

Mobicon Group Limited

萬保剛集團有限公司

(股份編號Stock Code:1213)



Environmental, Social
and Governance Report
環境、社會及管治報告

2016/2017



可持續發展

Sustainability



MOBICON

Enterprising - Pragmatic - Aspiring

10^{years+}
商界展關懷
caring company
Awards for the Best of the Best in Sustainability
獲頒發最佳企業管治獎

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ABOUT THIS REPORT

During the reporting period, the Group operated three core business operations, namely: (1) the distribution of electronic components, automation parts and equipment under the brand of  (the “Electronic Trading Business”); (2) the Computer Business which includes (i) the retail sales of computer products and smartphone accessories under the brand of  (the “Computer Retail Business”) and (ii) the distribution of computer products and consumer products under the brand of  (the “Computer Distribution Business”); and (3) the Cosmetic Retail Business under the brand of . The Group’s head office is in Hong Kong and has subsidiaries in South Africa, Mainland China, Malaysia, Singapore and Taiwan.

This is the first Environmental, Social and Governance Report of the Group. The report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Since the Group’s head office and main business is in Hong Kong, based on materiality principle, unless otherwise specified, this report focus principally on our measures and performance of the environmental and social aspect of the trading, distribution and retail businesses in Hong Kong.

This report covered the period from 1 April 2016 to 31 March 2017. This report is accessible at the Stock Exchange’s website (www.hkexnews.hk) or the Company’s official website (www.mobicon.com).

STAKEHOLDER ENGAGEMENT

We understand that the engagement of stakeholders including shareholders, customers, staff, suppliers and community public is important to our environmental and social sustainability. During our operation, we keep communicating effectively with our stakeholders through various channels including employee workshops, shareholder meetings, and customer daily contacts to understand their concern and expectation. All these feedbacks and communication help us to formulate our strategies in respect of sustainability and serve as the reference of materiality assessment in this report.

ENVIRONMENTAL PERFORMANCE

We understand that environmental protection is important to our businesses and society sustainability. During our operation, we use our best endeavour to minimize the impact to the environment. Reducing, Reusing and Recycling are our strategies for commitment to the environment.

Aspect A1: Emissions

In light of the business nature of our Group, no hazardous waste and emission were produced. Greenhouse gas emission was our Group's main emission produced. Electricity usage was the major source of the greenhouse gas emission. Our Group continued improving the operation units facilities to enhance resource efficiency and produce less emission to protect the environment.

Our Group has strictly complied with all relevant laws and regulations that have a significant impact on it relating to air and greenhouse gas emissions, discharges into water and land, and generation of the hazardous and non-hazardous waste.

Aspect A2: Use of Resources

Our Group continued employing several energy saving plan to improve energy efficiency and to produce less power consumption. We educated our staff on green environment concept and promoted paperless office, green office and low carbon life. All new decoration or renovation in our offices or shops used high efficiency T5 tube and LED lighting. Room temperature was always kept at 25 degree Celsius to minimize unnecessary power consumption. The air conditioner and lighting of our office/warehouse had various zone controls to achieve energy efficiency. Employees were encouraged to switch off the computer, monitor and equipment when they were not in use or when the employee(s) was/were off duty to save energy. The staff was requested to ensure that air conditioners, lighting and office equipment were switched off when he/she was the last one to leave the office/shop.

In 2016, our Group was granted "Wastewi\$e Label/Class of Good" of Hong Kong Awards for Environmental Excellence and "Hong Kong Green Organization" Certification of Environmental Protection Department.

The business of our Group is operated mostly in commercial buildings, industrial buildings and shopping malls. Water supply/waste water drainage is generally managed by the respective building/mall management office. The management offices do not provide meter or data in respect of individual level of consumption to tenant, so our Group does not possess information in respect of water consumption for disclosure.

