



CMON Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1792

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2021



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT CMON

CMON Limited (the “**Company**” or “**CMON**”, together with its subsidiaries, the “**Group**” or “**we**”) is a hobby games publisher specialising in:

- Developing and publishing tabletop games, including board games and miniature war games;
- Developing and launching mobile games; and
- Distributing third party tabletop games.

CMON entered the board and tabletop game market in 2011 and is well known for its focus on high-quality games featuring amazing miniatures and fun, engaging gameplay. We have published many critically acclaimed games, including *Zombicide*, *Arcadia Quest* and *Blood Rage* through different distribution channels, for example, Kickstarter, wholesalers and direct selling to end users via our own online store and at game conventions.



ABOUT THIS REPORT

This is the fifth Environmental, Social and Governance (“**ESG**”) report (the “**Report**”) of CMON Limited. The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HKEX**”), in full compliance with the mandatory disclosure requirements and the “comply or explain” provisions.

The Group fully embraces social responsibility and actively addresses the ESG requirements and challenges the society faces. A number of significant initiatives relating to environmental protection, employee care, resource management and product quality were implemented to fulfil such responsibilities. The Report presents and draws attention to our ESG strategies and performances.

The Report is available in both English and Chinese versions and is uploaded to the website of the HKEX and our Company website (<https://cmon.com>). In case of any discrepancies between the two versions, the English version shall prevail.

Scope and Reporting Period

The Report presents the ESG performances of all offices, facilities and properties owned by and under the Group’s direct operation, which include the business activities and operations in Singapore, the United States (“**US**”), and Foshan, China. The Report specifies the ESG activities, challenges and measures taken during the financial year ended 31 December 2021 (the “**Reporting Period**”).

Reporting Principles

The following three reporting principles underpin the preparation of the Report:

- Materiality** Material ESG issues have been identified by conducting stakeholder engagement and considering business nature and development.
- Quantitative** Key performance indicators (“**KPIs**”) and comparative figures have been disclosed quantitatively where appropriate. The KPIs are calculated with reference to “Appendix 2: Reporting Guidance on Environmental KPIs” and “Appendix 3: Reporting Guidance on Social KPIs” of “How to Prepare an ESG Report” published by the HKEX.
- Consistency** Consistent statistical methodologies have been applied for meaningful comparisons of ESG data over time. In case of any changes in the reporting scope or methodologies, they shall be explained in the footnotes for the reference of stakeholders.

SUSTAINABILITY GOVERNANCE

The Board of Directors (the “**Board**”) is principally responsible for overseeing the implementation of ESG strategies and ESG reporting. The Board holds full accountability of ESG-related matters, goals and targets which are reviewed and discussed regularly. The Board is also responsible for identifying, analysing, evaluating, prioritising and managing the key risks in relation to daily operations and ESG, as well as exploring potential opportunities. We have engaged an independent ESG consultant, Riskory Consultancy Limited, to assist the Group in preparing the Report and provide ESG-related advisory services.

For disclosure on issues in relation to corporate governance, please refer to the “Corporate Governance Report” in our Annual Report 2021.

STAKEHOLDER ENGAGEMENT

When formulating operational strategies and ESG measures, we consider our stakeholders' expectations and concerns, and strive to improve our performance through mutual communication with them. We have maintained close communication with our key stakeholders by utilising diversified key communication channels, shown as below:

Stakeholders	Communication Channels	Concerns
Investors and shareholders	<ul style="list-style-type: none"> Annual general meeting and other shareholder meetings Financial reports Announcements and circulars 	<ul style="list-style-type: none"> Compliance Timely disclosure Financial results Corporate sustainability
Customers	<ul style="list-style-type: none"> Hobby site and online forums (http://www.coolminiornot.com/) Customer service officer Company website 	<ul style="list-style-type: none"> Product design and quality Games' user friendliness Customer service Privacy protection
Employees	<ul style="list-style-type: none"> Trainings and workshops Performance evaluations of employees by managers 	<ul style="list-style-type: none"> Occupational health and safety Equal opportunities Remuneration and benefits Career development
Suppliers	<ul style="list-style-type: none"> Periodic site visits Production workshop inspections Periodic evaluations 	<ul style="list-style-type: none"> Fair and open procurement Supply chain management
The community, NGO and media	<ul style="list-style-type: none"> Press releases and conferences ESG reports 	<ul style="list-style-type: none"> Giving back to society Environmental protection Ethical operations

