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About the Report

This is the first Environmental, Social and Governance (“**ESG**”) report of Hong Kong Johnson Holdings Co., Ltd. (“**Johnson**”, together with its subsidiaries, the “**Group**”), highlighting its ESG performance, with disclosure reference made to 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 “**Listing Rules**”). This report has complied with the “comply or explain” provisions of the ESG Reporting Guide.

Reporting Principles

According to the ESG Reporting Guide, the following reporting principles were underpinned and applied in this report:

- **Materiality:** materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders
- **Quantitative:** key performance indicators (“**KPIs**”) have been established, and are measurable and applicable to make valid comparisons under appropriate conditions. Information on the standards, methodologies, assumptions, calculation tools used, sources of conversion factors used, have been disclosed when applicable
- **Consistency:** consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time

Scope and Reporting Period

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social, of its business activities that contribute to 100% of the Group’s revenue, from 1 April 2019 to 31 March 2020 (“**Reporting Period**”), unless otherwise stated.

Our reporting scope centers on the key business activities and operating segment of the Group during the Reporting Period:

- Provide a wide range of environmental hygiene services, including cleaning services for buildings, parks and recreational centres, streets, institutions, and other cleaning services

The general information of the Group during the Reporting Period are as follows:

	2019/20
Revenue (HK\$’000)	1,784,981
Total number of employees	11,662

The Group’s Sustainability Commitment and Recognition

As an environmental hygiene service provider, providing a healthy working environment to employees is the Group’s top commitment. In addition, the Group has incorporated the sustainable development visions into the corporate strategy, and integrated environmental friendly practices in all dimensions of our key business activities so as to contribute to the sustainable development of our society.

ESG Management Approach in Relation to the Business

The Group's performance in environmental protection and fulfilling social responsibilities is recognised by several certifications and awards. This had motivated the Group to further enhance its ESG performance by (1) avoiding and reducing any possibilities of bringing adverse impacts to the environment, and (2) caring for stakeholders who are crucial to its daily operations. Senior management across departments share responsibility in maintaining high service standards and dealing with ESG matters that are relevant to their fields of work.

Environmental Approach The Group addresses all potential risks to environment with due care. It considers chemicals leaks, use of cleaning detergent, vehicles' air emissions, waste management, and use of resources as some of the most important issues, and has written detailed management policies to address them. The Group also believes everyone takes a role in protecting the environment. Regular training sessions are arranged for employees to enhance their understanding on environmental protection and the pathways of achieving it.

People Approach The Group acknowledges that its success is largely attributed to the hard work of its workforce that consists of over 10,000 employees. Therefore, the Group strives to create an engaging and cohesive working environment for its employees to raise their sense of belonging and retain talents. The Group has established policies that outline measures on ensuring employees' occupational health and safety, and provides regular training to improve their work competence.

Operating Approach The achievement of the business would not be realised without the continuous support of the Group's customers and suppliers. Therefore, maintaining friendly relationships with these business partners to show appreciation for the collaborations has always been Johnson's top priority. For long-term continuity, the Group takes a strong stance on keeping its integrity and preventing corruptive practices within the business. The community's interests are also considered when policies are made.

Risks and Opportunities

While there exist various uncertainties in the market economy in the upcoming years, mainly due to the global pandemic that took place in 2020, the increase in government funding for the hygiene and sanitation sector for the financial year 2020-21 indicates there will be a higher demand for cleaning services. In view of this, the Group is planning on grasping the opportunity for further business expansion.

Locally, the Group will enhance its service efficiency and quality to keep its competitiveness and remain as a market leader. In addition, the Group expanded its business to provide downstream services, such as logistics and transportation services for refuse collection, and other relevant services, such as providing advanced environmental hygiene servicing technology and equipment for clients. Through expanding and integrating with other relevant environmental hygiene businesses, the Group will be enabled to further unleash its fullest potential. This helps spread the cost of operation and increase efficiency of its resources used, while also benefiting its shareholders with a sustainable future.



Apart from strengthening and consolidating its position in the local market, the Group is also actively considering developing its services to the mainland China market. As the Chinese government has been implementing more environmental protection related measures in recent years, including the “Soil Pollution Presentation and Control Law” implemented on 1 January 2019 and the General Office of the State Council forwarded the “Implementation Plan for Domestic Waste Classification System” from the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development in the early 2020, growing opportunities brought about are foreseeable. The Group will therefore consider expanding in the mainland Chinese market when the timing is appropriate to grasp expansion opportunities.

