 had inspired us, as a corporate citizen to support the development priorities by integrating related goals into our business strategies. To demonstrate our commitment to the SDGs, we have identified 3 specific SDGs that connect mostly with our business nature and vision. The followings are the three potential areas that we believe we can support and contribute to the SDGs and the realisation of sustainable development.



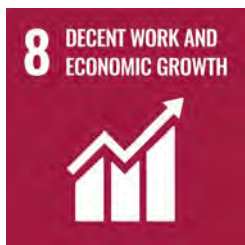
Achieve gender equality and empower all women and girls

Gender disparity is easiest to spot in the IT industry, and this can be traced back to the misbelief that the industry is male-dominant and the perpetuated influence of the stereotype that IT is not for women. Despite the fallacies, the Group continues to uphold gender equality and will not discriminate against candidates and staff by gender. During the Reporting Period, we pride ourselves on a 42% female representation. This is achieved by recognising the importance of creating and maintaining an inclusive working culture in our workplace and implementing female-friendly incentives.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

We strive to contribute ourselves to the overall improvement and enhancement of cyber security by designing cyber security solutions which tailor to the needs and priorities of our corporate and institutional customers. Our Cyber Security Team continuously provide support to safeguarding customers from different cyber security concerns such as hacker attack and data loss in order to protect their IT properties such as network, systems, and cloud services. This does not only contribute to the growth of the overall IT ecosystem, but also improves the economic performance.



Build a safe, healthy, fair and inclusive working environment

We protect labour rights and are committed to the abolition of child labour and elimination of all forms of forced or compulsory labour. We strive to maintain a safe workplace for all employees, promote economic growth and create job opportunities for the younger generations. Related policies such as Employment Policy and Health and Safety Policy have been implemented and are periodically reviewed with reference to industry best practices. With relevant measures and policies, we are not aware of any material non-compliance with related laws and regulations and our employees enjoy work-life balance in a safe, fair and inclusive working environment. Please refer to the section "Employment" and "Health and Safety" for further details.

Environmental, Social and Governance Report 2021

STAKEHOLDER ENGAGEMENT

The Group places great emphasis on stakeholders and their opinions on the business and ESG issues of the Group. To understand and respond to stakeholders' concerns, the Group stays in close communications with key stakeholders including shareholders and investors, customers and business partners, staff, suppliers, regulatory bodies and government authorities, and media, non-governmental organisations and the public. We will continue to increase the involvement of stakeholders via constructive conversation to chart a course for long term prosperity. The Group's communication channels with the key stakeholders and their respective expectations are summarized as follow:

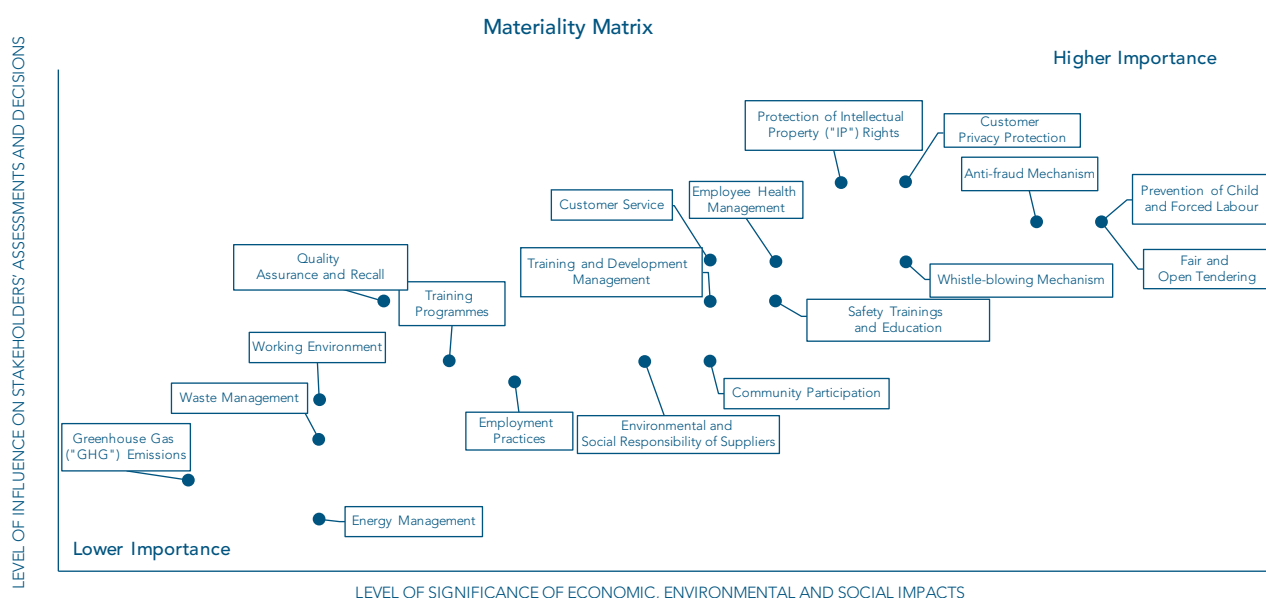
Stakeholders	Communication Channels	Concerns
Shareholders and investors	<ul style="list-style-type: none"> Annual general meeting and other shareholder meetings Financial reports Announcements and circulars Company website and email 	<ul style="list-style-type: none"> Corporate governance system Business strategies and performance Financial results Investment returns
Customers and business partners	<ul style="list-style-type: none"> Customer support hotline and email Sales team Workshops Customer satisfaction survey 	<ul style="list-style-type: none"> Privacy protection Business integrity and ethics Workplace effectiveness and efficiency
Staff	<ul style="list-style-type: none"> Channels for staff to express opinions (e.g. internal meetings and emails) Regular performance reviews Training, seminars and briefing sessions 	<ul style="list-style-type: none"> Career development Health and safety Remuneration and benefits Equal opportunities
Suppliers	<ul style="list-style-type: none"> Procurement team Supplier management meetings and events 	<ul style="list-style-type: none"> Fair tendering Business ethics and reputation
Regulatory bodies and government authorities	<ul style="list-style-type: none"> Compliance officer 	<ul style="list-style-type: none"> Compliance with rules and laws Implementation of policies
Media, Non-governmental organisations and public	<ul style="list-style-type: none"> Community activities ESG reports Media External public relations company 	<ul style="list-style-type: none"> Giving back to society Environmental protection Social welfare Health and safety

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community continuously.