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

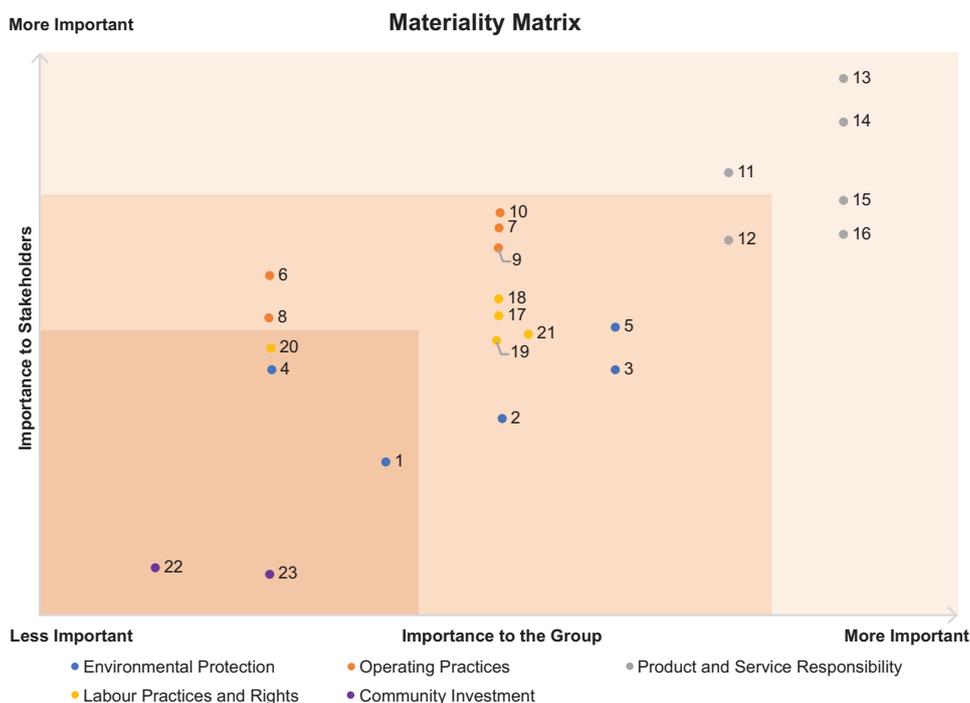
MATERIALITY ASSESSMENT

Through communication with stakeholders, review on the Group's business natures and discussions in Board meetings, the Group has identified 23 material issues as follows:

Environmental Protection	Operating Practices	Product and Service Responsibility	Labour Practices and Rights	Community Investment
1 Emission of pollutants and greenhouse gases	6 Supply chain management (including suppliers management of environmental and social risk)	11 Product and service quality and safety (including game content health)	17 Diversity and equal opportunities, and anti-discrimination	22 Participation in or organising of volunteer activities
2 Waste management	7 Anti-corruption system and whistle-blowing mechanism	12 Customer service (including complaints handling)	18 Employment relationship, policies and employee welfare	23 Charity donation
3 Efficient use of resources	8 Green procurement	13 Protection of intellectual property ("IP") rights	19 Occupational health and safety	
4 Impact of business activities on the environment	9 Risk or emergency management	14 Users' privacy and data protection	20 Training and development	
5 Climate change-related risks (e.g. typhoons, flooding)	10 Corporate governance	15 Game research and development ("R&D")	21 Prevention of child labour and forced labour	
		16 Game advertising and labelling		

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Questionnaires were distributed to collect opinions from stakeholders. Based on the results, we have identified the sustainability issues that are material to our business operations. The Group's material ESG issues are shown in the materiality matrix below and will be disclosed in a more focused manner in the ESG Report.



OPERATING PRACTICES

The Group emphasises the delivery of high-quality products with top safety standards, as well as to meet customers' expectations. A number of policies and procedures across business activities, operations and products manufacturing have been put in place to support sustainable business development.

Product Responsibility

Product responsibility is also one of the business' top concerns. During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations related to product health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