Awards and Accreditation

The Group’s continued effort in achieving excellence has allowed it to gain the following certification and awards:

- ISO 14001:2015 Environmental Management Systems
- ISO 9001:2015 Quality Management Systems
- ISO 45001:2018 Occupational Health and Safety Management Systems
- 5 years + Caring Company 2019/20 – Johnson Cleaning Services Company Limited

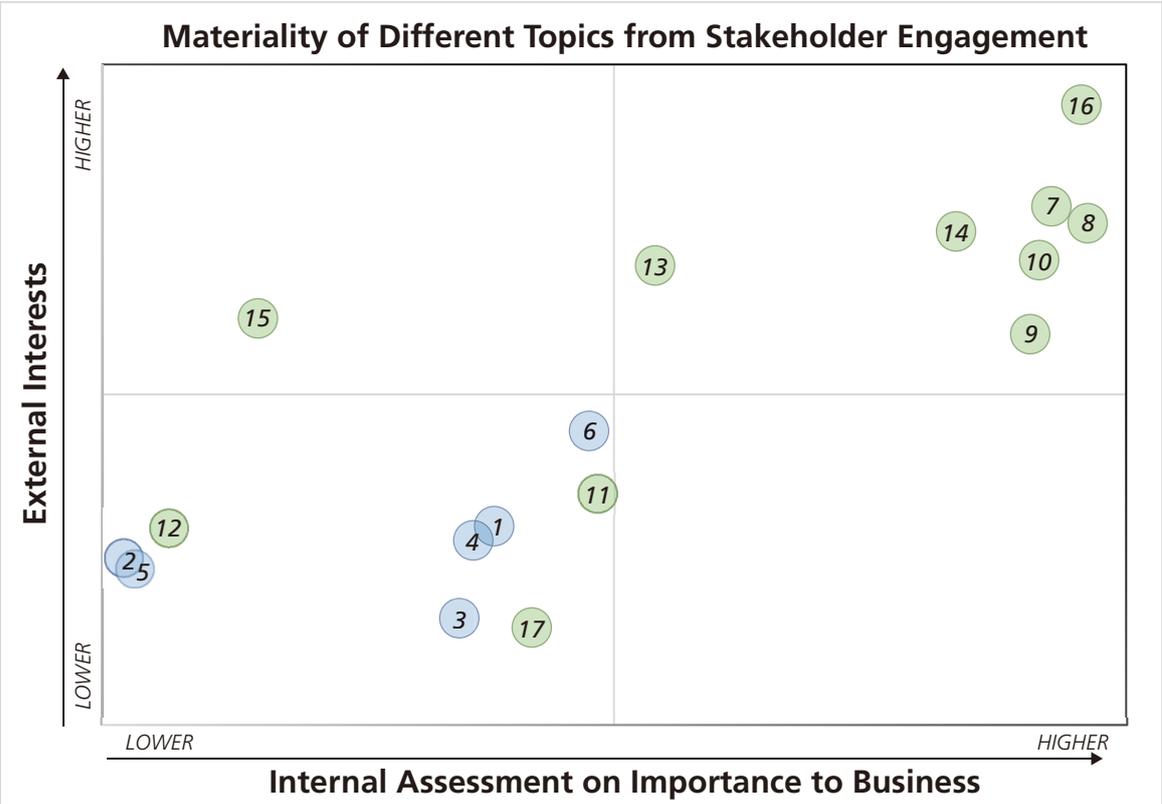
Memberships

To obtain the latest industry information and maintain a high level of expertise and technology, the Group is participating in various chambers of commerce and associations:

- ISSA (The Worldwide Cleaning Industry Association)
- Environmental Services Contractors Alliance (Hong Kong)
- Environmental Contractors Management Association
- Hong Kong Pest Management Association

Stakeholder Engagement and Materiality

The Group believes that it is of paramount importance to maintain close communications with its stakeholders to develop more comprehensive sustainability strategies for advancing in its ESG performance. In order to achieve this important objective, it has established several communication channels with various stakeholders where they can provide their feedback and comments on the Group’s direction. Among all, stakeholders have been invited to complete a survey with regard to their views on materiality of different topics. A matrix is then plotted according to the results as follow:



Environmental

Social

- 1 Energy
- 2 Water
- 3 Air Emission
- 4 Waste and Effluent
- 5 Other Raw Materials Consumption
- 6 Environmental Protection Measures

- 7 Employment
- 8 Occupational Health and Safety
- 9 Development and Training
- 10 Labour Standards
- 11 Supplier Management
- 12 Intellectual Property
- 13 Data Protection
- 14 Customer Service
- 15 Product/Service Quality
- 16 Anti-corruption
- 17 Community Investment



According to the matrix, the most material topics are:

1. Anti-Corruption
2. Occupational Health and Safety
3. Employment
4. Labour Standards
5. Customer Service
6. Development and Training

The Group is aware of the importance of addressing these topics and will continue to make effort to manage these key material aspects by establishing more policies and guidelines in order to achieve the goal of further enhancing the Group's ESG performance.

Stakeholders' Feedback

The Group welcomes stakeholders' feedback on its environmental, social and governance approach and performance. Any stakeholder is welcome to give suggestions or share views with the Group via email at info@johnsonholdings.com.

A. Environmental

The Group complies with relevant laws and regulations related to environmental aspect that have significant impact on the Group. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations. The Group's effort in establishing adhering to policies and measures in place regarding environmental protection purposes as described in the following sections has allowed it to qualify for the ISO 14001:2015 certification.

A1. Emissions

During the Reporting Period, the Group did not note any cases of material non-compliance relating to air and greenhouse gas (“GHG”) emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations.