Environmental, Social and Governance Report 2021

MATERIALITY ASSESSMENT

The Group's management and staff in major functions of the Group have participated in the preparation of the ESG Report to assist the Group in reviewing its operation, identifying relevant key ESG issues, and assessing the importance of those relevant issues to our business and stakeholders. We have compiled a survey to collect the information from relevant departments, business units, and stakeholders of the Group to identify material ESG issues. The following matrix is a summary of the Group's material ESG issues.



The most concerned material topics of the Group are prevention of child and forced labour and fair and open trading, followed by anti-fraud mechanism, and customer privacy protection. Other topics such as protection of IP rights, whistle-blowing mechanism, safety training and education, employee health management, customer service as well as community participation are material topics which are considered of relatively high importance amongst others.

We regard the result of the materiality assessment to be an important indicator for our future planning and policy design in the ESG aspects. We aim to enhance the Group's ESG strategies and strive to drive continuous improvement in sustainable development.

During the Reporting Period, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the information disclosed in the ESG Report complies with the requirements of the ESG Reporting Guide.

CONTACT US

We welcome comments and suggestions from our stakeholders. We are pleased to receive your valuable feedback on the ESG Report and/or our sustainability performance. Please feel free to share your feedback by email at enquiry@expertsystems.com.hk.

Environmental, Social and Governance Report 2021

A. ENVIRONMENTAL

A1. Emissions

The Group strives to protect the environment through the implementation of relevant policies and measures in its business activities and workplace. We are prudent in controlling our emissions and consumption of resources, therefore we have implemented energy-saving and waste reduction measures, and other green initiatives across the life cycles of our products and services. We are also committed to educating our employees to raise their awareness of environmental protection and complying with the relevant environmental laws and regulations.

To better govern our environmental practices and mitigate the environmental impacts resulted from the Group's operations, we have adopted the Environmental Policy and have communicated such policy to our employees. The policy upholds the waste management principle of "Reduce, Reuse, Recycle and Replace" as well as the emission mitigation principle, to minimize the adverse environmental impacts. The policy also ensures the waste disposed or emissions generated are conducted in an environmentally responsible manner. Within our policy framework, we continually look for different opportunities to pursue environmentally friendly initiatives, enhance our environmental performance by reducing energy and the use of other resources.

During the Reporting Period, the Group has not identified any material non-compliance with environmental-related laws and regulations, including but not limited to Air Pollution Control Ordinance, Water Pollution Control Ordinance, Waste Disposal Ordinance, Noise Control Ordinance that would have a significant impact on the Group.

Exhaust Gas Emissions

Due to our business nature, the Group does not generate a significant amount of exhaust gas emissions during our operations.

GHG Emissions

The Group has neither owned vehicles nor any stationary sources that require fuel consumption, hence there were no Scope 1 GHG emissions. The major source of the Group's GHG emissions was generated from purchased electricity (Scope 2), and we have adopted the following measures to reduce GHG emissions during operation:

- Actively adopt energy conservation measures and initiatives which are described in the section headed "Energy Management" under aspect A2; and
- Actively adopt paper-saving measures which are described in the section headed "Waste Management" under this aspect.

Environmental, Social and Governance Report 2021

During the Reporting Period, the Group's GHG emissions intensity has decreased by approximately 29% from approximately 0.17 tCO₂e per million HKD revenue to approximately 0.12 tCO₂e per million HKD revenue. The Group's GHG emissions performances were as follows:

Indicator ¹	Unit	2021	2020
Direct GHG emissions (Scope 1)	tCO ₂ e	—	—
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	63.31	77.87
Total GHG emissions (Scope 1 and 2)	tCO ₂ e	63.31	77.87
Intensity			
Per employee ²	tCO ₂ e/employee	0.70	0.86
Per total floor area ³	tCO ₂ e/m ²	0.08	0.10
Per million HKD revenue ⁴	tCO ₂ e/million HKD revenue	0.12	0.17

Notes:

1. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, the 2020 Sustainability Report published by CLP Power Hong Kong Limited and the 2020 Sustainability Report published by HK Electric Company Limited, and "How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX.
2. The Group had 90 employees as at 31 March 2021 (31 March 2020: 91). The data will be used for calculating other intensity data.
3. The Group's total floor area has remained unchanged as 2020 which was 805.47m². The data will also be used for calculating other intensity data.
4. The Group's revenue was approximately HK\$533.9 million for the year ended 31 March 2021 (31 March 2020: HK\$467.3 million). The data will also be used for calculating other intensity data.

Wastewater Discharge

We do not consume a significant volume of water in our daily operation, therefore our business activities did not generate a material portion of discharge into water. The majority of the water supply and discharge facilities are provided and managed by the property management company. The amount of water consumed and corresponding water-saving initiatives will be described in the section headed "Water Management" under aspect A2.

Environmental, Social and Governance Report 2021

Waste Management

Hazardous wastes

Due to the Group's business nature, we did not generate a significant amount of hazardous waste during the Reporting Period. Despite the Group did not generate a significant amount of hazardous wastes, the Group has established guidelines in governing the management and disposal of hazardous wastes. In case there is any hazardous wastes produced, the Group must engage a qualified chemical waste collector to handle such waste, and comply with relevant environmental rules and regulations.

Non-hazardous wastes

The Group adopts the principle of "Reduce, Reuse, Recycle and Replace" for waste management and strives to promote better utilisation of resources. To minimize the environmental impacts of non-hazardous wastes generated from our business operation, the Group has implemented the Environmental Policy and adopted various wastes reduction measures and initiatives. With such waste management approaches, the Group hopes to embed an environmental-friendly mindset among our employees. Employees and designated administrative staffs are required to adopt the following initiatives and assume the responsibility for the overall waste management in our office and warehouse:

- Utilize electronic communication means where applicable such as e-leave system, e-cards for festival greetings, medical e-claims, and e-brochures;
- Reduce printing and paper wastage by minimizing font sizes and deleting unnecessary blank space in documents;
- Promote the collection and use of recycled paper;
- Reduce the use of single-use disposable items;
- Place recycling bins in office areas to encourage recycling;
- Use high-performance multifunction printers which incorporate the functions of printing, scanning, copying, and share the printers among different departments to reduce energy consumption;
- Redeploy office furniture, computers, and notebooks where possible;
- Sort recycled waste into appropriate receptacles and educate employees on sorting methods if needed;
- Place appropriate signages on walls and bins, stating what type of waste or recyclable should be placed in the bins; and
- Stop providing hard copy of meeting papers materials for all meetings unless upon request.

