

Mobicon Group Limited

萬保剛集團有限公司

(股份編號Stock Code:1213)

環境、社會及管治報告 Environmental, Social and Governance Report 2018/2019



Enterprising - Pragmatic - Aspiring



CONTENTS

About This Report	2
Stakeholder Engagement	2
Environmental Performance	
Aspect A1: Emissions	3
Aspect A2: Use of Resources	3-4
Aspect A3: The Environment and Natural Resources	4
Social Performance	
Employment and Labour Practices	
Aspect B1: Employment	5
Aspect B2: Health and Safety	6
Aspect B3: Development and Training	6
Aspect B4: Labour Standards	6
Operating Practices	
Aspect B5: Supply Chain Management	7
Aspect B6: Product Responsibility	7
Aspect B7: Anti-Corruption	7
Community	
Aspect B8: Community Investment	8
HKEX's Environmental, Social and Governance Reporting Guide Index	10

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 and Online Retail Business under the brand of . The Group’s head office is in Hong Kong and has subsidiaries in South Africa, China Mainland, Malaysia, Singapore, Taiwan and Portugal.

This is the third Environmental, Social and Governance Report of the Group and 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 focused 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 2018 to 31 March 2019. 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 produced emission. 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. The amount of emissions has been reduced as a result of our measures.

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

Indicators	2017/2018 <i>Approximately</i>	2018/2019 <i>Approximately</i>
NOx emissions from vehicles (kg)	100	45.99
SOx emissions from vehicles (kg)	0.20	0.21
PM emissions from vehicles (kg)	6.00	4.23
Total GHG emissions (Scope 1, 2 and 3) (kg)	2,662,000	476,000
Total GHG emissions (Scope 1, 2 and 3) per floor area (kg/sq m)	400	70
Total GHG emissions (Scope 1, 2 and 3) per employee (kg/employee)	11,000	2,400
Scope 1 direct emissions (kg) – company fleet	42,000	34,000
Scope 2 indirect emissions (kg) – electricity	2,618,000	438,000
Scope 3 indirect emissions (kg) – business air travel	1,600	4,300

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 conditioners 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. Our 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. The amount of energy consumption has decreased as a result of our energy use efficiency initiatives.

In 2018, our Group was granted The Hong Kong Awards for Environmental Excellence.

Indicators	2017/2018 <i>Approximately</i>	2018/2019 <i>Approximately</i>
Total energy consumption (kWh)	4,974,000	932,000
Total energy consumption per floor area (kWh/sq m)	700	140
Total energy consumption per employee (kWh/employee)	21,000	4,730
Direct energy consumption (kWh)	148,000	131,000
Unleaded petrol	50,000	58,000
Diesel	98,000	73,000
Indirect energy consumption (kWh) – electricity	4,826,000	800,000

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 recycled 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. Our Group is committed to reducing waste generated from business operation. During new decorations and renovations, we avoid purchasing new equipment.

Indicators	2017/2018 <i>Approximately</i>	2018/2019 <i>Approximately</i>
Office paper purchased (kg)	4,800	2,200
Carton purchased (pce)	25,000	14,000
Plastic bag purchased (pce)	20,000	10,000
Paper/carton recycled (kg)	6,600	7,800
Plastic bottle recycled (pce)	1,000	1,100

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 our employee with 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 our employees. In addition to the entitlement of paid annual leave and statutory holidays, the office staff has paid rest days on Saturday and Sunday, and the staff of **wishh!** shops has 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 providing a healthy and safe working environment to every employee and to providing the employees with appropriate equipment, safety information and training. Our Group also helps improve our employee's 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 with 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 relating to 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 2018.

Aspect B4: Labour Standards

Our Group has complied with all relevant laws and regulations that have a significant impact on us 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 their business responsibly and reach our Environmental, Social and Governance Sustainability standard. Our Group was awarded ISO9001 certification, and we are committed to maintaining 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 the quality of our products is in compliance with the relevant laws and regulations that have a significant impact on us relating to health, safety and intellectual property right matters. Our Group complies with relevant laws and regulations that have a significant impact on us 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 maintaining 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 us 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 directors 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 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 and joined BGCA Happy Football 2019. 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 students. Our Group had been awarded the Caring Company Logo for 13 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".

香港紅十字會
HONG KONG RED CROSS

給血聯盟
GIVE BLOOD ALLIANCE

ONE BLOOD DONATION SAVES 3 LIVES

MOBICON Electronic Components

JUN 22, 2018

仁濟醫院
YAN CHAI HOSPITAL

仁濟慈善行
Yan Chai Charity Walk
2018

日期：2018年10月28日(星期日)
時間：上午8時45分
起步禮地點：荃灣城門谷運動場
籌款目的：為仁濟各項慈善服務籌募經費
* 歡迎個人、學校、團體及各工商機構組隊參加

wishh! MOBICON Electronic Components

Outward Bound CORPORATE CHALLENGE 社區新氣象2018
Wishh! 護膚·彩妝·時尚

外展衝勁樂 - Outward Bound Hong Kong
2018年12月8日

wishh! 護膚·彩妝·時尚

領展 LINK 領展商戶學堂

傑出商戶獎勵計劃 2018-2019

傑出商戶獎勵計劃 2018-2019
第一等傑出商戶
wishh!

2018.11.20

香港小童群益會

快樂潮汕學習之旅

快樂足球訓練計劃 2019
★ 19 - 23 APRIL 2019 ★

HKEX'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

Subject Areas and Aspects

Page of Report

A. Environmental

Aspect A1 : Emissions

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.
KPI A1.1	The types of emission and respective emissions data
KPI A1.2	Greenhouse gas emissions in total and intensity
KPI A1.3	Total hazardous waste produced and intensity
KPI A1.4	Total non-hazardous waste produced and intensity
KPI A1.5	Description of measures to mitigate emission and results achieved
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction, initiatives and results achieved

Aspect A2 : Use of Resources

3

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials
KPI A2.1	Direct and/or indirect energy consumption by type and intensity
KPI A2.2	Water consumption in total and intensity
KPI A2.3	Description of energy use efficiency initiatives and result achieved
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced

Aspect A3 : The Environment and Natural Resources 4

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

KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them

B. Social**Aspect B1 : Employment** 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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Aspect B2 : Health and Safety 6

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.

Aspect B3 : Development and Training 6

General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work Description of training activities

Aspect B4 : Labour Standards	6
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.
Aspect B5 : Supply Chain Management	7
General Disclosure	Policies on managing environmental and social risks of the supply chain
Aspect B6 : Product Responsibility	7
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.
Aspect B7 : Anti-Corruption	7
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
Aspect B8 : Community Investment	8
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.

Mobicon Group Limited

萬保剛集團有限公司

(股份編號 Stock Code : 1213)

www.mobicon.com

MOBICON

進取 - 務實 - 翻四方

環境、社會及管治報告
Environmental, Social and
Governance Report
2018/2019