Aspect A3: The Environment and Natural Resources

Although the business nature of our Group has little impact on the environment and natural resources, we still use our best endeavour to minimize the impact on environment created by or as a result of our business operation. Our Group educates our employees about environmental protection concept, such as using less paper, using electronic communication (e.g. email, mobile phone Apps) to deliver information and avoiding unnecessary printing and use of paper and ink. The default setting of our Group network's printers is for both sides printing to minimize paper consumption. We encourage our staff to do both sides printing to reuse one side printed paper or recycle paper, and to use network copier sending or saving file to minimize paper consumption. At the warehouse, carton box is reused repeatedly and recycle finally. At offices, we provide recycling bins for waste paper and plastic bottle, and arrange for collection periodically to reduce waste disposal and recycle materials. Old defective computers, office equipment and printer cartridges are also collected by recyclers to reduce environment pollution.

SOCIAL PERFORMANCE

Employment and Labour Practices

Aspect B1: Employment

Human capital is a valuable asset of our Group for sustainability and growth of its business. Our Group employs talent, regardless of gender, age, marital status, family status, race and religion. All employees are treated equally and have same opportunity. To the best information and knowledge of our directors, there is no discrimination and no harassment cases reported. The recruitment, promotion and remuneration of staff of our Group are based on ability and performance without any discrimination.

To attract, motivate and retain talent, our Group provides employee competitive remuneration and welfare. Based on personnel performance and our Group's business performance, there will be a discretionary bonus at year end. Remuneration and welfare to individual staff will be reviewed every year to maintain market competitiveness on retention of human resources.

Our Group has strictly complied with all relevant employment laws and regulations in Hong Kong that have a significant impact on it relating to compensation and dismissal, recruitment and promotion, working hour, rest period, equal opportunity, diversity, anti-discrimination and other benefit and welfare, including but not limited to the Hong Kong Employment Ordinance, the Mandatory Provident Fund Schemes Ordinance, the Minimum Wage Ordinance and all other relevant ordinances. Our Group provides more holidays and rest periods than the statutory requirements to the employees. In addition to the entitlement of paid annual leave and statutory holidays, the office staff have paid rest days and alternate Saturday day off, and the staff of **wishh!** shops have 5 days off per month. The Group also provides medical insurance benefit to the employees.

For increasing staff motivation and sense of belonging, our Group organized birthday broadcasting party and snacks sharing. We offered various kinds of awards for outstanding staff on a monthly, quarterly and annually basis, e.g. The Best Attendance Award, The Best Cleaning Award and The Most Customer Visit Award. Our Group has been hiring hearing-impaired people as full time employees for several years.

Aspect B2: Health and Safety

We are committed to provide a healthy and safe working environment to every employee and to provide the employees with appropriate equipment, safety information and training. Our Group also helps improve its employee's the concept of working safety and health by providing relevant trainings. Our Group further endeavours to build up a healthy and safe working environment with zero accident and zero work injury.

Prolonged usage of computer is a common problem for office employee. In Hong Kong, our Group provides every office employee a glass stand to elevate the position of the computer monitor or notebook to encourage staff to have a correct posture for using computer. We endeavour to provide a healthy and comfortable working environment to our employee.

Our Group has complied with relevant laws and regulations that have a significant impact on us for providing a safe working environment and protecting our employees from occupational hazards.

Aspect B3: Development and Training

Our Group believes staff development and training are key factors for development and growth of our business. We promote lifelong continuing learning among our staff and encourage them to equip themselves with the latest technology or development for improvement in work performance. Our Group provides continuous on-the-job training to our employees to enhance their knowledge and skill. We also encourage our staff to attend courses or trainings for personal professional development organized by external entities.

Our Group was awarded "Happy Company" by Promoting Happiness Index Foundation in 2016.

Aspect B4: Labour Standards

Our Group has complied with all relevant laws and regulations that have a significant impact on it relating to prevention of use of child and forced labour. We do not accept any form of forced labour service. We also prohibit employing child labour at any working place under any circumstances. Our Group will inspect applicant's document and qualification strictly during recruitment process to ensure that all relevant laws in respect thereof are complied with, and all the record will be kept for re-inspection when needed.

