



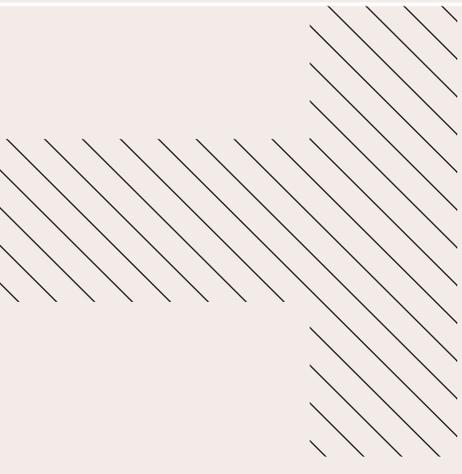
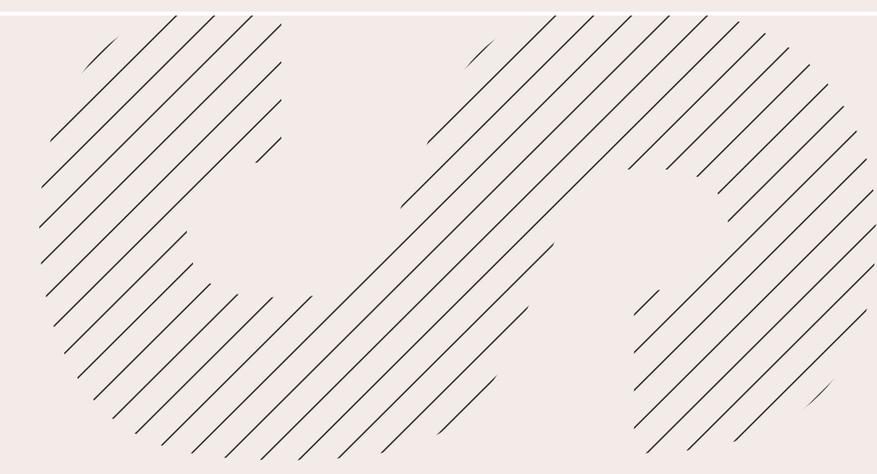
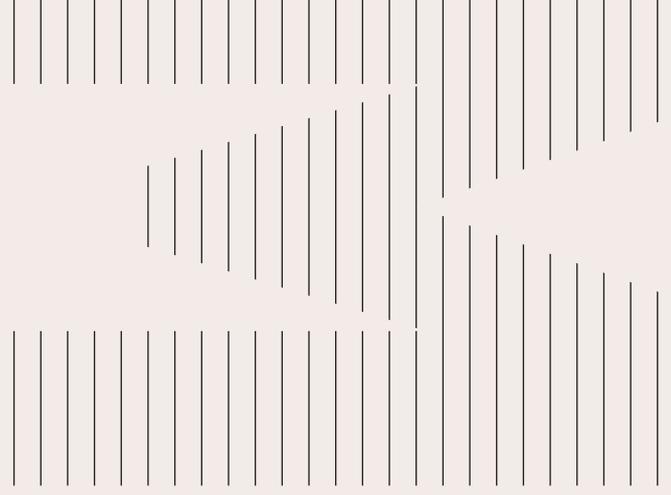
Most Kwai Chung Limited

毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1716



2019

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

Most Kwai Chung Limited (the “Company”, together with its subsidiaries, the “Group” or “we”) is one of the Hong Kong’s leading advertising and media services providers. We operate our businesses through three segments. The Digital Media Services segment is involved in the provision of one-stop advertising solution package under which the deliverables to customers are distributed on digital media platforms managed by the Group, third parties’ television (“TV”) channels, the Internet and physical advertising spaces, subject to the needs of the customers. The Print Media Services segment is involved in the provision of advertorial production and advertisement placement services and sale of publications including books and magazines (publication of the print format of 100 Most Magazine ceased on 12 July 2018). The Other Media Services segment is involved in the provision of other media services which include events organisation and artistes management.

