



# DRIVING SUSTAINABLE GROWTH

SUSTAINABILITY REPORT 2022

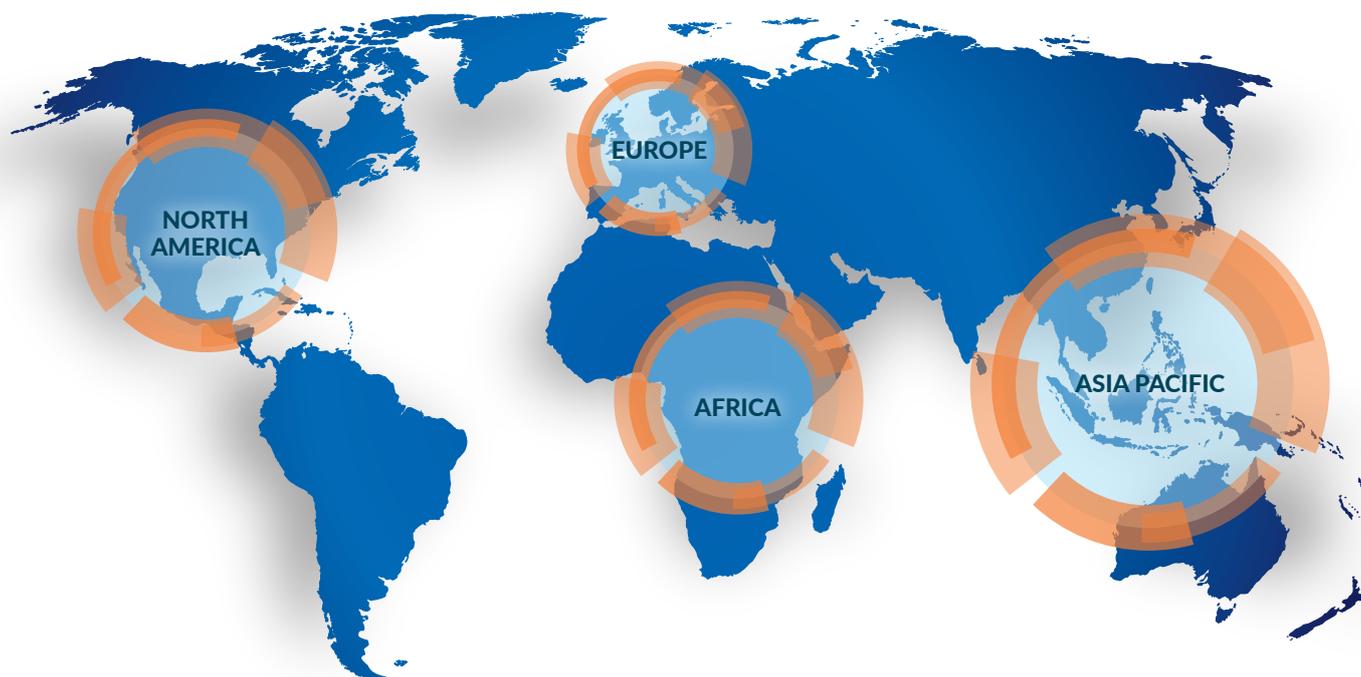
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## COMPANY BACKGROUND

Azeus Systems Holdings Limited (“Azeus”) is made up of a group of companies with 31 years’ experience in successfully delivering IT solutions. Azeus was founded by Massachusetts Institute of Technology (MIT) alumnus, Mr. Lee Wan Lik. Mr. Lee is also a Fellow of the British Computer Society and the Institution of Engineering and Technology. Currently, he serves as the Executive Chairman and Director of Azeus.

Established in 1991, Azeus was publicly listed on the Mainboard of the SGX-ST in October 2004 and been regulated by the SGX Listing Rules of where it has been publicly-listed. Its registered office is in Bermuda while its principal office is in Hong Kong. Azeus is a global company that operates in Europe, Asia, Middle East, Australia, North and South America, Africa, and the Caribbean.



Azeus is one of the first companies in Hong Kong to be appraised at the highest level (Level 5) of the CMMI-SW model in November 2003, placing the Group among the top 10% CMMI-appraised companies in the world. The appraisal is an endorsement of the Group’s commitment towards developing software products with the highest quality and productivity to address its customers’ needs.

Azeus operates through two segments: Professional IT Services and Azeus Product Sales.

The Professional IT Services segment includes designing, developing, and implementing various IT systems and providing maintenance and support of systems.

Azeus Products Sales includes developing innovative technologies and solutions such as proprietary products known as “AzeusCare” (a enterprise level social care management system), “Convene” (an award-winning Board Portal), and “ConveneAGM” (a virtual or hybrid AGM provider).

Overall, the Group has a solid track record of completing over 100 IT services projects for more than 40 government departments, as well as over 20 projects for the private sector in Hong Kong, many of which are contracts from repeat customers.

The Group’s established quality assurance systems, working methodologies and processes allow for a seamless integration of operations across multiple locations. Led by an experienced management team and supported by a core group of highly competent and skilled IT professionals, Azeus is committed to continuously engineer innovative IT solutions and deliver excellent IT services.

## CORE MISSION AND VALUES

Azeus strive to provide sound technical consultancy and implementation services for complex IT systems while building a company that respects its employees.

To achieve the Company's mission, Azeus strive:

- To position ourselves as a cost-effective market leader facilitating our customers to be competitive;
- To understand our customers' needs and challenges precisely, so as to align our solutions to meet their needs;
- To respect our employees by believing in their creative talents, harnessing their sense of commitment and entrepreneurial flair, while providing an excellent environment for people to work in; and
- To leverage technology and industry knowledge in innovating best-in-breed solutions for our customers.

Azeus is committed to our clients in delivering quality services that have so far won their confidence. We believe that it is very important to demonstrate professionalism in all of our client engagements, especially to maintain open and honest communication in delivering services. We encourage and promote an environment of teamwork and collaboration among our people to grow and share the success of Azeus.

## SUSTAINABILITY AGENDA

Azeus' sustainability agenda is based on the Group's comprehensive approach to integrate sustainability into all our business activities across the value chain, as defined under the Sustainability Governance section.

The Report covers the Group's sustainability performance in terms of the material environmental, social, and governance ("ESG") factors identified by Azeus. The Group's policies, practices, and performance, as well as its targets relating to the ESG factors are detailed in this Report. This Report is uploaded and available on the SGX and Azeus websites <https://www.azeus.com/sustainability-report>.

## REPORTING BOUNDARY

Unless otherwise stated, and as before, this report includes only the entities of the Group, as listed below:

Name of subsidiaries	Country of business/ incorporation	Principal activities
Azeus Systems Limited	Hong Kong	Provision of IT services and selling software and cloud-based subscription services
Azeus UK Limited	United Kingdom	Provision of IT services and selling software and cloud-based subscription services
Azeus Systems Philippines Limited	Philippines	Software development

Here is a list of entities included in Azeus' consolidated financial statements, but not covered by this sustainability report:

Name of subsidiaries	Country of business/ incorporation	Principal activities
Azeus Systems Manila BVI Ltd.	British Virgin Islands	Investment holding
Convене SG Pte Ltd	Singapore	Provision of IT services and selling software and cloud-based subscription services
Convене Pty Ltd	Australia	Selling software and cloud-based subscription services
Convене Malaysia Sdn Bhd	Malaysia	Selling software and cloud-based subscription services
Azeus Convене (BVI) Limited	British Virgin Islands	Investment holding
Convене, Inc	United States of America	Selling software and cloud-based subscription services
Azeus Systems Philippines, Inc.	Philippines	Dormant
Azeus Systems (Dalian) Co., Ltd	People's Republic of China	Software development
Convене UK Limited	United Kingdom	Dormant
Convене Hong Kong Limited	Hong Kong	Dormant
Convене DWC LLC	Dubai	Selling software and cloud-based subscription services
Convене India Private Limited	India	Selling software and cloud-based subscription services
Convене (SAAS) Ireland	Ireland	Selling software and cloud-based subscription services
Convене Sociedad Limitada	Spain	Selling software and cloud-based subscription services

# ABOUT THIS REPORT

The Report focuses on the Group's key business operations as they are considered the most material in terms of the environmental impact, if any. The operations in Hong Kong ("HK office") under Azeus Systems Limited ("Azeus HK"), the Philippines ("Philippines office") under Azeus Systems Philippines Limited ("Azeus Philippines"), and the United Kingdom ("UK office") under Azeus UK Limited ("Azeus UK")-collectively referred to as the "Group", unless otherwise stated-made up over 80% of the turnover of the Azeus Group of companies. Therefore, management deemed these entities to have material aspect to the Group's Sustainability Report.

There have been no changes from the previous reporting period in scope, boundary, or measurement methods applied to this Report. The approach used for consolidating the information across all the entities within the reporting scope is consistent. There are no minority interests involved, and there are no mergers and acquisitions of entities during the year.