Environmental, Social and Governance Report 2021



In addition to the above measures, the Group also promotes waste reduction knowledge to employees through bulletin boards, company newsletters, and office memos to raise employees' waste reduction awareness.

Through the implementation of the above measures, the Group's total non-hazardous waste intensity has decreased by approximately 6% from approximately 0.65 kg per million HKD revenue in 2020 to approximately 0.61 kg per million HKD revenue in 2021. The Group's non-hazardous waste disposal performances were as follows:

Types of non-hazardous waste	Unit	2021	2020
Office paper	kg	311.85	287.20
Toner cartridge ⁵	kg	12.85	16.94
Total non-hazardous waste	kg	324.70	304.14
Intensity			
Per employee	kg/employee	3.61	3.34
Per million HKD revenue	kg/million HKD revenue	0.61	0.65

Note:

5. During the Reporting Period, the Group has disposed 22 pieces of toner cartridges (2020: 29 pieces).

Environmental, Social and Governance Report 2021

A2. Use of Resources

The Group upholds and promotes the principle of effective use of resources, and is committed to optimizing the use of resources across business operations. We promote green office and operation environment and continue with initiatives to introduce resource efficiency and eco-friendly measures to the Group's operations.

The Group has established and implemented the Environmental Policy in governing the efficient use of resources regarding the objective of achieving higher energy efficiency and reducing the unnecessary use of materials.

Energy Management

The Group aims at minimizing environmental impacts in our operations by identifying and adopting appropriate energy-saving measures. We have developed related energy measures and initiatives on the efficient use of energy, and such measures and initiatives have been formally documented in the Environmental Policy. All employees are required to adopt such measures and practices and assume responsibility for the Group's overall energy efficiency.

The Group has established an energy management system and regularly review our energy consumption objectives and targets to continuously enhance the Group's energy consumption performance. Unexpected high consumption of energy will be investigated for its root cause with corresponding preventive measures being taken when deemed necessary. Moreover, the Group is also responsible for raising environmental awareness among our key stakeholders and suppliers. In the long run, the Group aims to enhance our energy-saving management by minimizing the usage of lighting, air conditioning, and electronic appliances and track its energy consumption regularly.

The energy consumed by the Group was mainly electricity consumption for operation. We have introduced various measures and initiatives to achieve the goal of electricity saving and efficient consumption. Such measures and initiatives include but are not limited to the following:

- Replace energy-inefficient light bulbs to energy-efficient LED lightings by phases;
- Utilize higher energy-efficiency office equipment in our workplace;
- Encourage staff to utilize teleconferences and video conferences whenever possible;
- Regularly publicize environmental protection messages to our staff via emails;
- Post reminders and posters next to power switches to encourage our staff to take initiatives in energy saving; and
- Encourage staff to participate in campaigns or activities relating to the promotion of a green environment.

Environmental, Social and Governance Report 2021

Through the implementation of the above measures, the Group's total energy consumption intensity has decreased by approximately 8% from approximately 283.92 kWh per million HKD revenue in 2020 to approximately 261.94 kWh per million HKD revenue in 2021. The Group's energy consumption performances were as follows:

Types of Energy	Unit	2021	2020
Direct energy consumption	kWh	—	—
Indirect energy consumption	kWh		
— purchased electricity		139,852.00	132,677.00
Total energy consumption	kWh	139,852.00	132,677.00
Intensity			
Per employee	kWh/employee	1,553.91	1,457.99
Per total floor area	kWh/m ²	173.63	164.72
Per million HKD revenue	kWh/million HKD revenue	261.94	283.92

Water Consumption

The Group's water consumption was mainly domestic water consumed in office and was only limited to basic cleaning and sanitation. The Group is dedicated to promoting behavioral changes in water consumption at the office and encourage water conservation. We have been strengthening water-saving promotion by posting water-saving slogans in prominent places and guiding employees to consume water reasonably.



The Group's water consumption expense in the Kwun Tong office is included in the property management fee and the Group did not have water consumption records for the premise during the Reporting Period. Therefore, the total water consumption during the Reporting Period only includes the water consumption in Chai Wan warehouse. Moreover, given the geographical location of the Group's operation, the Group does not encounter any significant issues in sourcing water that is fit for purpose.

Environmental, Social and Governance Report 2021

During the Reporting Period, the Group's total water consumption intensity has decreased by approximately 19% from approximately 0.16 m³ per million HKD revenue in 2020 to approximately 0.13 m³ per million HKD revenue in 2021. The Group's water consumption performances were as follows:

Total Water Consumption and Intensity	Unit	2021	2020
Total water consumption	m ³	67.50	74.00
Intensity			
Per employee	m ³ /employee	0.75	0.81
Per total floor area	m ³ /m ²	0.08	0.09
Per million HKD revenue	m ³ /million HKD revenue	0.13	0.16

Use of Packaging Materials

Due to the Group's business nature, the Group does not consume a substantial amount of packaging materials for product packaging.

A3. The Environment and Natural Resources

Although the core business of the Group has remote impacts on the environment and natural resources, the Group endeavours to minimize the negative environmental impact of our business operations as an on-going commitment to good corporate citizenship.

Working Environment

To enhance working efficiency, the Group is committed to providing a pleasant working environment for our employees by maintaining environmental sanitation and keeping the office clean and tidy at all times. Besides, we regularly monitor and measure the indoor air quality of the workplace. Proper lightings and ventilation are installed, and cleaning services for the air-conditioning system at the workplace are arranged regularly to filter pollutants and contaminants. We also conduct pest control on carpets and clean the dust on the ceiling, lightboxes, and fan coils regularly.