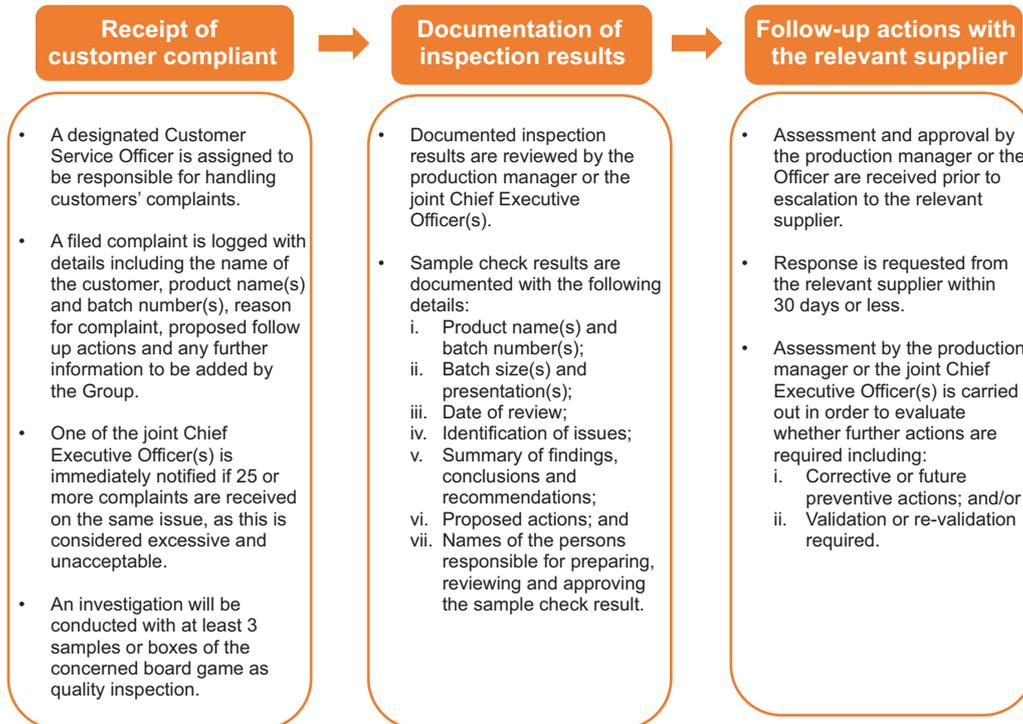
Game Content Health and Safety

The Group strictly complies with all applicable laws and regulations in our operational areas, including but not limited to the Copyright Act, Trade Marks Act and Personal Data Protection Commission in Singapore, as well as the Leahy — Smith America Invents Act and Copyright Act in the US. To safeguard the environment and customers' health and safety, safety tests are conducted by the Group and safety labels are added to all packaging materials.

During the Reporting Period, all products were compliant with relevant safety standards. No products have been recalled for safety and health reasons nor were any complaints received related to the Group's products and services.

Customer Service

Feedback from customers and stakeholders is valued as it is important to our business' sustainable growth. We have an established procedure for handling customer complaints.



During the Reporting Period, a total of 40 products and service-related complaints were received and resolved according to the above procedure.

Intellectual Property Rights

The Group respects the hard work of designers and has identified IP rights as a top priority. The Group strictly abides by the applicable laws and regulations related to IP rights for all of its products, including but are not limited to the Singapore Copyright Act and Trade Marks Act for the operations in Singapore.

We strive to protect IP rights during the design development, production, dissemination and publication processes. Both "self-owned" games and licensed games have been published by the Group. The former's IP rights are either in-house developed, transferred by the Controlling Shareholders, or acquired from third parties, while the latter's IP rights are licensed from third party game developers.

The Group adopts the Trademark Registration Policy to regulate the acquisition and prevent infringement of IP rights. In addition, the Licensing Procedure Document of the Group is provided to employees to follow when dealing with graphic assets and texts that require licensors' approval.

Game Research and Development

To maintain a high standard of product quality and keep up with market trends, the Group has invested immense effort and resources into conducting R&D. We constantly seek to develop new products and upgrade our existing products with special features through our R&D processes. Creativity is encouraged in our production guide to launch innovative and attractive components. Therefore, resources and trainings are provided to expand our R&D capabilities and equip the R&D team with professional knowledge.

Users' Privacy Protection

Protection of customers' privacy is important to quality customer service experience. The Group is determined to protect customers' personal data by handling them with the highest degree of confidentiality and caution. Employees are required to pay extra attention when handling and protecting customers' data and privacy. Besides their respective Non-disclosure Agreements, employees should follow guidance stated in the Employee Handbook which requires them to safeguard confidential information by using it only for the Group's business and disclosing it only with authorization. Confidential information includes, but is not limited to personal information, customers' data, contracts, and the Group's business strategies.

Game Advertising and Labelling

The Group believes that proper and honest advertising and labelling strengthen our customers' confidence in the safety and quality of our gaming products. Therefore, relevant policies have been established to regulate the advertising and labelling of the Group's gaming products. The Group is committed to advertising without any misleading, inaccurate, fraudulent or illegal elements, and to comply, in the Group's sole discretion, with our standards of decency, taste and dignity. Labellings on the package of the Group's products are strictly inspected and reviewed in order to ensure they satisfy the regulatory requirements of product safety in all the countries and regions the products are sold.