Areas of Interest	Relevant Laws
Air Emissions	<ul style="list-style-type: none">• Cap. 311 Air Pollution Control Ordinance• Cap. 611 Motor Vehicle Idling (Fixed Penalty) Ordinance
Waste Disposal	<ul style="list-style-type: none">• Cap. 123 Buildings Ordinance• Cap. 132 Public Health and Municipal Services Ordinance• Cap. 228 Summary Offences Ordinance• Cap. 295 Dangerous Goods Ordinance• Cap. 311 Air Pollution Control Ordinance• Cap. 354 Waste Disposal Ordinance• Cap. 603 Product Eco-responsibility Ordinance

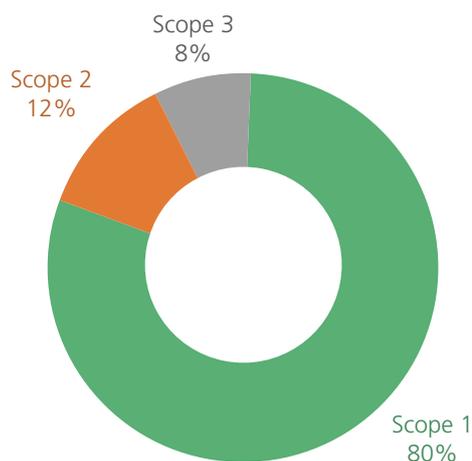
Types of Emissions

During the Reporting Period, the Group emitted 503.96 kg of nitrogen oxides (NO_x), 2.04 kg of sulphur oxides (SO_x) and 14.54 kg of particulate matters (PM). They were mainly contributed by the consumption of petrol and diesel by Group-owned vehicles which provide integrated environmental services.

Greenhouse Gas Emissions

While the scale of the key operations continues to expand gradually, the Group is establishing better channels to collect, trace, and review ESG data and information to monitor the total amount of GHG emission caused. During the Reporting Period, 418.74 tonnes of carbon dioxide equivalent (tCO₂e) of greenhouse gas, which included carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons, was emitted. The intensity was 0.23 tCO₂e/HK\$1,000,000 revenue.

Sources of Greenhouse Gas Emissions



Sources of Greenhouse Gas Emission ^(Note 1)			Emissions (tCO ₂ e)	Sub-total (tCO ₂ e)	Proportion (%)
Scope 1					
Direct Emission	Combustion of fuel for mobile vehicles	Diesel Petrol	318.54 18.37	336.91	80
Scope 2					
Indirect Emission	Purchased electricity ^(Note 2)		49.85	49.85	12
Scope 3					
Other Indirect Emission	Water consumption ^(Note 3) Paper waste disposed at landfills		0.02 31.95	31.97	8
Total				418.73	100

Note 1: Emission factors were made reference to Appendix 27 of the Listing Rules and their referred documentation as set out by The Stock Exchange of Hong Kong Limited, unless stated otherwise.

Note 2: Emission factor of 0.5 kgCO₂/kWh was used for purchased electricity in the office. Owing to the Group's operating model and terms of contracts, electricity used for the cleaning services is directly provided and borne by the Group's clients, thus it is not included in the calculation.

Note 3: Water consumption includes water used by the office only. Owing to the Group's operation model and terms of contracts, water used for the cleaning services is directly provided and borne by the Group's clients, thus it is not included in the calculation.

Measures to Mitigate Emissions

As the major source of the Group's emissions, mobile vehicles are always given extra consideration during the procurement process, the environmental performance of vehicles is a key factor when comparison is carried out. The Group tends to purchase vehicles that are relatively more efficient and less air polluting, specifically those of Tier Euro 5 or Euro 6. Qualified personnel are also appointed to undergo regular maintenance for the vehicles to ensure that they function normally, and to raise the efficiency of fuel consumption. The Group has also established their own fleet management system such that work schedules are planned more efficiently for better utilisation of vehicles to keep the consumption of fuel minimal.

For measures regarding the efficient use of electricity, another source of greenhouse gas of the Group, see section A2 of this report.

Waste Produced and Reduction Initiatives

The Group's operations utilize reusable materials to reduce the amount of hazardous and non-hazardous waste produced. When reusable materials are not available, the Group utilizes items that are degradable to lessen its burden on the environment. In addition, the Group arranges training for employees and reviews waste management methods regularly to reduce the impacts on the environment and ecology. In the office area, although the amount of waste generated is considered insignificant, the Group still puts in reasonable care in handling such waste. Signages are also posted up to encourage employees to reuse and recycle when they can reduce waste production. Employees are also encouraged to opt for double-sided printing before disposing of a paper and avoid printing when electronic versions are possible to reduce paper consumption.

As for the machinery and equipment used during the delivery of the Group's services, they are inspected and maintained regularly. This prevents any faults from harming other parts of the machines to keep them in good condition. This is expected to lengthen the machines' lifetime to reduce overall waste generation.

During the Reporting Period, the Group did not produce any significant hazardous waste due to its business nature, and generated 69 tonnes of non-hazardous waste, mainly composed of plastic bin bags, disposable gloves, and office papers. The intensity was 38.70 kg/HK\$1,000,000 revenue.