Environmental, Social and Governance Report 2021

B. SOCIAL

B1. Employment

Employees are fundamental to the continuous success of the Group. Thus, the Group has adopted a people-oriented management philosophy to attract, develop and retain employees, hence developing mutual trust and building a close relationship with its employees. Meanwhile, the Group respects and protects the rights of employees, safeguards employees' occupational health and safety, ensures sufficient resources for career development, and creates a comfortable and harmonious work environment. The Group has formally documented relevant employment policies covering aspects including recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunity, etc. We review, and if necessary revise this Employment Policy and our employment practices at least annually to ensure continuous improvements in our employment standards.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations, including but not limited to the Employment Ordinance of Hong Kong that would have a significant impact on the Group.

Employment Practices

Recruitment, Promotion, and Dismissal

The Group hires employees through a robust and transparent recruitment process. We have standardized our hiring procedures and adhere to the principles of openness and fairness. Job applicants are assessed based on their morality, knowledge, ability, and experience for the positions and potential to fulfill the Group's current and future needs, regardless of their race, gender, religion, physical disability, marital status, sexual orientation, etc. We aim to continuously attract, employ, and develop right talents with consistent yet flexible employment policies and practices.

The Group offers promotion and development opportunities for outperforming employees to explore their capability, assist them in career development, and contribute to the Group's sustainable growth. The promotion of the Group's employees is subject to regular review, and the Group has established objective performance indicators for annual performance evaluation.

The Group offers two types of promotion paths, which are within the employees' department and across departments. The Group will also encourage employees to transfer to other departments when openings are available and where their qualifications, experience, and skills are more suitable.

The Group strictly prohibits any kind of unfair or unreasonable dismissal. Any termination of the employment contract must be based on reasonable and lawful grounds.

Environmental, Social and Governance Report 2021

Remuneration and Benefits

The Group has established a fair, reasonable, and competitive remuneration system. Employees of the Group are remunerated according to their knowledge, experience, and skills that the job requires, the responsibilities that will be undertaken, and the quality of personal contribution. Remuneration packages include holidays, annual leave, medical scheme, mandatory provident fund ("MPF"), share options and discretionary bonus. Staff remuneration is reviewed annually to ensure it is up-to-date and competitive enough to attract and retain talents. Individual performance, departmental performance, business performance as well as the general increment rate of the market will all be taken into consideration.

Work-life Balance

We recognize the importance of maintaining a healthy and work-life balanced lifestyle of our employees. We support a work-life balance workplace through continuously improving employees' working environment and reviewing their working hours and rest periods. We also actively engage our employees through various networking, employee bonding, outing, volunteering, and charity activities. Due to the uncertainty of the COVID-19 pandemic and social distancing requirements, we did not organize any employee gatherings during the Reporting Period. However, with the care and concern for our employees' personal health, we sent out greeting and caring emails to our employees in every festival and gave every employee an appreciation gift in Mid-Autumn Festival to reward their hard-work and contribution to the Group.



Diversity, Equal opportunity, and Anti-discrimination

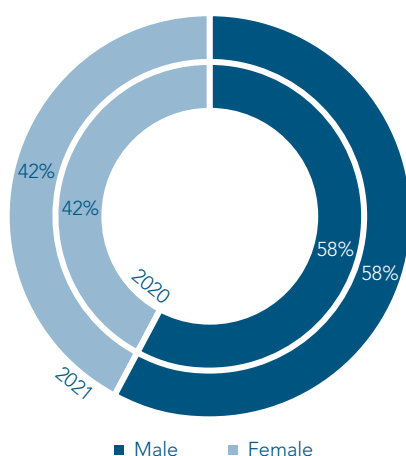
We recognize the value of a diverse and skilled workforce and are committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive. The Group is dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, sexual orientation or any other characteristics protected by law.

Environmental, Social and Governance Report 2021

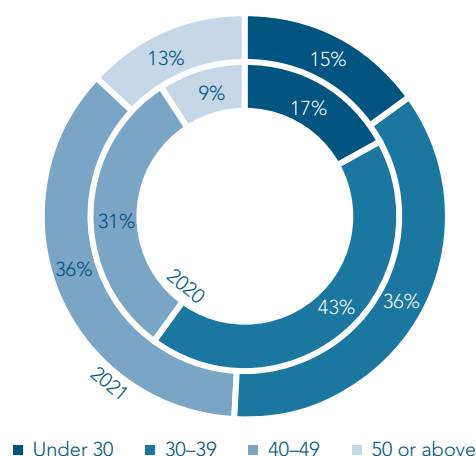
Any employees with questions or concerns about any forms of discrimination and harassment at the workplace are encouraged to bring these issues to the attention of their immediate supervisor or the Human Resources and Administration ("HRA") Department. We strive to ensure that complaints, grievances, and concerns, including whistleblowing, are dealt with in a prompt and confidential manner. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaged in any forms of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

As at the year ended 31 March 2021, the Group had a total of 90 full-time employees and all of them were based in Hong Kong. The employee demographic is shown as follows:

Total Workforce by Gender

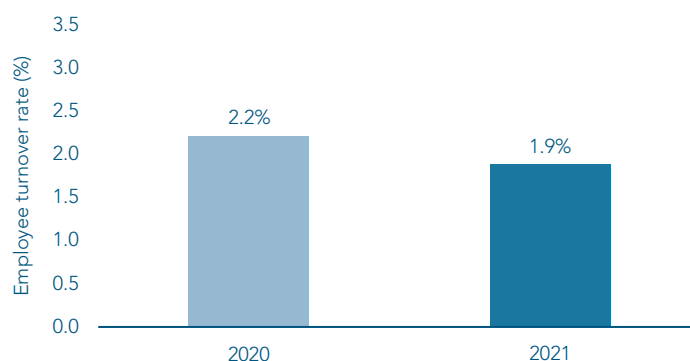


Total Workforce by Age Group



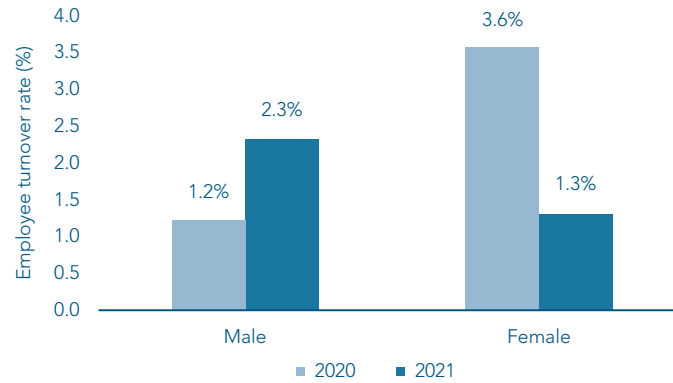
During the Reporting Period, there were 20 employees left the Group and the employee turnover rate⁶ was 1.9%, which shows a decrease when compared with 2020. This reflects the Group's ability in retaining talents.