Supply Chain Management

The Group has an extensive global supply chain which consists of experts from different fields, including miniatures producers, game designers, creatives as well as outsourced manufacturers and game manufacturers. During the Reporting Period, the Group engaged a total of 93 suppliers. The Group's supplier distributions in the year ended 2021 is illustrated below.

Region	Number of suppliers
Hong Kong	5
Mainland China	20
Other Asian Countries	11
North and South America	27
Europe	28
Australia and New Zealand	2

We strictly comply with all applicable laws and regulations regarding product safety and supplier performance on product manufacturing. To ensure only quality products and services are received, the Group has established stringent internal procedures to manage procurement and payable processes. Best-suited suppliers are identified and employed through a comprehensive supplier selection process, including on-site review, inspection of production workshops and periodic evaluations.

In addition, suppliers are not only required to meet the Group's internal standards but are also required to be legally compliant, socially responsible and financially sustainable. The Group has assessed and selected respected outsource manufacturers to minimise the environmental impacts from production and has formulated relevant policies in order to manage environmental and social risks of our supply chain. Besides, suppliers that use environmentally friendly products are preferred in the selection process.

All new and existing suppliers are assessed under the following criteria:

- Product quality;
- Price;
- Delivery time;
- Product safety certification, including compliance with international and local product safety standards;
- Use of environmentally friendly materials;
- Environmental-related certification;
- Environmental compliance, including waste disposal requirements and sewage discharge requirements;
- Compliance with social and employee-related regulations, including the prohibition of child labour and forced labour; and
- Other aspects and characteristics which the Group finds relevant.

To effectively evaluate supplier performance, our management also conducts site visits periodically to understand their business background, production facilities and their internal control processes.

Anti-corruption and Corporate Governance

The Group's core values consist of honesty, integrity and fairness. To prevent unlawful business operations, we have formulated a system of rules, practices and processes. We have also established a whistleblowing policy to enhance our corporate governance, and to encourage employees and other stakeholders to report unethical behaviour, malpractice, wrongful conduct, fraud etc. We have drafted an Inside Information Policy, which includes summaries on inside information as well as laying out when and how inside information related to the Group should be treated and disclosed, for the promotion of an effective compliance scheme for the Group.

There was no legal case regarding bribery, extortion, fraud and money laundering filed against the Group or our employees during the Reporting Period.

To ensure our employees understand the Group's emphasis on honesty in the operation, we plan to provide trainings related to anti-corruption to employees in the coming years.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations related to bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Corruption Act in Singapore, as well as the Foreign Corrupt Practices Act in the US.

ENVIRONMENTAL PROTECTION

Although the Group does not have significant influence on the environment due to our business nature, we are aware of our responsibility to minimize our potential environmental impacts, especially when it comes to resources management and waste treatment. The Group is committed to continuously improving its environmental and sustainability performance.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Environmental Protection and Management Act and Environmental Public Health Act in Singapore, as well as the Clean Air Act, Clean Water Act and Toxic Substances Control Act in the US.

Emissions and Waste Management

Exhaust Gas Emissions

Our exhaust gas emissions are mainly generated from vehicles. The emission data of the Reporting Period is as follows:

	Unit	2021	2020
Nitrogen oxides (NO _x)	kg	4.95	2.06
Sulphur oxides (SO _x)	kg	0.09	0.06
Particulate matter (PM)	kg	0.36	0.14

Compared to the previous year, the exhaust gases emission of the Group has increased due to the resuming of office operation as the impact of the pandemic was subdued. We strive to mitigate exhaust gas emissions in our daily operations and promote reasonable utilisation of vehicles. We will aim at continuously reducing our exhaust gas emissions by encouraging our employees to switch off engines whenever the vehicles are idling and plan routes ahead of time to reduce route repetition. We also conduct regular maintenance of our vehicles to ensure optimal engine performance and fuel use.

Greenhouse Gas (“GHG”) Emissions

The Group’s major sources of GHG emissions are from petrol consumption of vehicles (Scope 1) and electricity consumption (Scope 2). The emission data of the Reporting Period is as follows:

	Unit	2021	2020
Direct GHG emissions (Scope 1) ¹	tonnes CO ₂ e	14.55	11.44
Energy indirect GHG emissions (Scope 2) ¹	tonnes CO ₂ e	44.14	16.75
Total GHG emissions	tonnes CO ₂ e	58.69	28.19
Total GHG emission intensity ²	tonnes CO ₂ e/employee	0.90	0.56

- GHG emission data is presented in terms of carbon dioxide equivalent and is 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 latest released emission factors of China’s regional power grid basis, the latest released emission factors of Singapore’s power grid basis, “How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs” issued by the HKEX, “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5).
- As at 31 December 2021 and 31 December 2020, the Group had a total of 65 and 50 employees respectively. The data is also used for calculating other intensity data.