## REPORTING PERIOD

The Report covers the financial year ended 31 March 2022 ("FY2022") and highlights the activities on the Group's business operations commencing from 1 April 2021 to 31 March 2022 unless otherwise stated. For selected performance indicators that have been historically tracked, we have included data from the past three years.

## REPORTING STANDARDS

This Report is prepared in accordance with GRI Standards 2020 and the SGX's Listing Rules 711A and 711B and the guidelines set out in Practice Note 7.6 of the SGX Sustainability Reporting Guide. We continue to align our commitment to sustainability reporting with reference from the internationally recognized framework and practices provided by the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

A GRI Content Index on the topic-specific disclosures and SGX Primary Component Index are included in the last section of this Report.

## INTERNAL REVIEW AND EXTERNAL ASSURANCE

Azeus is bound by the SGX requirement 711B, which states that issuer's sustainability reporting process must be subject to internal review. The issuer may additionally commission an independent external assurance on the sustainability report.

The Board considers the Company's obligations to its shareholders and the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, landlords, investors, media, government institutions, and the communities. The Company maintains its Company's website to communicate and engage with the stakeholders.

The Board of Azeus meets at least twice a year to review and deliberate on the key activities and business strategies of the Group, which includes reviewing and approving acquisitions and financial performance, as well as sustainability issues such as the environmental and social factors that are also considered as part of its strategic formulation and review. Ad hoc meetings are held as and when circumstances require, such as to address significant transactions or issues. Where physical meetings are not possible, timely communication with members of the Board and Board Committees can be achieved through electronic means and circulation of written resolutions for approval by the Board or relevant Board Committees. The Company's Bye-Laws allow Directors to participate in Board by means of teleconference, video-conferencing, and visual equipment.

For the reporting period 1 April 2021 to 31 March 2022, no external assurance was obtained for this Report.

### WE VALUE YOUR FEEDBACK

We welcome feedback from all our stakeholders on our sustainability efforts to help us continuously improve our policies, practices, and performance. Please send your queries or any suggestions on this Report to:

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Tel: +(852) 2893 3673  
Fax: +(852) 2574 4952  
Website: [www.azeus.com](http://www.azeus.com)

The Board is pleased to present our fifth Sustainability Report covering the financial year ended 31 March 2022.

The 2022 Sustainability Report continues to reflect the Group's performance, as well as the company's strategy and vision for the future.

Similar to our past commitment, the Board has given attention to and reviewed the Company's sustainability objective, targets, and progress, and continues to embark on our sustainability journey amidst the challenges faced in our society today.

We, as the Board of the Company, has seen and acknowledge that sustainability has now become a more significant issue to companies around the world. Businesses in various sectors have incorporated eco-friendly elements into their models. As part of the market, software companies are no exception and many of them have already become eco-friendly. Technology has helped businesses move towards a better tomorrow—to innovate, to compete, and to win customers. But inevitably, technology industries contribute to the carbon footprint production around the world.

Our Company has maintained and will continue to improve our sustainability efforts through the integration of the material environmental, social, and governance ("ESG") factors into our business strategy demonstrates our commitment to drive sustainability for the long term. We conduct our operations in a manner that considers the environmental and social impact to ensure the success and longevity of the business.

The Board recognizes the importance of sustainability initiatives, and like in the past, has actively sought to address sustainability issues for better risk management and long-term growth. We truly believe that business can be operated sustainably and will strive to achieve the needs of the present—without compromising the ability of future generations to meet their needs.

We look forward to aligning our sustainability efforts throughout the Group to drive continued business growth.

**LEE WAN LIK**

Executive Chairman  
On behalf of the Board of Directors

**MICHAEL YAP KIAM SIEW**

Chief Executive Officer

# SUSTAINABILITY GOVERNANCE

The Board and the Management of the Company are committed to maintain a high standard of corporate governance and transparency to protect the interests of the shareholders of the Company. Processes and procedures have been instituted and are being constantly reviewed and revised to ensure effective corporate governance. This includes taking sustainability issues into consideration as part of its strategic formulation, and exploring ways to continuously deal with areas of improvement in its sustainability agenda. The Board's close interaction with management ensures that Azeus' values, principles, and policies are consistently applied across the organization. This will enable Azeus to optimize long-term value creation and fulfill its social responsibilities towards all our stakeholders.

The Board is comprised of 5 Board members: 2 of whom are Executive Directors including the Chairman of the Board and 3 are Independent Directors. Although the sustainability objectives and strategies are developed, managed, and monitored by the representatives from the respective regional business functions, the Board continues to oversee and monitor them. The material ESG factors on economic, environmental, and social issues identified relevant to the Group are strategically reviewed and approved by the Board.

In addition, Azeus has a Remuneration Committee in place, which looks after all remuneration related matters, and has a formal and transparent procedure for developing policies on director and executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration. More details on this can be found on Azeus Group Annual Report for the financial year ended 31st March 2022 under the Corporate Governance Report.

## SUSTAINABILITY TRAINING FOR THE BOARD

Azeus Group complies with SGX's new requirement for Directors to undergo mandatory sustainability training. As of date of report, some of our Directors have already attended while the rest will be attending sustainability training courses on ESG Essentials offered by the Singapore Institute of Directors after the date of this Report.

# SUSTAINABILITY RISKS AND OPPORTUNITIES

Sustainability is emerging as a source of competitive advantage and is seen as a crucial business practice that stakeholders see in a company. While there are numerous issues that could constitute risks that threaten an organization's sustainability nowadays, the act of attempting to solve such issues may lead to new business opportunities.

Azeus is committed to systematically assess and manage these risks and opportunities to identify the material ESG factors and ensure that sound internal controls and a structured governance framework are in place to reduce the risk of these identified material ESG factors. Azeus recognizes that risk management is vital for the Group's operational management and resource planning for a sustainable corporate growth.

There are no significant changes to the previously reported list of sustainability-related risks and opportunities that impact the Group's material topics on operations and strategic planning. Further details on the identified risks and opportunities are discussed in the relevant sections of the material topics covered in this Report.

Azeus regularly communicates through various channels with our material stakeholders in the Group to identify and assess our sustainability issues. This process enables Azeus to prioritize strategic decisions and shape the direction of the business while facilitating our shared interests and expectations with our stakeholders.

The Board is primarily responsible for identifying key stakeholder groups. Our material stakeholders are parties who may be affected by the Group's activities or whose actions affect the ability of the Group to conduct its activities. For this reason, Azeus will strive to respond to these groups of identified stakeholders.

Since year 2021, Azeus has held its AGM in hybrid form, where the meeting is held both physically and virtually through live webcast and live audio stream. The Group believes the best practice for shareholder meetings is that the experience for physical and virtual meetings should be the same, whereby people can fully interact with each other, ask questions, and vote in real-time.

Therefore, the channel of communication between Azeus and its stakeholders is transparent; hence making the identification of material topics effective from the dimension of its significance on Azeus' economic, environmental, and social impact, and their influences on the respective stakeholders.

## KEY STAKEHOLDERS AND APPROACH TO STAKEHOLDER ENGAGEMENT

KEY STAKEHOLDERS	ENGAGEMENT APPROACH	FREQUENCY	TOPICS and CONCERNS RAISED
Employees	Presentations Focus Groups Meetings Trainings Performance Reviews Social and charity events Opinion box E-mails Intranet	Ongoing	Employee nurturing and engagement  Conducive and safe working environment  Opportunities for career development
Shareholders/ Investors	Annual General Meeting	Annually	Good corporate governance practices  Timely dissemination of material information
	Information website for investors and organization newsletter	As required	
	Annual Report	Annually	
	Analyst briefing and roadshows	As required	
	Social Media	As required	
Customers	Websites Written reports Presentations Meetings Exhibitions Hotline Community and charity events Product support Product training	Ongoing	Quality of products Timely delivery
Community	Social Media Consultation and dialogue	On-going	Corporate social responsibility
Government Institutions/Regulators	Consultation and dialogue	On-going	Compliance with laws and regulations

# STAKEHOLDER ENGAGEMENT

## MATERIAL ESG FACTORS

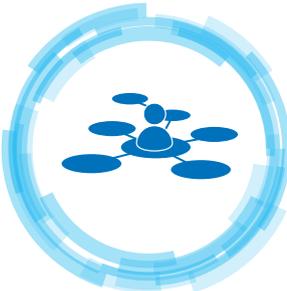
Following regular internal and external engagement with our stakeholders throughout FY2022 (1 April 2021 to 31 March 2022), Azeus continues to assess and review the material ESG factors for the Group.

In FY2022, the material ESG factors were reviewed for relevance and for any changes to the priorities and risks and opportunities that will impact on the business, operations, finance, and the reputation of the Group and influence on our stakeholders.

Following the guidance from GRI Material topics, Azeus has applied the following methodology to identify and prioritize the topics for this Report.