Employee Turnover Rate

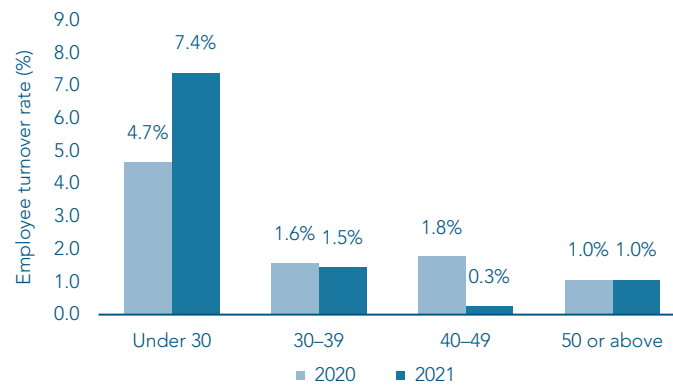


Environmental, Social and Governance Report 2021

Employee Turnover Rate by Gender



Employee Turnover Rate by Age Group



Note:

- The employee turnover rate is calculated by the average of the monthly turnover rates, while the monthly turnover rate is calculated by dividing the total number of staff resigned during the month by the total number of staff as at the end of the month.

Environmental, Social and Governance Report 2021

B2. Health and Safety

The Group highly values employees' health and safety and is committed to providing employees a healthy, safe, and comfortable working environment. To maintain a safe working environment, the Group has established the Health and Safety Policy ("HS Policy") on the prevention and remediation of safety accidents, and detection on potential safety hazards in the workplace. We review, and if necessary revise, the HS Policy and our health and safety practices at least annually to ensure continuous improvements of our health and safety standards.

We follow the occupational health and safety guidelines recommended by the Labour Department and Occupational Safety and Health Council and regularly encourages employees to attend related workshops or training courses. The HRA Department also takes responsibility for offices' occupational health and safety and relevant promotions and monitoring.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations, including but not limited to the Occupational Safety and Health Ordinance and Employee Compensation Ordinance of Hong Kong that would have a significant impact on the Group. There were also no accidents that resulted in death or serious physical injury, and no claims or compensation was paid to our employees due to such accidents.

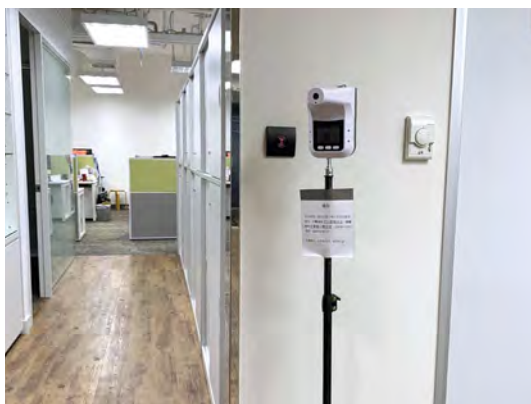
Employee Health Management

The HRA Department is responsible for monitoring and reviewing the safety and security management of the Group. It is also responsible for performing regular checks in both office and warehouse to ensure furniture, fixtures, fittings, and fire safety equipment are well-maintained. Moreover, first aid boxes are available at easily accessible locations in both office and warehouse. The HRA Department is responsible to ensure the supplies inside the first aid boxes are not expired and sufficient in amount.

The Group offers comprehensive health care coverage for our employees. Besides, the Group has continued to organize work-life balancing activities for employees, implemented green projects at our premises, and carried out various activities to promote healthy living practices. We also communicate different health and safety information to our employees regularly to raise their awareness of occupational health and safety issues.

In response to the outbreak of the COVID-19 pandemic, the Group has actively taken actions to strengthen the health and safety precautionary measures at our workplace to ensure the health of our employees. Apart from increasing the frequency of office cleaning and sterilization, employees were also required to wear surgical face masks in office areas and check their body temperature before work every day. During the severe times of the pandemic, employees were allowed to work from home or work on shift with the permission from their corresponding department heads. As the pandemic situation stabilizes, employees were arranged into two groups with different working hours and lunch hours to avoid infections during peak hours. The Group has strictly followed guidelines and announcements made by the Center for Health Protection in regards to epidemic prevention, and we strive to provide a healthy and safe working environment for employees.

Environmental, Social and Governance Report 2021



Safety Training and Education

The Group offers various training courses and seminars relating to occupational safety, environmental control, as well as crises and emergencies for employees, and employees are obliged to attend such training organized by the Group. We have also established emergency and evacuation procedures to proactively respond to any major safety accidents in a timely and orderly manner. Moreover, fire exit route floor plans and exit signs were placed in prominent areas to ensure employees are well-aware of emergency routes in cases of emergencies.

In order to foster employees' sense of responsibility and participation in maintaining a safe working environment, employees are encouraged to provide feedback on improving workplace safety and to report any potential hazards that may lead to injury or danger.

B3. Development and Training

The Group recognizes the valuable contribution of our talents to the continuing success of the Group. We are committed to investing in our human capital in order to deliver excellent services and create an intellectual-stimulating environment within which employees do not only develop basic skills and knowledge but also optimize their potential. This is achieved through developing training strategies that focus on creating values and serving the needs of our customers, our talents, and society.

Training and Development Management

The Group has established the Training and People Development Policy to govern the management of training strategies and procedures. All supervisors are responsible for working with their subordinates to identify and implement development plans and needs to enhance employees' performance and effectiveness while aligning the needs of the Group. For the development of IT staff, the Group encourages department heads to work closely in assessing areas of training and development for their subordinates to improve their capabilities and ability in career advancement. Training sponsorships are also available to employees who have met certain conditions set by the Group.