This Environmental, Social and Governance Report (“ESG Report”) summarises the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

The Group believes sustainability is the key to achieve continuing success and has integrated this key concept into its business strategy. In order to pursue a successful and sustainable business model, the Group recognises the importance of integrating ESG aspects into its risk management system and has taken corresponding measures in its daily operations and governance perspective.

The ESG Governance Structure

The Group has established the ESG working taskforce (the “Taskforce”). The Taskforce composed of full-time staff from relevant departments and is responsible for collecting relevant information on our ESG aspects for compiling the ESG Report. The Taskforce periodically reports to the Board of Directors (the “Board”), assists in identifying and assessing the Group’s ESG risks and the effectiveness of the internal control mechanisms. The Taskforce also examines and evaluates the Group’s performances in different aspects, such as environmental protection, labour practices, and other ESG aspects. The Board sets the general direction for the Group’s ESG strategies, ensuring the effectiveness of risks management and internal control mechanisms.

SCOPE OF REPORTING

The ESG Report covers the Group’s business activities in Hong Kong, which contribute to the Group’s major sources of revenue. The ESG key performance indicator (“KPI”) data is gathered and included companies and subsidiaries under the Group’s direct operational control. The Group will extend the scope of disclosure when and where applicable. The KPIs are shown in the ESG Report as well as supplemented by explanatory notes to establish benchmarks.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) as set out in the Appendix 27 of the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited.

Information relating to the Group’s corporate governance practices has been set out in the Corporate Governance Report on p.16 to p.27 of the 2019 Annual Report.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures being taken during the financial year ended 31 March 2019 (“Reporting Period”, “2019”).

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STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback regarding our businesses and ESG aspects. In order to understand and address their key concerns, we have maintained close communication with our key stakeholders, including but not limited to shareholders and investors, customers and business partners, employees, suppliers, regulatory bodies and government authorities, as well as media, non-governmental organisations (“NGOs”) and the public.

In formulating operational strategies and ESG measures, we take into account the stakeholders’ expectations and strive to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community by utilising diversified key communication channels, shown as below.

| Stakeholders | Key Communication Channels |
|--|--|
| Shareholders and investors | <ul style="list-style-type: none">• General meetings and other shareholder meetings• Annual reports and interim reports• Announcements and circulars• Website |
| Customers and business partners | <ul style="list-style-type: none">• Customer satisfaction surveys• Customer service team• Website• Social media platforms |
| Employees | <ul style="list-style-type: none">• Employee opinion surveys• Channels for employees’ feedbacks (form, suggestion box, etc.)• Regular performance reviews• Staff seminars |
| Suppliers | <ul style="list-style-type: none">• Supplier management meetings and events |
| Regulatory bodies and government authorities | <ul style="list-style-type: none">• On-site inspections |
| Media, NGOs and the public | <ul style="list-style-type: none">• Media and website• ESG report• Community investment program |

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community on a continuous basis.

Materiality Assessment

The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG Report, assisted the Group in reviewing its operations, identifying key ESG issues and assessing the importance of these issues to our businesses and stakeholders. We have compiled a questionnaire with reference to the identified material ESG aspects to collect the information from relevant departments and business units of the Group.

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The following table summarizes the Group's material ESG issues as set out in the ESG Report:

| The ESG Reporting Guide | Material ESG aspects of the Group | |
|---|---|-------|
| A. Environmental | | |
| A1. Emissions | Greenhouse Gas ("GHG") Emissions | P. 3 |
| | Waste Management | P. 5 |
| A2. Use of Resources | Energy Consumption | P. 7 |
| A3. The Environment and Natural Resources | Indoor Air Quality | P. 8 |
| B. Social | | |
| B1. Employment | Recruitment, Promotion and Remuneration | P. 9 |
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The Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues during the Reporting Period, and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

CONTACT US

We welcome stakeholders to provide comments and suggestions. You can provide valuable advices in respect of the ESG Report or our performances in sustainable development by emailing ir@mostkwaichung.com.

