

**25<sup>TH</sup> ANNIVERSARY**



**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT  
2018**

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## ABOUT THE REPORT

Digital Domain Holdings Limited (the “**Company**”) is pleased to present its Environmental, Social and Governance Report for the year ended 31 December 2018 (the “**ESG Report**”). The report concerns environmental and social impacts, policies and initiatives of the Company and its major subsidiaries (collectively the “**Group**” or “**we**”) to demonstrate our long-term commitment to ensure that our activities, at all levels, are economically, socially and environmentally sustainable. Additional information in relation to the Group’s corporate governance and financial performance can be referred to the Company’s 2018 Annual Report.

This ESG Report is prepared according to the “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) as set out under Main Rule 13.91 and Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The scope of the ESG Report covers the environmental and social performances of the principal operating activities of the Group in Beijing, Shanghai, Shenzhen, Taipei, Hong Kong and Hyderabad, which generally include visual effects production, post-production work on advertisements, feature films and virtual human business, spanning over the period from 1 January 2018 to 31 December 2018 (the “**Reporting Period**”).

With reference to the ESG Reporting Guide and the Group’s business operation, the presentation of our ESG Report divides the relevant aspects and key performance indicators (“**KPI**”), which are considered to be relevant and material to the Group, into four subject areas: Environmental Protection, Employment and Labour Practices, Operating Practices and Community Investment.

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

The Group is determined to be a responsible enterprise and is committed to perfecting its business and improving the local community. In order to determine what issues are relevant and material to our business with respect to sustainability, the Group is aware that the key is to understand what issues that our stakeholders concerned most.

We define our stakeholders as people who affect our business or who are affected by our business. In our daily business, we actively exchange information with our stakeholders through our transparent platform while we are devoted to continuous improvement of our communication system. We are also committed to maintaining a long-term partnership with our stakeholders and are actively engaged in addressing their concerns with timely follow-up actions.

We welcome comments and suggestions from our stakeholders. You may provide your comments on the ESG Report or towards our performance in respect of sustainability via email to enquiry@ddhl.com.

## OUR KEY ACHIEVEMENT IN CORPORATE SOCIAL RESPONSIBILITY

The Group has been spending remarkable efforts on various aspects of the Corporate Social Responsibility (CSR), including carbon footprint reduction, community investment, environmental compliance, health and safe work environment for employees.

### Environment



9.8%

Greenhouse gas reduction

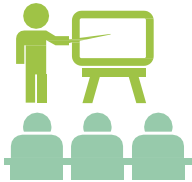
1,496,930 kWh

of electricity consumed

Zero

Environmental non-compliance

### Health and Safety



Zero

Fatalities

### Community



HK\$309,380

Community Investment

## ENVIRONMENTAL PROTECTION

### 3.1 CORPORATE ENVIRONMENTAL POLICY AND COMPLIANCE

As a pioneer in multiple fields, including visual effects, livestreaming landmark events in 360° virtual reality, building situational awareness applications, creating “virtual humans” for use in films and live events, and developing interactive content, the Group perceives that our precious planet is the most valuable asset for us. The Group endeavours to protect this planet and to build a sustainable future for our generations and their generations. The Group is committed to upholding high environmental standards to fulfil relevant requirements throughout our operation, and will continue to devote human and financial resources for environmental conservation, reduction of carbon footprint and environmental compliance as required under applicable laws and regulations.



The Group is committed to actively minimizing the impact on our environment and implementing different measures to optimize the workplace, continuing to address the environmental issues in relation to global warming, pollution, and biodiversity of the environment.

With the goal to reduce energy consumption and carbon emissions, the Group has added environmentally friendly elements in our daily service and operation activities. We formulated relevant rules for a sound and effective management relating to energy consumption, greenhouse gas (“GHG”) emission, as well as discharge of domestic waste and sewage and other pollutants. We strictly comply with the environmental protection laws and regulation promulgated by the local government.