Waste Handling

Although the Group does not generate a large amount of waste itself, handling waste is one of the major parts of the Group's operations. During the Reporting Period, the Group handled over 1,262 thousand tonnes of solid waste, including domestic, commercial and industrial waste, from streets in various districts in Hong Kong Special Administrative Region ("Hong Kong"), and from residential and commercial buildings. Considering the volume of waste it handles, the Group has a list of policies and guidelines in place in regards of proper waste handling and disposal.



Waste Handled during the Reporting Period
> 1,262,000 tonnes

For frontline employees whose tasks involve handling waste, they are required to sort waste into general waste, recyclables, and hazardous waste (which should be stored separately at a safe location). After assortments, waste is to be disposed of at its corresponding labelled and lidded bins, which are then transferred to refuse stations and handled by other parties or suppliers for transferral to the landfill or recyclers. Hazardous waste is collected by designated contractors to prevent contamination to the environment.

Frontline employees working at refuse stations are responsible for the daily sanitising of refuse bins and floors to prevent bacterial growth. Grounds shall be cleared of refuse, puddles, or smell; and walls shall be cleared from any other materials and stains. If it is found that ventilation systems of the refuse stations are not functioning as normal, employees are expected to inform relevant parties for prompt maintenance; if bins are found to be damaged, employees shall inform their supervisors for replacement.

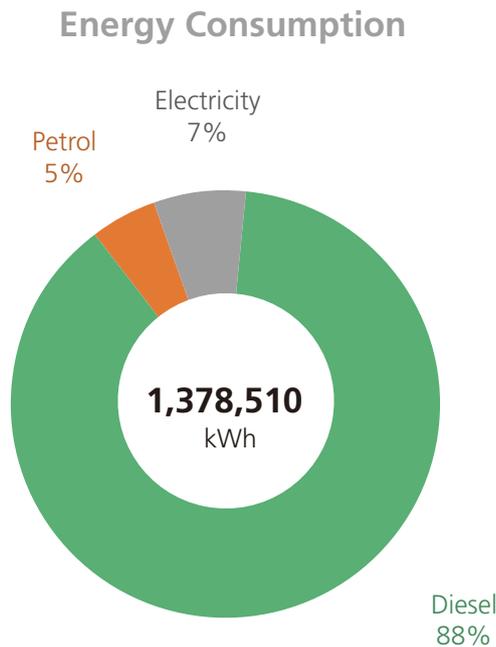
A2. Use of Resources

The Group has various policies regarding the efficient use of resources, including energy, water, and other raw materials. These policies serve as a guide to use resources within the workplace reasonably and effectively. This helps reduce wasting resources and enhance efficiency of resources consumption. It also follows any relevant laws listed as follows:

Area of Interest	Relevant Laws
Water Discharge	<ul style="list-style-type: none">• Cap. 102 Waterworks Ordinance• Cap. 358 Water Pollution Control Ordinance

Energy Consumption

During the Reporting Period, the Group consumed an equivalent of 1,378,510 kWh energy, with an intensity of 771.85 kWh/HK\$1,000,000 revenue. They were mainly contributed by the consumption of petrol and diesel for Group-owned vehicles, and the use of electricity in the office. Owing to the Group's operating model and terms of contracts, electricity used for the cleaning services is directly provided and borne by its clients, thus, not included in the reporting scope.



Energy	Consumption (Unit)	Consumption (kWh)	Consumption Intensity (Unit)
Electricity	99,702 kWh	99,702	9.08 kWh/m ² office area
Petrol	6,820 litres	62,162	34.81 kWh/HK\$1,000,000 revenue
Diesel	120,700 litres	1,216,646	681.22 kWh/HK\$1,000,000 revenue

Note: Conversion factor of 1 litre = 9.11 kWh was used for petrol, whereas 1 litre = 10.08 kWh was used for diesel.

Energy Use Efficiency Initiatives

To conserve energy, the Group regularly cleans machines and electrical equipment used at its working venues to ensure that a high level of efficiency is maintained, and that no energy is wasted for efficiency purposes. The Group always explore feasibility of using advanced cleaning equipment to enhance energy use efficiency while providing cleaning services.

In the office area, energy efficient appliances are used whenever possible. For example, LED bulbs are used, cleaned frequently such that lighting is maximised in the office, and turned off when they are not in use; similarly, instead of leaving electronic appliances like computers, printers, or paper shredders in idle mode, they are turned off when not required, and cleaned and checked regularly to make sure they are functional. The Energy Saving Charter on Indoor Temperature is also followed, where the air conditioners are set at 25.5°C for comfort, and their exhaust pipes and dust filters are regularly cleaned to maintain a high level of efficiency.

Water Consumption

During the Reporting Period, the Group's office consumed 38 m³ of water for daily domestic usage, the intensity was 0.45 m³/office employee. Owing to the Group's operating model and terms of contracts, water used for the cleaning services is directly provided and borne by its clients, thus, not included in the reporting scope.