We review, and if necessary revise the Training and People Development Policy and our training and staff development activities at least annually to continuously improve relevant provisions.

Environmental, Social and Governance Report 2021

Training Programmes

The Group believes that successful training and staff development lead to the overall enhancement of organization efficiency in delivering its vision. We are committed to providing relevant training opportunities and ensuring the availability of appropriate resources with the following focuses:

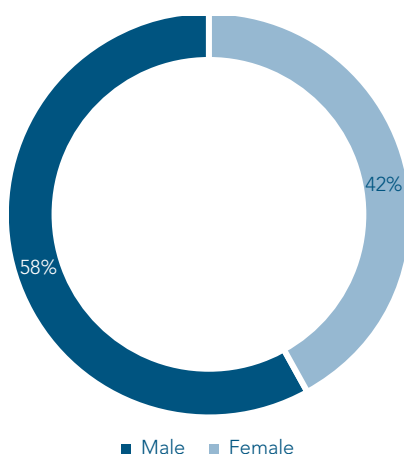
- **Customer Centric:** Equipping our talents with the necessary skills and knowledge to discharge their duties effectively and efficiently so as to serve our customers;
- **Talent Centric:** Assisting and encouraging employees to identify, review and formulate their development plans through annual objective setting and performance review process, to strengthen their capabilities in areas including self-motivation, self-confidence, leadership, and teamwork;
- **Team Work and Collaboration:** Fostering team and collaborative learning, such as buddy system, internal sharing, cross-department learning; and
- **Social Responsibility:** Ensuring our talents uphold the interest of key stakeholders as part of their daily routine, such as safeguarding customer privacy, protecting the environment, and contributing to society.

With respect to the above focuses, the Group provides regular training and development programs to improve employees' level of skills and knowledge while maximizing their potentials. Our training programs include product knowledge training for the sales team, marketing training, and new IT solutions training for technical teams, etc. Training contents are regularly updated to ensure that the up-to-date materials can enhance the skills, knowledge, and competency of employees.

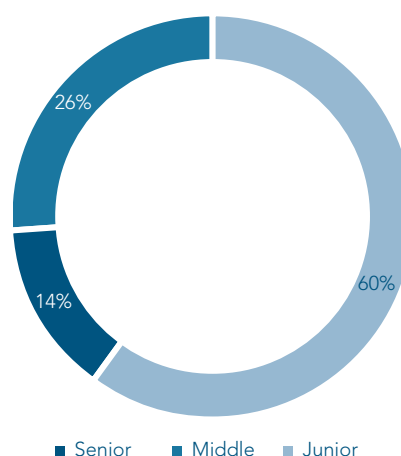
During the Reporting Period, the Group has provided a total of 1,650.5 training hours (2020: 981.5 hours) to employees, while the average training hours of each employee was approximately 18.3 hours (2020: 10.8 hours). Since the Group launches many new products during the Reporting Period, the significant increase in training hours is due to the increased internal training for employees regarding the new products.

The following charts show the breakdown of employees trained by gender and employee category among all trained employees.

Employees Trained by Gender

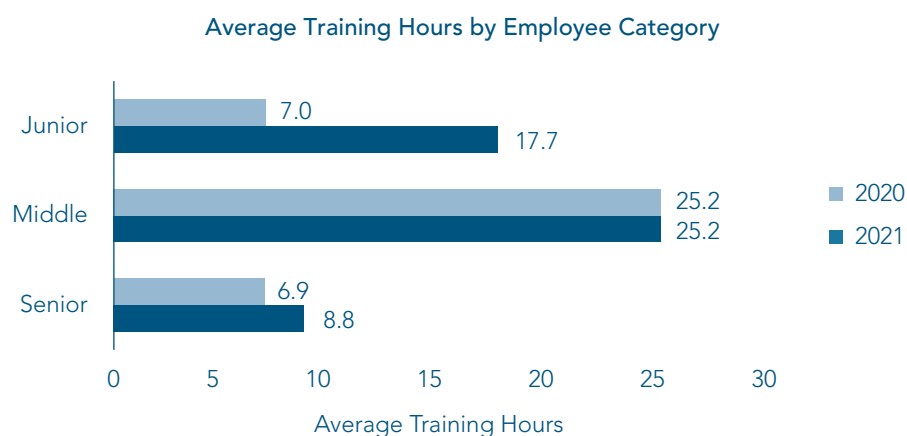
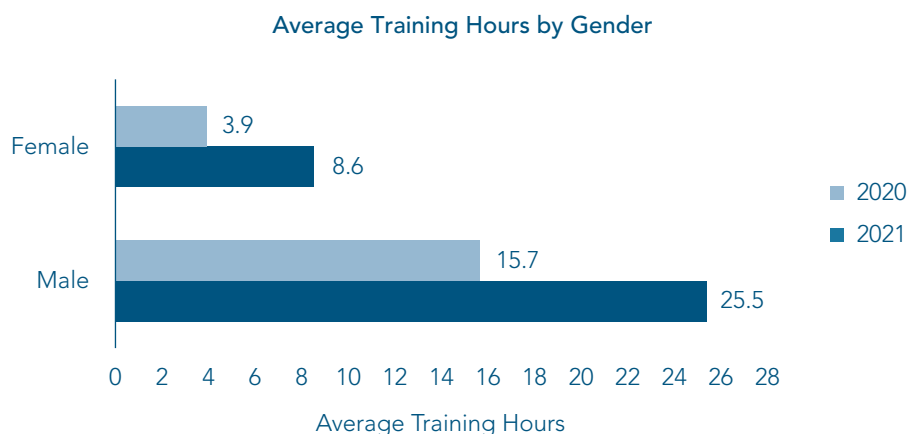


Employees Trained by Employee Category



Environmental, Social and Governance Report 2021

The following charts show the breakdown of average training hours by gender and employee category.



B4. Labour Standards

Prevention of Child Labour and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and prohibits any child and forced labour employment. The HRA Department is responsible to monitor and ensure compliance of the latest and relevant laws and regulations that prohibit child labour and forced labour.