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

### 3.2. EXHAUST GAS AND GHG EMISSIONS

Greenhouse gas typically includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Energy consumption is composed of direct energy consumption, including diesel and petrol used by vehicles and generators, and indirect energy consumption such as electricity. Our Group's business, by nature, does not generate a significant amount of exhaust gas and greenhouse gas directly throughout its operation.

We are committed to finding new ways to reduce energy consumption while improving the capacity and performance of our equipment and infrastructure to offer the best products and solutions to our customers. To lower our energy consumptions and reduce our GHG emissions to the environment, the Group actively adopts electricity conservation and energy saving measures as well as other measures, including:

- maintaining indoor temperature at an optimal level for comfort;
- providing on-off and zoning control of lighting and ventilation system in the workplace according to the operation schedule;
- non-essential lights were switched off during late hours;
- ensuring the windows and doors are closed while air-conditioning is on, and turn off the air-conditioning after office hours or after the usage of the meeting room;
- installing energy-efficient lighting and video-conferencing systems;
- encouraging employees to switch off machines and devices, such as computers and monitors when not in use;
- encouraging employees to make the best use of modern telecommunication system to avoid unnecessary travel arrangement; and
- placing "Green Message" reminders on office equipment and workplace to further enhance employees' environmental awareness.

In addition, the Company adopted the e-communication system with its shareholders and non-registered holders in order to and encourages our investors to be in pace with the Company's latest corporate information published on the websites of the Company and the Stock Exchange, additionally reducing paper consumption remarkably.

## ENVIRONMENTAL PROTECTION

### 3.2. EXHAUST GAS AND GHG EMISSIONS (continued)

In accordance with the ESG Reporting Guide set out by the Stock Exchange, our environmental performance of “Emissions” during the Reporting Period is tabulated below.

**Table 1 – Emissions**

	Unit	FY2018	Intensity
<b>GHG Emissions</b>	CO <sub>2</sub> e (kg)	1,358,863	3,702.6
<b>Nitrogen Oxides</b>	g	68,870	187.7
<b>Sulphur Oxides</b>	g	124	0.3
<b>Particulate Matter</b>	g	6,599	18.0

### 3.3. WASTE MANAGEMENT

#### Waste Management Policy

Our principal waste management policy endeavours to achieve a green and paperless operation and a minimal generation of waste during our operation wherever possible and practical. While educating our employees the significance of sustainable development to enhance their skills and knowledge in sustainable development, we constantly encourage all employees to reduce paper usage by duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents. Reusable paper products, such as briefcases, envelopes, etc. are recycled and the use of disposable paper products, such as paper cups and paper towels, are encouraged to minimize to the maximum extent. We maintain 100% recycling of used toner cartridges by collecting and returning all used cartridge to recycling agents. We encourage the use of hand-dryers in washroom to reduce consumption of paper towels.

#### Hazardous and Non-Hazardous Waste

Given our business nature, the Group does not directly produce hazardous waste throughout its business activities. The non-hazardous waste generated by the Group are mainly domestic waste. The Group strives to achieve the target of reducing the amount of waste generated and aims at waste management from the source. During our daily operation, our waste management practice has been compiled with laws and regulations relating to environmental protection.

#### Wastewater Discharge

With respect to wastewater management, the domestic sewage is discharged into the urban sewage pipe network after being purified by the underground sewage treatment facilities.

**Table 2 – Wastewater Management**

	Unit	FY2018
<b>Non-hazardous Waste</b>	kg	83,015

### 3.4. USE OF RESOURCES

The Group considers conservation of natural resources as an indispensable component of our sustainable business. Through actively promoting various environmentally friendly measures, we encourage efficient use of resources, including energy, paper, water and other raw materials. As such, we have initiated policies to raise the awareness of electricity conservation and taken energy saving measures in daily operation as elaborated in the section of “Exhaust Gas and GHG Emissions”.