By applying the above methodology and guidance from GRI, Azeus focused on the following as material issues in their order of priority for this Report:

SOCIAL	GOVERNANCE	ECONOMIC	ENVIRONMENTAL
			
<ul style="list-style-type: none"><li>• Employment Practices</li><li>• Diversity and Equal Opportunity</li><li>• Training and Development</li><li>• Occupational Health and Safety</li><li>• Local Communities</li></ul>	<ul style="list-style-type: none"><li>• Corporate Governance</li><li>• Compliance</li><li>• Ethical Business Practices</li><li>• Data Protection and Privacy</li></ul>	<ul style="list-style-type: none"><li>• Economic performance</li><li>• Procurement practices</li></ul>	<ul style="list-style-type: none"><li>• Water Consumption</li><li>• Energy Use</li><li>• Emissions</li><li>• Waste Management</li></ul>

The next section of our Report details the approach and performance data of the identified material topics. Azeus will continue to review and assess from time to time the relevance and priorities of each of the material aspects to better reflect Azeus' commitment and focus on sustainability in our business.

Our performance and policies in respective identified material topics will be discussed in this sections of the Report.

## SOCIAL



*As a responsible employer, Azeus is committed to promote a fair, diverse, and safe working environment for its people while keeping in mind the local communities in places where we operate in.*

### EMPLOYEES

Our people are an integral part of our business for our long-term success. We believe in building a sustainable workforce with a focus on competitive compensation packages and a diverse, inclusive, safe, and healthy workplace. We work hard to motivate, develop, and retain our people. Hiring and retaining skilled IT professionals has been challenging in the IT industry as the industry has faced a shortage of skilled workers. With this in mind, we maintain robust policies on hiring IT personnel who all go through the most stringent recruitment processes.

Based on our core values of “Collaboration and Teamwork”, we strive to create a work environment that is supportive and collaborative where our employees grow and feel valued.

Azeus also ensures good employment practices by complying with the local employment laws and regulations in the respective countries where the entities operate. Azeus also ensures its offices have in place employment policies and guidelines that address fair employment practices, including recruitment, compensation, and overall well-being of our employees.

#### Employee Engagement

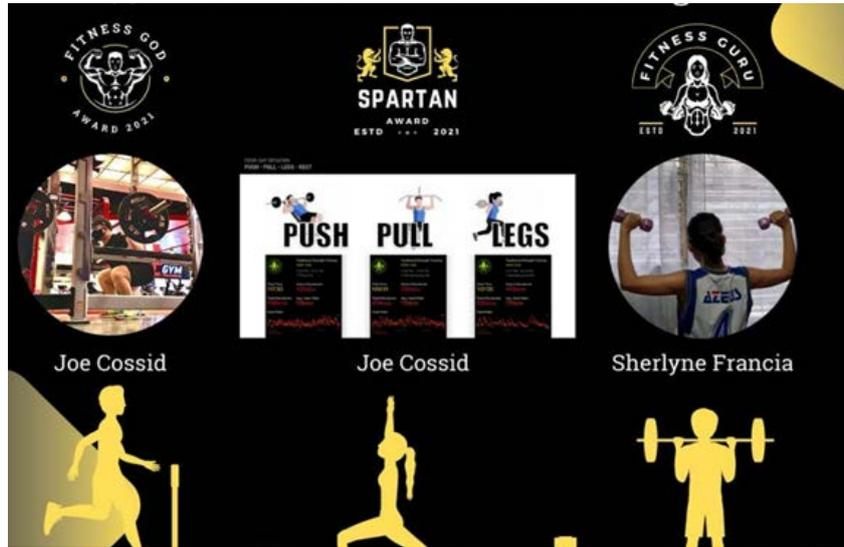
Similar to the previous year, throughout FY2022, the Company has reduced physical team building activities, as a continuance from the COVID-19 measures put in place by the local government authorities in the regions that Azeus operates in and for safety reasons.

Employee engagement events or activities are mainly online, to minimize group gatherings. We held multiple virtual team building activities such as the eDice game, online Christmas Celebration Party in the Philippines. During the year, we’ve also organized eSportsfest and online Trick or Treat during the Halloween, to foster closer working relationships between the employees and the management team.



*eDice Game staff activity held last September 2021*

# SUSTAINABILITY TARGETS AND PERFORMANCE



Spartan Award Sports activity held during the year

## Employee Grievance Mechanism

Our employee grievance mechanism provides our employees a formal avenue to raise concerns on any complaints, difficulties, or unlawful discrimination or harassment in confidence to the relevant HR directors in their local offices. Where such grievances may concern their normal line of supervision or management, an employee may approach the relevant Group employee. Employees also have the right to pursue complaints of discrimination to an industrial tribunal or the Fair Employment Tribunal under the anti-discrimination legislation in the country where the employees concerned are hired.

## OVERALL WORKFORCE INFORMATION

Since our inception in 1991, the Group has grown steadily. Currently, employing over 300 employees across our global offices. The total workforce of the Group as of March 31, 2022 is 347, which is an increase from the previous corresponding year (FY2021) to augment our existing workforce in order to address the increasing business needs.

Employment Contract	FY2022	FY2021	FY2020
Permanent	334	317	310
Contract	13	19	37
<b>Total</b>	<b>347</b>	<b>336</b>	<b>347</b>

## New Hire (Gender)

In FY2022, the Group continued to hire and increase its staff workforce. The breakdown of the new hires by gender and age is shown below:

Gender	FY2022 %	FY2021 %	FY2020 %
Male	54	52	70
Female	46	48	30

## New Hire (Age)

Age	FY2022 %	FY2021 %	FY2020 %
< 30 years old	73	91	89
30 - 50 years old	24	7	7
> 50 years old	3	2	4

## DIVERSITY AND EQUAL OPPORTUNITIES

The Azeus Group has great diversity in workforce. Our employees include people of different nationalities, gender, and age group. Furthermore, Azeus supports various work status, from full-time to part-time, as well as contractual basis. In Azeus, we believe that diversity in our workforce is crucial; we have a duty as an organization to support different working formats and cultural differences.

For such diversified pool of employees, Azeus Equal Opportunities Policy aims to eliminate, to such extent reasonably possible, against discrimination, harassment and employ a diverse workforce community. This Policy provides a strong commitment to equal opportunity, and in treating people with dignity and providing equal employment and advancement opportunities for all. We hire based on credentials, not on gender, race, or nationality.

The Policy is displayed at all our offices and disseminated to all employees and potential employees from the start of the recruitment process. It is important that the Policy is enforced and communicated.

The Board reviews the Policy and where required, takes necessary steps to identify areas of unintentional impact on groups in the workforce, as well as the appropriate corrective actions to take, including defining targets for future changes to take place.

The breakdown of employees by gender, age, and position is listed below:

### Employee (Gender)

Gender	FY2022 %	FY2021 %	FY2020 %
Male	61	65	66
Female	39	35	34

### Employee (Age)

Age	FY2022 %	FY2021 %	FY2020 %
<30 years old	50	49	52
30-50 years old	46	47	44
>50 years old	4	4	4

### Employee (Position)

Position	FY2022 %	FY2021 %	FY2020 %
Senior Management	3	4	3
Middle Management	22	37	36
Non-Management	75	59	61

The breakdown of the Management composition is set out below:

### Management (Gender)

Gender	FY2022 %	FY2021 %	FY2020 %
Male	50	50	50
Female	50	50	50

# SUSTAINABILITY TARGETS AND PERFORMANCE

The breakdown of the Board composition is seen below:

## Board of Directors (Gender)

Gender	FY2022 %	FY2021 %	FY2020 %
Male	83	83	83
Female	17	17	17

## TARGET AND PERFORMANCE

Below summarizes Azeus target and performances across current reporting period:

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Diversity and Equal Opportunities	To maintain or improve the statistics of culture diversity and equal opportunity	<ul style="list-style-type: none"> <li>- Achieved - Azeus Group continuously provides a diverse, gender-equal, and inclusive workplace, while we manage to maintain a similar statistics as compared to FY2021.</li> <li>- Gender statistics show that we hired more female employees in FY2022 compared to FY2021.</li> <li>- Gender statistics show that we hired more female employees in FY2022 compared to FY2021.</li> </ul>	<ul style="list-style-type: none"> <li>- To continue to maintain and provide a diverse, gender-equal, and inclusive workplace.</li> </ul>

## TRAINING AND DEVELOPMENT

The quality of our workforce drives the success of the Company's growth. We help our employees grow, develop, and reach their full potential by providing regular and relevant training programs to enhance knowledge and skills in order to better perform at work.

Our training framework is designed for all employment levels and programs are developed based on the needs within the organization via a Training Needs Assessment ("TNA"). The TNA working group comprises of the Azeus management team and the HR department. The team works to identify and analyze training needs based on organizational direction, employees, and project needs. The training needs are evaluated annually. The Azeus Institute is set up to provide the identified training programs.

The training programs offered by the Azeus Institute focused on the areas of personal development and general security awareness made available through the orientation programs, web programming, and product testing courses. These are outlined and structured to aim to produce employees who can execute their roles in the organization and in their specific teams. Furthermore, online training courses are made available to ensure it is accessible to everyone.

Performance evaluations on the training are conducted for improvement purposes at various levels, including post-trainings and follow-up training feedback surveys.