To combat illegal employment of child labour, underage workers, and forced labour, personal data are collected during the recruitment process to assist the selection of suitable candidates. The HRA Department also ensures identity documents are carefully checked. If violations are involved, they will be dealt with in the light of the circumstances as clearly stated in the Group's Employee Handbook.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, including but not limited to the Employment Ordinance of Hong Kong that would have a significant impact on the Group.

Environmental, Social and Governance Report 2021

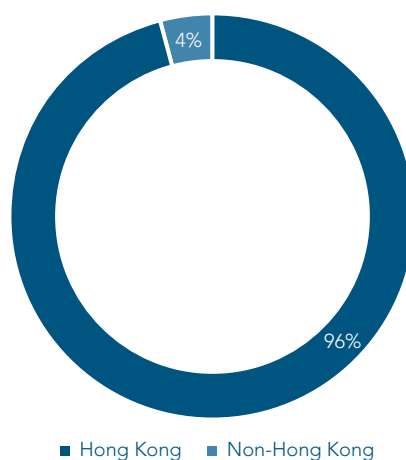
B5. Supply Chain Management

The IT infrastructure solutions we provide to our customers include the procurement of hardware and software from our third-party suppliers or subcontractors. Our suppliers and subcontractors are prominent international and local hardware and/or software manufacturers and distributors, and we normally procure our products from the manufacturer suppliers directly or through their authorized distributors.

The Group has formulated the Purchase and Payment Policy to regulate procurement practices, and the policy is subjected to review annually. We have also established a stringent and standardized procurement system that all suppliers are evaluated carefully and subjected to regular monitoring and assessments. The Group has maintained the Approved List of Suppliers/Subcontractors. Suppliers or subcontractors are subjected to annual performance evaluations and may be suspended or removed from the approved list if they fail to fulfill our standards. The termination of a supplier or subconsultant relationship may also be incurred by any substantial violation of related laws and regulations.

The Group had a total of 189 suppliers during the Reporting Period and the local procurement rate was 96%. The regional distributions of the Group's suppliers during the Reporting Period is as follows:

Regional Distribution of the Group's Suppliers



Environmental and Social Responsibility of Suppliers

In view of the increasing environmental concerns in society, the Group is aware of the importance of managing environmental and social risks of its supply chain. We actively share green practices with our suppliers and propagate the importance of sustainable operations with them. During the supplier selection process, suppliers' environmental and social performances are considered as a selection criterion for establishing a long-term relationship. We aim to maintain a good relationship with suppliers which have remarkable records in environmental and social performance. Suppliers should not violate relevant environmental and labour laws, and substantial violations may incur the termination of the supplier relationship. The Group will continue to monitor its supply chain in regards to the environmental and social standards.

Environmental, Social and Governance Report 2021

Fair and Open Procurement

We have also formulated rules to ensure suppliers can participate our procurement in an open and fair manner. The Group does not differentiate or discriminate against any suppliers; and we do not allow any forms of corruption or bribery. Employees or other individuals having any interest in the supplier will not be allowed to participate in the relevant procurement activity. The Group only selects suppliers with a good track record in the past and no serious violations of business ethics.

B6. Product Responsibility

The satisfaction of our customers serves as the cornerstone of the Group's sustainable development. We are convinced that the satisfaction of our customers means the success of the Group and has been emphasizing the customer-centric business philosophy in our operation at all levels. Therefore, we strive to optimize and improve the quality of products and services according to the requests of customers.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations concerning advertising, labelling, and privacy matters relating to products and services provided and methods of redress, including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong that has a significant impact on the Group.

Our services and products has won unanimous recognition and support from customers and suppliers. During the Reporting Period, we have received the following awards:

- APC 2019 Best Performance Award
- Lenovo FY19/20 Top Visionary Partner
- Veeam Best Growth of The Year 2020
- HPE Top Performing Partner on Computer & Storage FY20
- VMware Partner of the Year FY21
- VMware Principal Partner — Data Center Virtualization 2021

Quality Assurance and Recall

We recognize the importance of achieving and maintaining high product quality standards for the sustainable growth of the Group. To maintain high product quality, we attach great emphasis on quality management and have formulated the Quality Assurance and Recall Procedures to manage any potential recall procedures and define the roles of related personnel and departments during the recall procedure.

When a product quality issue is raised by any third-party, the management team will immediately assess the risk on the product quality issue to make decisions for the next step. Once a product recall action is initiated, announcements will be made to all related departments, and affected customers will be informed about the product recall program by the sales operation manager and sales administrators. The Logistic Department is responsible to consolidate all recalled products and return such products to vendors or dispose properly.

During the Reporting Period, there were no product recalls for safety and health reasons.

Environmental, Social and Governance Report 2021

Protection of IP Rights

The Group registered a trademark in Hong Kong and Macau respectively. For any infringement of its IP, the Group will urge infringers to cease such infringement. The HRA Department of the Group will take further action if the infringement continues.

To protect third party IP rights and comply with relevant licensing terms when the software is used, employees are prohibited from duplicating, installing, or using the software in violation of its copyright or license terms as part of the Group's information security policy which is documented in the Employee Handbook. Prior authorisation is required to install any free software and installation of software is constantly monitored. Employees in violation of the policy will be subject to disciplinary actions. The Group will also notify the manufacturers if any illegal or unauthorized use of their hardware and/or software is noticed.

Customer Privacy Protection

The Group respects the values and rights of customers' information assets, and protecting and maintaining customer's privacy always remains the priority of the Group. The Group adheres to the Personal Data (Privacy) Ordinance of Hong Kong and expressly reiterates confidentiality obligations in its Customer Database and Privacy Handling Policy.

Any sensitive information such as customer databases and personal information requires strict control and limited access. Electronic sensitive information is secured with passwords and stored in separate and restricted drives. Only authorized employees are granted to access particular drives according to their needs and rights. We also store print sensitive information securely and the access to such information is restricted to authorized employees. We require employees to properly dispose, delete or destroy all electronic sensitive information after use, and destroy printed sensitive information under secure conditions. We have also developed a data backup system through which our back-up data is stored in different locations to reduce the risk of data loss. Besides, firewalls, anti-virus, and anti-spam solutions are installed for our IT systems to prevent leakage of confidential information, and such systems will be upgraded regularly.