#### Water Management

With respect to water conservation, we encourage all employees to develop the habit of conserving water consciously. Pantry and washrooms are posted with environmental messages to remind employee the importance and urgency of water conservation.

#### Packaging Material

Given our business nature, the Group does not have manufacturing facilities and does not consume significant amount of packaging materials by our operation. However, we encourage suppliers to be engaged in using fewer packaging materials.

#### Environmental Performance

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

**Table 3 – Energy and Resources Use**

	Unit	FY2018	Intensity
<b>Electricity</b>	kWh	1,496,930	4,078.8
<b>Purchased Gas</b>	Unit	n/a	n/a
<b>Unleaded Petrol</b>	L	8,420	22.9
<b>Diesel</b>	L	n/a	n/a
<b>Paper</b>	kg	1,457	4.0
<b>Water</b>	m <sup>3</sup>	6,501	17.7

The Group is committed to instilling the consciousness of resources conservation and environmental protection into the work and life of every employee. We seek business partners who also share our commitments to preserve the environment and in compliance with the applicable environmental laws. We believe that these initiatives are capable to reflect our commitment to offering our clients the best quality of service with the least adverse impact on our planet.



## ENVIRONMENTAL PROTECTION

### **3.5. THE ENVIRONMENT AND NATURAL RESOURCES**

The Group focuses on the business impact of the Group on the environment and natural resources and takes steps to minimise negative environmental impacts by our operations. In addition to compliance with relevant environmental laws and regulations, the Group has integrated the concept of environmental protection into its internal management and daily operation with an objective of achieving environmental sustainability. In the future, we will continue our commitment in environmental protection and strive to build a greener and healthier environment to fulfil our responsibilities as a member of the community we all live in.

## EMPLOYMENT AND LABOUR PRACTICES

### 4.1. RECRUITMENT AND PROMOTION

The Group fully understands that our business development is largely driven by the continued quality services delivered by our experienced and competent workforce. As such, it is of paramount importance to proactively manage our talent pipeline and career development for employees. The Group is determined to set itself in a good position to maintain a robust business performance and growth together with our employees.

With an objective to uphold an open, fair, just and reasonable human resource policy, the Group has formulated the recruitment policy with respect to equal opportunities, diversity and anti-discrimination. Perceiving that diversity can bring new ideas, dynamics and challenges to our business, we encourage differences and individuality in employees. All forms of discrimination of gender, age, family status, sexual orientation, disability, race and religion are discouraged. We are committed to supporting our employees to maintain a family-friendly work environment because we also respect their roles and responsibilities in their families. We strive to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in employment. We bring in new recruits and equip them with necessary skill sets to develop a long-term rewarding career with us.

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

### 4.2. EMPLOYMENT AND LABOUR

#### Hong Kong Region

In Hong Kong, the Group complies with the Labour Law of Hong Kong and relevant employment laws and regulations during 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) by offering competitive wages, medical insurance, maternity leave and other compensation to our employees.

## EMPLOYMENT AND LABOUR PRACTICES

### 4.2. EMPLOYMENT AND LABOUR (continued)

#### The People’s Republic of China (“PRC”) Region

In the PRC, we participate in welfare schemes concerning Housing Provident Fund and local social insurance which include pension insurance, unemployment insurance, maternity insurance, employment injury insurance and medical insurance in accordance with the local regulations including the Regulations on the Administration of Housing Provident Funds and the Social Insurance Law of the PRC.

#### Taiwan Region

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

#### India Region

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

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in respect of human resources.

In accordance with the ESG Reporting Guide set out by the Stock Exchange, details of the Group’s workforce during the Reporting Period are tabulated as well as presented in charts below.