# SUSTAINABILITY TARGETS AND PERFORMANCE

An overview of the training for FY2022 of the Group is as follows:

Training & Development	FY2022 (hours)	FY2021 (hours)	FY2020 (hours)
Total of Training Hours	23,061	17,051	28,160

Training Hours Spent per Topic

Training & Development Topics	FY2022 (hours)	FY2021 (hours)	FY2020 (hours)
Technical Training	21,456	12,584	26,099
Management	1,536	654	1,703
Health & Safety	69	3,813	358

## TARGET AND PERFORMANCE

The quality of our workforce drives the success of the Company's growth. We help our employees grow, develop, and reach their full potential by providing regular and relevant training programs to enhance knowledge and skills in order to better perform at work.

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Training and Development	<ul style="list-style-type: none"> <li>- To consider purchasing more online training licenses not just for systems engineers but for the rest of the Philippines office.</li> <li>- To conduct more leadership trainings and Team Lead sharing sessions to all leads to upscale leadership.</li> </ul>	<ul style="list-style-type: none"> <li>- Overall, training hours have significantly increased in FY2022 when compared to FY2021 based on the recorded training hours shown above.</li> <li>- Below are the training activities that contributed to its increase:               <ul style="list-style-type: none"> <li>- Achieved - Udemy online training licenses purchased last year are now fully utilized for rotational use by all employees. A new security training software platform / provider was purchased for better general security awareness training for employees;</li> <li>- Achieved - In addition to the usual monthly Team Leader sharing sessions, Staff attended the QA Global Summit 2022, which facilitated in additional learnings; and employees attended Leadership program training last June 2021.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- To conduct more leadership trainings to all leads or managers.</li> <li>- To introduce self-development empowerment trainings for employee's skill enrichment.</li> </ul>

## OCCUPATIONAL HEALTH AND SAFETY

### Health and Safety Policies and Practices

It is fundamental that our workplaces are free of health and safety hazards. We encourage individual responsibility and good practices towards health and safety at all levels in Azeus as preventive measures at all our offices. Occupational health risks are identified to be core threat to Azeus.

Azeus has taken steps to implement stringent policies and guidelines to strengthen health and safety standards within the organization and to comply with the relevant laws and regulations in this area.

A Safety Committee is set up respectively by each of the offices in Hong Kong, Philippines, and United Kingdom to coordinate, implement, and administer the safety and health programs for Azeus. The Safety Committee also conducts an annual risk

# SUSTAINABILITY TARGETS AND PERFORMANCE

assessment to identify potential workplace safety and health risks and to take preventive measures against them. The Safety Committee reviews safety standards, systems, and performances periodically, responsible in implementing major decisions, policies, and safety and health procedures.

Employees can report any health and safety incidents to the Human Resource or Administration Departments.

## **Hong Kong Office**

The Health and Safety Policy for the Hong Kong office embraces healthy working conditions and aims to provide adequate control of risks arising from work activities. Both the Management and employees of Azeus Hong Kong must read and observe the Occupational and Health Ordinance under the laws of Hong Kong, in particular the Occupational Safety and Health (Display Screen Equipment) Regulations. The Group had previously identified prolonged use of display screen equipment as a major risk of occupational hazards and injuries in the Hong Kong office.

With robust policies and regulations in place, there were no reports of complaints from any prolonged use of display screen equipment in the FY2022.

As the COVID-19 pandemic persists, the Hong Kong office has continued to implement precautionary measures to reduce the risk of the infection in its office.

## **Philippines Office**

Azeus Philippines has established a Policy and Program of Safety and Health to protect employees from workplace injuries. As part of the Group's mission of providing an excellent working environment, additional measures and efforts were taken to prepare the Philippines office from any unexpected emergencies that may require safe evacuation from the office.

As part of the COVID-19 measures, similarly, the Philippines office had implemented measures to minimize risk of employee exposure to COVID-19 once its employees return to the office gradually. Sending of COVID Care Kits to employees who are confirmed to have contracted the virus are also carried out.

## **United Kingdom Office**

Like any other safety policies, the Azeus United Kingdom office's Health and Safety Policy aims to create a safe working environment for employees working alone and provides guidance on managing risks related to health and safety. The Directors of Azeus UK have overall and final responsibility for health and safety of the UK office.

## **TARGET AND PERFORMANCE**

Over the years, the Group had no incidences of fatalities by work-related injury, high-consequence work-related injuries, recordable work-related injuries, fatalities caused by work-related ill-health, and recordable work-related ill-health.

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Occupational Health and Safety	<ul style="list-style-type: none"> <li>- Have zero workplace incident reported.</li> <li>- Continuous support to the local government measure as part of the COVID-19 response</li> </ul>	<ul style="list-style-type: none"> <li>- Achieved - No case of Work Accident or Illness was reported to the Department of Labor and Employment.</li> <li>- Achieved - Local government measures are strictly followed and implemented in different locations. No work-place penalties received from local regulators.</li> </ul>	<ul style="list-style-type: none"> <li>- Additional First Aiders will be sent for training;</li> <li>- Hiring of Company Nurse in FY2023 to improve the safety measures in workplace;</li> <li>- Providing staff with access to a mental health platform to connect them to professionals and psychologists when needed, with quarterly mental health webinars to help them cope with stress and changes through the pandemic especially.</li> </ul>

# SUSTAINABILITY TARGETS AND PERFORMANCE

## LOCAL COMMUNITIES

Azeus is committed to go beyond our operations and extend our social responsibility to communities where we operate. We support various initiatives that we believe will contribute to and will build a stronger community.

In FY2022, Azeus pledged some funds that can be used for meaningful projects to help those in need most especially during the pandemic. A group of employee representatives was formed to manage it. Aside from this, Azeus also raises donations both in kind and in cash to aid people hit by calamities, especially our own employees. While Azeus engages in various charitable activities before the pandemic, no on-site CSR activities were conducted due to COVID-19 restrictions.

## TARGET AND PERFORMANCE

Below summarizes Azeus target and performances across current reporting period:

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Local Communities	<ul style="list-style-type: none"><li>- To engage in activities to care for young people in Hong Kong.</li><li>- Recruitment of fresh graduates from various universities in Hong Kong.</li></ul>	<ul style="list-style-type: none"><li>- The planned volunteering activities were postponed due to the stringent COVID-19 restrictions in Hong Kong.</li></ul>	<ul style="list-style-type: none"><li>- Resumption of volunteering activities subject to COVID-19 developments.</li></ul>

## GOVERNANCE



*Azeus aims to be a trusted organization with the highest ethical standards that promotes integrity, accountability, and transparency that strictly adheres to all applicable laws and regulations.*

## CORPORATE GOVERNANCE

The Directors and the Management of Azeus are committed to maintain high standards of good corporate governance and transparency to enhance and protect the interests of our shareholders and the performance of Azeus.

In October 2021, Azeus Executive Chairman, Mr. Lee Wan Lik attended an ESG Summit organized by the Future Investment Initiative Institute (FII) in Saudi Arabia. This summit tackled several sustainability concerns such as climate change and several economic and social concerns.

# SUSTAINABILITY TARGETS AND PERFORMANCE



Guided by this, we are constantly reviewing existing processes and procedures to ensure effective corporate governance. Details of Azeus' corporate governance activities are available in our Annual Report 2022.

## REGULATORY COMPLIANCE

### **Board Diversity Policy**

During FY2022, the Board is comprised of 5 members: 2 of whom are Executive Directors and 3 are Independent Directors. The Board is committed in ensuring diversity on the Board, including but not limited to appropriate balance and mix of skills, knowledge, experience, gender, age, and core competencies of accounting, finance, strategic planning, investment, business management and administration, human resources, industry knowledge, engineering technology, and economics. For more information about our Board Diversity Policy, you may refer to our Annual Report 2022 available [here](#).

## BUSINESS ETHICS

All our operations are managed under the applicable laws and regulations in each of the countries Azeus operate in. Our employees are expected to uphold all business transactions with integrity and avoid corruption of any form.

### **Anti-Corruption and Bribery**

Azeus Hong Kong ("HK") Code of Conduct outlines business conduct and the ethical standards that employees are required to adhere to in their day-to-day work. The Code of Conduct is instilled in all new employees and stressed that anti-bribery laws prohibit the giving or taking of gifts or bribes, the making of facilitation payments, or the giving or receiving of favors. All of the Azeus HK employees are expected to comply with this Code.

Azeus United Kingdom ("UK") has also established its own Code of Conduct for all of its employees to comply and ensure that they perform their duties with integrity, commitment and professionalism. In addition, Azeus UK has in place the Anti-Bribery Policy as part of its commitment to maintain high standards of ethical and integrity in its business activities in the United Kingdom and overseas in accordance with the UK Bribery Act 2010. All employees of Azeus UK including contractors, sub-contractors, agents, and subsidiaries of Azeus are expected to comply with the Policy.