Water Consumption
per Office Employee
0.45 m³

Water Use Efficiency Initiatives

To conserve water resources, frontline employees always avoid the continuous running of hoses for washing or cleaning. Instead, they consume water that is just about the amount of what is needed. If it is found that water pipes, tanks, taps, or any other sources of water supply facilities are experiencing leakage, employees will notify the person in charge at the corresponding sites. To increase water use efficiency, water that has been used for mopping furniture or certain equipment, is reused for secondary purposes, such as cleaning stairs, flooring, platforms, etc. when possible.

Packaging Material

Due to the Group's business nature, no packaging material is used by the Group, and hence its related disclosure is not applicable.

A3. The Environment and Natural Resources

The use of certain machinery, and cleaning in general, inevitably create certain pollution on the environment, such as air and noise pollution, and risk of water or soil contamination. The Group is well-aware of such risk, hence abides by laws and regulations relevant to such aspects as listed below, on top of the abovementioned ones. Policies are also established as reference on how pollution shall be minimised and how hazardous materials shall be handled.

Aspects	Relevant Laws
Environment	<ul style="list-style-type: none">• Cap. 133 Pesticides Ordinance• Cap. 371 Smoking (Public Health) Ordinance• Cap. 400 Noise Control Ordinance

Significant Impacts of Activities on the Environment

Under normal circumstances, the Group's operations should not cause significant impact to the environment. It is only when equipment is malfunctioning, or normal procedures are not followed would a risk or negative effect, such as noise or air pollution, or soil or water contamination, be imposed, which the Group is fully aware of. Thus, various measures and policies are formulated such that these scenarios can be avoided.

Noise

The use of machinery for the Group's cleaning services should usually be at an acceptable volume under normal circumstances. If any functioning machines are making abnormal noise, frontline employees are expected to stop the machines immediately and report such cases to relevant parties as instructed. Supervisors are also responsible for checking and monitoring the conditions of such machines regularly to ensure that their operations do not cause any disturbance in the surroundings.

Air Quality

Apart from controlling its air pollutants and greenhouse gas emissions by using more environmental friendly vehicles and taking energy saving measures, the Group also bears responsibility in reducing the possibility of unpleasant substances suspended in the air. When using any materials containing chemicals or volatile organic compounds (VOCs), air ought to be kept ventilated; whereas when they are stored aside, containers of such materials must be airtight. These keep the air free from any contents that may impose risks to human health. To prevent creating dust particles in the air, filters and components of machines, such as vacuum cleaners and air conditioners, shall be checked and cleaned regularly, measures of dust prevention shall also be taken prior to carrying out cleaning works.

Water and Soil

The major water and soil pollution risks by the Group's operations take place when wastewater that had washed dirt or chemicals used for cleaning purposes are not handled properly. Therefore, the Group has clear instructions for employees on procedures to follow when using such substances to avoid causing detrimental consequences. To prevent any liquid from entering water bodies or entering soil without treatment, all water that had been used for cleaning in some way, must be collected and diverted or discharged into sewers properly, any substances that had been used for cleaning purposes, such as bleach and wax solvent, must be diluted before being collected by wet vacuum cleaners.

B. Social

The Group complies with the relevant laws and regulations related to its people and management that have significant impact on the Group. No material non-compliance was recorded during the Reporting Period. The Group's effort in establishing policies and measures in place regarding protecting its employees and operating practices has allowed it to obtain ISO 45001:2018 and ISO 9001:2015.

1. Employment and Labour Practices

B1. Employment

The Group complies with the relevant laws relating to compensation and dismissal, recruitment and promotion, working hours, rest period, equal opportunity, diversity, anti-discrimination, and other benefits and welfare as listed below. There was no material non-compliance with these laws that may have significant impact on the Group during the Reporting Period.

Areas of Interest	Relevant Laws
Employment	<ul style="list-style-type: none">• Cap. 57 Employment Ordinance• Cap. 115 Immigration Ordinance• Cap. 480 Sex Discrimination Ordinance• Cap. 487 Disability Discrimination Ordinance• Cap. 608 Minimum Wage Ordinance
Contractual	<ul style="list-style-type: none">• Cap. 282 Employee's Compensation Ordinance• Cap. 485 Mandatory Provident Fund Schemes Ordinance

Opportunities for the Disadvantaged

On top of the employment practices adopted as required by law, the Group is particularly keen on taking care of the vulnerable groups of society. It strives to provide opportunities for people who had less opportunity in receiving education and those of old age. The Group's concern about these people enabled them to make up the majority of the workforce.

Total Workforce

As of 31 March 2020, the Group had a total of 11,662 employees.



Turnover Rate

During the Reporting Period, the average turnover rate was 19.2%¹. The major reason for employees aged 51 or above having a higher turnover rate is due to their retirement.

¹ The average turnover rate is calculated by averaging the monthly turnover rates. Monthly turnover rate is calculated by dividing the number of employees who left the Group in a specific month by the total number of employees at the end of the same month.