Operating Practices

Aspect B5: Supply Chain Management

We expect that our suppliers also operate the business responsibly, and reaches our Environmental, Social and Governance Sustainability standard. Our Group was awarded ISO9001 certification, and we are committed to maintain a high standard on purchase and supply chain management to improve our operation efficiency and manage environmental and social risk of the supply chain. Supplier performance will be audited and reviewed regularly to ensure the product provided by our Group is of high quality and is safe for its purpose.

Aspect B6: Product Responsibility

Product quality is very important to our business and customers and we have a system to ensure product quality and safety. Under our supply chain management, our suppliers are requested to provide relevant documents and certification to us, and we shall ensure that our products are complied with the relevant laws and regulations that have a significant impact on them relating to health, safety and intellectual property right matters. Our Group complies with relevant laws and regulations that have a significant impact on it relating to advertising and labeling, e.g. the Hong Kong Trade Description Ordinance. We also use our best endeavour to ensure that there is no any false and misleading messages in our advertisements and communication to customers. It is our Group's policy that if any product is found with health, safety and/or labeling issue, the sale or distribution of such product will be stopped or suspended immediately.

We respect customer's privacy and we comply with the Personal Data (Privacy) Ordinance in protecting customer personal data. We only collect personal data relevant and necessary to conduct our business. Unless with the customer's consent, we will not, unless compelled by law or for reasons of obtaining professional services such as legal and audit, disclose customer personal data to any organization or person not belonged to the Group.

Aspect B7: Anti-Corruption

Our Group is committed to maintain ethics and integrity at the highest standard in business. We have zero tolerance to corruption and bribery, All directors and staff must strictly comply with the Group's Employee Conduct Code to prevent any action of bribery and corruption and they shall also follow relevant rules and guidelines when any conflict of interests arises.

It is the Group's policy that no employee is allowed to solicit or accept any advantages from customer, potential customer, or company business partner. The types of advantages and interest include but not limited to money, gift, loan, fee, reward, employment, contract, service and favour.

Our Group has a whistle-blowing policy and we encourage staff to report any suspected corruption case directly to our Group's top management.

Our Group has complied with relevant laws and regulations that have a significant impact on it relating to bribery, extortion, fraud and money laundering.

Community

Aspect B8: Community Investment

Our Group has a strong commitment to corporate social responsibility to support the long term development of the communities. We endeavour to participate and organise the activities that will bring positive influence to the communities and take into consideration the communities' needs and interests. We concern youth education and the vulnerable. One of the director of our Group serves as a mentor of Hong Kong City University of Hong Kong's Inno-preneurship Mentoring Scheme. We encourage the employees to participate in community charitable activities to help those in need. For several years, the Group has participated in Yan Chai Hospital Charity Walk and Fortune Bag Giving and Hong Kong Red Cross Blood Donation Day. The Group has also organized a representative team to join the Outward Bound Competition which raises funds for Outward Bound Hong Kong. Our Group has continuously employed hearing impaired people as full time employee for several years. Our Group has also provided placement opportunities to the students of local tertiary institution and South Asian race secondary school. Our Group had been awarded the Caring Company Logo for 11 consecutive years by the Hong Kong Council of Social Service in recognition of its achievement in corporate social responsibility in areas such as "Giving", "Employing the Vulnerable", "Caring the Employees" and "Caring the Environment".



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Aspect and General Disclosure Page of Report

Emission (Aspect A1) 3

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.

Use of Resources (Aspect A2) 3

General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.

The Environment and Natural Resources (Aspect A3) 3

General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.

Employment (Aspect B1) 4

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.

Health and Safety (Aspect B2) 5

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 provision of a safe working environment and protecting employees from occupational hazards.

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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.	

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