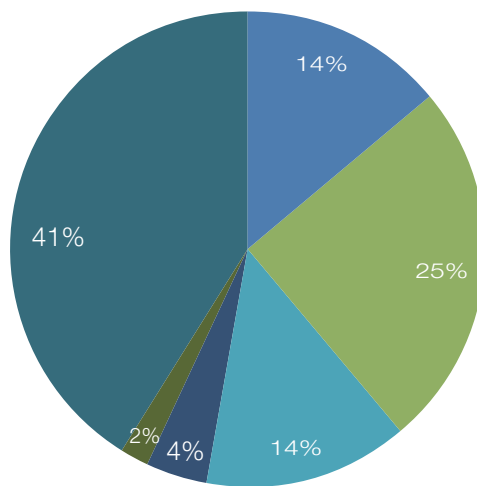
**Table 4 – Workforce**

	<b>FY2018</b>
Total Number of Full-Time Employees	367*
<b>Turnover Rate by Gender</b>	
Male	42%
Female	46%
<b>Turnover Rate by Age</b>	
Under 30 Years Old	29%
Between 30 and 50 Years Old	17%
Over 50 Years Old	0%

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

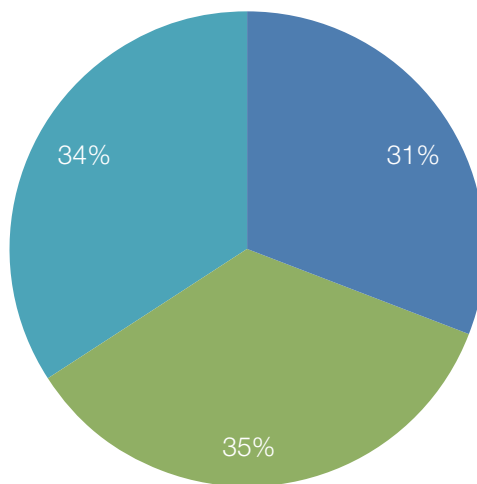
### TOTAL WORKFORCE BY REGION AS OF 31 DECEMBER 2018