# SUSTAINABILITY TARGETS AND PERFORMANCE

The employees of Azeus Philippines are also guided by its Code of Conduct to perform their duties with integrity, commitment, and professionalism. This Code of Conduct is in place amongst others, for the prevention of bribery, misuse of proprietary information, assets, and resources or give rise to any potential conflict of interest by any of the Azeus Philippines employees. Additionally, the Internal Fraud Policy established by Azeus Philippines sets out measures for the detection and prevention of fraud that might occur in its office. Internal controls such as proper inventory management and procurement practices, as well as ensuring adequate signatories on bank transactions up to a certain limit provide safeguards to detect any irregular activity involving any Azeus Philippines' employee, regardless of position/title or length of service.

In the FY2022, there is no report or incidents reported on reports or incidents on corruption within the Group. Any reported incidents will be viewed seriously and necessary action to be taken, as required.

## **Whistleblowing**

The Company has put in place a whistleblowing policy, which sets out the procedures for a whistleblower to make a report on misconduct or wrongdoing relating to the Company and its officers. The policy protects the identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential to ensure the protection of the whistleblower against any detrimental and unfair treatment. The policy had been circulated to all employees for implementation. It has been put in place to encourage and provide a channel to employees and any other persons to report, in good faith and in confidence, concerns about possible fraud, improprieties, fraudulent activities or malpractices, or any other matter within the Group in a responsible and effective manner. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow up action.

The Audit Committee ("AC") has reviewed the whistleblowing policy that the Group has established and is responsible for the oversight and monitoring of whistleblowing.

The Company has arrangements and processes to facilitate independent investigation of such concerns and for appropriate follow-up action. Concerns may be raised either verbally or in writing, and any person receiving such concern raised should inform the Azeus Global HR Manager and/or the Chairperson of the Audit Committee (contact details of whom are set out in the whistleblowing policy). The AC, upon receipt of the complaints or allegations, determines if an investigation is necessary.

All whistleblowing reports will be handled confidentially, except as necessary or appropriate to conduct investigation and to take remedial action, in accordance with the applicable law and regulations. The identity of the whistleblower making the allegation will be kept confidential and confined to disclosures on a need-to-know basis to the AC, the investigating team, the Board of Directors and any party to whom the identity of the whistleblower is required to be disclosed by law.

In FY2022, there were no complaints nor concerns of issues received by the AC.

## **DATA PROTECTION AND PRIVACY**

Azeus operates under a comprehensive governance framework to ensure that quality software and services are delivered while maintaining a high level of security. An overall company security policy is in place that outlines the company's expectation of an employee's behaviour and conduct with regards to security.

This security policy has been approved by senior management and is available to all employees from a centralised (cloud) repository. In addition, this security policy is regularly reviewed by its respective document owner, any material changes will have to be further reviewed and approved by senior management before being published. In addition, our policies and procedures have been prepared with reference to the SOC-2 framework for Security and Availability and have been audited against these standards to ensure adherence and compliance to industry standards and best practices.

Regardless of the role, all employees are trained during their initial employment to ensure security awareness on topics including but not limited to security attacks, social engineering tactics, prevention and detection, and proper reporting procedures. A refresher training is conducted annually after. An established privacy policy is in place, governing all use of personal data that we may meet (either directly or indirectly) through the operation of our service. This is publicly available at the following URL: <https://www.azeusconvene.com/privacypolicy>.

All production data will always remain in the production environment – If testing data is required, simulated or fabricated data is used. In addition, a dedicated data processing team is in place to handle all data protection related matters. This team ensures that our processing activities follow established data laws and regulations (including GDPR). Where feasible and technically possible, data at rest is encrypted using AES-256 and data in transit is secured using HTTPS/ TLS1.2.

# SUSTAINABILITY TARGETS AND PERFORMANCE

A formal risk management process has been defined and approved by management that specifies a risk evaluation process based on identified threats and pre-specified tolerance. As part of this process, a formal risk assessment is performed annually to identify threats that could affect system security. Any identified threats are rated using the above management approved metrics. Risk mitigation strategies are then developed to address these risks directly.

Azeus is committed to protect all confidential information and minimise risks against cyber security risks to protect the confidential information of all stakeholders through constant monitoring of our IT systems. We are aware that any loss or breach of customer privacy can result in both financial and non-financial losses and lead to reputational damage.

Specific technical measures are detailed within our Information Security Management System (ISMS) and Information Security Standards Manual (ISSM).

Training is divided into two halves:

- 1) Information security training (related to topics such as security awareness, social engineering, overall infosec compliance) is performed as part of our overall ISO-27001 management process.
- 2) Data privacy and protection training is performed and carried out annually by Azeus' data processing team. Topics for this training specifically relate to GDPR and data handling.

Mandatory compliance is required for the above as part of maintaining our ISO-27001 certification and ensuring we are GDPR compliant. Both training is conducted annually and participation is mandatory.

Due to the nature of information security and data protection, specific numerical targets and metrics surrounding these are not directly applicable. Instead, to ensure consistent improvements as well as overall compliance, annual external audits are undertaken and performed with an independent third party to ensure continued compliance. Feedback from the auditor is incorporated as necessary to ensure our controls remain robust.

## TARGET AND PERFORMANCE

Below summarizes Azeus target and performances across current reporting period:

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Ethical Business practices	- Zero incidents of corruption reported.	- Achieved - No incidents of corruption reported.	- Continue and maintain zero incidents of corruption reported.

## ECONOMIC



*Azeus strives to achieve sustainable economic excellence while embracing responsible business practices across our operations and supply chain.*

## ECONOMIC PERFORMANCE

The overall economic performance and profitability of the Group is one of Azeus' core concerns. Many of our stakeholders, which include our shareholders, investors, employees, and suppliers, rely on our economic performance. We monitor our economic performance through our budgeting process. The budget is set annually, reviewed throughout the financial year to monitor whether targets are met and actions that can be taken up to achieve the same. To evaluate our economic performance, internal and external audits are conducted on a regular basis.

In FY2022, Azeus has not received financial assistance from the government.

# SUSTAINABILITY TARGETS AND PERFORMANCE

The following tables provide an overview of the economic performance of the business segments over the last 3 years:

Revenue	FY2022 HK\$'000	FY2021 HK\$'000	FY2020 HK\$'000
Professional IT Services	78,209	64,871	97,294
Azeus Products	139,449	113,194	83,940
Other Income	326	1,006	117

Professional IT Services	FY2022	FY2021	FY2020
Revenue (HK\$'000)	78,209	64,871	97,294
Share of Group Revenue (%)	36	36	54

Azeus Products	FY2022	FY2021	FY2020
Revenue (HK\$'000)	139,449	113,194	83,940
Share of Group Revenue (%)	64	64	46

From 1 April 2021 to 31 March 2022 the Group recorded total revenues of HK\$ 217.98 million.

Showing signs of gradual increase each year, and in FY2022, Azeus' revenue has increased by 22.2% to total of HK\$ 217.7 million from HK\$ 178.1 million in FY2021. For more information on the Group's economic performance, please refer to the full year result announcement for FY2022, Section G on Review of Statement of Profit or Loss.