A. ENVIRONMENTAL

A1. Emissions

General Disclosure and KPIs

The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. We are committed to promoting a green environment by introducing environmentally friendly business practices, educating our employees to enhance their awareness on environmental protection and complying with the relevant environmental laws and regulations.

As a corporation providing advertising and media services, the Group's daily operations have limited impact on the environment while its emissions are limited to GHG and non-hazardous waste, which are mainly generated from the use of resources in our offices in Hong Kong. With aims to lowering the emissions of GHG and reducing the emissions of non-hazardous wastes, the Group focuses on nurturing and strengthening the employees' awareness of environmental protection in their daily work practices, and actively implementing the Group's environmental protection measures.

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In order to mitigate the environmental impacts produced by the Group's operations, we have adopted and implemented relevant environmental policies. These policies apply the emission mitigation principle as well as the waste management principle of "Reduce, Reuse, Recycle and Replace", with the objectives of minimising the adverse environmental impacts and ensuring the emission or waste disposal being 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 the use of energy and the other resources.

During the Reporting Period, the Group has not identified any material non-compliance with the relevant environmental laws and regulations in Hong Kong in relation to exhaust gas and GHG emissions, water and land discharge, and the generation of hazardous and non-hazardous wastes. The relevant laws and regulations include, but are not limited to Waste Disposal Ordinance (Cap.354).

Air Emissions

Due to our business nature, the Group considers the relevant air emissions generated are not significant.

GHG Emissions

The principal GHG emissions of the Group are generated from electricity consumption. The Group actively adopts electricity conservation and energy saving measures as well as other initiatives to reduce GHG emissions, including:

- Actively adopting measures for environmental protection, energy conservation, and water saving. Relevant measures are described in the section headed "Energy Consumption" in Aspect A2; and
- Actively adopting paper saving measures in offices. The relevant measures are described in the section headed "Waste Management" in this aspect.

Through the above GHG emissions mitigation measures, the employees' awareness on reducing GHG emissions has been enhanced.

Since the Group did not own any vehicles nor have any activities that would result in direct GHG emissions (Scope 1) during operation, indirect GHG emissions (Scope 2) caused by purchased electricity was the only source of GHG emissions. During the Reporting Period, the Group's total GHG emissions increased by approximately 23.7% from approximately 37.00 tCO₂e in 2018 to approximately 45.76 tCO₂e in 2019. The increase in total GHG emissions and its intensity were resulted from the increase in administration work from carrying out accounting functions internally as mentioned in our prospectus dated 16 March 2018.

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Summary of GHG emissions performance:

| Indicator ¹ | Unit | 2019 | 2018 |
|----------------------------------|-----------------------------|--------------|-------|
| Indirect GHG emissions (Scope 2) | | | |
| – Purchased electricity | tCO ₂ e | 45.76 | 37.00 |
| Total GHG emissions | tCO ₂ e | 45.76 | 37.00 |
| Intensity ² | tCO ₂ e/employee | 0.42 | 0.39 |

Note:

- GHG emissions data are 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 Bank Institute and the World Business Council for Sustainable Development, “How to prepare an ESG report? — Appendix II: Reporting Guidance on Environmental KPIs” issued by the Hong Kong Stock Exchange, the “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2015 (AR5) and the “2018 Sustainability Report” published by the CLP Power Hong Kong Limited.
- As at 31 March 2019, the number of full-time employees of the Group was 110, while the number of full-time employees of the Group as at 31 March 2018 was 94. These numbers would also be used for calculating other intensity data in the ESG Report.

Waste Management

Hazardous waste handling method

Despite the Group did not generate any hazardous wastes during the Reporting Period, the Group has established guidelines to govern the management and disposal of hazardous wastes. In case there are any hazardous wastes produced, the Group must engage a qualified chemical waste collector to handle such wastes, which is complied with the relevant environmental laws and regulations.