■ Hong Kong ■ Beijing ■ Shanghai ■ Taiwan ■ Shenzhen ■ India



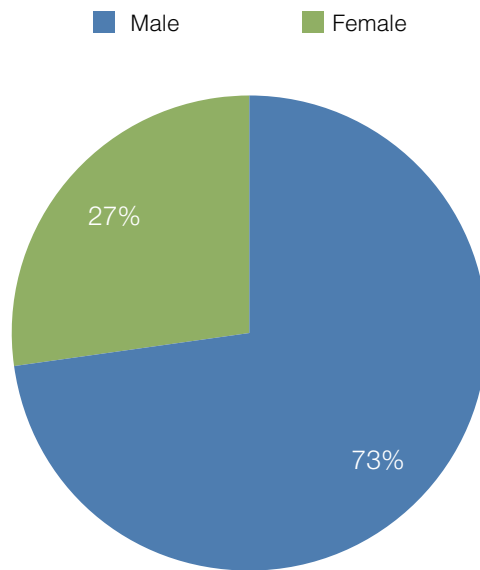
### TOTAL WORKFORCE BY EMPLOYMENT LEVEL AS OF 31 DECEMBER 2018

■ Senior ■ Middle ■ Junior

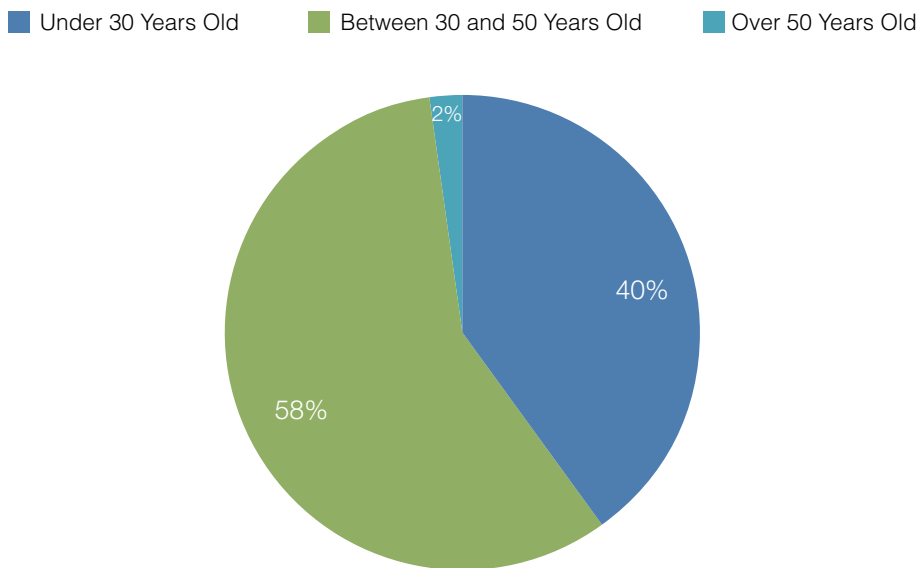


## EMPLOYMENT AND LABOUR PRACTICES

### TOTAL WORKFORCE BY GENDER AS OF 31 DECEMBER 2018



### TOTAL WORKFORCE BY AGE GROUP AS OF 31 DECEMBER 2018



### 4.3. HEALTH AND SAFETY

As employees' health and safety is of paramount importance to the Group, we have accordingly formulated a series of relevant personnel management policy to provide employees with a healthy and safe working atmosphere which protect them from potential occupational hazards, in order to achieve zero tolerance of accidents and injuries.



The Group maintains the risk management system including identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries. We have taken the following measures:

- conducting fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency;
- improving the fire evacuation plans by providing first aid kits and fire extinguishers in workplace in response to emergencies;
- prohibiting smoking and abuse of alcohol and drugs in the workplace;
- providing clean and tidy rest area such as corridors and pantry;
- providing adjustable chairs and monitors for eye protection; and
- providing massive air-duct cleaning exercise around workplaces to improve Indoor Air Quality ("IAQ").

## EMPLOYMENT AND LABOUR PRACTICES

### 4.3. HEALTH AND SAFETY (continued)

During the Reporting Period, the Group complies with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), by ensuring that the employees are working in a safe environment in respect of health, hygiene, ventilation, gas safety, building structure and means of escape. The Group did not record any accidents that resulted in death or serious physical injury. No material non-compliance with laws and regulations relevant to health and safety of employees were identified.

Additionally, the Group provides induction programs and materials to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can. The summary of work-related fatalities and injuries are shown in the table below.

**Table 5 – Health and Safety**

	<b>FY2018</b>
No. of Work-Related Fatalities	nil
Rate of Work-Related Fatalities	nil
No. of Injuries at Work	nil
Lost Days due to Injury at Work	nil

### 4.4. DEVELOPMENT AND TRAINING

The Group envisions that empowering its people through development and training is the cornerstone of our success in the long-run. The Group listens and responds to our people. Our training programmes are designed not only to meet our business vision and to provide skillset required for the operation, but also for the benefit of society as a whole wherever possible.

#### **4.4. DEVELOPMENT AND TRAINING (continued)**

Considering that each of the position is of unique professional and technical needs, the Group ensures that every new joiner receives proper orientation training and mentoring in order to help them adapt to the new working environment affirmatively and quickly. Continuous training is committed by the Group in different ways including comprehensive training for specific skill development, courses for continuous professional development for relevant employees and providing training materials so as to ensure that they possess the appropriate qualities and skill-sets.

Employees at all levels can satisfy their needs of trainings through multiple training courses, including induction training. In addition, during the Reporting Period, the board of directors of the Company were provided with training materials relating to the update of relevant rules and regulations. We also provide the management with a series of courses related to soft skill development. The goal is to strengthen their leadership and management skills, which is expected to drive the team to grow. These training programs not only facilitate the career prospect of individual employee, but also boost the sustainable development of the Group.