B2. Employee Health and Safety

The Group complies with the relevant laws relating to providing a safe working environment and protecting employees from occupational hazards. As the Group continues to show high concern on the working environment for its employees, and has clear guidance and policies on how different situations relating to occupational health and safety shall be handled, it has been able to obtain the ISO 45001:2018 certification as a milestone of its achievement.

Areas of Interest	Relevant Laws
Working Environment	<ul style="list-style-type: none">• Cap. 58 Fire Services Ordinance• Cap. 59 Factories and Industrial Undertakings Ordinance
Employees' Health and Safety	<ul style="list-style-type: none">• Cap. 509 Occupational Safety and Health Ordinance

Group's Health and Safety Policy

It is of the Group's top priority to protect the occupational health and safety (OHAS) of its employees, as it lays the foundation for the Group's long-term success. Therefore, it has established policies and Code of Safety to maintain a high level of awareness amongst its employees and to provide a safe working environment on the managerial level. Management team has implemented a range of occupational safety measures to safeguard employees' interests. The measures include, but are not limited to:

- Conveying the importance of following all relevant laws and regulations to employees and relevant parties, and letting them understand their rights to, and responsibilities of maintaining, their own OHAS
- Providing guidance on how the working environment, working equipment, and their job in general can be engaged with safely, e.g. on the operation of machines, handling methods of chemicals, and response to emergency events
- Taking appropriate measures to minimise any OHAS risks, and establishing instructions and guidance to minimise threats
- Providing all necessary training and guidance for employees
- Training, cultivating, and promoting an awareness on OHAS
- Reviewing the performance of OHAS regularly to maintain a high standard of OHAS management
- Carrying out regular risk assessment, and identifying, evaluating, and reducing any potential workplace risks

Advanced Technology to Reduce Chances of Injury

The Group acknowledges that its workforce composes mainly of seniors who are susceptible to injuries. Therefore, it regularly looks for machines with advanced technology and brings them in to assist and ease its employees' tasks. In the long run, the Group expects that such measure will help reduce the number of work injury cases and better protect the well-being of its employees.

Not only is the Group persistent in keeping daily occupational safety standards high, it is also vigilant in spotting any situations that may put its employees at risk. During the Reporting Period, the occurrence of a series of large-scale public events and COVID-19 pandemic had imposed immense challenges for the Group's operations. Having said that, the Group had reacted to these circumstances promptly to guarantee a safe and sound working environment for its employees.

Policies for Large-Scale Public Events

During the Reporting Period, the high demand for clean-up of major public events raised concerns on frontline employees' occupational safety. Worries were mainly related to the potential health risks that may be experienced by these employees if dangerous remnants were handled without adequate protective gears and instructions. As a vigilant employer, the Group has published guidelines on procedures and precautions of handling these large-scale public events soon after spotting such risks include but not limited to the following:

- Instructions were given specifically on the avoidance of high-pressure water jets to prevent the activation of aerosols
- Emergency response units were established to make arrangements and provide assistance for employees during emergencies to prevent or reduce their risk to injury
- Additional auxiliary tools were provided to aid and ease employees' work and prevent any injuries

Practices During the COVID-19 Pandemic

Since Hong Kong saw the outbreak of the coronavirus disease at the beginning of 2020, frontline employees have been taking an indispensable role disinfecting and deep cleaning, especially in areas deemed to be potential hosts of germs and viruses. This inevitably puts frontline employees in a position where their lives are exposed to risks. Considering also the fact that its frontline employees are rather vulnerable groups above middle-age in general, the Group has taken actions, to educate employees on how they shall protect themselves. Actions include but not limited to the following:

- Illustrations were given on hand washing techniques, as well as sequences of donning and doffing personal protective equipment
- Instructions were provided on handling potentially infectious waste, and cleaning high risk locations
- Advice were given on maintaining personal hygiene and paying attention to health conditions

During the Reporting Period, there was not any material non-compliance with any occupational safety relevant laws and regulations that may have significant impact on the Group.



B3. Development and Training

The Group recognises the importance of providing training for its employees and regards employees' development as an important element of sustainably developing the business. Therefore, it outlines and reviews the training schedule yearly to cover the most important topics that employees shall be aware of. Trainings are usually carried out based on themes surrounding occupational health and safety topics, which will be updated on monthly basis, and delivered by the Safety Officer of the Group to frontline employees. Some of the training topics include but not limited to the following:

- Preventing strains and sprains
- Personal protection equipment
- Infection prevention and hygiene
- Working at height and working above ground
- Electricity and equipment usage safety
- Preventing heatstroke, work under bad weather, outdoor work safety
- Manual handling safety
- Preventing slips and trips at work
- Chemical goods safety
- Fire prevention and emergency response plans
- Work venue tidiness
- Detergent safety

An accumulated total of 10,759 training hours was delivered during the Reporting Period.

B4. Labour Standards

The Group abides by the relevant laws and regulations as required and never recruits any child labour or forced labour. There were no cases of employment of minors or forced labour during the Reporting Period.