Non-hazardous waste handling method

The Group emphasises carbon reduction and waste reduction with the principle of “Reduce, Reuse, Recycle and Replace” to promote better utilisation of environmental resources.

With the aim of minimising the environmental impacts of non-hazardous wastes generated from its business operations, the Group has implemented relevant measures to handle such wastes and launched different reduction initiatives.

During the Reporting Period, the Group’s total non-hazardous waste discharge was mainly office paper. Its consumption increased from approximately 59,565 pages in 2018 to approximately 162,407 pages in 2019. The increase in paper consumption and its intensity were resulted from the increase in administration work from carrying out accounting functions internally as mentioned in our prospectus dated 16 March 2018.

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Summary of non-hazardous waste discharge performance:

| Type of non-hazardous waste | Unit | 2019 | 2018 |
|-----------------------------|-------------------|-------------------|-----------|
| Office paper ³ | Pages (print-out) | 162,407.00 | 59,565.00 |
| Intensity | Pages/employee | 1,476.43 | 633.67 |

Note:

3. Paper consumption amount were approximately 0.71 tonnes and 0.26 tonnes in 2019 and 2018, respectively.

Our staff and the assigned administrative staff in the workplace collectively take the responsibilities for waste management in our offices, with reference to the established environmental policies, including but not limited to the following:

- Utilising electronic communication where applicable such as e-cards for festival greetings and e-brochures for distributing to customers;
- Promoting the use of recycled paper and toner or environmentally friendly materials;
- Using high performance and quality of all-in-one “multi-function printers” that incorporate printer, scanner and copier functions into a single device. This can be shared among different departments to reduce the total number of different kinds of devices so as to minimise power consumption and carbon footprint as well as follow up on maintenance;
- Redeploying office furniture within the Group where possible to reduce the amount of wastes sent to landfill;
- Sorting recycled wastes into appropriate recycle bins, educating employees on sorting methods if needed; and
- Placing appropriate signage on walls and bins, stating what type of waste or recyclable should be placed in the recycle bins.

Through these waste management measures, the employees’ awareness on waste management has been enhanced.

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Discharges into Water

We do not consume significant amounts of water in our business operations, and therefore our business activities did not generate material portion of discharges into water during the Reporting Period. Since the wastewater discharged by the Group is discharged into the municipal sewage pipeline network for processing, the amount of water consumption of the Group represents the wastewater discharge volume. The data of wastewater discharge volume will be described in the section headed “Water Consumption” in Aspect A2. The majority of the water supply and discharge facilities are provided and managed by property management company.

A2. Use of Resources

General Disclosure and KPIs

The Group continues with initiatives to introduce resource efficiency and eco-friendly measures to the Group’s operations, and is committed to optimising the use of resources in all of its business operations.

During the operations, electricity and water are frequently consumed, and the Group has established relevant policies and procedures in governing the efficient use of resources, with reference to the objective of achieving higher energy efficiency and reducing the unnecessary use of materials.

Energy Consumption

Energy policy has been developed to set energy conservation as one of the Group’s fundamental policies. All employees must implement the adopted measures, including the purchase of energy-efficient products and services, and assuming responsibility for the Group’s overall energy efficiency. By building up an energy management system, we develop and regularly review our energy objectives and targets to continuously enhance the Group’s energy performance. Unexpected high consumption of electricity will be investigated to find out the root causes and corresponding preventive measures will be taken.

During the Reporting Period, electricity was the energy source consumed by the Group. The energy consumption increased by approximately 23.4% from approximately 72,681 kWh in 2018 to approximately 89,722 kWh in 2019. The increase in energy consumption was due to the increase in electricity consumption from more administration work resulted from the change to internal accounting functions as mentioned in our prospectus dated 16 March 2018.