Moreover, the Group is strongly convinced that sense of belonging and morale of the employees are always one of the key drivers to the Group's healthy and prosperous growth. The Group delivers festive foods, such as mooncakes, to employees during certain traditional festivals in recognition of their contributions and dedicated work to the Group. Regular and festival gatherings are organised during the Reporting Period to enhance the harmonious spirit of different levels of staff members throughout the Group.

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

#### **4.5. LABOUR STANDARDS**

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

The Group strictly complies with the relevant local laws and regulations, including but not limited to the Labour Law, the Protection of Minors and Provisions on the Prohibition of Using Child Labour of the PRC and the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). During the Reporting Period, no material non-compliance with the laws and regulations related to the prevention of child labour nor forced labour have been identified by the Group.



## OPERATING PRACTICES

The Group is determined to disseminate the pursuit of sustainability into our core business which is commonly regarded as part of the responsibility of an accountable corporate citizen. A series of management systems and procedures have been developed in alignment with the corporate governance required by the Stock Exchange. Furthermore, the Group encourages all business partners to incorporate those sustainability practices and policies into their operation thoroughly in order to work together in our pursuit of sustainable development.

### **5.1. SUPPLY CHAIN MANAGEMENT**

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

We have developed a framework in which the potential contractors or suppliers are required to comply with all the applicable laws and regulations in relation to the environment and other social aspects. Assessments may be conducted by the Group if deemed necessary.

We believe that, through the above review process, we can minimize the potential environmental and social risks associated with the supply chain management.

### **5.2. PRIVACY PROTECTION**

The Group is committed to comply with the privacy laws and regulations. The Group undertakes to strictly comply with the requirements of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), to ensure that all data are securely kept in our internal system with access control and data would be used exclusively for matters relating to the Group's operation only. We strive to ensuring all collected data kept is free of unauthorized or accidental access, processing, erasure or other use.

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

### 5.3. PRODUCT RESPONSIBILITY

To be a successful business, we maintain continuous communication with our customers to ensure that we understand and fulfil their needs and expectations, so that we can improve the quality of our services in the long run.

The Group is committed to the highest standards of product safety and quality of services. With respect to advertising, the Group respects our customers' rights and is committed to providing accurate product and service information for customer in connection with their purchase or consumption decision. The Group carefully reviewed advertising material to protect customers' interest. With respect to labelling, the Group also requires that labelling is accurate, clear, legitimate without misleading messages.

#### PRC Region

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

#### Hong Kong Region

In Hong Kong, the Group complies with relevant laws and regulations, for instances, the Trade Description Ordinance (Chapter 362 of the Laws of Hong Kong). The Group also carries out continuous assessment of the quality of products and services and review of opportunities for improvements and changes.

#### Other Regions

In other regions, the Group complies with relevant laws and regulations wherever appropriate and applicable. We also carry out continuous assessment of the quality of products and services and review of opportunities for improvements and changes.

The Group has set up various complaints and feedback channels, such as telephone hotline, social media channels, emails and website, to collect suggestions and advice from customers. During the Reporting Period, the Group did not identify any material non-compliance of the laws and regulations related to the quality of products and services. There were no cases of product recall nor complaints received against our products due to health and safety issues during the Reporting Period.

## OPERATING PRACTICES

### 5.4. ANTI-CORRUPTION

Insisting on the honesty, integrity and fairness in all aspects of our business, and upholding a high standard of business ethics and prohibition of any forms of bribery and corrupt practices, the Group has developed a series of policies relating to anti-fraud and anti-bribery as part of the exercise of corporate governance.

The Group observed with related laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the “Prevention of Bribery Ordinance” (Chapter 201 of the Laws of Hong Kong), “Criminal Law of the People’s Republic of China”, and the Regulations of the PRC for Suppression of Corruption (《中華人民共和國懲治貪污條例》). During the Reporting Period, the Group complied with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering mentioned above, as well as the corporate policy of anti-corruption, and no cases of anti-corruption have been concluded.