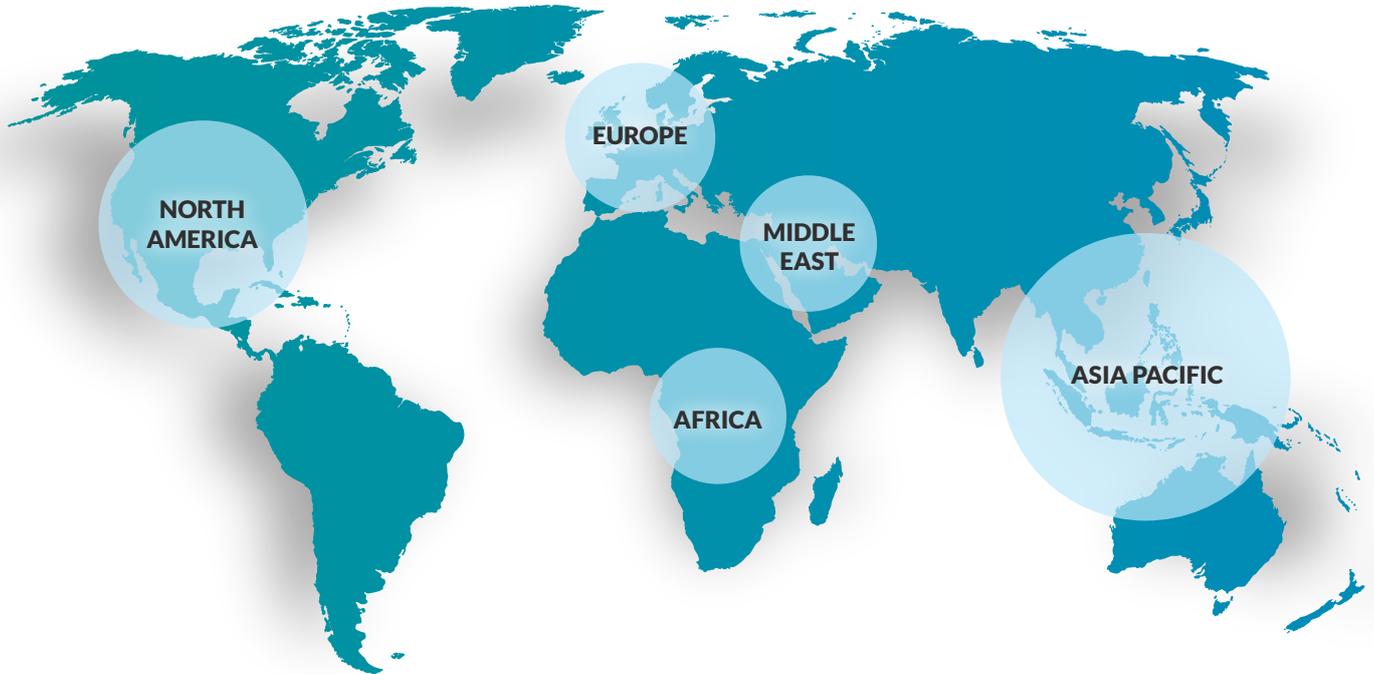
## STATEMENT OF ECONOMIC VALUE GENERATED AND DISTRIBUTED

Economic Performance	FY2022 HK\$'000	FY2021 HK\$'000	FY2020 HK\$'000
Total Economic Value Generated (revenue)	217,984	179,071	181,351
Total Economic Value Distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments)	169,534	155,412	168,681
Economic Value Retained	48,450	23,659	12,670

# SUSTAINABILITY TARGETS AND PERFORMANCE

## CUSTOMER SATISFACTION

Our customers are the foundation of our business success. It is important for Azeus to build trust and exceed our customers' needs and expectations by delivering quality and on-time services. Our customer base is spread across Europe, Asia Pacific, America, Africa, and the Middle East.



The Group has a solid track record of completing over 100 IT services projects for more than 40 Government departments, as well as over 20 projects for the private sector in Hong Kong, many of which are contracts from repeat customers.

We take our customer testimonials seriously and value all feedback constructively.

Azeus is committed to the provision of high levels of quality products and services in software development for turnkey projects, feasibility studies, and software consultancy that we provide to our customers. Under the Azeus Quality Policy, Azeus has implemented the Azeus Quality Management System ("QMS") to achieve the above objectives. All of Azeus employees are responsible to adhere to the procedures of the QMS set out in the Quality Manual. As a Level 5 CMMI company, which signifies the highest quality of products and services, Azeus can successfully deliver solutions in a predictable, replicable and methodical way.

For over 30 years, we have established and optimized procedures and methodologies for our business process to maintain our high standards.

## ACCREDITATIONS AND STANDARDS



### **CMMI**

*Azeus work processes have been continuously assessed at the highest level (Level 5) under the Capability Maturity Model for Software (SW-CMM) model since 2002 and appraised at Level 5 under Capability Maturity Model Integration for Software Engineering (CMMI-SW) model since 2003. These models establish standards for assessing service quality of software development developed by the Carnegie Mellon Software Engineering Institute.*

### **ISO 27001**

*Since 2015, the UK office has been assessed and certified as meeting the ISO 27001 requirements for software consultancy providing the sale, account management, training and product management of developed software. This recognizes the efforts of safeguarding information security of the Group.*

### **ISO 14001:2015**

*Azeus is committed to protecting the environment. The HK office has been certified for complying with the requirements of ISO 14001:2015 for the provision of software consultancy, software development, and system integration services*

### **ISO 9001:2015**

*Since 1997, Azeus has been awarded the ISO 9001 certification for providing software consultancy services, software development, and system integration services, which is the first Hong Kong-based IT company to receive the accreditation. Azeus ensures the provision of quality services in every project.*

We constantly gain positive feedback for our Azeus Convene products with more case studies reflecting industry's best practice in FY2022.

Our Global Customer Success team is currently reinforced to ensure that we provide unified and seamless support for all our clients worldwide. This has enabled us to prioritize customer satisfaction in all areas, including customer on-boarding, training, providing contextualized support, and offering industry best practice for Convene usage. Through this new initiative, we are improving customer retention, upselling, and cross-selling. Our strong belief in good service speaking for itself has led to an unprecedented number of referrals and testimonials. We are also gathering huge product insights through building stronger ties with our customers and understanding their operational inefficiencies.. These insights are developed with various internal teams to provide tailored product enhancement. The team is expanding its presence closer to clients worldwide every year.

# SUSTAINABILITY TARGETS AND PERFORMANCE

## TARGET AND PERFORMANCE

Below summarizes Azeus target and performances across current reporting period:

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Customer Satisfaction	<ul style="list-style-type: none"> <li>- To maintain a high retention and renewal rate</li> <li>- To improve interdepartmental cooperation for effective collaborations on product enhancements, product training, and support for our customers.</li> </ul>	<ul style="list-style-type: none"> <li>- Achieved – Continued improvement in retention rate as compared to FY2021.</li> </ul>	<ul style="list-style-type: none"> <li>- To maintain a high retention and renewal rate.</li> </ul>

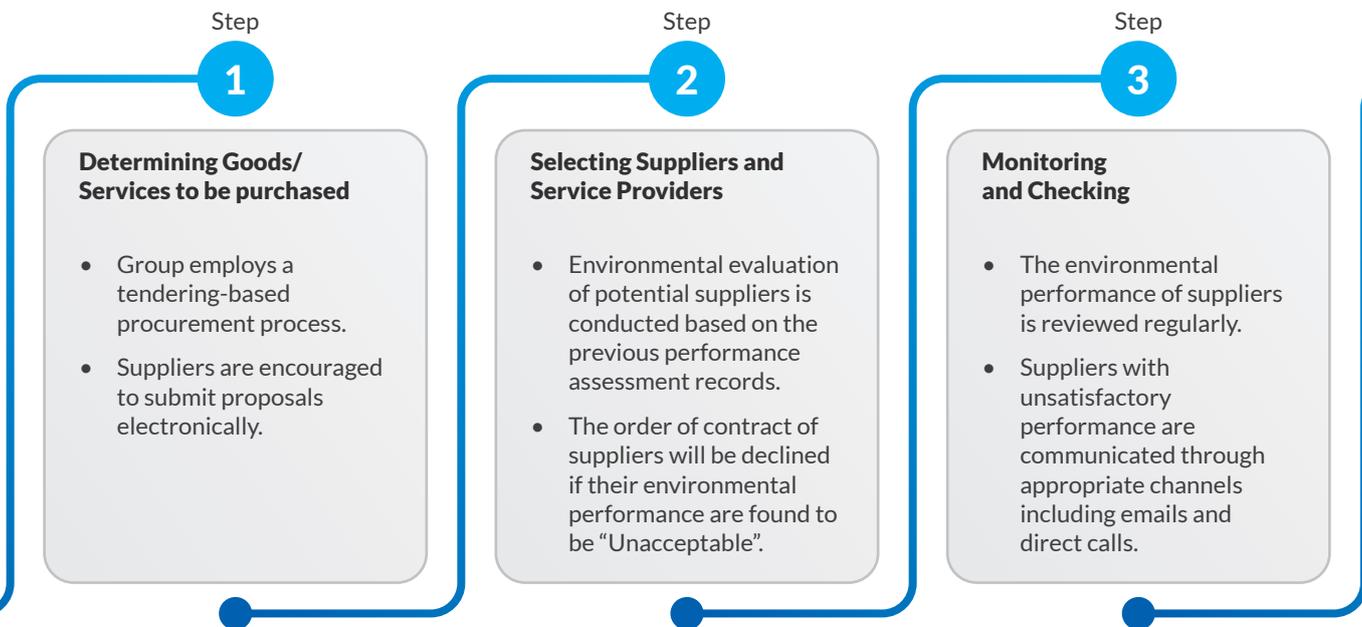
## PROCUREMENT PRACTICES

### Procurement Practices

Proper management of procurement practices is vital for our business. We work with suppliers and vendors who share the Group’s commitment in managing our risks throughout the lifecycle of our business operations.

The Sustainable Procurement Policy is a Group-wide policy that encourages the purchase of all products and services that are manufactured, delivered, used, and disposed of in an environmentally and socially responsible manner. The topics under this Policy are addressed during the induction training programs for new employees and regularly reminded to the employees and suppliers when procuring goods and services. All suppliers must be notified of this Policy.

Azeus HK implemented the Instruction for Green Procurement practices that outline the procurement process.