Summary of energy consumption performance:

| Type of energy | Unit | 2019 | 2018 |
|-----------------------|--------------|-----------|-----------|
| Purchased electricity | kWh | 89,722.00 | 72,681.00 |
| Intensity | kWh/employee | 815.65 | 773.20 |

During the Reporting Period, the Group has carried out the following measures to reduce energy consumption:

- Using energy-efficient LED lighting to replace energy-inefficient light bulbs by phases;
- Adopting higher energy-efficient office equipment in our workplace;
- Encouraging our staff to utilise teleconferences and video conferences, to reduce air and GHG emissions related to transportation needed for meetings;

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- Posting green messages on the information portal and message board to remind colleagues to support energy conservation; and
- Encouraging our staff to participate in campaigns or activities relating to the promotion of green environment.

Through these energy conservation measures, the employees' awareness on energy conservation has been enhanced.

Water Consumption

The water consumption of the Group is limited to basic cleaning and sanitation in the offices. We encourage all employees and customers to develop the habit of conserving water consciously. The Group has been strengthening its water-saving promotion, posting water saving slogans, and guiding employees to use water reasonably. Through these water conservation measures, the employees' awareness on water conservation has been enhanced.

During the Reporting Period, the Group's total water consumption increased by approximately 19.7% from approximately 76 m³ in 2018 to approximately 91 m³ in 2019. While its intensity was similar to that in 2018, with only approximately 2.5% increase due to the increase in number of employees for administrative work for accounting functions and leads to an increase in water consumption.

Summary of water consumption performance:

| Indicator | Unit | 2019 | 2018 |
|-------------------------|--------------------------|-------|-------|
| Total water consumption | m ³ | 91.00 | 76.00 |
| Intensity | m ³ /employee | 0.83 | 0.81 |

As the Group's business nature and operations are mainly based in Hong Kong, the issue in sourcing water that is fit for purpose is not relevant to the Group.

Packaging Materials

The Group does not consume significant amounts of packaging materials for its products as it does not have any industrial production or factory facilities.

A3. The Environment and Natural Resources

General Disclosure and KPIs

Although the core business of the Group has limited impact on the environment and natural resources, as an ongoing commitment to good corporate social responsibility, we recognise the responsibility in minimising the negative environmental impacts of our operations in achieving sustainable development to generate long-term values to our stakeholders and community.

The Group works tirelessly to mitigate the environmental impacts of its activities through adopting industry best practices, targeted at reduction of natural resources consumption and effective emission management. We regularly assess our businesses' environmental risks, and adopt preventive measures in reducing those risks and ensuring the compliance with relevant laws and regulations.

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Indoor Air Quality

Good indoor air quality is important as employees spend most of their time working at office. Indoor air quality in our workplace is regularly monitored and measured. Air pollutants, contaminants and dust particles are filtered out by air purifying equipment in the workplace, and regular cleaning of air conditioning system is conducted to ensure office's indoor air quality.

B. SOCIAL

B1. Employment

General Disclosure

Human resources are the foundation in supporting the development of the Group. Hence, we have established relevant policies to fulfil our vision on people-oriented management and realising the full potential of employees. These policies cover recruitment, compensation, promotion, working hours and rest periods, diversity, equal opportunity and dismissal, etc.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, Employment Ordinance (Cap. 57) and Minimum Wage Ordinance (Cap. 608).

Recruitment, Promotion and Remuneration

We apply robust and transparent recruitment processes based on merit selection against the job criteria, and recruit individuals based on their suitability for the position and potential to fulfill the Group's current and future needs.

Our basis for compensation and promotion are job-related skills, qualifications and performances, ensuring that we treat and evaluate employees and applicants in a fair way and compensate employees relative to the industry and local labour markets in which we operate, which consists of competitive level of fixed and variable compensation. Remuneration packages include holidays, annual leave, medical scheme, dental scheme, group insurance, mandatory provident fund and discretionary bonus.