According to the Group’s policy, employees may report any concern in relation to accounting controls and audit matters to the audit committee of the Company which will review each complaint and decide how the investigation should be conducted. During the Reporting Period, the audit committee of the Company identified no complaint from employees.

### 5.5. INTELLECTUAL PROPERTY RIGHTS

The Group is committed to complying with relevant laws of intellectual property right (“**IP rights**”) by valuing and protecting its intellectual properties through patent fees and periodic trademark renewals.

In order to ensure that the customer’s IP rights of products is properly protected during the outsourcing processes to suppliers, a confidentiality agreement regarding IP rights must be signed before engagement. Internally, we enter into standard employment contracts with our employees which contain provisions on intellectual property rights and confidentiality. Relevant employees of the Group have signed a written confirmation to (i) confirm that all intellectual property rights created or made during their employment with the Group shall belong to us; and (ii) agree not to use or disclose the confidential information relating to the product designs without authorisation of the Group.

## **5.6. WHISTLE-BLOWING**

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

The Group is committed to addressing the "whistle-blowers" concerns in a fair and reasonable manner and to handling the reports with due care and conducting a detailed investigation seriously for each reasonably established report. All "whistle-blowers" who report in good faith are reasonably protected from retaliation or adverse consequence of their employment regardless of whether the allegation is substantiated.

## COMMUNITY INVESTMENT

The Group actively strives to making a better society through our active involvement in the community, putting the best effort and resources in helping the local communities and people in needs through multiple channels including community services, social support and sponsorship programs.

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

- invest in community affairs and functions;
- acknowledge the importance of respecting traditional and cultural heritages of communities where we operate;
- be respectful of indigenous people and ethnic minorities in recognition of their values; and
- ensure communication and activities in which we operate without discrimination and involved in our Group sustainable developments.

### COMMUNITY SERVICES

During the Reporting Period, we purchased charity moon cakes from the Lok Sin Tong Benevolent Society, Kowloon, which distributed the proceeds to Lok Sin Tong Meal Delivery Service Centre for providing nutritious meals for an underprivileged family, as part of our effort of community-care.

### SOCIAL SUPPORT AND SPONSORSHIP PROGRAM



In order to further support the development of Visual Effect industry in Hong Kong and the PRC, during the Reporting Period, the Group collaborated with Value Education (Group) Limited to sponsor a group of Hong Kong college students to visit our studio in Beijing during which, Mr Yifu ZHOU, VFX Supervisor, Vice President and Head of Studio, Beijing deconstructed the special effects of various movies for the students and offered his advice to those students who are to pursue a career in the VFX industry.

During the Reporting Period, the Group contributed HK\$309,380 in total as our effort in the community investment. We consider the participation in those events is a good fit to us and will continue our participation in future. Going forward, the Group will continue to foster the culture of active participation in community services, encouraging our staff members to be actively engaged in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect A1: Emissions</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Protection	
KPI A1.1	Types of emissions and respective emissions data	Environmental Protection	
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Environmental Protection	
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	–	The Group has not identified any hazardous waste was produced in our core business
KPI A1.4	Total non-hazardous waste produced and intensity	Environmental Protection	
KPI A1.5	Description of measures to mitigate emissions and results achieved	Environmental Protection	
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved	Environmental Protection	

## HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	Environmental Protection	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Environmental Protection	
KPI A2.2	Water consumption in total and intensity	Environmental Protection	
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Environmental Protection	
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	–	Defined to be irrelevant to the Group's operation
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	–	Use of packaging material is not applicable to the Group's core business
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Environmental Protection	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Environmental Protection	

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



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

Aspects, General Disclosures and KPIs	Description	Relevant Sections in the ESG Report	Remarks
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Operating Practices	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	n/a	Not applicable to the Group's core business
KPI B6.2	Number of products and service related complaints received and how they are dealt with	n/a	No products and service related complaints received during the Reporting Period
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Operating Practices	
KPI B6.4	Description of quality assurance process and recall procedures	Operating Practices	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Operating Practices	

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