Measures taken to avoid child and forced labour

The Group stringently complies with the relevant labour laws in Hong Kong, especially Cap. 57 Employment Ordinance. Several measures have been implemented to prevent situations such as child and forced labour within the Group's operations and services. To avoid child labour, applicants are required to provide documents during recruitment stage to prove that they meet the minimum age requirement. Background checks are also carried out to verify that the information submitted are true. At the same time, the Group strictly prohibits the recruitment of forced labour hired from or under ways of corporal punishment, abuse, involuntary servitude, and human trafficking. Any overseas applicants must have obtained working permits approved by the Immigration Department before they would be hired by the Group.

2. Operating Practices

B5. Supply Chain Management

All major suppliers of the Group are from Hong Kong. The Group closely monitors its supply chains and has pushed forward a sustainable procurement practice to reduce its negative impacts on the environment while maintaining cost-effectiveness. While the delivery of quality supplies and services are important, the Group also requires its suppliers to take responsibility on the way it operates. The ESG performance of suppliers is an important factor that the Group considers. When engaging new suppliers, the Group will consider whether they can fulfil the requirements of ISO 14001:2015 and ISO 45001:2018 standards. For suppliers that have been engaged for a certain period of time, their performance shall be reviewed and monitored regularly to maintain standard. If suppliers' performance fail to meet certain requirements, such suppliers may not be engaged.

All products procured, especially cleaning agents and chemical materials, would be evaluated in terms of their safety and environmental aspects. If suppliers make certain claims on the abovementioned qualities regarding the products supplied, proofs and relevant documents would be requested. In regards of labour treatment of the suppliers, the Group will conduct due diligence and assessments on suppliers (eg. request for their policies regarding their employment procedures and insurance coverages) to ensure that it is working with companies that have good ethics and corporate social responsibility.

B6. Product/Service Responsibility

The Group strives to deliver quality services, which makes service quality one of the most material topics. While it especially values quality control, its effort of which has been recognised with the ISO 9001:2015 certification, the Group also ensures that it promotes its products and services in an open, fair, and honest way. During the Reporting Period, the Group followed the relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided relevant and may have significant impact on the Group.

Areas of Interest	Relevant Laws
Intellectual Property Rights	<ul style="list-style-type: none">Cap. 528 Copyright Ordinance
Data Protection	<ul style="list-style-type: none">Cap. 486 Personal Data (Privacy) Ordinance

Consideration on the Public

Due to the business nature of the Group's operations, the services provided by the Group would inevitably impose an impact to the public during the production stage or upon completion. Considering the wide range of people that its operations may affect, the Group strives to minimise any negative effects caused by implementing proper procedures and following guidelines provided by clients.

A type of impact is imposed on the senses that the public may experience, which include unpleasant smell and noise. To mitigate the spread of odour from refuse stations, refuse is always cleared and transported away every day. When waste is temporarily stored at the stations, refuse bins are covered with close-fitting lids, and the ventilation systems are operating. After waste has been collected, refuse stations are cleansed immediately, where walls and grounds are rinsed, and refuse bins are sanitised with chemical sanitisers. Noises generated during operation of certain machinery or cleaning in general are also controlled, the detail measures of which can be referred to in Section A3.

Another type of impact that may be incurred during service delivery is obstructions and risks to pedestrians or shops in public. As the Group's works are often carried out on sidewalks, it may block ways or cause minor accidents if pedestrians do not pay enough attention. Therefore, frontline employees are reminded to always pay attention to the conditions on sidewalks and roads while performing duties; trolleys shall be placed at the edge of sidewalks when not in use; when using auxiliary tools for cleaning, warning stands shall be placed at appropriate locations, and verbal warnings shall be given to pedestrians and shops' owners to remind them of any cleaning works that will be carried out; and any dangerous and chemical cleaning products shall be labelled properly to protect the employees from misuse and to minimize potential hazards.

Recalled Products

The Group provides integrated environmental services, and its products has not been subject to recalls for safety and health reasons.

Handling Complaints

The Group always make the best effort to deliver services that meet clients' needs. Yet, clients may still find individual services unsatisfactory. Under such circumstances, clients can submit their complaints via designated channels, which will then be followed up promptly according to the Group's general procedures established as indicated below:



Intellectual Property Rights

The Group is cautious when handling matters that may be relevant to intellectual property (IP) rights. To protect its own IP, any materials relevant to IP rights are registered by the Group. If there is any suspicion of violation, the Group will consult its legal advisors. It also treats intellectual property owned by other parties respectfully and obtains approval when such materials are used in advance. Training on the basic idea of IP rights and its relevant laws are also provided to employees to enhance their understanding on the matter.

Quality Assurance

The Group welcomes feedback from its clients for the services it provides. Whenever a complaint or feedback is received, its specialists will be assigned to handle and follow up the cases. They will identify the issues according to the types of work or clients involved to make corresponding analysis, which will be reported to senior management. Relevant arrangements and improvement in measures will then be outlined for quality improvement purposes in order to improve the standards of services delivered.

Data Protection

The Group had placed high importance to protect the data privacy of the Group's clients and employees. Therefore, the Group has formulated security measures to prevent any unauthorised persons from obtaining personal information, and to prohibit such persons from selling any information of its clients or the Group to any third parties or from leaking such information to public. Anyone who commits the abovesaid action may face a termination in contract.