The promotion of the Group's employees is subject to review regularly. The Group has established objective performance indicators for annual performance evaluation. Based on the evaluation results, we offer rewards to employees in encouraging their continuous improvement.

Diversity, Equal-opportunity, Anti-discrimination and Dismissal

We are committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive.

We are dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that are free from discrimination against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation.

With the aim of ensuring fair and equal protection for all employees, we have zero tolerance on sexual harassment or abuse in the workplace in any form.

Unreasonable dismissal under any circumstances is forbidden in the Group. Dismissal process will only be proceeded with a reasonable basis and sufficient communication on the problems is ensured prior to the official dismissal.

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B2. Health and Safety

General Disclosure

We are committed to providing and maintaining a safe and healthy environment for all of our employees. The Group has established relevant policies on the prevention and remediation of safety accidents, and detection on potential safety hazards in workplace, so as to maintain a safe working environment.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, Occupational Safety and Health Ordinance (Cap. 509) and Employees' Compensation Ordinance (Cap. 282), etc.

Health and Safety

The Group follows the occupational health and safety guidelines recommended by the Labour Department and the Occupational Safety and Health Council.

Human Resources and Administration Department ("HRA") takes responsibilities for offices' occupational health and safety and relevant promotions and monitoring. It is responsible for monitoring and reviewing the safety and security management system periodically, and performing regular checking in the offices to ensure the safety of employees.

Moreover, first aid boxes are available at easily accessible locations in offices. HRA is responsible for ensuring the supplies inside the first aid boxes are not expired and sufficient in amount.

The Group also offers comprehensive health care coverage for its employees, including but not limited to health benefits. Health and safety communications are provided to employees to raise awareness on occupational health and safety issues.

B3. Development and Training

General Disclosure

Development and Training

The Group regards our staff as the most important asset and resource. We recognise the valuable contribution of our talents to the continued success of the Group. We are committed to inspiring our human capital towards delivering excellence. This is achieved through development of training strategy that focuses on creating value and serving the needs of our customers, our talents and society. In light of this, the Group provides regular training, development programmes and training sponsorship for our employees.

To ensure the effectiveness of the training programmes, the Group has developed relevant policies in controlling the training related procedures. A training plan is developed by the Management based on the requirements from various departments and employees. Training content is regularly updated to ensure contents are relevant to stakeholders' changing needs such as laws and regulations, market trend, product trend and customer behaviour change. The Group encourages and supports employees to participate in personal and professional training to fulfill the needs of the Group's development. The Group also encourages the culture of sharing knowledge and experience. On the other hand, we provide on-the-job training to the new employees of the Group.

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B4. Labour Standards

General Disclosure

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 conducts recruitment according to the Employment Ordinance (Cap. 57) in Hong Kong. Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates' personal data. The HRA also ensures identity documents are carefully checked. If violation is involved, it will be dealt with in light of the circumstances as clearly stated in the Group's Staff Handbook.

Furthermore, employees of the Group only work overtime if necessary and on a voluntary basis. We also prohibit any punishments, management methods and behaviours involving verbal abuse, physical punishment, physical abuse, oppression, sexual harassment, etc. against its employees for any reason.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to the Employment Ordinance (Cap. 57).

B5. Supply Chain Management

General Disclosure

Suppliers of our integrated advertising and media services are primarily artistes, a social media platform, third party production houses and photographers, whereas suppliers of our print media services mainly comprised printers, photographers and book writers in Hong Kong. The Group has maintained long-term and stable relationships with major suppliers. All suppliers are evaluated carefully and are subjected to regular monitoring and assessment.

Environmental and Social Risks of Supply Chain

In view of the increasing environmental concerns in society, the Group is aware of the importance in managing environmental and social risks of its supply chain. The Group has embedded environmental and social consideration in the procurement process and supplier communication. The Group will continue to monitor its supply chain regarding the environmental and social standards.