Due to the pandemic, most employees were arranged to work from home in 2020. In 2021, about half of our employees resumed working at the office, leading to the increase in energy consumption and therefore GHG emission. We will aim at lowering our GHG emissions by implementing relevant measures such as increasing our energy efficiency.

Waste Management

Due to the Group's business nature, we do not generate hazardous waste. All the non-hazardous waste generated is handled and disposed of properly. The relevant data of the Reporting Period is as follows:

	Unit	2021	2020
Total non-hazardous waste generated	tonnes	3.25	N/A
Intensity	tonnes/employee	0.05	N/A

1. The Group started to disclose the non-hazardous waste data since the Reporting Period.

To further reduce the generation of waste, we have implemented the following measures:

- Encourage employees to minimise their use of paper in offices by promoting maximisation of online messaging services, such as emails and e-filing for both internal and external communications;
- Encourage the use of recycled paper and double-sided printing or copying; and
- Use and repurpose old and obsolete computers as back-up computers for juniors or temporary staff.

With such measures implemented, the waste reduction awareness of the Group's employees has been enhanced. The Group will continue to promote waste reduction and aim at further reducing our generation of waste.

Sewage Discharge

Due to the Group's business nature, we do not consume a significant volume of water. Our wastewater is mainly generated from offices. Hence, the amount of water consumption represents the volume of wastewater discharge. The data of water consumption and corresponding water conservation measures are described in the section headed "Water Consumption".

Use of Resources

Energy Consumption

The Group has always considered energy efficiency as one of our top priorities to conserve the environment and combat climate change. The Group's main energy sources are petrol consumed by vehicles and electricity consumption. The energy consumption data of the Reporting Period is as follows:

	Unit	2021	2020
Direct energy consumption (petrol)	MWh	55.18	41.67
Indirect energy consumption (purchased electricity)	MWh	88.08	38.16
Total energy consumption	MWh	143.26	79.83
Intensity	MWh/employee	2.20	1.60

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As our employees resume working at the office, the Group has consumed more energy than the previous year. Apart from the vehicle-related measures described in the section headed “Exhaust Gas Emissions”, the Group has implemented various energy conservation initiatives to minimize the environmental impacts brought by daily operations:

- Install energy efficient LED lights and environmentally friendly air conditioning units; and
- Remind employees to reduce energy consumption in properties through switching off unused lights, air conditioners and other electronic appliances.

The Group will continue to monitor our energy efficiency, aiming to look into other potential energy conservation initiatives.

Water Consumption

The Group promotes sustainable and efficient use of water. Due to the Group’s operating locations, we did not encounter any significant issues in sourcing water that is fit for purpose. The water consumption data of the Reporting Period is as follows:

	Unit	2021	2020
Total water consumption	m ³	500.00	376.00
Intensity	m ³ /employee	7.69	7.52

The water consumption of the Group has increased in the Reporting Period due to the resuming of office operation. Our employees are reminded of water saving habits even though our business is not water-intensive. Environmental signages with water-saving messages are posted in prominent places to remind employees to conserve water. The Group strives to reduce water consumption. The above initiatives will be continuously implemented and revised to further increase our efficiency of water usage.

Use of Packaging Materials

The Group strongly encourages its designers to incorporate sustainability concepts and environmental considerations across the product and packaging design phases. The consumption data of the Reporting Period is as follows:

	Unit	2021	2020
Total consumption ¹	kg	20	N/A

1. The Group started to disclose its packaging materials consumption since the Reporting Period.

Going forward, the Group will consider the usage of more eco-friendly packaging materials.

The Environment and Natural Resources

Although we do not have significant impacts on the environment due to our business nature, the principle of sustainability is promoted in every aspect of the Group’s business, including the adoption of well-designed environmental practices, green thinking and the implementation of policies that help protect the environment within the communities where we operate.

Besides, we deliver the environmental protection message to employees through various channels, such as emails, notices and workshops. Different policies and procedures have also been implemented to govern such objectives across the Group’s operations.

Climate Change

Climate Change is one of the world’s most significant and urgent challenges in recent years. Due to the Group’s business nature and operating locations, we are not significantly affected by climate-change related physical risks. However, to ensure the safety of employees under the more frequent extreme weather events, we have established an emergency plan in relation to work arrangement under extreme weather.