# SUSTAINABILITY TARGETS AND PERFORMANCE

## TARGET AND PERFORMANCE

Below summarizes Azeus target and performances across current reporting period:

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Procurement Processes	<ul style="list-style-type: none"> <li>- To work with committed suppliers to ensure that our guidelines are met.</li> <li>- To engage only with suppliers that comply with local laws and regulations and practice fair trade.</li> </ul>	<ul style="list-style-type: none"> <li>- We continue to work with reputable suppliers who are committed to deliver according to our high standards for quality of products and service.</li> <li>- There are no reported suppliers that are found to be in breach with local laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to work with committed suppliers that adheres to our high standards for quality of products and service.</li> <li>- Evaluate suppliers' performance in terms of products and/or services provided.</li> </ul>

## ENVIRONMENTAL



*Azeus is committed to contribute to the global goals of minimizing the environmental impact and ensure compliance with environmental legislations by efficiently using and conserving available resources across our business operations. We aim to continuously improve our environmental performance through application of international standards and best practices.*

Azeus HK and Azeus UK have separate Azeus Environmental Policies for their offices to promote sound practices on environmental protection within all departments across their operations. Several environmental initiatives have been introduced in both offices addressing recycling, waste reduction, reduction of energy consumption and natural resources, and reduction of carbon footprint. All employees and contractors of Azeus HK and Azeus UK are expected to comply with the Azeus Environmental Policy that is reviewed on an annual basis.

Azeus recognizes that any change in climate such as extreme weather change in today's environment, may have an impact on the Group's ability to access resources and sustain operations. In order to mitigate environmental related risks that may impact Azeus, Azeus HK implemented the Environmental Management System (EMS) in 2018 to comply with the ISO 14001:2015 standards. The EMS is a systematic process developed to identify and address non-conformities, environmental accidents, and incidents through both corrective actions and preventive measures to minimize impact to the environment and the potential for recurrence. The EMS also handles enquiries, complaints (both internal and external), and nonconformities of the EMS. All practices to manage environmental impacts on office activities of Azeus HK are set out in the Environmental Instruction - Environmental Office Practices. As part of Azeus HK's commitment to the ISO 14001:2015 standards, all suppliers and contractors are required to observe the requirements under the Environmental Guidance Notes when dealing with the Group.

The Azeus Environmental Policy and the Azeus Environmental Guidance Notes for the HK office are published on our website: [www.azeus.com](http://www.azeus.com).

The HK office provides routine environmental training programs for new employees as part of their onboarding orientation to encourage its employees to be mindful of the conservation efforts carried out by Azeus HK. Additional training will be arranged for existing employees if there are any new or major changes made to the policies, regulations, or guidelines. Our Environment Management Representative (EMR) based in the HK office, monitors and evaluates the EMS to ensure that our employees, suppliers, and contractors align their activities with these standards. The Environmental Management System Committee is a working group setup in the HK office to manage ISO 14001:2015 matters.

# SUSTAINABILITY TARGETS AND PERFORMANCE

## CLIMATE CHANGE DISCLOSURE

**Azeus recognizes that any change in climate such as extreme weather change in today's environment may have an impact on the Group's ability to access resources and sustain operations.**

### EMISSION

Greenhouse gas ("GHG") emissions contribute to climate change. Azeus is committed to further reduce our emissions as part of our social responsibility to support global efforts on climate change.

Azeus has conducted a carbon assessment on its operations based on GHG protocol guidelines relevant in the respective jurisdictions. For consistency, Azeus will annually assess, record, and disclose our GHG emissions in order to improve our emissions reduction targets.

The Groups' total emissions are mainly associated with indirect emissions generated by consumed and purchased electricity and other indirect emissions that may include purchased town gas, methane generation at landfill due to disposal of paper waste, electricity used for fresh water and sewage by the HK Government Department. For FY2022, the total scope 1 and scope 2 emissions for Azeus is 139 tCO<sub>2</sub>.

Azeus also accounts the GHG emissions across the value chain (scope 3), which includes emissions from business travel. Due to COVID-19 restrictions that resulted to significant halting of business travels, Azeus has not recorded scope 3 emissions.

Our GHG emissions over the years for the offices in Hong Kong, Philippines, and United Kingdom are set out below

Scope	FY2022 (tCO <sub>2</sub> )	FY2021 (tCO <sub>2</sub> )	FY2020 (tCO <sub>2</sub> )
Scope 1 & 2 GHG emissions	139	254	265
Scope 3 GHG emissions	0	1	39
<b>Total GHG emissions</b>	<b>139</b>	<b>255</b>	<b>304</b>

### MEASURES TO REDUCE GHG EMISSIONS

To achieve the FY2022 targets on GHG emissions, Azeus implemented some energy saving initiatives in offices which resulted to reduced GHG emissions from energy consumption. Furthermore, enhanced e-invoice system is introduced to customers to encourage paperless transactions.

There was a decrease of 46% in the GHG emissions in FY2022 as compared to FY2021.

Azeus continues to apply GHG reduction initiatives through its green application technology.

## OPPORTUNITIES IN GREEN APPLICATION TECHNOLOGY

### Azeus Green Application Technology: Convene Board Portal

Convene, an award-winning meeting solution that enhances the effectiveness and efficiency of meetings, from organizing and distribution to conducting, documenting, and generating actions. It supports both paperless and remote meetings, enabling staff to save on paper costs for printing documents, as well as transportation costs for traveling to meeting venues. Cost savings can be verified using this calculator: <https://www.azeusconvene.com/paperless-board-meeting-savings-calculator>.



### Azeus Green Application Technology: Convene Board Portal

#### TARGET AND PERFORMANCE

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Emissions	Encourage customer to go on paperless practice – Enhanced e-invoice system.	Successfully launched enhanced e-invoice system in April 2021.	To monitor and review the outcomes of the energy efficiency initiatives put in place in the previous years and promote telecommuting.

#### ENERGY

Azeus' energy consumption is mostly comprised of electricity usage from offices. In FY2022, the total energy consumption of Azeus for Hong Kong, Philippines, and United Kingdom operations is 1,004 GJ.

Our energy consumption performance over the years is as follows:

REGION	FY2022 (GJ)	FY2021 (GJ)	FY2020 (GJ)
Hong Kong	224	236	236
Philippines	766	1,005	1,067
United Kingdom	14	15	11
<b>Total Energy Consumption</b>	<b>1,004</b>	<b>1,256</b>	<b>1,314</b>

#### Measures to reduce energy consumption

We believe that investing our time towards energy efficiency will not only provide a positive influence on our environment, but also help reduce our energy costs in the long run.

To achieve our target for FY2022, Azeus continues to develop and implement new energy conservation initiatives for the Group.

We identified the new ways to improve energy consumption in the Philippines office. These initiatives include replacement of fluorescent lights with LED system throughout the Philippines office and replacement of some office appliances to energy saving models.

# SUSTAINABILITY TARGETS AND PERFORMANCE

Below is an overview of the various responsible energy conservation initiatives that Azeus has adopted:  
Electrical appliances

- Switching off the idle office equipment (e.g., monitors, computers, printers, and photocopiers) when they are not in use
- Setting appliances to energy saving mode, where possible Air-conditioning
- Ensuring that external doors are closed to conserve internal heat/cold
- Switching off air-conditioning system after office hours
- Repair any leaks in the air ventilation system Lighting
- Maximizing the use of natural light
- Switching off office lights when not in use

## TARGET AND PERFORMANCE

Below summarizes Azeus target and performances across current reporting period:

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Energy	<ul style="list-style-type: none"> <li>- To monitor and review the outcomes of the energy reduction initiatives put in place in the previous years.</li> <li>- Maintain same level of total energy consumption.</li> <li>- To increase the awareness on the effective use of energy.</li> </ul>	<ul style="list-style-type: none"> <li>- All offices successfully lessen the electric consumptions as the quarantine continued to be implemented.</li> <li>- Practiced energy saving tips, e.g., LED light replacement, turn-off lights and e-fans when not in use.</li> </ul>	<ul style="list-style-type: none"> <li>- Continue energy saving initiatives in the offices.</li> <li>- Continue awareness-raising for energy efficiency.</li> </ul>

## WATER

In our previous Report, Azeus reported that the Group has undertaken a series of water reduction initiatives to manage the use of water in our building operations.

Examples of initiatives that the Group has implemented since the previous reporting years are:

- Regularly check pipes and taps for leakage
- Immediately repair any pipe leakage detected
- Regularly monitor water consumption
- Adopting water efficient appliances
- Placing signages at strategic locations in the offices to conserve water

Water is an essential component of our ecosystem. At Azeus, we take responsibility in managing and working towards reducing our water consumption across our operations seriously despite our relatively low water consumption as compared to other industries.

The table below sets out the raw water consumption of our key offices over the last and current reporting years:

REGION	FY2022 (m3)	FY2021 (m3)	FY2020 (m3)
Hong Kong	74	72	39
Philippines	18	10	187
United Kingdom	34	47	45
<b>Total Water Consumption</b>	<b>126</b>	<b>129</b>	<b>271</b>

# SUSTAINABILITY TARGETS AND PERFORMANCE

## TARGET AND PERFORMANCE

Below summarizes Azeus target and performances across current reporting period:

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Water	<ul style="list-style-type: none"> <li>- To monitor and review the outcomes of the water reduction initiatives put in place in the previous years.</li> <li>- Maintain same level of total water consumption.</li> <li>- To increase the awareness on the effective use of water to employees.</li> </ul>	<ul style="list-style-type: none"> <li>- In the Philippines, there is a slight increase in consumption since there were more employees who reported/visited the office compared to last year when COVID restrictions are rigid.</li> <li>- Nevertheless, employees were informed/reminded about the effective and proper water usage, and hence, overall water consumption is still lower than pre-COVID years.</li> </ul>	<ul style="list-style-type: none"> <li>- Continue energy saving initiatives in the offices.</li> <li>- Continue awareness-raising for energy efficiency.</li> </ul>

## WASTE MANAGEMENT

Azeus is committed to reducing, reusing, and recycling waste material generated by the Group.