We have also formulated policies and procedures to ensure that the suppliers could compete in a transparent and fair way. The Group should not have differentiate or discriminate treatment on certain suppliers. The procedures include measures to prevent all kinds of business bribery and conflict of interest such as the avoidance of employees' personal interest directly or indirectly in or given by the suppliers.

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B6. Product Responsibility

General Disclosure

The satisfaction of our customers is the cornerstone of the sustainable development of the Group. We are convinced that the success of our clients means the success of our Group, and have been emphasising the customer-centric business philosophy in our operations at all levels of the Group. Therefore, we strive to optimise and improve the quality of products and services according to the requests of the customers.

During the Reporting Period, we were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group, concerning product health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. The relevant laws and regulations include, but are not limited to, Trade Descriptions Ordinance (Cap. 362), Copyright Ordinance (Cap. 528) and Personal Data (Privacy) Ordinance (Cap. 486), etc.

IP Rights

We believe that our brand and IP rights are critical to the success of our Group. We believe that many of our customers and target audience are attracted to us because of our strong brand names and reputation. Our continuing success and growth of both of our print media services and digital media services segments therefore depend on our ability to protect and promote our brands, trademarks, copyrights and other IP rights.

The Group registered a number of trademarks in Hong Kong and branded its business by using “Most” as its brand name. It manages security of its assets such as financial information, IP, or employee details entrusted to the Group by third parties. For any infringement of its IP rights, the Group will urge infringers to cease such infringement. The HRA of the Group will take further action if infringement continues.

The Group has adopted the following policies and procedures to prevent infringement on third party IP rights:

- Continuing to obtain license from Composers and Authors Society of Hong Kong Limited (“CASH”) for the use of melodies and lyrics registered with CASH; and
- Reviewing all creative content published by us before publication and/or distribution. The responsible key personnel should ensure that our Group had obtained the right and/or permission to use the relevant photos, songs, lyrics, etc. to be published in our content. Such key personnel includes:
 - Our senior editor who reviews the content under advertorial production and advertisement placement in our magazine;
 - Our publishing manager who reviews all of our book publications;
 - Our creative director, assistant creative manager, assistant digital creative manager and senior social media editor who review all of our content to be distributed on the Digital Media Platforms; and
 - Providing reference training to our staff on copyright compliance, and the function and duties of our responsible personnel on such compliance matters.

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Customer Privacy Protection

Visitors of our website at <http://www.tvmost.com.hk/> may choose to register as our members. During the registration process we collect our member's personal information. As such, in carrying out our operations, the Group adheres to the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong and expressly reiterates confidentiality obligations.

We are determined to strengthen the protection of customers' privacy. Our employees are trained to maintain the confidentiality of our customers' information. We also have a data backup system through which our back-up data is stored in different locations to reduce the risk of data loss. We have also implemented firewall, anti-virus and anti-spam solutions for our IT systems, which are upgraded constantly, to prevent leakage of confidential information.

Advertising

The Group emphasises the importance of proper advertising and compliance with relevant requirements of media advertisements, such as posters, magazines and online advertising materials. The Group has established relevant policies and procedures regarding to it. The Group also timely responds to feedbacks from audiences or the public. The Group strictly complies with all relevant laws and regulations regarding proper advertising.

B7. Anti-corruption

General Disclosure

The Group does not tolerate any corruptions, frauds and all other behaviors violating work ethics. The Group values and upholds integrity, honesty and fairness in how we conduct our business.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, Prevention of Bribery Ordinance (Cap. 201), etc.

Anti-corruption

We have established relevant policies to define appropriate methods in handling conflict of interests, accepting advantages, leakage of confidential information, embezzlement of the Group's assets in one's position, fraudulent financial statements, etc. to comply with the relevant laws and regulations.

To further mitigate business frauds, the Audit Committee is also responsible for continual evaluation of the Group's internal control effectiveness, detecting potential deficiency, and identifying areas of improvement. Audit report is distributed to the responsible departments for timely remediation. The Board and the Audit Committee will supervise and review the implementation and effectiveness of the Whistleblowing Policy on a regular basis.