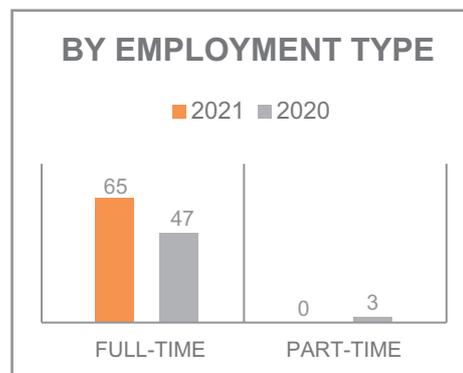
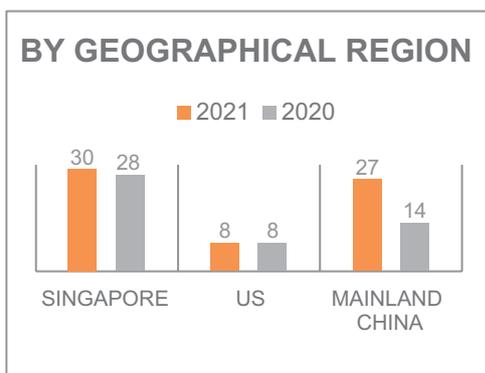
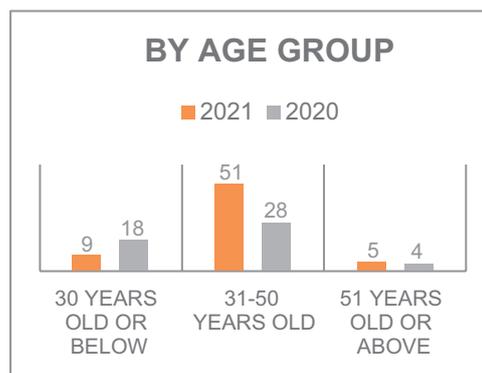
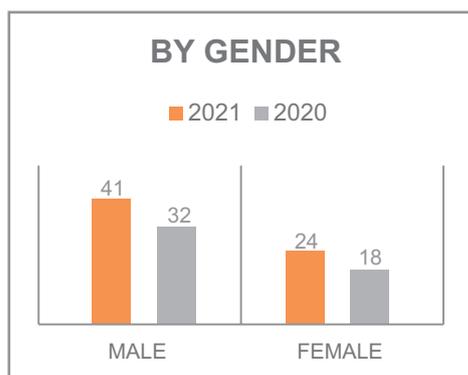
EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group considers employees as our greatest asset. The Group is dedicated to offering them opportunities to diversify knowledge, capabilities and skill sets development while providing them with a safe, healthy and stimulating work environment.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations related to employment, including but not limited to the Employment Act, Employment of Foreign Manpower Act and Central Provident Fund Act in Singapore, as well as the Fair Labor Standards Act and Americans with Disabilities Act in the US.

As at 31 December 2021, the Group has a total of 65 employees (2020: 50 employees).



Recruitment, Promotion and Dismissal

Qualification, professional skills and experiences of employees influence on the quality of our goods and services significantly. As an equal opportunity employer, the Group emphasises a fair, open, objective and non-discriminatory selection process.

Standardised procedures have been set up by the Group based on principles of fairness and justice to regulate recruitment, promotion and dismissal:

- Select employees based on their merits and suitability for the particular position under our robust and transparent recruitment process to fulfil the Group's current and future needs.
- Determine the promotion of the employees by appraisals that are conducted regularly by the Human Resources Department to evaluate staff's work performance.
- Determine promotion based on the employee's job-related skills, responsibilities, experience and duties, as listed in our human resources policy.
- Govern the termination of employment by internal policies to ensure all dismissals comply with relevant laws and regulations.
- Prohibit strictly any kind of unfair or illegitimate dismissal.
- Conduct face-to-face interviews between management and resigned staff to understand opinions of the resigned staff.

During the Reporting Period, the Group's employee turnover rate is as follow:

Turnover rate	2021
By Gender	
Male	19.5%
Female	4.2%
By Age Group	
30 years old or below	44.4%
31–50 years old	9.8%
51 years old or above	0%
By Geographical Region	
Singapore	13.3%
US	25.0%
Mainland China	11.1%