Customer Service

Maintaining good communication with our customers has been the Group's underlying principle for effective customer management. The Sales Operations Department is responsible to review customers' feedback and complaints and to provide action plans to address the problems by coordinating with relevant teams and departments. The feedbacks or complaints will also be reported to management if necessary.

During the Reporting Period, no major products and services related to complaints were received.

Advertising and Labelling

As the Group's operation process does not involve advertising and labelling practices, information relating to advertising and labelling is considered as non-material to the Group.

Environmental, Social and Governance Report 2021

B7. Anti-corruption

The Group values and upholds integrity, honesty, and fairness, and we strive to achieve high standards of ethics in our business operations. To maintain a fair, ethical, and efficient business and working environment, the Group strictly adheres to the laws and regulations relating to anti-corruption and bribery as set out by the government of Hong Kong.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations relating to bribery, extortion, fraud, and money laundering, including but not limited to the Prevention of Bribery Ordinance of Hong Kong that has a significant impact on the Group. The Group also did not have any concluded legal cases regarding corrupt practices brought against the Group or our employees.

Anti-fraud Mechanism

We have established an Anti-fraud Policy which set out methods in identifying and handling fraudulent behaviours including misstatement on one's expenses, kickback, offering and accepting bribery, embezzlement of the Group's assets in one's position, fraudulent financial statements, etc.

To reduce fraud risks, a formal fraud risk evaluation will be organized by the Board annually. The HRA Department will arrange training on professional ethics and fraudulent behaviours. All managers are also required to evaluate fraud risks within their scope of duty constantly and ensure adequate controls are in place. Material fraud risks must be reported to the Board.

The Group also requires all employees to decline any offer of advantage if acceptance of it could affect their objectivity in conducting the Group's business. Employees will be subjected to disciplinary actions if they found to have violated the Anti-fraud Policy after investigation. Disciplinary actions include verbal or written warnings, demotion, and dismissal, and the case may be reported to law enforcement authorities for possible prosecution, depending on the situation.

Whistle-blowing Mechanism

To further maintain and achieve the highest degree of openness, probity, and accountability, the Group has also formulated a Whistle-blowing Policy. This policy allows all employees of the Group as well as independent third parties (e.g. customers, suppliers, sub-contractors, creditors, and debtors) who deal with any employees to report any possible improprieties, misconducts, malpractices, or irregularities in matters of financial reporting, internal control or other matters to the Board or the Audit Committee anonymously. Reports and complaints received will be handled in a prompt, fair, and confidential manner. The policy also aims at protecting whistle-blowers from unfair dismissal, victimisation, and unwarranted disciplinary actions. Any person who is found to have victimized or retaliated against those who have raised concerns under this policy will be subjected to disciplinary sanctions.

We have appointed an independent internal control consultant to undertake a review of the adequacy and effectiveness of our internal control systems during the Reporting Period. The Board and the Audit Committee will supervise and review the implementation and effectiveness of the internal control systems regularly.

Environmental, Social and Governance Report 2021

B8. Community Investment

The Group is committed to emboldening and supporting the public by various means of social participation and contribution as part of our strategic development. We strive to nurture the corporate culture and practices of a corporate citizen in our daily work life. To fulfill our corporate social responsibility, the Group focuses on inspiring our employees' sense of social responsibility by encouraging them to participate in charitable and community activities. We believe participating in activities that repay society can increase our employees' civic awareness while establishing correct values.

The Dress Casual Day

During the Reporting Period, the Group had participated in the fund-raising event "Dress Casual Day 2020" organized by The Community Chest. The Dress Casual Day was successfully held on 29 October 2020, and our employees were enthusiastic about joining the fund-raising event. The Group had also raised donations to the Community Chest, for which it will be donated to over 165 member social welfare agencies that serve a variety of disadvantaged groups and reach out to more than 2.5 million beneficiaries in Hong Kong.



Environmental, Social and Governance Report 2021

Red Packet Recycling Program

To support waste reduction and to cultivate the employees' green habits, the Group launched the red packet recycling campaign in February 2021. The used and undamaged red packets were collected and donated to environmental organizations for recycling. The recycled red packets were then transformed into new red packets for citizens to use. Through this campaign, our employees better understand how their actions can contribute to a greener community and society.



Environmental, Social and Governance Report 2021

Content Index of the ESG Reporting Guide of The Stock Exchange of Hong Kong Limited

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Statement
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1 ("Comply or explain")	The types of emissions and respective emissions data.	Emissions — Exhaust Gas Emissions (not applicable — explained)
KPI A1.2 ("Comply or explain")	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Emissions — GHG Emissions
KPI A1.3 ("Comply or explain")	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste Management (not applicable — explained)
KPI A1.4 ("Comply or explain")	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste Management
KPI A1.5 ("Comply or explain")	Description of measures to mitigate emissions and results achieved.	Emissions — GHG Emissions
KPI A1.6 ("Comply or explain")	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions — Waste Management

Environmental, Social and Governance Report 2021

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Statement
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1 ("Comply or explain")	Direct and/or indirect consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity.	Use of Resources — Energy Management
KPI A2.2 ("Comply or explain")	Water consumption in total and intensity.	Use of Resources — Water Consumption
KPI A2.3 ("Comply or explain")	Description of energy use efficiency initiatives and results achieved.	Use of Resources — Energy Management
KPI A2.4 ("Comply or explain")	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources — Water Consumption
KPI A2.5 ("Comply or explain")	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources — Packaging Materials (not applicable — explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1 ("Comply or explain")	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources —Working Environment

Environmental, Social and Governance Report 2021

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

Environmental, Social and Governance Report 2021

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Statement
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1 ("Recommended Disclosure")	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2 ("Recommended Disclosure")	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1 ("Recommended Disclosure")	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2 ("Recommended Disclosure")	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Environmental, Social and Governance Report 2021

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Statement
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1 ("Recommended Disclosure")	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2 ("Recommended Disclosure")	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1 ("Recommended Disclosure")	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2 ("Recommended Disclosure")	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3 ("Recommended Disclosure")	Description of practices relating to observing and protecting IP rights.	Product Responsibility
KPI B6.4 ("Recommended Disclosure")	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5 ("Recommended Disclosure")	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility

Environmental, Social and Governance Report 2021

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