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Whistleblowing Policy

The Group has implemented the Whistleblowing Policy which allows all of our employees as well as independent third parties (e.g. customers, suppliers, contractors, etc.) 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 and fair manner. Such policy also aims at protecting whistleblowers from unfair dismissal, victimisation and unwarranted disciplinary actions, the identity of the whistleblower will be kept strictly confidential where possible. Any person who is found to have victimised or retaliated against those who have raised concerns under this policy will be subjected to disciplinary sanctions. In some cases, the Group might need to refer the case to the competent authorities.

B8. Community Investment

General Disclosure

Community Participation

The Group is committed to supporting the public by means of social participation and contribution as part of its strategic development. To nurture corporate culture and strengthen practices of corporate citizenship, we embrace human capital into the social management strategies so as to sustain our corporate social responsibility and support the Group's strategic development. Our employees are encouraged to donate to recognised charitable institutions in order to help the grass-root community or those in need, so that they can receive proper education and medical care.

The Group also showed support in charitable donations. During the Reporting Period, the Group made charitable donations totalling HK\$51,000 to support animal care as well as art and cultural development.

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects,

General Disclosures and KPIs

Description

Section/Declaration

Aspect A1: Emissions

General Disclosure

Information on:

Emissions

- (a) the policies; and
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

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Subject Areas, Aspects, General Disclosures and KPIs

| | Description | Section/Declaration |
|------------------------------------|---|---|
| KPI A1.1 ("comply or explain") | The types of emissions and respective emissions data. | Emissions — Air Emissions, GHG Emissions |
| KPI A1.2 ("comply or explain") | GHG emissions in total (in tonnes) and intensity. | Emissions — GHG Emissions |
| KPI A1.3 ("comply or explain") | Total hazardous waste produced (in tonnes) and intensity. | Emissions — Waste Management (not applicable — explained) |
| KPI A1.4 ("comply or explain") | Total non-hazardous waste produced (in tonnes) and intensity. | Emissions — Waste Management |
| KPI A1.5 ("comply or explain") | Description of reduction initiatives 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 |
| 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 energy consumption by type in total and intensity. | Use of Resources — Energy Consumption |
| 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 Consumption |
| 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 with reference to per unit produced. | Use of Resources — Packaging Materials (not applicable — explained) |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs

Description

Section/Declaration

Aspect A3: The Environment and Natural Resources

| | | |
|-----------------------------------|---|--|
| General Disclosure | Policies on minimising 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 — Indoor Air Quality |

Aspect B1: Employment

| | | |
|--------------------|---|------------|
| General Disclosure | Information on: <ul style="list-style-type: none"> (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, antidiscrimination, and other benefits and welfare. | Employment |
|--------------------|---|------------|

Aspect B2: Health and Safety

| | | |
|--------------------|--|-------------------|
| General Disclosure | Information on: <ul style="list-style-type: none"> (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 |
|--------------------|--|-------------------|

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 |
|--------------------|---|--------------------------|

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Section/Declaration |
|--|---|-------------------------|
| Aspect B4: Labour Standards | | |
| General Disclosure | Information on: <ul style="list-style-type: none"> <li data-bbox="491 595 724 623">(a) the policies; and <li data-bbox="491 666 1129 756">(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Labour Standards |
| Aspect B5: Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Supply Chain Management |
| Aspect B6: Product Responsibility | | |
| General Disclosure | Information on: <ul style="list-style-type: none"> <li data-bbox="491 1118 724 1146">(a) the policies; and <li data-bbox="491 1190 1129 1353">(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 |
| Aspect B7: Anti-corruption | | |
| General Disclosure | Information on: <ul style="list-style-type: none"> <li data-bbox="491 1532 724 1560">(a) the policies; and <li data-bbox="491 1604 1129 1698">(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 |
| 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 |

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