For personal information collected during the recruitment stage, they are kept securely by the human resources department. Information of applicants who did not make it to the Group will be erased and destroyed completely.

During the Reporting Period, the Group did not discover any material non-compliance of laws and regulations regarding data privacy.

B7. Anti-corruption

The Group complies with the relevant laws and regulations relating to bribery, extortion, fraud, and money laundering as listed below. The Group is not aware of any material non-compliance issues that had a significant impact on the Group during the Reporting Period.

Areas of Interest	Relevant Laws
Anti-Corruption	<ul style="list-style-type: none">Cap. 201 Prevention of Bribery Ordinance

Concluded legal cases regarding corrupt practices

During the Reporting Period, no concluded legal cases regarding corrupt practices were brought against the Group nor its employees.

Preventive measures and whistle-blowing procedures

The Group strives to operate with honesty, integrity, and accountability, and expects and encourages all employees, who have concerns about any suspected misconduct or malpractice, to raise their concerns to their supervisors verbally or by completing a “Whistleblowing Report Form” according to the existing whistleblowing procedures; they may also report to the Company Secretary or to the audit committee of the board of the directors of Johnson (“**the Audit Committee**”) directly, if necessary. The Audit Committee and Company Secretary of Johnson is responsible for monitoring and reviewing the effectiveness of the whistleblowing policy and the subsequent actions taken after receiving a whistleblowing report.

Whistle-blowers are treated fairly. Even if the concerns turn out to be unsubstantiated, the Group protect the whistle-blowers from any unfair dismissal, victimisation, or unreasonable penalty. Employees who victimise or retaliate against those who have raised concerns under the policy are subject to disciplinary actions.

B8. Community Investment

Focus areas of contribution

The Group believes in the importance of fulfilling corporate social responsibility as a successful business. The Group vows set serving the general public and caring for communities as one of its goals, and encourages employees and other stakeholders to provide support for the communities. In the future, Johnson hopes to demonstrate its Lion Rock spirit of mutual assistance and give back to society by organising a corporate volunteer team to extend their care to the community.

Resources Contributed

During the Reporting Period, the Group has contributed around HK\$15,000 for community investment. A majority of the amount was donated to the Society of Rehabilitation and Crime Prevention, in support of “The 7th SRACP Charity Walk and Run” event; the rest of the amount were donated to the Yuen Yuen Institute, via its flag-selling activity.

Summary of the Group's Key Performances

Key Performances Indicators

Emissions

Indicators	2019/20
SO _x (kg)	2.04
NO _x (kg)	503.96
PM (kg)	14.54
Total GHG emissions (tCO ₂ e)	418.74
Scope 1 – Direct GHG emissions (tCO ₂ e)	336.91
Scope 2 – Indirect GHG emissions (tCO ₂ e)	49.85
Scope 3 – Other indirect GHG emissions (tCO ₂ e)	31.97
GHG intensity (tCO ₂ e/HK\$1,000,000 revenue)	0.23

Waste Management

Indicators	2019/20
Non-hazardous waste generated (kg)	69,074
Non-hazardous waste intensity (kg/HK\$1,000,000 revenue)	38.70

Energy

Indicators	2019/20
Total energy consumption (kWh)	1,366,938
Diesel for mobile sources (litres)	120,700
Purchased electricity (kWh)	99,702
Petrol for mobile sources (litres)	6,820
Energy intensity (kWh/HK\$1,000,000 revenue)	766

Water Use

Indicators	2019/20
Water consumption ² (m ³)	38
Water use intensity (m ³ /office employee)	0.45

2 Only Water Consumed within the office is included.

Employment

Indicators	2019/20
Number of employees ³	11,662
Percentage of full-time employees (%)	100
Percentage of part-time employees (%)	0
Percentage of female employees (%)	58.1
Percentage of male employees (%)	41.9
Percentage of employees working frontline (%)	99.3
Percentage of middle-level management employees (%)	0.6
Percentage of senior-level management employees (%)	0.1
Percentage of employees aged 30 or below (%)	2.0
Percentage of employees aged 31-50 (%)	13.6
Percentage of employees aged 51 or above (%)	84.4
Average turnover rate ⁴ (%)	19.2

Employee Safety

Indicators	2019/20
Work-related fatalities	0
Fatality rate (%)	0
Number of work injuries (cases)	272
Total lost days due to work injuries	12,278
Cases resulting in less than or equal to 3 lost working days	37
Cases resulting in more than 3 lost working days	235

Employee Training

Indicators	2019/20
Number of employees trained ⁵	21,518
Total hours of training delivered to employees	10,759

3 The number of employees was calculated at the end of the Reporting Period working within the reporting scope.

4 The average turnover rate is calculated by averaging the monthly turnover rates. Monthly turnover rate is calculated by dividing the number of employees who left the Group in a specific month by the total number of employees at the end of the same month.

5 Employees trained include employees who left the Group during the Reporting Period.



Hong Kong Johnson Holdings Co., Ltd.
香港莊臣控股有限公司