The Azeus HK and the Azeus UK are guided by the Environmental Policy to apply waste minimization principles; by reusing, recycling, as well as ensuring proper disposal methods of waste material. The Group aims to minimize waste in its operations and office usage and work with only licensed and qualified contractors to treat and safely dispose the different types of waste. The Environment Instructions for Waste Management set out internal practices for the HK office to adopt on waste generation and management.

The EMR is delegated the authority to monitor our waste management practices are adhered to by the employees and contractors. The Administration Department of Azeus HK is responsible to take corrective actions on any non-compliance identified by the EMR.

The types of waste generated by Azeus and how they are handled are described below:

<b>General Waste</b>	<ul style="list-style-type: none"> <li>• Solid wastes are segregated to general refuse, paper wastes, packaging wastes, and metal wastes for recycling.</li> <li>• Personnel (for example, cleaning staff or contractor) are assigned to collect and transfer the waste to storage area.</li> </ul>
<b>Chemical Waste</b>	<ul style="list-style-type: none"> <li>• Licensed collectors are appointed to collect and dispose of uninterruptible power supply (UPS) batteries.</li> <li>• UPS batteries are stored in separate storage containers.</li> </ul>
<b>Regulated electrical equipment</b>	<ul style="list-style-type: none"> <li>• Appropriate practices are adopted to collect the regulated electrical equipment, for example:</li> <li>• Selecting the available free removal services provided by suppliers               <ul style="list-style-type: none"> <li>- Delivering to community Green Stations</li> <li>- Delivering to E-Waste Collection Vehicle stations</li> <li>- Appointing Licensed Collector</li> </ul> </li> </ul>

# SUSTAINABILITY TARGETS AND PERFORMANCE

## Waste generated

The tables below provide an overview of waste generated by our offices in Hong Kong:

Types of Waste	FY2022 (kg)	FY2021 (kg)	FY2020 (kg)
Hazardous	853	7	200
Non-Hazardous	421	525	535
<b>Total Waste Generation</b>	<b>1,274</b>	<b>532</b>	<b>735</b>

In FY2022, the amount of hazardous waste was higher than FY2021 due to the routine disposal exercise in FY2021 was rescheduled to FY2022 because of the COVID-19 restrictions. In addition, our Hong Kong office also conducted special house-keeping exercise to identify obsolete equipment in order to release more office space to cater for various office operations and activities.

As part of the responsibility Azeus have towards the environment, they were disposed in accordance with the local legislation and guidance including collection by recycling service operators for recycling.

## TARGET AND PERFORMANCE

Below summarizes Azeus target and performances across current reporting period:

Topic	FY2022 Target	FY2022 Progress	FY2023 Target Actions
Waste	<ul style="list-style-type: none"> <li>- To reduce or maintain the waste level as a Group.</li> <li>- Review the waste management guideline, priority highlighted in "Reduce and Recycle 2.0 scheme by Environmental Protection Department".</li> </ul>	<ul style="list-style-type: none"> <li>- Overall, the hazardous waste generated in FY2022 is higher when compared to FY2021. This is due to the routine disposal exercise in FY2021 was rescheduled to FY2022 given the COVID-19 pandemic, causing a one-off spike.</li> <li>- To follow the 8 recyclables mentioned in "Reduce and Recycle 2.0", recycling of Glass was added.</li> </ul>	<ul style="list-style-type: none"> <li>- To continue waste segregation and reduce the waste level as a Group by 20%.</li> </ul>

SGX 5 PRIMARY COMPONENTS INDEX

SGX Number	SGX Primary Component	Disclosed in this Report	Page and References
<b>SGX: 27 Core ESG Metrics: Certifications</b>			
SGX27Core-Gov-4	List all Relevant Certifications for the organization	✓	Page 21
<b>710A: Board Diversity Policy</b>			
SGX710A-5	Reference to Board Diversity Policy (in Annual Reports)	✓	Page 16
<b>711B: Internal Review/External Assurance</b>			
SGX711B3-3	Internal Review/External Assurance	✓	Page 4
<b>711B: Primary Component Exclusion</b>			
SGX711B2-2	Primary Component Exclusion	✓	No exclusions
<b>711B: Primary Components</b>			
SGX711B1-1a	Material environmental, social and governance factors	✓	Page 8
SGX711B1-1aa	TCFD climate-related disclosures	✓	Page 24
SGX711B1-1b	Policies, Practices, and Performance	✓	Page 9-28
SGX711B1-1c	Targets	✓	Page 9-28
SGX711B1-1d	Sustainability Reporting Framework	✓	Page 4
SGX711B1-1e	Board statement and associated governance structure for sustainability practices	✓	Page 5-6

# CONTENT INDEX

## GRI INDEX

SGX Number	Disclosure	Disclosed in this Report	Pages and References
<b>GRI 102: General Disclosures</b>			
GRI102-1	Name of the organization	✓	Cover page and Page 1
GRI102-2	Activities, brands, products, and services	✓	Page 1
GRI102-3	Location of headquarters	✓	Page 1
GRI102-4	Location of operations	✓	Page 1
GRI102-5	Ownership and legal form	✓	Page 1
GRI102-6	Markets served	✓	Page 1
GRI102-7	Scale of the organization	✓	Page 1
GRI102-12	External initiatives	✓	Under review
GRI102-13	Membership of associations	✓	No information available
GRI102-21	Consulting stakeholders on economic, environmental, and social topics	✓	Page 7
GRI102-29	Identifying and managing economic, environmental, and social impacts	✓	Page 7-8
GRI102-40	List of stakeholder groups	✓	Page 7
GRI102-42	Identifying and selecting stakeholders	✓	Page 7
GRI102-43	Approach to stakeholder engagement	✓	Page 7
GRI102-44	Key topics and concerns raised	✓	Page 7
GRI102-45	Entities included in the consolidated financial statements	✓	Page 3; Also see: Azeus Annual Report 2022
GRI102-46	Defining report content and topic Boundaries	✓	Page 3-4
GRI102-47	List of material topics	✓	Page 8
GRI102-48	Restatements of information	✓	No restatements of information
GRI102-49	Changes in reporting	✓	No
GRI102-50	Reporting period	✓	Page 4, 1 April 2021 - 31 March 2022
GRI102-51	Date of most recent report	✓	31 August 2021
GRI102-52	Reporting cycle	✓	Annual
GRI102-53	Contact point for questions regarding the report	✓	Page 4
GRI102-54	Claims of reporting in accordance with the GRI Standards	✓	GRI Standards (Core Options) referenced claim
GRI102-55	GRI content index	✓	Page 30 - 31
GRI102-56	External assurance	✓	Page 4

SGX Number	Disclosure	Disclosed in this Report	Pages and References
<b>GRI 201: Economic Performance</b>			
GRI201-1	Direct economic value generated and distributed	✓	Page 18-19
GRI201-4	Financial assistance received from government	✓	Page 18
<b>GRI 302: Energy</b>			
GRI302-1	Energy consumption within the organization	✓	Page 25
GRI302-4	Reduction of energy consumption	✓	Page 25-26
<b>GRI 303: Water and Effluents</b>			
GRI303-1	Interactions with water as a shared resource	✓	Page 26-27
GRI303-3	Water consumption	✓	Page 26
<b>GRI 305: Emissions</b>			
GRI305-1	Direct (Scope 1) GHG emissions		-
GRI 305-2	Energy Indirect (Scope 2) GHG emissions		Page 24
GRI 305-3	Other indirect (Scope 3) emissions		Page 24
GRI305-5	Reduction of GHG emissions	✓	Page 24
<b>GRI 306: Waste</b>			
GRI306-1	Waste generation and significant waste-related impacts	✓	Page 27-28
GRI306-2	Management of significant waste-related impacts	✓	Page 27
<b>GRI 401: Employment</b>			
GRI401-1	New employee hires and employee turnover	✓	Page 10
GRI401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		-
GRI401-3	Parental leave		-
<b>GRI 403: Occupational Health and Safety</b>			
GRI403-1	Occupational health and safety management system	✓	Page 13-14
GRI403-9	Work-related injuries	✓	Page 13-14
GRI403-10	Work-related ill health	✓	Page 13-14
<b>GRI 404: Training and Education</b>			
GRI404-2	Programs for upgrading employee skills and transition assistance programs	✓	Page 12-13
GRI404-3	Percentage of employees receiving regular performance and career development reviews		-
<b>GRI 413: Local Communities</b>			
GRI413-1	Operations with local community engagement, impact assessments, and development programs	✓	Page 15 (Management Approach)
GRI413-2	Operations with significant actual and potential negative impacts on local communities	✓	Page 15 (Management Approach)



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