Benefit and Remuneration

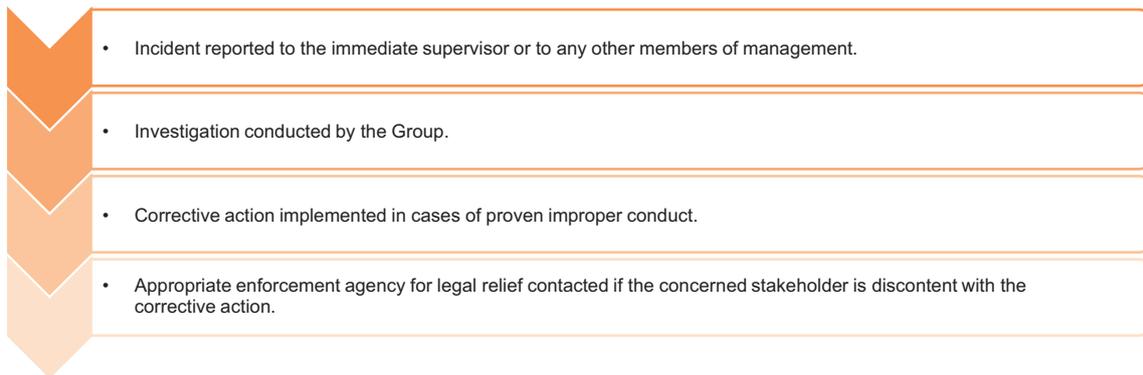
The Group complies with local laws and regulations including the Employment Act in Singapore, Labour Laws in the US and the Labour Law of the People’s Republic of China to ensure employees receive their statutory benefits. These benefits include, but are not limited to:

- Mandatory provident fund;
- Basic medical insurance and work injury insurance;
- Public holidays and marriage, compassionate, and maternity leaves; and
- Additional compensation such as discretionary bonuses and share options for eligible staff.

Equal Opportunity

As part of the employment and labour practices, the Group’s mission is to provide a workplace that is free of harassment and discrimination while providing employees with equal opportunities. The Group is dedicated to the eradication of discrimination and physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation in the workplace.

The Group has zero tolerance of sexual harassment or abuse in the workplace in any form. Any employee intimidated, humiliated, bullied, or harassed (including sexual harassment) may report the misconduct to the management representatives or managers, and the Group will take serious and standardised procedures to resolve these issues upon receiving said complaints. A separate section is included within the Employee Handbook specifically to explain the escalation process for reporting discriminatory acts. The process is as follows:



Employees' Health and Safety

Ensuring the health and safety of employees is also sustaining the operation and growth of the Group. Various occupational health and safety procedures are implemented accordingly. These measures include regular training and provision of communication materials such as Employee Handbook to raise employees' awareness of health and safety at work. We have also developed a standard procedure to handle any work-related injuries.

For the years ended 31 December 2021, 2020 and 2019, there were no work-related injuries or fatalities recorded and no lost days due to work-related injuries reported.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations related to health and safety, including but not limited to the Workplace Safety and Health Act, Work Injury Compensation Act and Radiation Protection Act in Singapore, Occupational Safety and Health Act in the US and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases.

COVID-19 Prevention

As the Coronavirus Disease 2019 ("COVID-19") pandemic continues to spread globally, the Group continues to implement proactive measures to safeguard the health and safety of our employees and business partners and comply with public health measures of competent local authorities.

In addition, various measures have been implemented by the Group to reduce the risk of infection and comply with public health policies:

- Enhance the environmental hygiene in working areas through regular sanitation;
- Distribute adequate protective gear such as surgical masks and hand sanitisers;
- Require all employees and guests of the Group to perform stringent temperature checks before entering the offices or warehouses; and
- Issue a detailed guideline to our staff to advise responsive actions on COVID-19 outbreaks among our staff and relevant family members.

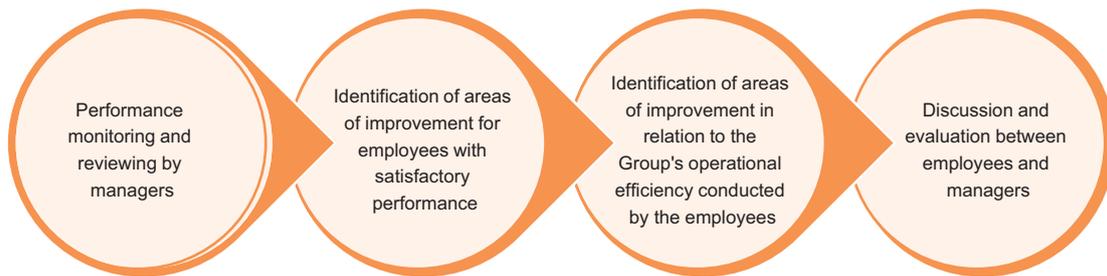
Employee Development and Training

To maintain our quality of goods and services, the Group invests heavily in the development of workforce. The training and development data in the Reporting Period is as follows:

2021	
Percentage of employees trained (by gender)	
Male	61.0%
Female	41.7%
Percentage of employees trained (by employee category)	
Senior management	50.0%
Middle management	71.4%
Frontline employees	51.9%

2021	
Average training hours completed per employee (by gender)	
Male	12
Female	5
Average training hours completed per employee (by employee category)	
Senior management	20
Middle management	23
Frontline employees	7

To sharpen employees' abilities, they are provided with clear career paths and diverse development opportunities. New hires will go through an introductory period for them to better understand their roles and responsibilities, as well as establish relationships with co-workers. The following process is implemented during the new hires' introductory period to help set and manage their expectations:



Besides, to improve employees' professional knowledge in corporate operations, the Group offers different on-the-job training, workshops and development opportunities to them:

Provide production guide and producers training program for employees to enhance their management skills on different stages in the production chain, such as the miniatures manufacturing process and communication with the artists and graphic designers.

Send newly-hired designers to Brazil for a full team training to better understand the Group's operations, which also provides them with a chance to communicate with local suppliers.

However, due to travel restrictions resulting from the COVID-19 pandemic, this initiative could not be implemented during the Reporting Period.

Labour Standards

The Group strictly prohibits child labour and forced labour and complies with relevant laws and regulations, including but not limited to the Employment Act in Singapore, as well as the Federal Labour Standards in the US.

To assist in the selection of suitable candidates and to verify candidates' age, personal data is collected during the recruitment process. The Human Resources Department ensures all identity documents are carefully checked. At least one unscheduled walkthrough and audit to outsourced manufacturers are conducted each year to ensure that no child and forced labour has been hired. If any violation of labour standards is found, the employment will be immediately terminated and the employment procedure will be revised for improvement.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations related to the prevention of child and forced labour.

COMMUNITY INVESTMENT

Besides the sustainable growth of our business, the Group also emphasises the sustainability of the communities we operate in. The Group is committed to positive contribution to local communities through bearing our corporate social responsibilities and participating in activities which focus on caring for the people and the community. The guiding principle of serving the community is deeply rooted in the Group's business strategy in an effort to benefit the community at large.

During the Reporting Period, we donated USD20,000 to Médecins Sans Frontières Hong Kong and SGD1,000 to People's Association Community Development Fund in Singapore, supporting medical assistance to people worldwide and social and community development in Singapore.

The Group will continue to look for different opportunities to contribute to the communities and actively take part in relevant events in the coming years for the sustainability of the Group, the society and the environment as a whole.

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

Subject Areas, Aspects, General Disclosures and KPIs	Page No.
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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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
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The types of emissions and respective emissions data.	
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Total hazardous waste produced and intensity.	
KPI A1.4	11
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Description of emission target(s) set and steps taken to achieve them.	
KPI A1.6	11
Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	
Aspect A2: Use of Resources	
General Disclosure	11
Policies on the efficient use of resources, including energy, water and other raw materials.	
KPI A2.1	11
Direct and/or indirect energy consumption by type in total and intensity.	
KPI A2.2	12
Water consumption in total and intensity.	
KPI A2.3	12
Description of energy use efficiency target(s) set and steps taken to achieve them.	
KPI A2.4	12
Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) and steps taken to achieve them.	
KPI A2.5	12
Total packaging material used for finished products and with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources	
General Disclosure	12
Policies on minimising the issuer's significant impact on the environment and natural resources.	
KPI A3.1	12
Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change	
General Disclosure	13
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	
KPI A4.1	13
Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

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B. Social	
<i>Employment and Labour Practices</i>	
Aspect B1: Employment	
General Disclosure	13
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.	
KPI B1.1	13
Total workforce by gender, employment type, age group and geographical region.	
KPI B1.2	14
Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety	
General Disclosure	16
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.	
KPI B2.1	16
Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	16
Lost days due to work injury.	
KPI B2.3	16
Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
Aspect B3: Development and Training	
General Disclosure	16
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	
KPI B3.1	16
The percentage of employees trained by gender and employee category.	
KPI B3.2	17
The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards	
General Disclosure	18
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.	
KPI B4.1	18
Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	18
Description of steps taken to eliminate such practices when discovered.	

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<i>Operating Practices</i>	
Aspect B5: Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain. 8
KPI B5.1	Number of suppliers by geographical region. 8
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. 8
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 9
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 9
Aspect B6: Product Responsibility	
General Disclosure	Information on: 6 (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.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 6
KPI B6.2	Number of products and service related complaints received and how they are dealt with. 7
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights. 7
KPI B6.4	Description of quality assurance process and recall procedures. 6
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 8
Aspect B7: Anti-corruption	
General Disclosure	Information on: 9 (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.
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. 9
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 9
KPI B7.3	Description of anti-corruption training provided to directors and staff. 9

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Community

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.	18
KPI B8.1	Focus areas of contribution.	18
KPI B8.2	Resources contributed to the focus area.	18